

June 27, 2023

To,

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 023
BSE Code: 532926

National Stock Exchange of India Limited

Exchange Plaza, Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051
Scrip Code: JYOTHYLAB

Dear Sir,

Sub: Submission of Annual Report for the Financial Year 2022-23 and Notice convening 32nd Annual General Meeting of the Company

As required under Regulation 30 and Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation to our letter dated May 3, 2023, informing the date of the 32nd Annual General Meeting, we submit herewith the Annual Report of the Company for the Financial Year 2022-23 along with Notice convening the 32nd Annual General Meeting (AGM) of the Company scheduled to be held on Tuesday, July 25, 2023 at 11:30 a.m. (IST) through Video Conferencing/ Other Audio Visual Means in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

In compliance with the aforesaid circulars, the Annual Report along with the Notice of the AGM is being sent only by electronic mode to those shareholders whose e-mail address is registered with the Company/ Registrar and Transfer Agent of the Company/Depository Participants.

Please take the above on record and disseminate the same for the information of investors.

Thanking you,

Yours faithfully,

For Jyothy Labs Limited

Shreyas Trivedi

Head – Legal & Company Secretary

Encl.: as above

Jyothy Labs Limited

CIN: L24240MH1992PLC128651

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Kondivita, Andheri (East), Mumbai 400 059.

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STRONGER THAN EVER

ANNUAL REPORT 2022-23

40 YEARS



What lies inside...

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What being 40 means for us!



It means being more connected
to our roots.

It means being more responsive
to consumer aspirations.

It means being more adaptive
to new-age technology.

It means being more inclusive
in value creation.

It means being more Indian
**as we partner with India
in its journey of
'Atmanirbharta'.**



40 years of building a brand

**It started 40 years ago, as one man's dream and his vision to better the lives of Indians.
Today, Jyothy Labs stands tall on India's business landscape as a multi-product fast-moving consumer goods (FMCG) company with a consolidated revenue of ₹2,486 Crore in FY 2022-23.**

From a small business, manufacturing and selling a single product from a shed in Thrissur in Kerala in 1983, the Company has grown into a pan-India multi-brand business with 23 manufacturing units.

The 40-year journey of Jyothy Labs' growth and evolution was not an easy one. It was a story of building resolute trust while moving forward with grit in the face of multiple challenges. A story built on the vision of its founder, Mr. M. P. Ramachandran, and driven by his unwavering focus on innovation and quality.

From its first advertisement carried in a regional newspaper to being covered as a success story on the front page of a leading national newspaper, and then onwards to becoming a national household name - Jyothy Labs has come a long way in its brand evolution.

But there's a long way still to go. The philosophy that has steered the journey of the Company's evolution so far remains the cornerstone of its future growth strategy, and the beacon that will lead it towards newer and bigger horizons of success. It continues to steer the journey of Jyothy Labs with differentiated and innovative appeal, as a brand that resonates with the evolving aspirations of new India. A brand that fulfils with the untapped demand in the market by creating new categories of products. A brand that, at 40, is as young as the youth powering India's growth into a progressive self-sustaining nation that can lead the world into a new, more glorious age.





40 years of bringing differentiation

Understanding consumer needs, connecting with their aspirations, and delivering to their expectations comes easily to the teams at Jyothy Labs. The legacy of 40 years of bonding with consumers continues to drive the Company's insights into their evolving desires. Further, its robust feet-on-street teams share strong relations with the customers, enabling Jyothy Labs to leverage their insights to develop products that meet consumer needs.

Its differentiated product and distribution strategy has enabled Jyothy Labs to stand apart, as a brand of distinction. At the heart of this approach is the Company's robust infrastructure, and the strong quality focus that is embedded in the organisational fabric as an uncompromising facet of its business. It is manifested in the organisation's ability to listen to the consumers, then translate the insights into exemplary solutions, and use the same to add value to every product that is part of the Jyothy Labs' portfolio.

At Jyothy Labs, it has always been about making a positive difference in consumer lives. It is about what the consumers really want and seek that X-factor which will distinguish the Company's products from others in the market.

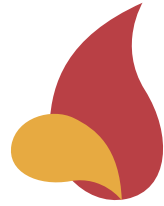
Our differentiated proposition has been manifested, through the years, in the uniqueness of our various products. Ujala detergent Instant Dirt Dissolver for instance, was envisaged that does not just wash clothes but emulsifies the dirt and loosens it before dissolving it in water. From introducing a liquid fabric whitener to developing a Dish Wash Bar in a round pack container for monthly usage, the Company delivered something unique and different.

Our efforts have been consistently centred around creating new categories for various consumer segment. We focus on going beyond the market understanding to develop new product features that are useful to consumers. Our pioneering product USPs, such as antibacterial properties of soaps, detergents, dishwashers etc., are aligned with this focus.



They are in tandem with our efforts to ensure that our products are safe, eco-friendly, and designed to enhance the consumer experience.

Our high-quality in-house manufacturing ensures first-time-right products, leading to minimum returns and rejections, and enabling sustained consumer trust in the organisation. Automation and lean engineering are continuously strengthening our manufacturing capabilities. End-to-end services, coupled with last-mile distribution network, further give an edge to the Company, making it the preferred choice of consumers around the Country. With its extensive local knowledge, our sales force ensures easy access to our superior products across the country. This enables us to help our growing consumer base to experience the power of Jyothy Labs' differentiation.



40 years of partnering people growth

An organisation is an organism of the people. This is the overarching people philosophy that has driven the business strategy at Jyothy Labs over the past four decades. The Company believes that an employee who is consistently treated well will go beyond his / her capabilities to deliver exceptional output and drive excellent outcomes.

The Human Resource (HR) strategy at Jyothy Labs has been steered all these years by a staunch focus on people growth and development. The organisation is embedded with an employee-centric culture, with people being an integral part of the Company's business approach. Its people culture is built around the strong values that bind a family in an environment of professionalism. It is centred around the philosophy of passion, teamwork, mutual respect and empowerment – key ingredients of the Company's sustainable growth.

That is the kind of people orientation that is rooted in the organisation's culture, in keeping with its overall value system. Timely salary disbursement and payments, legal compliances are at the core of the HR ideology at Jyothy Labs, which is considered an employee-friendly company and a choice destination for employees across levels and functions. The work environment here promotes a spirit of ownership and entrepreneurship. This leads to an overall positivity which fosters people efficiency, teamwork and performance.

Jyothy Labs started providing a Provident Fund (PF) cover to its employees when it had a staff of just five, and was excluded from the mandatory requirement of having an employee PF policy – thus providing an insurance cover scheme for its employees to secure their post-retirement future when such welfare measures were not even considered as an option by most corporates.

We consciously provide jobs to young people who are truly looking for an opportunity that could transform their future. Through this journey of 40 years, we have valued people and ensured that we support them by providing the right professional and career growth



opportunities well before the term employee engagement was coined. Moving with the times, our teams have been trained and empowered with technology and the right digital tools.

We strongly believe that without passion, commitment, hard work and dedication of our people, Jyothy Labs would not have become one of the leading industry leader it is today. What we are is because of our people, and we remain committed to their betterment, in line with our vision of the past 40 years.



40 years of driving value creation

Progress is real only when shared, as encapsulated in the vision of Jyothy Labs. Since its listing on the stock exchanges in 2007, there has not been a single year of no dividend for the shareholders of the Company including COVID-19 pandemic period.

Keeping shareholders, and in fact all the stakeholders, satisfied and happy is a key driver of the growth strategy at Jyothy Labs. The focus here is on steering holistic value creation, that leaves no stakeholder out of the ambit of the Company's growth benefits and profits.

Jyothy Labs has always invested in sustained, long-term value creation for all its stakeholders. Even before it was listed on NSE and BSE, it had consistently aligned its strategic approach to the belief that a company that carries its stakeholders along on its growth trajectory grows faster.

Our agile and lean organisational structure helps in faster flow of information and quick decision-making. This enables quick access to consumer insight and turnaround, which, in turn, lends us the first and fast mover advantage. This helps our products capture market share in existing and new markets. The result – consistent growth and stakeholder value creation.

Our value creation focus is not limited to our stakeholders but extends to the Nation at large. Jyothy Labs is always pro Country development. We are also supporting the Country's growth by employing rural families, especially women, in our facilities and sales force.



We believe that with the right building blocks in place, in terms of quality people, products, promotions, processes and pan-India network, Jyothy Labs will continue to serve the nation, leading to even bigger and more inclusive growth. Continued scaling up of our manufacturing strength, product proposition, brand innovation and promotion will steer our vision to continuously better lives, across the length and breadth of India.



Testimonials

Our best wishes for successfully completing 40 years of growth. Our relationship of decades with Jyothy Labs is based on mutual respect, transparency, and partnership. We value Jyothy Labs as an ethical, transparent and reliable partner and look forward to many more years of fruitfully growing and innovating together across multiple dimensions.

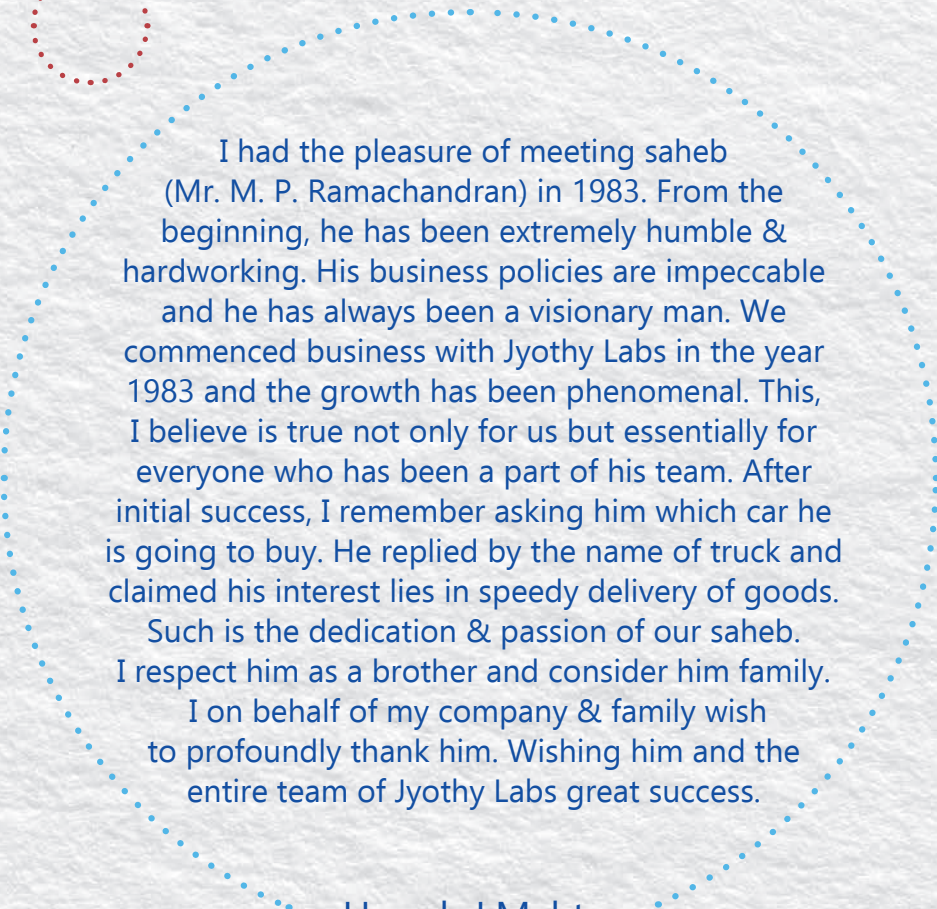


Zarir N Langrana

Executive Director & President -
Global Chemicals Business, Tata Chemicals Limited

I was amongst the first six saleswomen recruited by Jyothy Laboratories in 1983. My job was to sell Ujala. While this outdoor job could have been delegated to men, I was adequately supported by the management. Thanks to the Company, I could provide good education to my children and build a beautiful house. Whatever I am today is because of the Company!

Radha M.

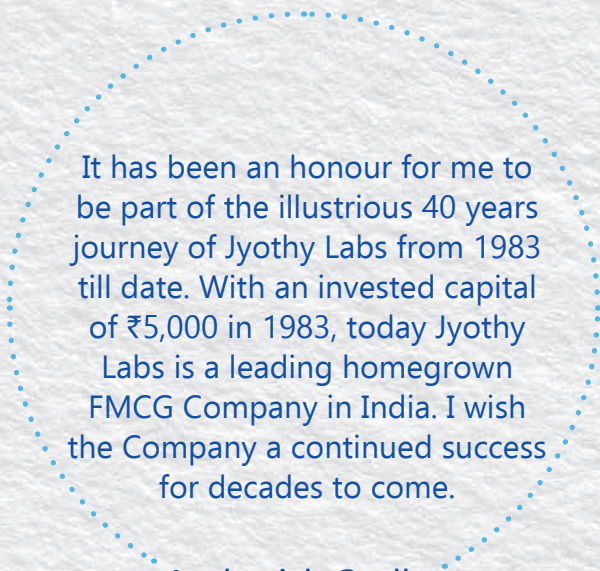

Sales Executive (retired), Kerala



I had the pleasure of meeting saheb (Mr. M. P. Ramachandran) in 1983. From the beginning, he has been extremely humble & hardworking. His business policies are impeccable and he has always been a visionary man. We commenced business with Jyothy Labs in the year 1983 and the growth has been phenomenal. This, I believe is true not only for us but essentially for everyone who has been a part of his team. After initial success, I remember asking him which car he is going to buy. He replied by the name of truck and claimed his interest lies in speedy delivery of goods. Such is the dedication & passion of our saheb. I respect him as a brother and consider him family. I on behalf of my company & family wish to profoundly thank him. Wishing him and the entire team of Jyothy Labs great success.

Haresh J Mehta


Partner, Kroma Industries (formerly known as Colorquip Dyes)



It has been an honour for me to be part of the illustrious 40 years journey of Jyothy Labs from 1983 till date. With an invested capital of ₹5,000 in 1983, today Jyothy Labs is a leading homegrown FMCG Company in India. I wish the Company a continued success for decades to come.

Ambarish Sodha

Partner A. R. Sodha & Co.







Looking back to look ahead

**Jyothy's journey of
FY 2022-23... and
the way forward**



How we performed in FY 2022-23

For us, at Jyothy Labs, looking back at FY 2022-23 triggers a feeling of nostalgia. It reminds us of how we have grown over the past 40 years to emerge as an industry frontrunner. It mirrors the deep-rooted passion, commitment, value system and inclusive culture which makes Jyothy Labs the inimitable and distinctive brand it is.

FY 2022-23 saw a strengthening of our brand proposition, with Jyothy Labs consistently and continuously staying ahead of the industry curve. It saw enhancement in the consumer appeal of Jyothy Labs as a manufacturer and distributor of market-leading brands of FMCG household products.

During the year, we remained focused on strengthening our presence further across the segments of our business, in Home and Personal Care, which together contribute 50% of the total Indian FMCG industry. Taking forward the vision of our Chairman Emeritus Mr. M. P. Ramachandran, we continue to build on his legacy of 40 years of sustained growth and value creation.



Our Purpose

We're built with one intent: bettering lives. And it always will be, because progress is real only when shared.

Our Vision

To create with persistence and leave the world a better place while meeting the needs of our consumers.

KEY CONSOLIDATED FINANCIAL NUMBERS (FY 2022-23)

₹6,995 Crore
Market cap*

₹2,486 Crore
Revenue

2.8 million
Outlets - Products available

1.1 million
Outlets - Direct reach

4.8 million
Units sold daily

23
Manufacturing facilities

6,700+
Employee strength

8,200+
Channel partners of stockists/sub-stockists

* As at March 31, 2023

OUR POWER BRANDS

Ujala

Maxo

Margo

Exo

Henko

Pril

KEY MARKET RANKINGS



by value
#1

Ujala Supreme leads the fabric whitener category since its launch 4 decades ago

Exo Dishwash Bar and Pril liquid are India's 2nd largest dishwash bar and liquid brand respectively



by value
#2

by volume
#2



Maxo mosquito repellent coil

OUR GROWING PRODUCT PORTFOLIO

Fabric Care

UJALA

- Ujala Supreme
- Ujala Crisp & Shine
- Ujala Instant Dirt Dissolver (IDD) Detergent
- Ujala IDD Liquid Detergent

HENKO

- Henko Stain Care
- Henko Stain Care Bar
- Henko Matic (Top Load/Front Load)
- Henko Matic Liquid Detergent



Dishwash

ANTIBACTERIAL EXO

- Exo Dishwash Bar
- Exo Dishwash Super Gel
- Exo Bactoscrub
- Exo Safai Steel Scrubber
- Exo Dishwash Powder

PRIL

- Pril Liquid (Tamarind, Lime, and Kraft Mint variants)
- Pril Bar



Household Insecticides

MAXO

- Maxo Genius Machine & Liquid Vaporiser
- Maxo Instant Action Machine & Liquid Vaporiser
- Maxo A-Grade Coil



AIR CARE & OTHERS

- Maya Agarbathi



LAUNDRY SERVICES

- Fabric Spa



Personal Care

MARGO

- Margo Neem Original
- Margo Neem Naturals
- Margo Glycerine
- Margo Hand Wash
- Neem Toothpaste



How we performed in FY 2022-23

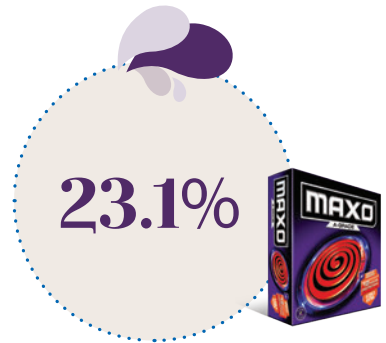
% MARKET SHARE OF KEY PRODUCTS



Ujala Fabric Whitener*



Ujala IDD (Kerala)*



Maxo Coil*



Maxo Liquid Vaporiser*



Exo Dishwash Bar*



Pril Liquid*

CONSOLIDATED KEY FINANCIAL NUMBERS

₹2,486 Crore

Revenue

₹315.9 Crore

EBITDA

₹239.7 Crore

Net Profit

NEW LAUNCHES

3 new variants of Margo Neem Naturals

(Launched in April 2023)



Neem, Almond Oil, Rose



Neem, Honey, Lemon



Neem, Aloe Vera, Jasmine





Message from Chairman Emeritus



Dear Shareholders,

Forty years is indeed a major milestone in the corporate journey of an organisation. For us, at Jyothy Labs, it is time to look back with a sense of pride at our four decades of sustained growth and value creation. At the same time, it is a moment that inspires us to look forward with optimism at what promises to be an even brighter future.



The credit for our success goes to our dedicated teams, whose commitment and hard work have helped us deliver on our vision to better the lives of the people in many myriad ways.

The past 40 years have, for us, been a period of many exciting landmark achievements in the face of multiple challenges. We have remained on course with our growth plans, led by new product innovations, business expansion, foray into new geographies, and augmentation of our infrastructure and capabilities. As a leading FMCG player, we have partnered with India in its evolution and aligned our business strategy to the 'Atmanirbhar Bharat' campaign designed to take the nation to greater heights of success.

The credit for our success goes to our dedicated teams, whose commitment and hard work have helped us deliver on our vision to better the lives of the people in many myriad ways. I would like to extend my personal gratitude to them for being a part of this journey of excellence, and for helping the organisation towards new vistas of progress.

For an FMCG company, there can be no better benchmark of success than consumer satisfaction and delight, and I am truly happy that we have been delivering consistently on this metric. Consumer centricity, which has steered the Company's growth over the years, remains the bedrock of our value proposition. It continues to lead the strategy at Jyothy Labs under its able new leadership, which took over the Company's reins just three years ago.

FY 2022-23 saw Jyothy Labs raise the bar of its consumer service proposition even further through the exceptional efforts of our people, guided by the vision of the highly competent management and leadership teams. With their deep consumer insights, innovation agility, impactful brand campaigns, as well as strong

sales and marketing efforts, our teams continued to help steer the Company's growth trajectory during the year. Their unwavering support enabled us to stay ahead of the industry curve despite the prevailing geopolitical tensions, commodity and inflation pressures, and market competition.

The Company's performance for FY 2022-23 validates our strong commitment to protecting the interests of all the stakeholders while fulfilling the needs and aspirations of the consumers. The numbers stand testimony to our progress on our strategic priorities and goals, with focus on automation, expansion into new territories, and consolidation of our leadership position in the existing markets of our presence.

I strongly believe that challenges make us stronger, and equip us to battle adversity. They give us the ability to move forward without compromising on our cherished values. This belief is the only real legacy which I have shared with next generation leadership at Jyothy Labs.

The deep-rooted value system we have built over the past 40 years has enabled us to stay true to our stakeholders, is our biggest and most precious asset. It has always helped us sustain the trust of our stakeholders, and will continue to impel the Company's progress going forward too.

Warm regards,

M. P. Ramachandran

Message from Chairman



Life, as they say, is about the entire journey, not merely the destination. At Jyothy Labs, this philosophy is a strong reminder for us that the completion of 40 years is the beginning of another exciting journey. It is a reminder of all that we have achieved over the years, and how those collective experiences and learnings can equip us with the ability to surge forward even more forcefully and impactfully.

Our cherished culture of ethics, honesty and transparency remains central to the growing stakeholder confidence without which we would not have succeeded in becoming one of India's most trusted household brand. Our brand promise of uncompromising quality is a vital facet of our growth and evolution, along with fresh consumer insights and a strong innovation thrust. Complementing these strengths is our large manufacturing footprint, coupled with our wide and robust distribution network, which allows us to reach our expanding consumer base quickly and cost-effectively.

GROWING AND EXPANDING DURING FY 2022-23

FY 2022-23 witnessed a massive leap forward in our growth trajectory, marked by new milestones in both operational and financial performance. We reported healthy results across product categories and channels, enabling us to deliver double-digit growth for the full year on a 2-year as well as a 3-year CAGR basis. This is an exceptional performance in a difficult environment, marked by high input inflation, and slowdown in demand, especially in the rural market.

Operationally, our strong distribution channels continued to help boost sales and enabled consistent gain in market share across brands. Our direct reach has crossed 1.1 million, with our pan India presence emerging as a powerful engine of our growth. Our brand salience is visible in the good demand seen across both urban and rural trade channels, as well as modern trade and e-commerce. We now have nine celebrities endorsing our brands further aiding our brand promotion efforts in targeted markets. Our brand investments are yielding results, leading to increase in market share across the key brands.

We also strengthened our portfolio in April 2023 with the addition of three new variants to our Margo franchise. Our brand and product portfolio finds favour among consumers across different categories and at different price points, giving us a strong competitive edge in the FMCG industry.

We have further invested in augmenting our manufacturing capacities and added a detergent powder line at our existing Pithampur plant in Madhya Pradesh. Technological upgradation and automation also continued to be key areas of our investment, helping us in understanding the consumer aspirations better and delivering to their transforming demands with agility.

SEEING POSITIVITY AHEAD

The performance of the past year has reinforced the foundations at Jyothy Labs, enabling us to build on our four decades of expertise and experience. It has paved the way for sustained and sustainable long-term progress and stakeholder value creation. It has empowered us with the capabilities that will lead the Company towards higher growth with increased market share in the coming years.

Having successfully navigated the key challenges of the fiscal gone by, the FMCG industry in India is seeing demand revival and we, at Jyothy Labs are moving proactively to harness the emerging growth potential. It will be our continuous and conscious endeavour to pioneer new products crafted to the evolving desires of consumers across regions, while also expanding our manufacturing capacities to meet the growing demand.

Investments in R&D along with brand building initiatives, will propel our efforts to ensure long-term value creation for our key stakeholders. Collectively, these efforts will also help us uphold our consumers' expectations of quality, and give them a genuinely better life, in line with the Company's vision.

IN GRATITUDE

Going forward, we shall continue to nurture our value system and invest in our strengths to deliver on our goals. I am confident that the sustained trust and cooperation of our consumers, employees, partners, vendors and shareholders will continue to lead us towards greater excellence and success. I would like to thank them all on behalf of all the Board members. I would also like to extend our gratitude to our Chairman Emeritus, Mr. M. P. Ramachandran sir, who continues to inspire us to reach out for newer and bigger goals.

We would also like to thank you our dear shareholders and invite you to be a part of our future journey.

Warm regards,

R. Lakshminarayanan

Message from Managing Director



Dear Shareholders,

I write to you at a historic moment in Jyothy Labs' journey. We are completing 40 years of delivering sustained growth and value creation – an achievement that was further amplified during FY 2022-23, marked by healthy overall performance across channels and categories.



At Jyothy Labs, we strongly believe that this consumer connect is what has driven our remarkable growth over the past 40 years, and we will continue to strengthen it with more targeted innovations and initiatives going forward.

Consistent gain in market share, scale-up in manufacturing capacities and people capabilities and advancements on the technology and automation fronts, along with portfolio expansion, underlined our growth during the year. Moving with agility to capture the demand opportunities in the categories of our presence, we deepened our presence in the existing markets of growth while foraying into new regions. We augmented our distribution network to expand our pan-India reach. We increased our resource allocation towards brand building initiatives, making inroads into new consumer pockets across geographies and segments.

In a challenging environment of the high input inflation, weather-related market fluctuations and slowdown in the rural markets, we continued to gain market share across categories during the year. We moved with alacrity to leverage the market secured by our able and hard-working teams on the ground to respond effectively. We ensured that we were there in every segment of their life with our exciting range of unique essential products, designed to suit their sensibilities and pockets.

At Jyothy Labs, we strongly believe that this consumer connect is what has driven our remarkable growth over the past 40 years, and we will continue to strengthen it with more targeted innovations and initiatives going forward. Uncompromising product quality is at the heart of our brand proposition, and we remain committed to sustaining it with strict adherence to the most stringent quality benchmarks and quality parameters. We believe this will lead to continued strengthening of our consumer franchise, with consistent growth in our market share across brands.

CELEBRATING PERFORMANCE

The performance for FY 2022-23 proved to be another good year for us, on both operational and financial metrics. We have delivered topline growth of 13.2%. We also posted good recovery from the margin perspective, our Operating EBITDA increased by 27.2% on a full-year basis in FY 2022-23. PAT showed an increase of 50.7% over the previous fiscal.

With a healthy P&L growth, our balance sheet has also been stronger than ever, enabling the Company to remain debt-free. We have a net cash balance of ₹283 Crore as of March 31, 2023, while the operating working capital days stand at 13 days.

On the distribution side, our direct reach has crossed 1.1 million outlets. With the upgradation of distributor management system, we expect to see further enhancement of our sales efficiency. We have also been consistently gaining market share across brands.

This growth-led performance has come in the face of the extremely high input inflation faced by the industry endorses the core strengths that we have built over the past 40 years. It underlines our ability to emerge stronger through challenges. It reiterates our optimism that there is immense potential for all our brands, and reinforces our confidence in our ability to harness the same.

In line with the Company's policy of shared value, the Board has proposed a final dividend of ₹3/- per share of face value ₹1/-.



EMERGING STRONGER IN KEY CATEGORIES

Jyothy Labs' biggest strength lies in its consumer-focussed brand equity, which enabled us to deliver healthy performance across most categories during FY 2022-23.

The Fabric Care segment grew 29.3% over the previous year, at the back of our strong value proposition in detergents and resilient focus on distribution. Our foray into liquid detergents, both in Ujala IDD and Henko matic, has also yielded positive results. In the post-wash category, we have strategically focussed on building usership to drive category growth, especially for Ujala fabric whitener. The mid-priced detergent brands, 'Mr. White & Morelight', witnessed good demand during the year.

In the Dish Wash category, our unique value offering across SKUs and strong distribution efforts translated into 8.4% growth over FY 2021-22. Both Exo and Pril continue to do well with steady growth across all SKUs, especially the LUPs in the bar category. Exo reached its highest ever market share of 13.8% during CY 2022. We have increased the level of consumer engagement in this category, especially through focus on the digital medium.

Sales in the Household Insecticides segment were unfortunately impacted due to the extreme weather conditions, especially in the first three quarters with the last quarter reporting flat growth. We are hopeful of a better performance in this category next year, and

will continue to focus on our liquid vaporiser and on promotion of coil as a safer alternative to the illegal incense sticks.

Growth in the Personal Care segment, led primarily by the Margo franchise, continued to be good during FY 2022-23. We have launched three new variants under Margo Neem Naturals to further leverage the natural benefit proposition of the Margo franchise in April 2023. We have a new brand ambassador Raashii Khanna to connect with the younger generation. We are quite excited about the future prospects of Margo and see immense growth potential in this category.

DEEPENING OUR REACH

Over the years, we have progressively deepened our consumer reach across regions and categories, using multiple channels and promotional initiatives. We continued to sharpen our distribution strategy further during the year to strengthen direct reach while enhancing sales efficiency through use of digital technology. Our products are currently available at 2.8 million outlets pan India with direct reach of 1.1 million. This is a strength we shall continue to build on as we move towards expansion into new markets of growth.

Though the rural markets lagged a bit vis-à-vis the urban markets in terms of growth during the year, cognisant of the long-term advantage from the rural areas, we are continuing to focus on rural growth and are optimistic about making further inroads in the coming months.



We strongly believe that sustainable development is the only way to sustain our business growth and secure the future generations.

LEADING SUSTAINABLE GROWTH

As a socially responsible organisation rooted in a strong legacy of sustainability in product and process innovation, we remain focussed on climate actions that mitigate the harmful effects of our business on the environment. It is our constant endeavour to minimise our carbon footprint, boost our green energy portfolio and ensure conservation of natural resources as part of our climate actions.

We strongly believe that sustainable development is the only way to sustain our business growth and secure the future generations. And we remain committed to investing proactively in initiatives designed to promote sustainability across our business segments and functions.

WAY FORWARD

Our sustained growth and consistent good performance are indicators of the huge inherent potential of our consumer franchise, which we see getting stronger. The consistent growth in our market share across brands reiterates its inherent strength and growth potential, and we shall continue to boost our investments in brand building. At the same time, we shall focus on further expansion of our manufacturing capacities, which give us a strong edge in the competitive market scenario. Our in-house manufacturing ensures quality control of our products through direct supervision.

Technology will continue to play a big role in our future growth journey, and we shall further scale our investments in digitalisation and automation of systems, processes and innovation.

We also believe that sustainability will be critical to ensuring holistic and inclusive growth for the Company and consistent value creation for our stakeholders. We shall, accordingly, continue to work harder towards creating more environment-friendly and safer products aligned to the needs of the modern consumer. As a responsible, ethical and values-driven corporate, ESG

remains a key strategic priority for Jyothy Labs, and we remain committed to the realisation of our targets and goals on this front.

We see our efforts and initiatives in all these areas translating into bigger gains for the Company and greater value creation for our stakeholders in the coming quarters. In addition, we see the expectations of good monsoon, government welfare measures, and ease-off in inflation aiding volume growth across categories. Overall, our focus shall remain on driving top line growth while balancing the margins going forward. We shall also continue to actively partner with the Government in building a self-sufficient nation which will steer India's evolution into an even bigger global power.

IN CONCLUSION

I am confident that our robust stakeholder relations will help in driving our efforts, enabling us to achieve our goals and ambitions in the short, medium and long term. Our focus on delivering sustainable growth and value creation will remain an integral facet of our onward journey, and we shall continue to invest strategically to enhance our outreach across stakeholder segments, particularly among our growing network of consumers.

I thank all our consumers, distributors, vendors, employees, partners, shareholders and other stakeholders for their sustained support and confidence in Jyothy Labs. I would also like to extend my gratitude to the Board members for their contribution to the organisational growth. With the continued trust and commitment of all of you, Jyothy Labs is fully geared to take on future challenges and chart the next phase of growth.

Warm regards,

M. R. Jyothy



Stronger across our Capitals

We may not have known them as Capitals back then, but our focus on these areas goes back virtually to the time of the Company's inception.

While Capitals, as a concept, came to be recognised globally only with the launch of integrated reporting framework in 2010, at Jyothy Labs it has always been an important pillar of the Company's growth.

We continued to make consistent and sustained investments, during FY 2022-23, in strengthening our six key capitals, which are continuously steering our stakeholder value-creation journey.



FINANCIAL

We remain a debt-free company with a strong balance sheet, which provides us strong cash flows. This equips us with the ability to invest in our assets and the other capitals driving our business growth.



MANUFACTURED

We are continuously building on our manufacturing strength by expanding our manufacturing footprint. We deploy our financial and human resources for the maintenance and optimal utilisation of our manufacturing assets.



HUMAN

Our workforce is an important asset which steers the realisation of our vision and growth plans. We promote the learning and development of our people, in an environment conducive to their progression, through strategic investments in our human capital.



INTELLECTUAL

Innovation being an important pillar of our growth strategy, we have developed robust research and development capabilities to deliver to the evolving consumer needs. Our consumer insights are also a vital aspect of our intellectual capital and enable us to create products designed to fulfil their aspirations.



SOCIAL & RELATIONSHIP

It is our constant endeavour to enhance our relationships with our consumers, vendors, channel partners and employees, as well as the communities around which we operate. This is in line with our social responsibility ethos. We remain closely engaged with all our key stakeholders, including our investors, authorities, mediapersons etc., as part of our relationship focus.



NATURAL

As a manufacturing industry, we deploy various renewable and non-renewable natural resources in making our products. As an environmentally responsible corporate, we make concerted efforts to ensure optimal and judicious use of natural resources in our production processes.

Stronger... to create greater value

INPUTS



Financial Capital

- Net worth - ₹ 1,549 Crore (Consolidated financial)
- Net operating working capital - ₹ 85 Crore (Based on consolidated financial)



Manufactured Capital

- Manufacturing facilities – 23
- Capex on capacity expansion and upgradation – ₹ 35 Crore (Based on Consolidated Financials)



Intellectual Capital

- R&D capabilities with thrust on building healthy, hygienic and environment-friendly portfolio
- 3 R&D labs (Mumbai, Silvassa, Puducherry)
- 32 depots and warehouses spread across India
- Harnessing the power of e-commerce
- Consumer insights driving innovation
- Outreach to new millennials through digital media
- Focus on ensuring sustained availability and accessibility of high-quality products
- Investments in brand building through innovative, marketing and packaging
- Multiple SKUs to target consumers across all segments



Human Capital

- Strong focus on diversity and inclusion: 30% staff at factories and 20% at corporate function are women
- Providing safe working conditions to employees



Social and Relationship Capital

- Growing distribution network with direct outlet reach crossing 1.1 million
- CSR initiatives with spending of ₹ 3.82 Crore



Natural Capital

- Focus on sustainable packaging including reduced plastic usage
- Allocation of additional funds for Green Initiatives
- Maximising use of solar energy: 1,210 KW current capacity and 1,763 KW under installation
- Green belt - 45.8 acres, 14,000+ trees planted

VALUE CREATION MODEL



We have a well-defined business model crafted to create value for our stakeholders, across our six capitals, on a sustained basis.



OUTPUTS

6
Power brands
contributing 84% of revenue

SALES OF KEY SEGMENTS

Fabric Care
₹ **1,056** Crore

Dishwashing
₹ **865** Crore

Household Insecticides
₹ **212** Crore

Personal Care
₹ **254** Crore

Others
₹ **50** Crore

Laundry Services
₹ **49** Crore

OUTCOMES

Financial Capital

- Market capitalisation – ₹ 6,995 Crore
- Total income – ₹ 2,486 Crore
- EBITDA – ₹ 315.9 Crore
- Profit after tax – ₹ 239.7 Crore
- Net operating working capital – 13 days
- Return on equity (excluding goodwill) – 31.4%
- Dividend payout (proposed) – 46% of Profit after tax
- Current Ratio – 1.91
- Strong balance sheet position with enhanced Net Cash balance of ₹ 283 Crore, enabling long-term investments

(Based on consolidated financial)

Manufactured Capital

- Technology deployment for demand & production planning
- Major automation and cost control efforts enabling mitigation of high input costs
- Addition of a detergent powder plant at our existing Pithampur unit in Madhya Pradesh

Intellectual Capital

- >4.8 million products sold every day
- Improvement in market share across all categories
- Nine celebrities roped in to endorse the Brands
- Digital engagement in regional languages
- Large-scale automation enabling productivity enhancement

Human Capital

- Enhancement in employee engagement and satisfaction levels
- Glass door rating of 4
- High performance culture
- 73% of employees with tenure of >5 years and 39% employees with tenure of >15 years

Social and Relationship Capital

- Use of environment-friendly ingredients to keep consumers, people and communities safe
- Enhanced consumer satisfaction
- Sustained value delivery to all stakeholders

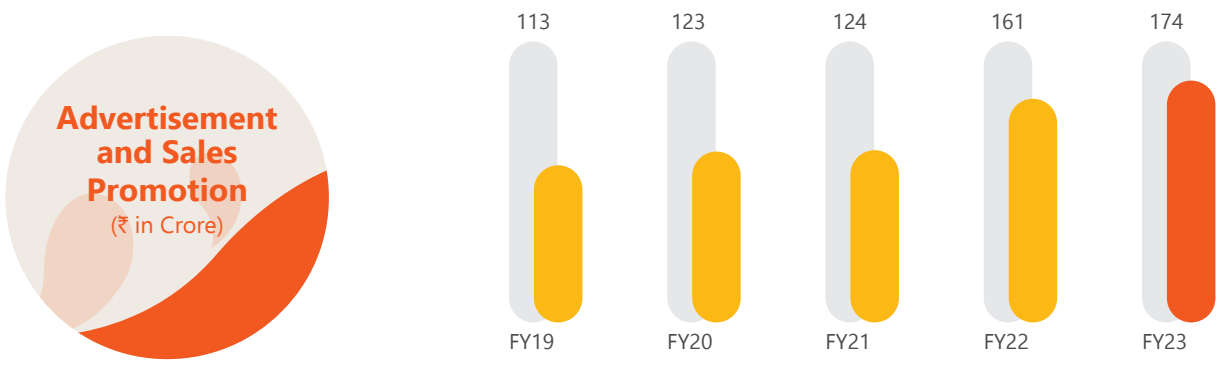
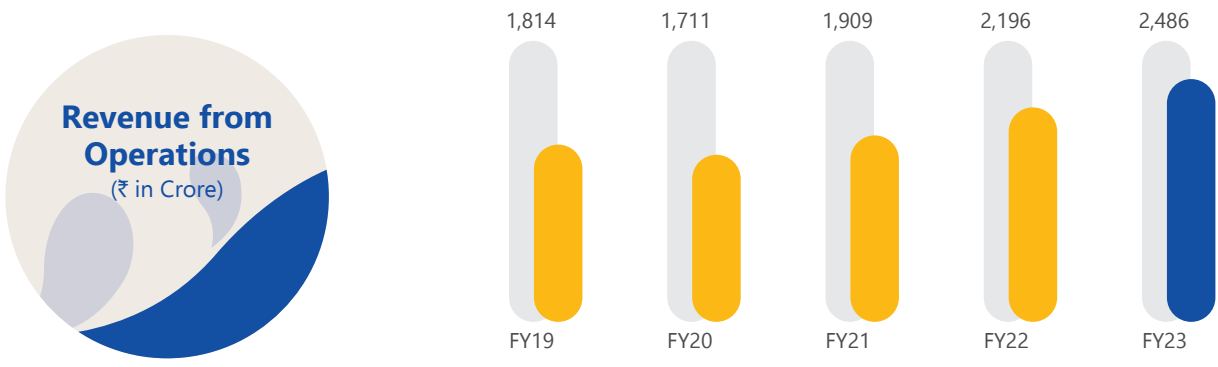
Natural Capital

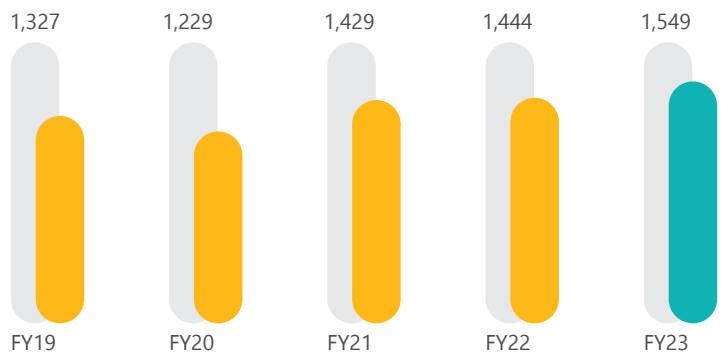
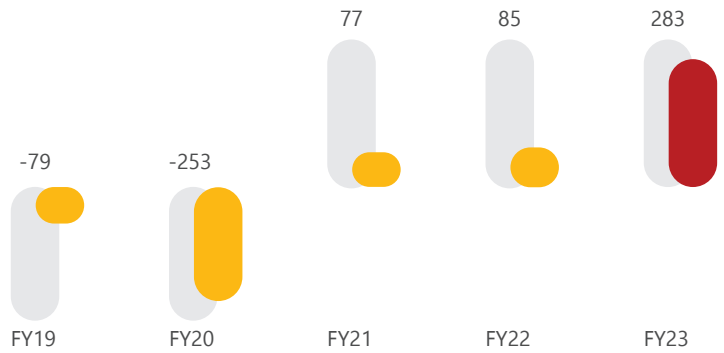
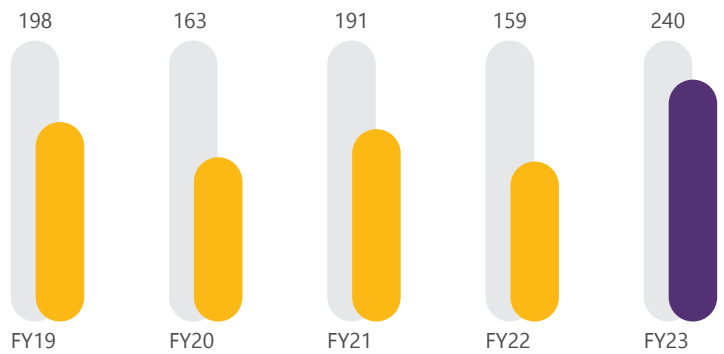
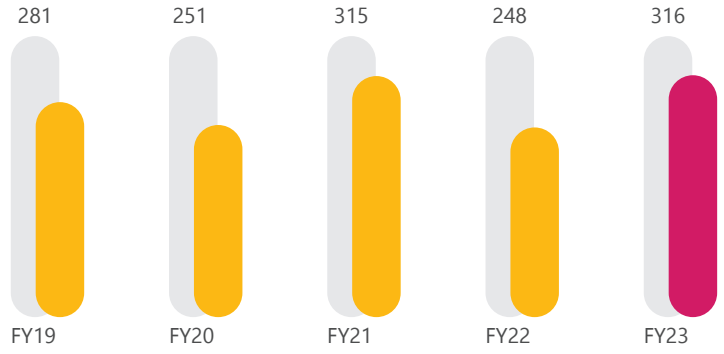
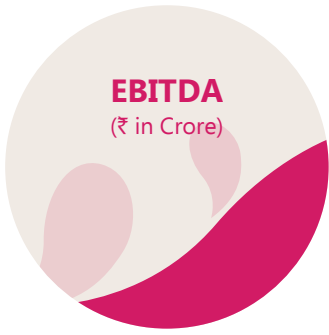
- Working toward Net-Zero plastic consumption
- Solar plants installed at factories to reduce carbon footprint and electricity cost
- Total energy consumed from solar power 9,84,693 kWh

Getting stronger financially

Our financial stability has emerged as a key propeller of our steady growth over the past 40 years. Our prudent approach to the management of our financial resources, along with operational efficiency, helped us maintain our cash flows and protect our margins during FY 2022-23. We continued to be a debt-free business – an important contributor to our financial strength.

ON CONSOLIDATED FINANCIALS

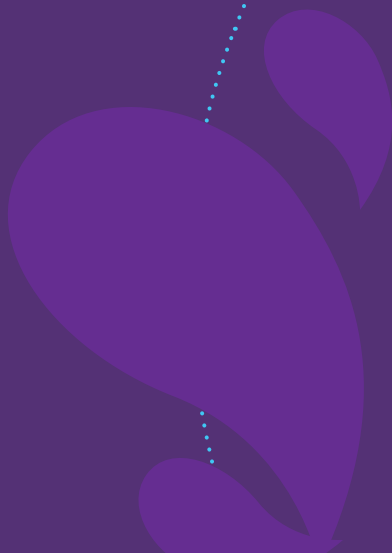









**Stronger and
Better...**



Through innovation & automation



We are also re-engineering our packaging to make it more sustainable and environment-friendly, while giving consumers a choice of SKUs suited to their specific needs.

Jyothy Labs has always been ahead of time when it comes to pioneering differentiated products and embracing new technologies. It has been our endeavour, through the years, to not just meet the existing consumer aspirations but to actually create new ones. Our product innovations through the years stand testimony to this focus at Jyothy Labs, as do our efforts to drive sustained technological upgradation, digitalisation and automation across our operations.

Recent years have witnessed a scaling-up of this focus, with rising income levels, urbanisation, evolving consumer behaviour and lifestyle changes fuelling a major transformation in India's FMCG industry. Consumer aspirations have changed, necessitating a differentiated response by the industry, with much greater focus on product differentiation and use of robotics.

India's new-gen consumer is more focussed on environment-friendly products, prompting industry players to become more sustainability-centric. Digitalisation and automation are other key drivers of the changing FMCG industry landscape, which has witnessed a massive digital churn over the past few years.

FOCUS ON INSIGHTFUL, SUSTAINABILITY-LED INNOVATION

Our product innovations are driven by our on-ground teams, comprising mainly of locals having the ability to gain deep market insights quickly. This enables us to take informed product development decisions, supported by our strong research and development team, which ensures that our products are unique and differentiated.

- We have consistently enhanced our focus on the development of safe, sustainable and environment-friendly products at our state-of-the-art R&D centres.
- Our R&D teams continue to work towards innovations that are aligned with the changing market trends and consumer demand, with focus on evolving a range of substitutes to reduce the cost of transportation.
- Our ability to identify the market gaps and fulfil consumer needs help us create a ready market for our new products, catalysing strong demand.

Our recent new launches are in line with this focus on premiumisation and crafted to meet the growing consumer demand for products that are natural and organic, especially in the personal care domain. Besides promoting sustainability, the three new variants of our Margo Neem Naturals product launched in April 2023 are designed to indulge the senses. These new Margo Neem Naturals combine the goodness of 100% original neem with Rose, Almond Oil, Jasmine, Aloe Vera, Honey & Lemon in three exciting variants. They will significantly strengthen our Margo franchise, which continues to lead the Company's market growth in the Personal Care segment.

We are also re-engineering our packaging to make it more sustainable and environment-friendly, while giving consumers a choice of SKUs suited to their specific needs.

LEADING THROUGH AUTOMATION

Our market-leading position is a significant measure of our ability to adapt quickly to technological changes, and embrace digitalisation and automation across the organisation.

It is our sustained endeavour to keep pace with the fast-paced changes in the field of technology and automation to retain our competitive edge. We have deployed technology effectively at every level of the organisation, from employee to the distribution and retail network, marketing etc. We have incorporated BI tools, Power BI, SAP and data analytics across the spectrum of Jyothy Labs' operations.

- We have recently strengthened our distribution with the aid of technology by upgrading distributor management system (DMS), which will further enhance our sales efficiencies. Advanced DMS implementation at distributor point will enable us in better schemes management. We have also implemented CRS module to assist distributors in placing orders.
- We have transitioned from manual collection of orders to through SFA portal.
- Automation of our vendor managed inventory is already helping us manage fluctuations in raw material availability and we continue to build on this strength.
- We also continue to enhance automation at our manufacturing plants with the aim of boosting efficiencies and productivity, besides enabling cost optimisation and a more seamless delivery system.

By deepening consumer insights & reach

A key learning of the past 40 years for us has been that consumers are the core engine driving growth for the FMCG industry. Understanding their aspirations enables a company to drive product innovation. At the same time, ensuring that the products reach consumers efficiently and effectively, through the channels of their choice, is equally important for sustained and sustainable, long-term business growth.



Jyothy Lab's consistent growth and value creation journey over the years has been the outcome of its deepening consumer insights and growing distribution network. It is the result of our ability to identify consumer needs and the gaps existing in the market. Our teams interact on a regular basis with consumers which help us in gaining insights into their needs and aspirations. The insights thus gained are leveraged by our R&D and innovation teams to develop products.

UNDERSTANDING THE CONSUMER

Our growing consumer trust and the increasing market share of our products underline our deep understanding of consumer expectations. Our consumer insights have emerged as a major propeller of our success, and a key factor in the emergence of Jyothy Labs as the preferred FMCG company for an increasing number of consumers.

- We undertake regular research into the shifts taking place in the market and in consumer expectations.
- Through our on-ground teams, we closely monitor the changing consumer patterns and behaviour to gauge their demand, and then respond suitably with agility.
- Use of technology and collaboration between cross-functional teams helps ensure fast and timely response to changes in the market demands.
- Cognisant of the increasing consumer shift towards digital and online shopping, we continue to scale our e-commerce presence to address their needs effectively.

AUGMENTING DISTRIBUTION STRENGTH

Reaching the last-mile consumer, including in the rural parts of the country, has helped us stay connected with the consumers and meet their requirements expeditiously. Our distribution network, supported by stockists, retail outlets and e-commerce presence, is a core strength that we continue to augment year-on-year, to ensure that consumers across India have easy access to our quality products.

1.1 Mn

Outlet -
Direct reach

2.8 Mn

Outlet -
Products available

Our focus, going forward, will be on further expanding our distribution network on a pan India basis, and leveraging the distribution strength to grow business across categories. We shall focus on growing our small pack segment to increase penetration. We shall continue to increase our footprint in geographies showing greater potential for growth, in both the rural and urban markets.

- During the year, we further expanded our distribution network across regions, as part of our efforts to strengthen our position as a pan India player.
- The launch of certain new products in specific regions, based on our understanding of consumer requirements, enabled us to enhance our presence in those areas. For instance, positive response to Ujala Crisp & Shine in Andhra Pradesh is helping us make inroads in the state.
- We remain primarily focussed on the direct sales channel, with thrust on adding new outlets on a daily basis.
- We have been working on adding rural stockists, besides van and moped operations, to secure a larger rural consumer base by building last-mile connectivity.
- Efforts to align our channel partners towards increase in our distribution footprint are continuing.
- Distribution continues to take the lead in terms of addition to our sales manpower in line with our geographical expansion.
- We are concurrently growing our presence in the modern trade and e-commerce channels to address the online demand more proactively.

By building brand equity

Built on a 40-year legacy of excellence, the Jyothy brand personifies exceptional quality. It exemplifies a strong consumer connect which is driven by our deep understanding of the consumer needs and the evolving market trends. The brand motto resonates with the aspirations of the people across the country.

BRAND ENDORSEMENT

We have consistently developed the brand offerings bringing more value to our consumers. The investments in this domain have been consistent to actively pursue and nurture the brand proposition across categories. The A&P spends in FY 2022-23 was 8.2% higher the same period in previous fiscal. Our established brands are endorsed by well-known celebrities, starting with the flagship brand Ujala Supreme, 'Taapse Pannu' was chosen to endorse the icon of fabric whitening for its latest campaign 'No Samjhauta'. The list of leading celebrities endorsing Jyothy brands stands testimony to the trust they have bestowed upon the Jyothy Labs products. Malayalam Superstar 'Manju Warrior' promotes the unique proposition of 'Instant Dirt Dissolution' for Ujala Detergent, Tamil Superstar 'Nayanthara' endorses use of 'Ujala Crisp & Shine' for confidence to shine every day. We added a premium offering in the growing Liquid Detergent category with the launch of Henko Matic Liquid

Detergent with a unique dual action formula featuring 'Nano Fibre Lock Technology' for colour care and Bio-stain power for hard stain removal. The high decibel campaign is being endorsed by leading celebrity Kajal Aggarwal. Maxo Genius, India's only fully automatic mosquito repellent machine and the liquid that 'Fits all machines' was endorsed by the talented, award-winning method actor 'Rajkumar Rao'.

Our dish wash range features the two icons of trust & loyalty and are regarded amongst the most loved brands in the country, 'Antibacterial Exo' and 'Pril'. Celebrated Bollywood actor 'Shilpa Shetty' who has a large following and has acquired a prominent status of health and fitness expert continues to endorse 'AntiBacterial Exo Dish Wash'. The Pril range that features the unique and only of its kind liquid dish wash 'Pril Tamarind' is endorsed by one of Bollywood's most loved couple 'Riteish Deshmukh' and 'Genelia Deshmukh'. The camaraderie

between them resonates well with the Pril TG and hence helps to build better connect with the consumers. The iconic hundred-year-old brand Margo is now being endorsed by the talented star 'Raashii Khanna'. She features in the latest campaign of the brand 'Ek achi aadat' aimed at promoting the benefits of Neem.

OUR BRAND STRATEGY

We intend to continue to nurture our brands through cutting edge innovation aimed at adding value to the consumer. Since inception our philosophy has been to deliver and delight the consumer through superior value at an affordable price. Our offering is value-based and we strive to deliver the best price value equation to our consumers.

We continue to promote and build our brands through showcasing its unique positioning. Our efforts continue to make strategic changes in accordance with our understanding of the market trends across categories. We have strategically chosen

select individuals to endorse our brands. The latest in the list was the youthful and young 'Raashii Khanna' to endorse Margo. We believed the brand needed to connect with the younger TG while holding its core values and the unique proposition of 'Goodness of 1000 neem leaves'. In Fabric Care, our strategic approach is aimed at building scale in a large highly competitive category, while for Dish Wash segment, we are focussed on gaining market share in fastest growing segments. For Household Insecticides, we are working towards mitigation of category challenges and promoting coils as a safer alternative to illegal incense sticks. Some key drivers of our brand strategy include: ATL investments across states to maximise seasonal sales; change in SKU mix with sustained focus on small packs; and continued promotions in social media given the TG media usage.

KEY INITIATIVES

- For Ujala Supreme, ATL support, led by TVC featuring Taapsee Pannu, is complemented by campaign promotions on social media driving the idea #sapnehoyasafedinosamjhauta. Trials among non-users as a promotional initiative are also helping to boost brand equity, apart from targeted BTL activations in rural markets.
- In the case of Ujala Crisp & Shine, the TV commercial featuring Nayanthara is being actively promoted on OTT and digital medium besides TV. We are also engaged in promotions on social media to educate people on product usage, besides consumer promo with Ujala Supreme to generate trials.
- Ujala Detergent's journey is being effectively steered by the brand's consistent presence in the ATL featuring Manju Warrior. New SKU and promotions, visibility drives, consumer engagement in key markets, and focus on liquid detergents in select markets are other enablers for brand growth.
- For Henko, we are focussing strategically on new markets with LUP pack to drive trials, while continuing to focus on large packs in MT chains. The brand is gaining traction as a result of the continued ATL support and digital promotions featuring Kajal Aggarwal. Visibility has been ramped up in category salient stores across channels to create impactful launch awareness. The brand also continues to be visible and competitive on key e-com channels.
- Mass market campaigns are steering growth for Mr. White and Morelight brands, with focus on new geographies to expand our detergent footprint.
- Continued drive on LUPs is enabling Pril to be available at arm's-length. This is helping in forced sampling and hence recruitment of new consumers onto the brand. This is coupled with high impact ATL campaigns that helped to build better salience for the brand.
- High decibel TV campaign and print ads (in North India markets) are helping the Exo brand increase its visibility in urban markets. The brand is also benefiting from continued investments like wall painting, participation in melas, and media investment in brands with active integration in high profile programmes. We are also tactically driving LUP to generate trials and aid in conversions.
- For Maxo Liquid & Coil, BTL promotions are being used extensively in the form of consumer activations in low share markets, in addition to ATL market support in key markets. Print ads have been carried in leading dailies in key markets featuring Rajkumar Rao, highlighting the fully automatic feature of the liquid vaporiser machine.
- In addition to its celebrity endorsement, with focus on a young TG, Margo is benefiting from its unique proposition of "goodness of 1000 neem leaves". College activations in focus markets is aiding brand growth.

No need to worry when Exo is around

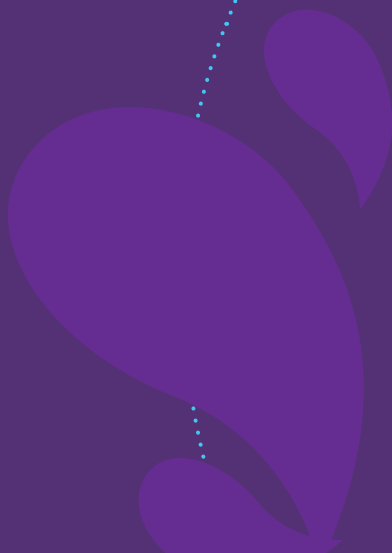
Antibacterial Exo Dishwash Bar helps to kill bacteria in just 10 seconds and Sanitise Utensils. Tiffins that kids take back home from school remain unwashed for more than 3 hours and hence will be breeding ground of bacteria. Through the school connect program, Exo reached out to 4 Lakh+ parents to educate about this bacterial menace and how Antibacterial Exo can help in allaying their worry.







Environmental, Social and Governance Report



At Jyothy Labs, it is our endeavour to look at ESG beyond a mere tick box exercise. It is our business philosophy since inception to conduct our business ethically and always look at it beyond profits to make a difference to the society. Since 1983, we have constantly aspired to create sustained outcomes that drive value and fuel growth. While diversity is spoken about today, 40 years ago, we began our operations with five women employees and continue to promote gender diversity. We have consistently bolstered these endeavours and contributed to society, all the while prioritising the well-being of our communities and the environment.



Puducherry Unit

Environmental

REDUCING CARBON FOOTPRINT TO ADDRESS CLIMATE CHANGE

It is our focussed endeavour to reduce our carbon footprint by increasing the use of energy-efficient technology, reducing emissions and optimising energy consumption.

To optimise energy consumption, we invest in state-of-the-art equipment and automation initiatives at our plants to ensure optimal energy consumption. Initiatives like installation of LEDs and variable frequency drive (for conveyor belt system at some plants), usage of briquettes as alternate energy source, and centralisation of air compressor, water chiller and vacuum pump system helped us lower energy usage.

We are also committed and have set our target to attain Net Carbon neutrality by the year 2040 and we are also working towards decarbonisation and reducing Scope 1, 2 and 3 emissions.

GREEN ENERGY

With a view to increase our energy consumption through natural resources, we have installed a total of 1,210 KW rooftop solar power at our 3 plants viz. Silvassa (65 KW), Pithampur (495 KW) & Puducherry (650 KW) and the total energy consumed from the solar power during the financial year was 9,84,693 kWh compared to 1,30,175 kWh in the previous FY 2021-22.

Other than this, we actively engage in evaluating methods for imbibing new renewable solutions across our factories, in alignment with the country's commitment of reaching Net-Zero carbon by 2070.

MINIMISING EMISSIONS

Wet scrubbers have been installed across all industrial exhausts to remove harmful particles and gases before emissions. Our emission levels are well within the permissible limits, with no instances of violation, and a report on the same was submitted to the central and state pollution control boards.

CARBON SINK

We maintain a 45.8 acre green belt having over 14,000+ trees which act as a carbon sink.

REDUCING SUPPLY CHAIN CARBON FOOTPRINT

We use advanced technologies to help us improve our supply chain management and to optimise travels and reduce travel-related emissions. Knowledge-sharing sessions for energy management were held with supply chain vendors and channel partners towards this end, helping them to minimise power consumption.

SUSTAINABLE SOURCING

We have formed a detailed Sustainable Procurement Policy which outlines the sustainable sourcing strategy of the Company. Currently, approximately 70 percent of the inputs are sourced from sustainable vendors/channel partners. Our continuous initiative to source raw material/packaging material from sustainable vendors/channel partners will enable us to move forward on our goal to achieve 100% sustainable sourcing over the long run.

Our R&D teams is progressively researching eco-friendly alternatives, formulations and processes that optimise water and other resource consumption. As a result, we continue to launch products, which majorly have environment-friendly raw materials.

MANAGING PACKAGING MATERIALS

In the competitive FMCG sector, packaging plays a dual role of aiding product marketing (i.e. differentiating products on-shelf and online) and ensuring functional benefits (like protecting the products and its preservation). As a responsible corporate, we are focussed on making our packaging sustainable through light-weighting and use of eco-friendly alternatives.

Initiatives like 100% recyclable IML PP (in mould layer polypropylene) container for Exo Round and reducing weight of liquid vaporiser bottle to conserve PET usage have been undertaken. We have also eliminated the usage of printed PVC sleeve, transparent tamper evident top PVC sleeve, and paper top label. Within our factories, we have switched to reusable jumbo bags instead of small bags and are reusing packaging materials like drums since the past two years.



We are committed to developing a sustainable future by investing in advanced packaging research and development and facilitating the creation of recycling infrastructure to ensure that none of its packaging ends up in landfills, aquatic dumps or as litter in the environment.

RECYCLING WASTE

We are fully committed to adopting modern ways of achieving a circular economy for plastics. Collaborations have been entered into with partners to bring forth innovative, 100% reusable, recyclable, or compostable packaging.

We aim to generate 'Zero Plastic' waste by 2027 which means that we will collect and safely dispose/recycle equal or more quantity of plastic waste than our total plastic generation. This is being enabled through a best-in-class waste management practice and active engagement with certified partners for the co-processing of waste.

The initiatives undertaken to make our plastic packaging recyclable, reusable or compostable such as absolute reduction, collecting more plastic and using less virgin and more recycled plastic, have yielded significant benefits. Our marketing and product innovation team is further prioritising ways to eliminate unnecessary plastic packaging through redesign and innovation. During FY 2022-23, we successfully reduced the use of plastic in

our Henko Matic (Penta Carton) packaging by 12.67%, in Maxo Liquid Vaporiser by 8.51%, in Maxo 12 Hour Coil by 7.57%, and in Exo Safai Steel by 1.06%.

We are also a registered brand owner under the Extended Producer Responsibility (EPR) regime and are compliant with the action plan approved by Central Pollution Control Board (CPCB) for the Financial Year 2022-23 by collecting 100% of its target. Detailed process and practices adopted by us for re-use/recycle/end-of-life-disposal process is enumerated in our BRSR report on page 102 onwards.

REDUCING WATER CONSUMPTION

It is our endeavour to consistently reduce fresh water consumption across operations. In support of this, online auto cut-off meters have been installed in several plants to monitor borewell water usage.

Our R&D department has successfully implemented an optimised formulation for the manufacture of mosquito coils under the Maxo brand. This implementation has been rolled out across all our three manufacturing locations, which resulted in a savings of approximately 18% of the water consumption during coil dough manufacturing process.

Social

At Jyothy Labs, we are always committed to bettering lives by facilitating the development and well-being of our people, customers, stakeholders and the communities at large. This reflects in our way of doing business which prioritises their comfort, convenience and growth and many thoughtful initiatives that make an enduring impact in their lives. We are committed to respecting and advancing human rights in our operations and supply chains.



HUMAN RIGHTS

At Jyothy Labs, we aspire to establish a working environment that promotes the preservation of human rights and we expect all our employees, vendors, suppliers and business associates to uphold the same. Our framework for human rights covers the 7 Core conventions of "International Labour Organisation (ILO), which includes:



All our agreements have a dedicated clause on compliance with the requirements of human rights provisions and any breach of human rights provision can also lead to termination of business relationship. Also, during the financial year, we have conducted a training on Human Rights for all our employees to make them aware of their fundamental rights which they are entitled to.

FOSTERING DIVERSITY AND INCLUSION

It has been our continuous endeavour to foster a diverse and inclusive workforce where people from diverse ethnicities, cultures, languages, gender backgrounds and religion come together to share their unique strengths and capabilities and drive success. Diversity in ideas and perspectives also help us to understand the needs of our consumers and innovate solutions with ease. At Jyothy Labs, our diversity and inclusion policy, which helps us to create a safe and non-discriminatory work-environment, brings this vision to life.

In FY 2022-23, women representation at the Board level stood at 50%.

The Company is intolerant to Child labour, forced labour, involuntary labour, sexual harassment and discrimination at workplace. During the year, we reported no incidents of aforesaid human rights issues across operations.

4/5
 Glass Door rating

73%
 Employees engaged for 5 years or more

39%
 Employees engaged for 15 years or more



Women's Day celebration across India

PROMOTING EMPLOYEE SAFETY, HEALTH & WELL-BEING

Building a safe and conducive workplace for our employees and the people we work with as well as safeguarding them from operational hazards is our top priority. Our Safety, Health and Environment (SHE) policy, with its clearly defined best industry practices, guide us in this mission.

Initiatives like implementation of safety and health protocols, regular safety trainings and drills, and standard operating safety checklist have been instrumental in preventing any safety incidents and protecting our people across the facilities. Led by our Safety Committee, the plant HSE matrix is evaluated on a quarterly and annual basis, and is followed by appropriate action. A detailed write-up on the health and safety management system and processes adopted by the Company in enumerated in our BRSR report on page 102 onwards.

Apart from ensuring adequate safety protocols, we are persistently focussed on the health and well-being of our employees. Group mediclaim coverage for our employees and their dependants, group personal

accident cover and voluntary medical insurance policy for their parents are few of the initiatives that foster a sense of calm and financial security amongst our people. We also encourage a healthy work-life balance to enhance employee experience and conduct various employee surveys to understand and meet the evolving needs of our people.

PROVIDING CONTINUOUS DEVELOPMENT OPPORTUNITIES

Continuous learning is the foundation for any successful organisation. We, at Jyothy Labs, firmly believe in this and provide role-based developmental opportunities to our employees at every stage of their employment.

New hires are handheld and upskilled through on-job training which is customised to impart product and process knowledge and optimise efficiency. Manufacturing staff undergo a thorough technical training whereas on-field staff are trained on interpersonal and business development skills. Ongoing trainings for improving soft skills, computer knowledge and others are also provided to help our people stay updated and relevant.



Sales staff training

Our learning and development programs aim at bridging the capability gap within the organisation and empowering our employees to take higher responsibilities and progress in their careers. The programs are conducted through internal and external trainers and are tailor-made to build capabilities at an individual, team and enterprise level. During the financial year 2022-23, we have also conducted training and awareness programmes for all our employees on several topics relating to Environment, Social and Governance.

EMBRACING DIGITISATION

Keeping pace with competition, we are rapidly integrating digitisation into our operations and embracing its multiple benefits such as increased efficiency, enhanced productivity, improved customer experience and more. The JConnect platform continues to support our employees and enable self-service by providing all relevant information without manual interference. Similarly, our field staff is being benefited through Sales Force Automation which provides various analysis and timely information to boost productivity. The implementation of SAP SuccessFactors, a cloud-based human capital management software, in the previous financial year is also creating a positive impact in workforce planning, retention and performance. With the implementation of SAP SuccessFactors entire recruitment, onboarding and offboarding process has

become digital. Employees can view their complete profile, organisation structure, company documents, leave balances on the SAP SuccessFactors portal as well as on its mobile application. Employees can even apply for leave/outdoor duty. These features has made SAP SuccessFactors a one-stop platform for Employees to connect with the Company.

ENSURING FAIR TREATMENT & MERIT-BASED EVALUATION

We strive to create a fair and just work culture where our employees enjoy the basic human rights without any discrimination, in conformity with labour laws, human rights and other legislations as mentioned by the regulators. To ensure that these laws are stringently adhered to, we have developed a robust system that effectively identifies non-compliance and addresses grievances in a timely fashion.

Encouraging equal opportunities for all, we follow a merit-based performance evaluation and management system. The system is equipped to evaluate every candidate based on their capabilities and capacity vis-à-vis their KRA's. It has been enabling us to conduct performance reviews, provide employee feedback and incentivise and promote employees efficiently while maintaining complete transparency.

NEED-BASED INNOVATION FOR SUPERIOR CONSUMER EXPERIENCE

Prioritising the needs of our consumer to better their lives is our way of life. We achieve this through pro-active engagement with our consumer to understand their evolving needs which are then fulfilled through innovative, safe and best-quality products.


INNOVATING CONSUMER-CENTRIC PRODUCTS

A 40-year legacy of technical knowhow and a team of highly-talented employees drive product innovation at Jyothy Labs to provide products that meet the daily needs of our consumer. From dish wash to fabric wash, mosquito repellent, personal hygiene products and others, every product is customised to ensure ease for our consumer and improve their quality of life. This is facilitated by our world-class laboratories located in Mumbai, Silvassa and Puducherry. Quality, safety and reliability of our products across all manufacturing sites are maintained with the help of an experienced quality team.

Consumer grievances, if any, are addressed with the help of a dedicated consumer services cell having a structured escalation mechanism for swift resolutions and improved consumer experience.

LABELLING RESPONSIBLY

As a responsible corporate citizen, we take ownership for product quality and consumer safety by maintaining utmost transparency about our products. All communications or advertisements of our products



Consumer grievances, if any, are addressed with the help of a dedicated consumer services cell having a structured escalation mechanism for swift resolutions and improved consumer experience.

carry clear and transparent description without any ambiguity. Similarly, 100% compliance relating to product quality, ingredient safety and transparent disclosure on product formulation is always ensured.

IMPROVING PRODUCT SAFETY

We are consciously transitioning towards innovating and manufacturing of products which use less chemicals and are more safe and environment-friendly. More R&D efforts are being channelised towards this end. We also intend to slowly but steadily eliminate the products that involve use of hazardous chemicals and create a portfolio of EU Eco Label or third-party equivalent certified products.

CHEMICAL SAFETY

We have been at the forefront of manufacturing products that are focussed on promoting better health and hygiene as well as maintaining environmental sustainability. A prime example of this is our product 'Exo bar' which was launched as India's first anti-bacterial dishwash bar. EXO, launched in 2000, through its unique ergonomic round shape and packaging container, prevents wastage and offers superior value for money. Exo Dishwash Bar with ginger twist is India's No. 2 brand by value in its category. To facilitate better health and hygiene to our consumers, we sell this product with an antibacterial scrubber.

Further, all our products are labelled with information on the raw materials used in their manufacturing. We also refrain from use of hazardous chemicals in our laundry services and use recycled water in our operations for environmental sustainability.

We do not use any harmful chemicals in its manufacturing process. Accordingly, we neither manufacture any pesticides nor use "formaldehyde" in the manufacturing of any of our products.

We do not have any litigations related to environmental safety measures and stringently follow all environment & safety norms laid out by the Governing bodies of the Country.

Governance

Building credibility through a good governance framework

Our governance practices are designed to promote a fair, open and transparent work culture where all our employees and the Board members act responsibly and with integrity to optimise business reputation and enhance stakeholder value.

CREATING VALUE THROUGH STRONG GOVERNANCE

A robust governance framework helps us to conduct our business with integrity, accountability, transparency and make adequate disclosures regarding our products and the Company, thereby enabling us to promote fair and just business practices and maintain the highest standards of governance. Encompassing necessary regulatory and legal requirements as well as various voluntary practices, our governance policies help us to optimise the value for our stakeholders.

DRIVEN BY SOUND BUSINESS ETHICS AND POLICIES

At Jyothy Labs, all our processes, policies and codes are driven by our corporate governance framework to promote a healthy work environment and safeguard the interest of our stakeholders.

- Code of Conduct: The conduct, rules, and actions of our employees and our Board with respect to business integrity, company assets, financial and workplace integrity, and grievance redressal mechanism among others, is defined by our code of conduct. The code provides a foundation for ethical decision-making within the Company. Regular trainings are held to help our employees understand the code of conduct and get attuned with the Company's expectations. The code also provides detailed information about various policies laid down by the Company for Insider Trading, Prevention of Bribery and Corruption, Preventing Fraud, Whistle-Blower, etc. Employees are encouraged to inform the

authorities about any concerns or violation of the code through a reporting framework.

- Corporate Governance Code: Our Company have adopted a Corporate Governance Code approved by the Board of Directors. This Code outlines the ideal Board structure and composition we should have; roles and responsibilities of the Board; Corporate responsibility & ESG efforts the Company should take; consideration towards stakeholders & transparency; manner of maintaining shareholder relations; compliance calendar applicable to the Company.
- Company policies: To ensure fair and ethical business practices and maximise value for our employees and stakeholders, various policies for human rights, environment sustainability, occupational health & safety, CSR, prevention of discrimination and harassment, and others have been formulated.
- Zero-tolerance: We exhibit zero-tolerance for unfair business practices, business courtesies and violation of Company policies, regulations or the law. Our employees and Board are regularly trained for anti-bribery and anti-corruption awareness/laws to eliminate corruption at workplace. No instances of any violations were reported in FY 2022-23.

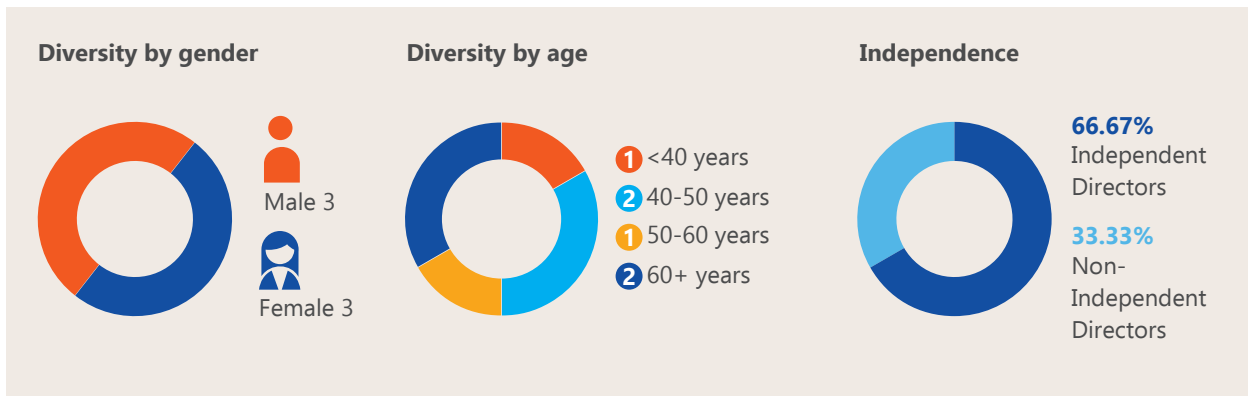
DRIVING EFFICIENCY THROUGH BOARD DIVERSITY

Board diversity and independence are instrumental to business success. A Board diversity policy helps our Board function independent of the Management to take sound business decisions that drive transparency, integrity, accountability and credibility within the Company and its dealings. 4 of our 6 Directors are independent, constituting 66.67% of the Board, and enabling independent operations.

Board diversity is ensured through adequate representation of women as well as by ensuring diversity in experience, expertise, skills, and knowledge. Our Board comprises of people from varied background bringing in the necessary capabilities to provide adequate agility and resilience and push the Company to the next level of growth. We have 50% women directors on the Board.

The business strategies, performance and financial results are reviewed on regular basis. Every Board and Committee meeting held during the financial year was attended by 100% of the Directors.

OUR BOARD DIVERSITY



ESG COMMITTEE

Our Board of Directors, in its meeting held on March 3, 2023, have voluntarily constituted an Environmental, Social and Governance (ESG) Committee consisting of members from diverse fields like Marketing, Manufacturing, Human Resource, and Legal & Finance. This helps the Committee to identify the ESG challenges and come up with new and innovative ideas to encounter them. The ESG Committee also comprises of one Independent Woman Director who brings valuable insights and highlights the best practices adopted in the industry on the ESG front.

We are committed to high ethical standards, doing open and fair business and following best practices of corporate governance to support our business reputation appropriately.

We have a well-defined policy adopted by our Board of Directors for Business Ethics, Anti-Bribery & Anti-Corruption and Corporate Governance Code. All the said policies are also disclosed on our website www.jyothylabs.com.

COMPLIANCE AUDITS

We have implemented a Compliance Tool software mechanism 'Legatrix', designed by Legasis Services Private Limited, which tracks and ensures compliance of all the applicable laws across the organisation. The reports of the same are reviewed by the senior management monthly. The tool is also regularly reviewed by our Internal Auditors and no discrepancies have been noted during FY 2022-23.



Our Board of Directors



M. P. RAMACHANDRAN

Chairman Emeritus

He is the driving force behind your Company's progress. With his vision and understanding of the consumers' pulse, he has led your Company to its position as a formidable player in the FMCG segment.



R. LAKSHMINARAYANAN

Chairman & Independent Director

He is a Master of Science in Industrial Chemistry from the Indian Institute of Technology, Delhi, and a Management Post Graduate (marketing specialisation) from Indian Institute of Management, Bangalore. In his professional career of over 40 years, he worked with leading FMCG companies across product categories and held eminent positions with reputed advertising & media companies in India. He has a keen interest in business strategy, brand equity, media plural communications and brand portfolio management.



M. R. JYOTHY

Managing Director

She is a Graduate in Commerce and post graduate in Management with an additional diploma in Family Managed Business Administration from SP Jain Institute of Management, Mumbai. She has done PGDM from Welingkar's Institute of Management and Research. She has also completed the Owner/President Management Programme from Harvard University, USA. After a successful stint in the sales and marketing function of the Company for over 17 years, she was unanimously chosen to lead the Company as the Managing Director effective April 1, 2020. She has won several industry awards and recognition including 'Woman Entrepreneur of the Year' award from Zee Business, voted amongst 50 most influential women in Indian Media. She has been the principal architect behind all the product innovations from Jyothy Labs since 2009.



M. R. DEEPTHI

Whole-Time Director

She is a member of The Institute of Company Secretaries of India and The Institute of Cost Accountants of India. She is a Bachelor in Management Studies from Chinai College of Commerce affiliated with Mumbai University and Master of Management Studies from S.I.E.S. College, Nerul, Navi Mumbai. An expert in finance and secretarial function, she is a key player in budget formulation, strategy, treasury, business performance reviews, fund raising and other financial activities of the Company. She also guides Company's Taxation, Legal and Secretarial function.

**NILESH MEHTA**

Independent Director

He is a qualified Chartered Accountant and a postgraduate from the Indian Institute of Management (IIM), Ahmedabad. He is the Co-founder and Managing Partner of Access India Fund which invests in mid-market, unlisted opportunities in India. He was the Managing Partner of Aureos Capital from 2005 to 2010. A veteran in private equity and mergers and acquisitions of mid-cap Indian companies, his experience spans various fields in finance, including investment banking, private equity, and fund-related activities.

**BHUMIKA BATRA**

Independent Director

She is a member of Bar Council of Maharashtra and Goa and a qualified Company Secretary. She is also a recipient of Executive Program in Management from Cornell University, USA. She has been practising corporate law for over 19 years and has spearheaded several transactions and advisory matters in corporate law. Apart from practising law, she has also assisted several journal publications – India Business Law Journal, 2019; Company Law Ready Reckoner, 2014; Transfer and Transmission of Shares – A treatise, 2005; and Asia Business Law Journal, 2007. She is an Independent Director in several companies and is currently a Partner with M/s. Crawford Bayley & Co.

**ADITYA SAPRU**

Independent Director

He is the Founder and Managing Director of Bengaluru-based Neumck Strategy & Consulting, a strategy advisory company which helps clients globally in market expansion aspirations and business restructuring to achieve their objectives. He has expertise helping organisations articulate strategic opportunities for the medium- to long-term and develop enabling frameworks that drive long-term value creation for shareholders. He is an MBA from Santa Clara University, with specialisation in Finance and Operations Research and an MS from Cornell University. He started his professional career as an Associate at a Silicon Valley based private equity firm with focus on tech in Asia Pacific and the United States.

Awards & Accolades



JANAM GLOBAL EXCELLENCE AWARD



DHANAM BUSINESS SUMMIT AWARD NIT 2022



SIES SOP STAR AWARD 2022

Adoption of in-mould labelling (IML) aided by robotic arms



8TH INNOVATIVE CIO AWARDS 2023

For implementing IT solutions, policy and technologies in innovative way



PUDUCHERRY

S.K.I.N Award - 2022
Synchronisation of Knowledge & Information Network



PUDUCHERRY

Kaizen Appreciation Achiever Award 2022



UTTARAKHAND

Safety Award FMCG Sector – GSS (Global Safety Summit 2022)



KALINGAMALAI

Work Place OHSE Excellence Award - 2022

Management Discussion & Analysis

ECONOMIC OVERVIEW

GLOBAL ECONOMY

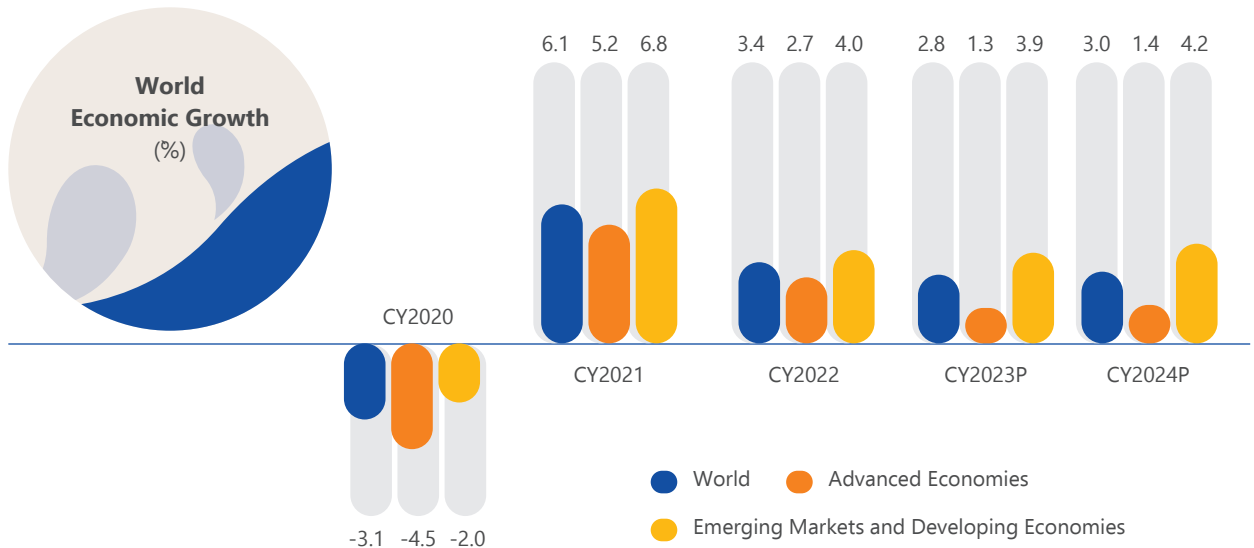
The global economy continued to recover from geopolitical tensions and the COVID-19 pandemic in 2022. COVID-19 strains caused extensive outbreaks, but economies that were severely affected, notably China, appeared to be recovering, thereby reducing supply-chain disruptions. China's reopening in CY 2022, policymakers efforts to contain weakening global financial conditions, and reduced interest-rate-hiking cycles have contributed to the robust start of emerging market asset prices in CY 2023.

Due to the volatility of the financial sector, adverse risks to economic growth are increasing in tandem with the easing of inflation and improved supply-chain functionality. In CY 2021, inflation reached multi-decade highs in several economies due to pent-up demand, residual supply disruptions, and rising commodity prices, prompting central banks to aggressively tighten monetary policy to return inflation to its target level. There are signs that the tightening of monetary policy is

beginning to dampen demand and inflation, but its full impact will not be realised until CY 2024.

Following Russia's invasion of Ukraine, commodity prices increased sharply, but the conflict continues to exist and geopolitical tensions have remained elevated. The financial instability of the gilt market in the United Kingdom and the recent bankruptcy of a few banks in the United States demonstrate that both banks and non-bank financial institutions are vulnerable to failure. In both cases, governments and authorities acted promptly and have effectively managed to contain the financial crisis. As per the STEO (Short Term Energy Outlook) April 2023 report, crude oil prices are expected to decline, from US\$ 101 per barrel in CY 2022 to US\$ 85 per barrel in CY 2023. Crude oil and palm oil prices are experiencing a decline in price and are projected to continue to moderate in CY 2023. As per the International Monetary Fund's (IMF) April 2023 outlook, the global economy is expected to grow by 2.8% in CY 2023 and 3.0% in CY 2024 as against 3.4% growth registered in CY 2022.





Source: International Monetary Fund (IMF) April 2023 report
P: Provisional

Performance of Advanced Economies During 2022

The USA, EA and EU

With historically low unemployment rates, the labour markets of developed economies, most notably the United States, have remained robust towards the end of CY 2022. Despite being severely impacted by energy-price inflation, the United Kingdom had a strong year end. In Europe, a moderate winter and a sharp decline in natural gas prices have mitigated a significant portion of the economic risk. Despite the impact of rising interest rates, households have been able to maintain their expenditure levels due to reduced fuel prices. The economic growth for advanced economies is projected to grow by 1.3% in CY 2023 as against the growth rate of 2.7% witnessed in CY 2022, and it is expected to experience growth of 1.4% in CY 2024. The US economy grew by 2.1% in CY 2022 and is further expected to grow by 1.6% and 1.1% in CY 2023 and CY 2024, respectively. The weakening of consumer spending and investment has resulted in significant global economic declines in terms of growth.

Performance of Emerging Markets and Developing Economies During 2022

Emerging economies

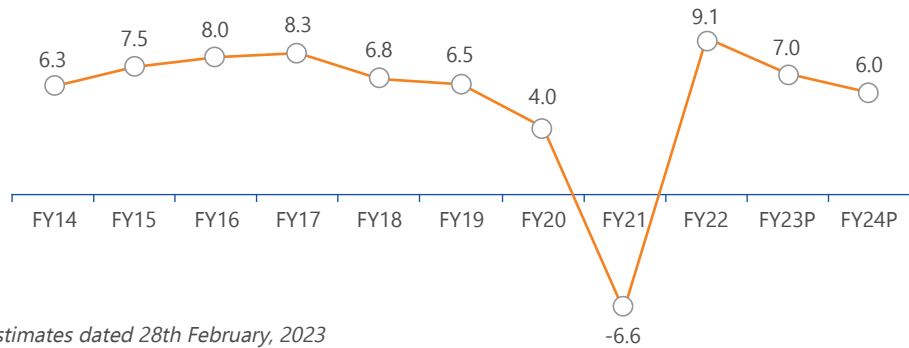
The Russia-Ukraine conflict had severe economic and investment repercussions, including the departure of major multinational corporations from Russia and the exclusion of Russian firms from the MSCI Emerging Markets Index. India's gross returns on the MSCI Index declined by 4.24% in FY 2022-23. Macroeconomic concerns such as energy-price-driven inflation and rising interest rates, along with the political volatility created

by the war, caused declines in the equity market that lasted until September 2022 for emerging markets. The combination of robust regional growth forecasts and expansion in the valuation potential of markets could result in outperformance for emerging markets relative to global markets. The emerging markets and developing economies, which grew by 4.0% in 2022, are expected to witness growth of 3.9% in 2023 and then 4.2% in 2024.

INDIAN ECONOMY

India's economic momentum has been more resilient than anticipated during last year's tightening of the global and domestic financial environments. India has recovered well from the COVID-19 pandemic, but it still faces the same headwinds as the rest of the global economy. The Union Budget 2023-24's emphasis on capital expenditure is anticipated to stimulate private investment, boost job creation and demand, and boost India's potential growth.

The capital expenditure budget for FY 2023-24 was announced to be ₹10 Lakh Crore, or 3.3% of the gross domestic product. If the spending is effectively implemented, it may propel India's real GDP growth close to 7% in FY 2022-23 as against the 9.1% growth rate witnessed in FY 2021-22, as reported by NSO in its Second Advanced Estimates Report. India's rising global profile is backed by several accomplishments, including the unique world-class digital public infrastructure of Aadhaar, Co-Win, and UPI; the unprecedented scale and a proactive role in frontier areas such as achieving climate-related goals and the National Hydrogen Mission.



Source: NSO's Second Advanced Estimates dated 28th February, 2023

RBI SPF report as on 6th April, 2023

P: Provisional

Performance of the Indian Economy During FY 2022-23

According to the Economic Survey of India, the agriculture sector is projected to increase by 3.5% in FY 2022-23, as compared to 3.9% in FY 2020-21; the industrial sector is expected to grow by 4.1%, relative to 10.3% recorded in the previous year. The services industry is expected to expand by 9.1% in FY 2022-23 over 8.4% in FY 2021-22. As of April 7, 2023, India's forex reserves were at US\$ 585 billion.

In FY 2022-23, gross GST (Goods and Services Tax) income was ₹ 18.10 trillion, a 22% increase over the previous fiscal year. Moreover, the price of crude oil increased in the first half of CY 2021-22 due to supply concerns. The remainder of CY 2022 saw a general decline in crude oil prices, as fears of a potential global economic recession reduced demand. In CY 2022, persistent broad-based inflation, which impacted consumer budgets and gasoline demand, was fuelled in part by high petroleum prices.

Steps Taken by the Government to Support Economic Growth

Monetary Policy

The RBI's (Reserve Bank of India) Monetary Policy Committee (MPC) halted the rate hike cycle in April 2023 and maintained the repo rate at 6.5% in order to control inflation. The MPC also maintained its "withdrawal of accommodation" stance. It is anticipated that headline inflation will moderate in FY 2023-24, taking into account global and domestic factors. The RBI anticipates a decrease in consumer inflation to 5.2% in FY 2023-24, and its SPF (Survey of Professional Forecasters) report forecasts India's real GDP growth of 6% for FY 2023-24.

Easy Access to Credit

Several steps have been taken to help MSMEs and businesses get easy credit. Among the most important initiatives is the Emergency Credit Line Guarantee Scheme (ECLGS). As of January 31, 2023, the ECLGS had issued guarantees totalling ₹ 3.61 trillion that benefited 1.19 billion borrowers.

National Monetisation Pipeline (NMP)

The anticipated aggregate monetisation potential under NMP is ₹ 6 Lakh Crore through key assets of the Central Government over a four-year period, beginning FY 2019-20 till FY 2024-25. Against the monetisation target of ₹ 0.9 Lakh Crore in FY 2021-22, ₹ 0.97 Lakh Crore has been realised in roads, power, coal, and mines during the period.

Robust Infra-Capex Drive

The seven goals outlined in the Union Budget for FY 2023-24, complement each other and operate as the 'Saptarishi' leading the country through the Amrit Kaal. They are: 1) Inclusive Development, 2) Reaching the Final Mile 3) Investment and Infrastructure, 4) Unlocking Potential, 5) Green Growth, 6) Youth Power, 7) Financial Sector. The proposed revamping of the loan guarantee scheme for MSMEs was scheduled to come into effect on April 1, 2023, with a corpus inflow of ₹ 9,000 Crore. This



According to the Economic Survey of India, the agriculture sector is projected to increase by 3.5% in FY 2022-23, as compared to 3.9% in FY 2020-21; the industrial sector is expected to grow by 4.1%, relative to 10.3% recorded in the previous year. The services industry is expected to expand by 9.1% in FY 2022-23 over 8.4% in FY 2021-22. As of April 7, 2023, India's forex reserves were at US\$ 585 billion.

will result in an additional ₹ 2 Lakh Crore in collateral-free guaranteed loans to MSMEs, resulting in a 1% reduction in credit costs.

Extensive Digital Adoption

Digital India was introduced in 2015 to transform India into a digitally empowered society and knowledge-based economy. E-commerce has also witnessed robust growth after the adoption of digital payment services in India, especially after the pandemic. According to ICRIER's (Indian Council for Research on International Economic Relations) State of India's Digital Economy Report 2023, in the third quarter of FY 2022-23, about 23 billion digital payment transactions were recorded in India. Recent estimates indicate that approximately 300 million Indians use UPI, making India the second-largest digital payment system in the world after China.

OUTLOOK

Despite both domestic and foreign challenges, India's economic growth would be aided by healthy financials and, more importantly, the government's increased capital expenditure to compensate for the private sector's restraint. Three megatrends – global offshoring, digitalisation, and the energy transition – are laying the groundwork for unprecedented economic development in the country. By 2027, India is expected to surpass Japan and Germany to become the world's third-largest economy, and its stock market is expected to be the third largest by the end of this decade. Moreover, India's GDP is expected to more than double from its current level of US\$ 3.5 trillion to exceed US\$ 7.5 trillion by CY 2031.

Challenges Ahead

Rising Interest Rates

As a result of the quick increase in interest rates that has been implemented to curb inflation, the risks faced by financial intermediaries, including banks and non-banks, have grown. Such abrupt hikes in interest rates by central

banks are frequently followed by stresses that expose gaps in the financial system. India has been impacted by heightened risks and weaknesses across multiple sectors and regions due to rising interest rates.

Escalating CPI Inflation

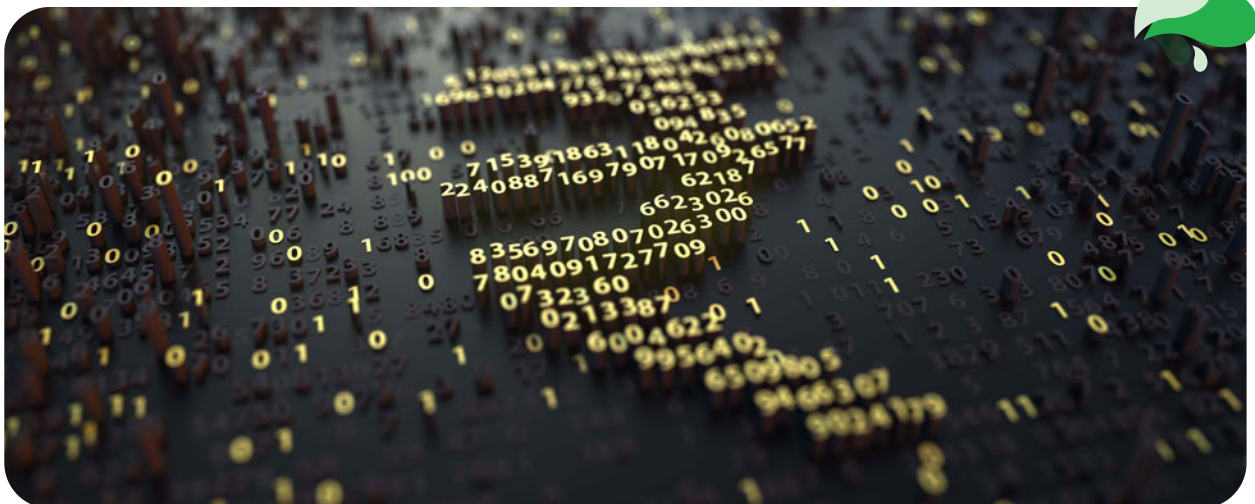
The average headline Consumer Price Index-Combined (CPI-C) inflation in India moderated to 6.44% in FY 2022-23 from 6.95% in FY 2021-22. While it remained within the RBI's tolerance band of 2-6% throughout FY 2021-22, it remained on the highest end of the range. However, core inflation surpassed the tolerance threshold of 6.0% in February 2022. India's economic growth in FY 2022-23 has been challenged by the RBI's monetary tightening, the widening of the current account deficit, and the stagnant growth of exports due to the geopolitical conflict in Europe.

Widening Current Account Deficit

Strong domestic demand in the context of high commodity prices may increase India's total import costs and exacerbate the current account deficit (CAD). These may be accentuated by slowing export growth due to weakening global demand, and the Indian rupee may come under pressure to depreciate due to a widening current account deficit. Inflation that is entrenched may lengthen the tightening cycle, and as a result, borrowing costs may remain higher for longer.

Global Slowdown Affecting India's Economy

Major economies around the world have exhibited signs of economic decline, and in the past, comparable market stress and inflation figures have shown signs of a possible global recession in the future. In many of the world's economies, weakened growth, rising prices, and worldwide unrest have reached an all-time high. However, the situation in India is not as severe as in the rest of the world. In such a scenario, the global economy may experience lower growth in FY 2023-24, which might also impact the Indian economy.





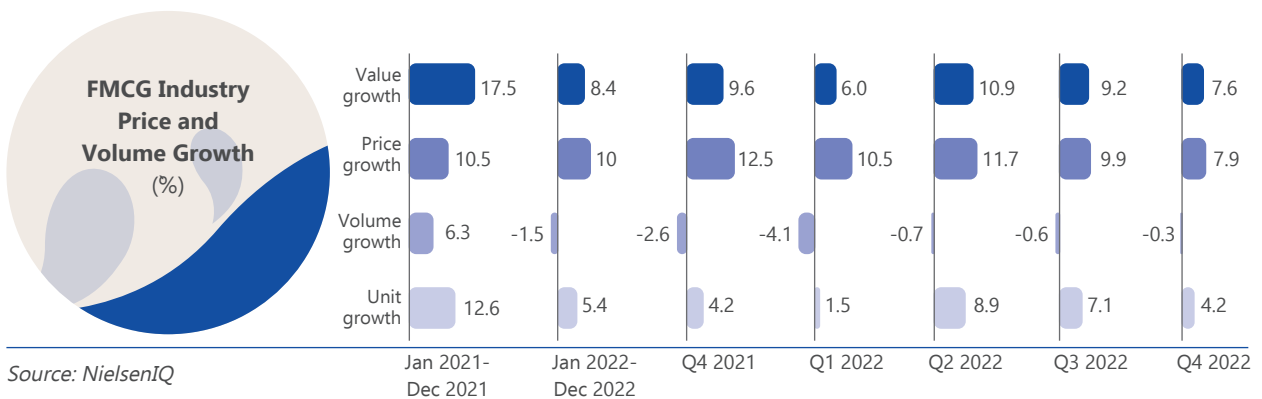
INDUSTRY OVERVIEW

The fast-moving consumer goods (FMCG) sector is the fourth largest industry in India. It is characterised by consumer packaged goods with a high turnover rate, i.e., products that are manufactured, distributed, marketed, and consumed in a brief period of time. The market is presently dominated by detergents, toiletries, tooth cleaning products, cosmetics, and other FMCG products. Household and Personal Care holds a 50% market share, followed by Healthcare (31%), and Food and Beverages (19%). The transition to an organised market, rising rural consumption, and e-commerce are the primary growth drivers for fast-moving consumer goods in India.

Consumer spending has been influenced mostly by inflation over the previous year, which has been reflected by consumers in the shift to smaller packs. The slowdown in the FMCG industry in India was caused by price growth

which was recorded at 10.0% in 2022, followed by 10.5% in CY 2021. Moreover, the FMCG industry's overall volume growth declined by 1.5% in CY 2022 as compared to the 6.3% growth registered in CY 2021.

According to Nielsen IQ's FMCG Snapshot for the fourth quarter of CY 2022, the rate of price growth has slowed down in both urban and rural markets. Traditional trade has experienced a 4.8% volume decline in both urban and rural markets, which resulted in a downcycle in CY 2021. However, in CY 2022, urban markets maintained their upward pace with a consistent gain of 1.6% in volume, while rural markets continued their downward trend with an overall decline of 2.8%. The growth of the FMCG industry was primarily driven by food products, while non-food products witnessed declining growth over the year under review. Easing inflation and growing agricultural revenues are causing a gradual recovery in rural markets.



India has one of the fastest-growing e-commerce markets in the world. In 2022, it was estimated that the online FMCG market size in the e-commerce sector had reached US\$ 8 billion. Inflationary pressures are having an effect on both customers and manufacturers, and as a result, manufacturers are shifting away from promotions in an effort to maintain their profit margins. A re-evaluation of the portfolio strategy is also essential in light of the fact that the retail environment is becoming more challenging.

In 2023, it is anticipated that the food and beverage sector will grow by 10% to 12%, while the home and personal care segments will expand by 8% to 9%. In addition, the transition from unorganised to organised segments that occurred in CY 2022 will continue in CY 2023, with the FMCG industry poised to outpace traditional growth rates. The growth in the FMCG market is primarily attributable to labour migration, increased digital penetration, enhanced distribution of the FMCG portfolio, and rural India's transition from unbranded loose products to branded products.

KEY SHIFTS IN THE INDIAN FMCG INDUSTRY


Digitalisation

Throughout multiple phases of the COVID-19 pandemic, distribution and supply were severely disrupted. In a country where modest kirana stores still account for 80% of sales, it is crucial to maintain consistent orders from these channels. FMCG companies are integrating suppliers, inventory management, and distributor management into a single ecosystem by leveraging digital capabilities.

Indian e-commerce and consumer Internet companies raised US\$ 15.4 billion in PE/VC funding in CY 2022, a two-fold jump from US\$8.2 billion in CY 2020, according to the EY-PeerCapital E-Commerce and Consumer Internet Trendbook 2023. With more than 790 funded startups operating across the country and the highest number of unicorns and funding deals, the e-commerce segment is one of the strongest pillars of the Indian startup ecosystem. FMCG companies are increasingly utilising AI (Artificial Intelligence), Big Data, and Predictive Analysis to accurately predict consumer behaviour, allowing them to better comprehend what customers are interested in. Increased internet and smartphone penetration will make it simpler for rural residents to shop on e-commerce websites.

Direct Consumer Sales

The profit margin associated with selling directly to consumers (D2C) is progressively luring brands to



Agriculture and capex investments, as well as tax changes, will benefit FMCG manufacturers, which together will contribute to increased disposable income and stimulate consumer demand and consumption.

establish online stores, websites, and direct digital sales channels on various digital marketplaces. Most FMCG companies have already capitalised on this aspect by delivering products directly to consumers' residences. D2C is becoming a preferred business strategy for FMCG companies, and its importance will increase over the coming years.

Consolidation Trends via M&A Activities

A wave of consolidation is set to sweep the fast-growing retail business across the nation as larger firms strive to consolidate their footprint, harness technology to increase efficiency, and expand outside metro regions. In CY 2023, FMCG companies will continue to evaluate and refine their portfolios and concentrate on transforming their businesses through mergers and acquisitions. With uncertain macroeconomic conditions, consumer sentiment is expected to remain subdued, and large transaction financing challenging. Private equity funds are anticipated to focus on smaller acquisitions to accelerate the creation of value in existing portfolio companies.

Government Push

Agriculture and capex investments, as well as tax changes, will benefit FMCG manufacturers, which together will contribute to increased disposable income and stimulate consumer demand and consumption. The government's capex boost would stimulate consumption, create employment opportunities in both rural and urban areas, and boost local production. The Union Budget for FY 2023-24 approved the following:

- The Deendayal Antyodaya Yojana National Rural Livelihood Mission has achieved remarkable success by mobilising rural women into 81 Lakh Self Help Groups. A strong government push would enable these groups to reach the next stage of economic empowerment by forming large producer enterprises or collectives with several thousand members each that are professionally managed.
- Under the Mahila Samman Savings Certificate, there is a facility to deposit up to ₹ 2 Lakh in the name of women or girls for a period of two years at a fixed interest rate of 7.5% with the option of partial withdrawal.
- Rural reforms would increase employment, enhance the supply chain, and the visibility of FMCG brands in organised retail markets, thereby boosting consumer expenditure and encouraging the introduction of additional products. The sector received US\$ 20.84 billion in FDI between April 2000 and June 2022.

Focus on Sustainability

Sustainability has become the foremost concern for manufacturers and consumers. The FMCG industry, which is responsible for more than one-third of all greenhouse gas emissions, is rapidly adopting sustainable practices and educating consumers about the change. Consequently, there are indications that the FMCG industry has reduced or mitigated its negative effects on the environment. Among the most prominent sustainability movements and practices currently observed in the FMCG industry are the procurement of eco-friendly ingredients and materials, sustainable packaging, efficient energy use, and the adoption of eco-friendly labels.

KEY TRENDS IN THE FMCG MARKET

FMCG companies are expected to account for inflationary pressures, technological advancements, and the consumer value-based purchasing criterion in their business decisions in CY 2023.

Minimising input costs to stimulate demand and production

Even as the Russia-Ukraine conflict emerged in CY 2022, prices for some essential raw materials, such as edible oil, have decreased significantly since the end of the second quarter of the year under review. As a consequence, the FMCG industry enhanced its margins for certain products towards the end of FY 2022-23 and is expected to register further growth in CY 2023. However, the persistently increasing costs of wheat, flour, rice, and sugar have been a source of concern for the FMCG industry, particularly the food and beverage segment.



Among the most prominent sustainability movements and practices currently observed in the FMCG industry are the procurement of eco-friendly ingredients and materials, sustainable packaging, efficient energy use, and the adoption of eco-friendly labels.

FMCG growth fuelled by larger packs

There is a distinct trend of consumers upgrading to medium and high-value packs for its various key FMCG categories. This pack size transition has been observed in beverages, personal care, and branded product categories. Now that input prices have exhibited a downward trend and end-consumers have sufficient purchasing power, FMCG businesses are likely to experience an increase in the volume of demand and consequently volume-led growth this year.

Resurgence of rural demand

With the rural economy increasingly exhibiting signs of normalcy as a result of an improving labour market and rising terms of trade for rural production, the demand for FMCG products will increase in 2023. Various government initiatives, including the minimum support price (MSP) for all rabi crops, increased government spending on rural infrastructure projects, and rising credit to agriculture and other non-agricultural economic activities, will all increase employment and income levels in rural areas, thereby driving demand for FMCG products.

Shifting Consumer Preferences

In addition to perceived value and shelf life, consumers are selecting products based on usage efficiency. In the scenario of increased prices, consumers also demand innovation with respect to various FMCG products. They are seeking value-for-money products in order to optimise their budgets. Additionally, consumers are becoming more informed and continue to view their purchases as a reflection of the ethical standards of the businesses they support. This necessitates that manufacturers consider

how their business processes, products, and marketing represent their brand as a whole. Alignment with the target consumer's criteria could stimulate and predict spending patterns.

OUTLOOK

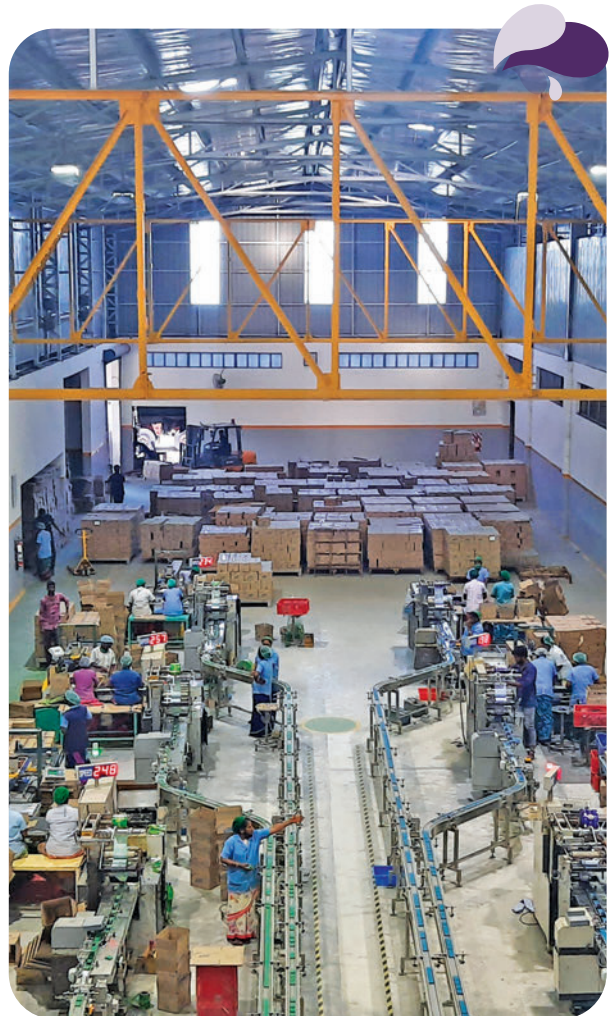
As the share of the unorganised market in the FMCG sector declines, the growth of the organised sector is anticipated to increase, aided by a rise in brand awareness and the expansion of modern retail. The increasing youth population, predominantly in urban areas, is a second important factor driving demand for FMCG products in India. By 2025, the number of internet users in India is expected to reach one billion. It is anticipated that online portals will play a crucial role for companies attempting to penetrate the hinterlands. The Internet has significantly aided in the expansion of a company's scope by providing a less expensive and more expedient means of doing so. By 2030, the e-commerce share of total FMCG sales is anticipated to increase by 11%. GST and demonetisation are projected to increase transparency and economic growth in an organised manner in the long term.

The sector is expected to see significant growth in FY 2023-24, as rural demand is expected to improve and inflation gradually begins to moderate, with urban demand continuing to remain steady. According to Statista.com, the Indian FMCG industry is projected to grow at a CAGR of 14.9% from US\$ 110 billion in 2020 to US\$ 220 billion in 2025 and to US\$ 615 billion by 2027. Recently, consumer's buying trends have been significantly affected by the growth of social media. Social media influencers may assist firms in retaining customers, ultimately contributing to sector-wide sales growth.

COMPANY OVERVIEW

Jyothy Labs Limited (hereafter referred to as 'Jyothy Labs' or 'Your Company'), founded in 1983 in Thrissur, Kerala by Mr. M. P. Ramachandran, is one of India's most prominent FMCG companies. Your Company, founded in 1983 with a single brand, 'Ujala' and has since evolved into a multi-brand, BSE and NSE listed Company.

Jyothy Labs has a pan-India presence and manufactures a wide variety of products at its 23 world-class facilities. Your Company manufactures and markets products in the categories of fabric care, dishwash, mosquito repellent, and personal care. Ujala, Exo, Maxo, Henko, Pril, Margo, Mr. White, MoreLight, Neem, and Maya. All these products are well-recognised and well-established brands within their respective categories.



Over the years, your Company has developed a number of differentiated products with unique ingredients and characteristics that have significantly enhanced customer experiences.

Your Company endeavours to be a brand that is accessible, affordable, and acclaimed for its great quality. In accordance with this objective, it has ensured the highest level of product quality, offered competitive pricing, and substantially expanded its distribution capabilities by expanding its network as well as implementing cutting-edge technologies.

Your Company has also established a presence in various channels, such as traditional stores, canteen stores, department stores, modern trade, and e-commerce, and its products are available in over 2.8 million outlets. Your Company focusses heavily on R&D to meet the changing requirements of consumers.

KEY STRENGTHS

Robust In-house Research and Development (R&D) facilities

Research and development form the foremost strength of your Company and enable it to establish a competitive advantage in the market. Jyothy Labs has three state-of-the-art, modern R&D facilities where the expert team is continually engaged in developing new products in accordance with evolving trends, enhancing production processes, and refining the constituents of its existing products. In recent years, your Company has placed a greater emphasis on developing sustainable products, made with eco-friendly ingredients.

Given the sharp increase in input costs and the uncertain operating environment during FY 2022-23, your Company adopted a calibrated strategy for the introduction of new products. Liquid detergents were introduced under two brands in accordance with the trend of consumers transitioning from detergent powder to liquid. These comprised:

- Henko Matic Liquid Detergent in the premium category, is positioned as an expert in machine washing. Its Bio Stain Power eliminates stubborn stains, and LINTelligent Nano Fibre-Lock Technology preserves the colour and sheen of the fabric while preventing fibre breakage. It protects against 99.9% of germs, prevents ageing and extends the life of clothes.



- Ujala Liquid Detergent in the mid-price category, has instant dirt dissolvers (IDD) that dissolves even the toughest dirt gently while safeguarding the fabric's colour and delivering a pleasant fragrance. It is suitable for both Bucket & Machine Wash, is residue-free and provides 99.9% germ protection.

Strategically Planned Sales and Distribution

Your Company's strategy is to increase market share by entering new markets, increasing brand awareness, and implementing product innovation initiatives, all of which are supported by its enhanced distribution. Your Company invests substantially in various advertising and promotion activities, including television, digital campaign and brand activation in stores.

Your Company has made significant developments in terms of distribution, and its products are available in over 2.8 million retail outlets through a network of 8,200 stockists and sub-stockists. In the year under review, your Company surpassed 1.1 million direct-reach outlets.

In addition, as part of its strategy to expand its rural reach and expedite its distribution, your Company has rolled out the van and moped sales model, which carries smaller unit packs that are more popular in these regions. The robust distribution reach and infrastructure of your Company enabled it to acquire market share.

Adopting Effective Sustainable Solutions

Jyothy Labs has been taking proactive steps to ensure the environmental sustainability of its operations. The concept of sustainability is becoming more important on a worldwide basis. With a strong emphasis on reducing its carbon footprint, your Company maintains a 45-acre green belt and has invested in energy-efficient measures, including renewable energy investments. Additionally, your Company intends to achieve net-zero emissions and is currently evaluating related opportunities.

Sustainable packaging is a primary focus area, and your Company has taken steps to transition to a circular economy, such as reducing the weight of its packaging and using eco-friendly alternatives. Moreover, current R&D initiatives are geared towards the introduction of premium offerings and expansion of the use of sustainable raw materials.

Jyothy Labs has been concentrating its efforts on accelerating growth through distribution drives. In addition, it is developing a category penetration strategy, extensively digitising its operations, and increasing its focus on premiumisation. Your Company's goal is to develop a successful rural franchise by capitalising on its growing distribution network. Its goal is to achieve growth that is led by execution so that it can increase its scale and boost its brand equity.

Jyothy Labs has been concentrating its efforts on accelerating growth through distribution drives. In addition, it is developing a category penetration strategy, extensively digitising its operations, and increasing its focus on premiumisation.

FINANCIAL PERFORMANCE

Accounting Policy

The financial statements of your Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. The financial statements have been prepared on a historical cost basis, except for certain financial assets, which have been measured at fair value. The discussion on financial performance in the Management Discussion and Analysis relates primarily to the consolidated accounts of your Company.

Review of FY 2022-23 (Consolidated financials) (In ₹ Crore)

Particulars	FY 2022-23	FY 2021-22
Revenue from Operations	2,486.0	2,196.5
Cost of Goods Sold (COGS)	1,434.9	1,283.0
Gross Margin	1,051.1	913.5
Employee Cost	264.4	247.4
Advertisement and Sales Promotions	174.3	161.1
Other Expenditure	296.5	256.7
Operating EBITDA	315.9	248.3
Depreciation	50.1	58.2
Finance Cost	13.1	11.8
PBT before exceptional items	292.2	197.0
PAT	239.7	159.1
Share Capital	36.7	36.7
Cash and Bank Balances	283.5	211.2

Details of Key Consolidated Financial Ratios that registered more than 25% change during FY 2022-23

Ratios	FY 2022-23	FY 2021-22	YoY Change	Reason
Debtors Turnover (In Days)	20	24	-16.7%	
Inventory Turnover (In Days)	76	82	-7.3%	
Interest Coverage Ratio (x)	23.9	17.7	35.0%	Interest coverage ratio has improved due to profit on sale of property of ₹ 18.36 Crore and better margin on higher sales achieved during the year.
Current Ratio (x)	1.91	1.39	+37.4%	Current Ratio has improved due to higher Current Assets backed by increase in cash and bank balance of ₹ 72.3 Crore and reduction in current liabilities on account of repayment of loan amounting to ₹ 126.54 Crore.
Debt Equity Ratio (x)	0.00	0.09	-100.0%	During the year, the Company has repaid a loan of ₹ 126.54 Crore and consequently has Nil Debt as of March 31, 2023.
Operating Profit Margin (%)	12.6%	9.5%	32.6%	Operating profit margin has improved due to profit on sale of property of ₹ 18.36 Crore and better margin on higher sales achieved during the year.
Net Profit Margin (%)	9.6%	7.2%	33.3%	Net profit margin has improved due to profit on sale of property of ₹ 18.36 Crore and better margin on higher sales achieved during the year.
Return on Net worth – RoNW (%)	16.0%	11.1%	44.6%	Return on Equity has improved due to profit on sale of property ₹ 18.36 Crore and better margin on higher sales achieved during the year.

Revenue from Operations

Net Revenue from operations grew by 13.2% to ₹ 2,486.0 Crore.

Cost of Goods Sold (COGS)

The Cost of Goods Sold of your Company increased by 11.8% to ₹ 1,434.9 Crore.

Employee Cost

Employee costs grew by 7% to ₹ 264.4 Crore.

Advertisement and Sales Promotion Cost

Advertisement and Sales Promotion costs increased by 8.2% to ₹ 174.3 Crore. As a percentage of net sales, advertisement and sales promotion stood at 7% during the year under reporting.

Other Expenses

Other expenses increased by 15.4% to ₹ 296.5 Crore during the reporting period from ₹ 256.7 Crore in FY 2021-22.

Depreciation

During the reporting period, depreciation decreased by 13.8% to ₹ 50.1 Crore from ₹ 58.2 Crore in FY 2021-22.

Finance Cost

For the year under reporting, finance costs increased by 10.8% to ₹ 13.1 Crore from ₹ 11.8 Crore in FY 2021-22 due to an increase in interest rates. The Interest Coverage Ratio for the year stood at 23.9 as compared to 17.7 in FY 2021-22.

Margins

Operating EBITDA at 12.7% (₹ 315.9 Crore) during FY 2022-23 as compared to 11.3% (₹ 248.2 Crore), increased by 27.2% over FY 2021-22. PBT before exceptional items at ₹ 292.2 Crore during FY 2022-23 as against ₹ 196.9 Crore, increased by 48.4% over FY 2021-22, PAT at ₹ 239.7 Crore as against ₹ 159.1 Crore, increased by 50.7% over FY 2021-22.

Share Capital

The paid-up share capital stood at ₹ 36.7 Crore as on March 31, 2023.

Own Funds

The net worth of your Company stood at ₹ 1,549.0 Crore as on March 31, 2023, from ₹ 1,443.6 Crore as on March 31, 2022. Return on Capital Employed (excluding Goodwill) was 41.3% in FY 2022-23.

Loan Funds

The Loan balance is Nil as on March 31, 2023 as compared to previous year of ₹ 126.5 Crore.

Net Block

Net Block for the Company stood at ₹ 1,131.8 Crore as on March 31, 2023, as against ₹ 1,129.4 Crore as on March 31, 2022.

Net Operating Working Capital

Net Operating Working Capital for the Company stood at ₹ 85.3 Crore as on March 31, 2023, as against ₹ 118.8 Crore as on March 31, 2022. This translates to 13 days of working capital as against 20 days in FY 2021-22. The Current Ratio stood at 1.91 on March 31, 2023, as against 1.39 as on March 31, 2022.

Inventory

Inventory of the Company stood at ₹ 301.9 Crore as on March 31, 2023, compared to ₹ 297.2 Crore as on March 31, 2022. Inventory Turnover for the Company stood at 76 days during FY 2022-23, as against 82 days during FY 2021-22.

Trade Receivables

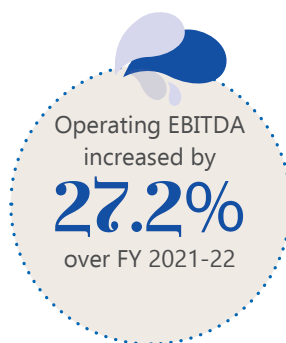
Trade Receivables for the Company stood at ₹ 137.8 Crore as on March 31, 2023. Debtor turnover stood at 20 days during FY 2022-23 as against 24 days during FY 2021-22.

Cash and Bank Balances

Cash and bank balances for the Company stood at ₹ 283.5 Crore as on March 31, 2023 as compared to previous year of ₹ 211.2 Crore.

Provisions

Provisions for the Company stood at ₹ 92.7 Crore as on March 31, 2023, as against ₹ 80.2 Crore as on March 31, 2022.



Other Liabilities

Other Liabilities for the Company stood at ₹ 122.9 Crore as on March 31, 2023, as against ₹ 98.6 Crore as on March 31, 2022.

Shareholder Value: Dividend

In an endeavour to maximise the returns to its shareholders, the Board of Directors has recommended a dividend of ₹ 3 per equity share (300% dividend ratio) of ₹ 1/- per share for FY 2022-23. The dividend payout ratio was 46% of PAT.

HUMAN RESOURCES

Your Company continues to follow employee first policy and ensures that its employees have access to any type of support during any emergency. All employee on roll and off roll are covered under Group Medical Insurance and Group Accidental Cover.

Your Company continues to drive various employee engagement initiatives. At Jyothy, women are given equal opportunities in all job functions. During FY 2022-23, women comprised 50% of the Company's Board of Directors. In addition, it is one of the few companies that has a significantly higher percentage of women working in manufacturing divisions. Women make up about 30% of the workforce in manufacturing and 20% of the workforce in corporate functions. At corporate office, your Company hosts a week-long event called 'Play Sports' every year. The event includes a variety of indoor and outdoor sporting events. To encourage the kids of our employees, your Company provides academic excellence scholarship awards to the kids of employees passing 10th and 12th grade.

Your Company undertook various material developments with respect to human resources during the year under review. To boost HR automation, your Company implemented SAP SuccessFactors internally referred to as Jconnect, a human resource management system (HRMS), which gives workers the ability to access

and update their own profiles, as well as any other information that may be relevant to them. All employees have been digitally onboarded through Jconnect. Your Company has also initiated background check process through an external agency to eradicate inconsistency in the recruiting process through proper substantiation of education and employment history information provided by candidates.

Your Company had also initiated campus recruitment drives for appointment of sales representatives. To boost the presence across the social media, your Company initiated an employer branding process on social media sites, including LinkedIn, Instagram, and Facebook.

Follow us on

Linkedin:

<https://www.linkedin.com/company/jyothy-labs-ltd/>

Instagram : <https://www.instagram.com/jyothylabs/>

Facebook : <https://www.facebook.com/jyothy labs limited/>

In accordance with the rewards and recognition, your Company has always been providing timely incentive and reward payments to high-performing and high-potential employees in their respective functions.

Training and Skill development are essential to boost the confidence and skills of our employees, hence your Company keeps on conducting various training programs across the functions, throughout the year. This year, we conducted a total of 9,591 hours of skill development training across all functions, also to groom the trainers from within, we effectively delivered the Train the Trainer module to Sales & Trade Marketing Managers from all regions.

To maintain employee discipline, timely disciplinary actions for violations of rules and performance issues have been taken in accordance with legal processes.

During the year, your Company hired around 1,100 on roll/off role employees.

Consistent efforts made by your Company to enhance the welfare and professional growth of employees have resulted in a decreased rate of attrition, which in FY 2022-23 stood at sub 10% for on-roll personnels. As of March 31, 2023, more than 73% of its employees had been with the Company for more than 5 years, and 39% had been there for more than 15 years.

INFORMATION TECHNOLOGY

Your Company continues to make considerable efforts in terms of deploying IT to increase its efficiency and enhance its competitiveness. In addition to HR-related IT initiatives, your Company has made significant investments in adopting cutting-edge technologies and automating processes. Sales Force Automation involving order management is one area where your Company has made maximum efforts. During FY 2022-23, the following key initiatives have been implemented:

Your Company upgraded the Distributor Management System across the Country giving significant leeway in the way secondary schemes can be operated. We also introduced a scheme management portal to automate the complete scheme management process. Previously, this was performed manually, required multiple procedures and granularity. This enables the trade marketing teams to better manage their programmes. Another area where your Company has enhanced itself through technology is the automation of Inter Depot Transfer (IDT). It involves the transfer of products from one depot to another based on demand, which involves multiple processes and costs. Automation has accelerated processes and reduced expenses for your Company. Jyothy Labs continues to invest in analytics in an effort to make better decisions and increase point-of-sale traffic in light of its growing importance. Analytics is currently utilised in a wide range of fields, including financial analysis, inventory ageing, secondary freight, personnel efficiency, and outlet management, among others.

RISK AND MITIGATION

Your Company takes effective measures to identify, prevent, and mitigate business risks. Your Company views proactive and responsive risk reduction as a basic role of corporate governance.

Your Company has established a framework for risk analysis and mitigation that relies on continuous and in-depth monitoring of internal and external environmental factors affecting the business. The Board has designed the risk mitigation framework, supervising its implementation, and continually revising it, while the senior leadership is responsible for its implementation. The Risk Management Committee meets regularly to review the framework.

Your Company relies on decision-making that focusses on business continuity processes as well as employee safety. Your Company ensures that its risk mitigation strategy aligns with its core values and business objectives.

Risks & Mitigation

Economic Risk

Uncertain global economic environment, due to unfavourable external or internal factors may impact the business operations of your Company.

Mitigation Strategy

Your Company consistently and actively monitors the external environment for indications of unfavourable business-impacting changes. Diversifying its product portfolio and driving sales in target markets with product-specific strategies mitigates this risk to some extent. Product diversification assists in mitigating the effect on overall profitability by promoting growth in other categories and compensating for the potential impact on one category. During FY 2022-23, your Company strengthened digital transformation within the organisation in order to optimise its value chain and increase efficiency. Additionally, retail penetration was enhanced due to increased efficiency.

Compliance Risk

Non-compliance with government regulations may result in the revocation of a business' operating licence.

Mitigation Strategy

Your business has a time-tested, well-structured system in place that satisfies its need to meet all compliance requirements in a timely manner to avoid fines and penalties. Your Company ensures compliance with all national and local statutory rules and regulations imposed by the government.

It monitors compliance using a centralised compliance tool, and any exceptions or non-compliances are flagged and proactively addressed.

Supply Chain Risk

Any disruption of global or local supply chains has a direct impact on a Company's ability to produce and market its products, thereby impacting its ability to generate revenue.

Mitigation Strategy

Your Company is responsible for maintaining and supporting a robust network of channel partners that enables it to maintain continuous raw material supply and product distribution. Your Company conducts in-depth internal research on materials management in order to develop substitutes for basic materials whose supply may be impeded by supply chain issues. Your Company has made significant strides in its organisation-wide digital transformation, allowing for the realisation of cost savings.

Competition Risk

Competition from its peers across the FMCG market may have an impact on your Company's margins and profitability.

Mitigation Strategy

Your Company continues to invest significant resources in the research and development of innovative solutions and new products, in addition to brand and marketing. This enhances the business' customer value proposition and inspires customer loyalty.

These factors contribute to the sustainability efforts of businesses. Your Company's efforts are oriented towards enabling it to perform well in relation to both new and established competitors in the marketplace.

Human Resource Risk

Your Company's ability to operate efficiently may be impacted by an absence of qualified employees and high turnover.

Mitigation Strategy

Your Company places a premium on its employees' career growth, health, and safety. Its personnel management initiatives consist of ongoing training, upskilling and work environment enhancements. Well-researched, and inclusive human resource policies that seek to promote and support diversity, equality and inclusion facilitate this. Nearly 30% of the personnel at Jyothy Labs' manufacturing facilities are female employees. Your Company motivates its employees by providing a variety of facilities and benefits.

Corporate Information

MR. M. P. RAMACHANDRAN

Chairman Emeritus
(DIN: 00553406)

DIRECTORS

Mr. R. Lakshminarayanan

Chairman & Independent Director
(DIN: 00238887)

Ms. M. R. Jyothy

Managing Director
(DIN: 00571828)

Ms. M. R. Deepthi

Whole Time Director
(DIN: 01746698)

Mr. Nilesh B. Mehta

Audit Committee Chairman & Independent Director
(DIN: 00199071)

Ms. Bhumika Batra

Independent Director
(DIN: 03502004)

Mr. Aditya Sapru

Independent Director
(DIN: 00501437)

COMPANY SECRETARY

Mr. Shreyas Trivedi

(Membership No. A12739)

CHIEF FINANCIAL OFFICER

Mr. Sanjay Agarwal

STATUTORY AUDITORS

M/s. B S R & Co. LLP

(Firm Registration No. 101248W/W-100022)

INTERNAL AUDITORS

M/s. Mahajan & Aibara Chartered Accountants LLP

(Firm Registration No. 105742W)

SECRETARIAL AUDITORS

M/s. Rathi & Associates,

Company Secretaries
(Firm Registration Number P1988MH011900)

COST AUDITORS

M/s. R. Nanabhoy & Co.

(Firm Registration Number 000010)

REGISTERED OFFICE

Jyothy Labs Limited

Ujala House, Ram Krishna Mandir Road,
Kondivita, Andheri (East), Mumbai – 400 059

Telephone: +91-22-66892800 Fax: +91-22-66892805

Email: info@jyothy.com

Website: www.jyothylabs.com

CORPORATE IDENTITY NUMBER (CIN)

L24240MH1992PLC128651

SECRETARIAL DEPARTMENT

Ujala House, Ram Krishna Mandir Road,
Kondivita, Andheri (East), Mumbai – 400 059

Telephone: +91-22-66892800 Email: secretarial@jyothy.com

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited

U67190MH1999PTC118368

C 101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai – 400083

Tel.: +91-22-49186000 Fax: +91-22-49186060

Email: rnt.helpdesk@linkintime.co.in

Directors' Report

Dear Members,

It is our pleasure to present to you the 32nd Annual Report of your Company together with the Audited Financial Statements for the Financial Year ended March 31, 2023.

FINANCIAL PERFORMANCE

Your Company's financial performance on standalone basis for the Financial Year ended March 31, 2023 compared with previous Financial Year is summarised below:

(₹ in Lacs)

Financial Results	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022 (Restated)
Revenue from Operations	248,194.60	219,326.33
Earnings before Interest, Tax, Depreciation and Amortization	31,555.77	24,790.32
Finance Cost	1,309.09	1,180.39
Other Income	3,948.39	1,847.58
Depreciation on Tangible Assets	2,941.43	3,800.79
Amortization of Intangible Assets	104.55	3,162.46
Depreciation of right of use assets	1,956.14	1,912.55
Profit before exceptional item and tax	29,192.95	16,581.71
Exceptional items	703.25	-
Profit before tax	29,896.20	16,581.71
Provision for tax		
- Current tax	5,399.82	3,207.00
- Deferred Tax Charge/ (Credit)	543.98	(496.73)
Profit after tax	23,952.40	13,871.44
Earning Per Share (Basic) (In ₹)	6.52	3.78
Earning Per Share (Diluted) (In ₹)	6.52	3.78
Dividend Per Share of face value of ₹1/- (In ₹)	3.00	2.50

The abovementioned financial performance highlights are an abstract of the Financial Statements of your Company for the Financial Year 2022-23. The detailed Financial Statements of your Company forms part of this Annual Report and are also uploaded on website of your Company i.e. www.jyothylabs.com.

PERFORMANCE HIGHLIGHTS

The Revenue from operations on standalone basis of your Company for the Financial Year 2022-23 was up by 13.2% and stood at ₹ 248,194.60 Lacs compared to ₹ 219,326.33 Lacs in the previous financial year. The net profit for the financial year 2022-23 amounted to ₹ 23,952.40 Lacs, up by of 72.7% over the previous financial year.

The consolidated revenue from operations of your Company for the financial year under review stood at ₹ 248,601.52 Lacs as against ₹ 219,648.88 Lacs in the previous financial year, reporting a growth of 13.2%. The consolidated profit after tax for the financial year under review stood at ₹ 23,972.60 Lacs against ₹ 15,913.03 Lacs in the previous financial year, up by 50.6% over the previous financial year.

DIVIDEND

Your Board is pleased to recommend for your consideration, a dividend of ₹ 3/- (Rupees Three only) per equity share of ₹1/- each for the financial year 2022-23. The aforesaid dividend will involve a total payout of ₹ 11,016.25 Lacs and is subject to the

approval of Members at the ensuing Annual General Meeting of your Company. The proposed dividend payout is in accordance with your Company's Dividend Distribution Policy.

In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by any Company is taxable in the hands of shareholders. Your Company shall, therefore, be required to regulate deduction of tax at source (TDS) at the time of payment of dividend in accordance with the provisions of the Income Tax Act, 1961 read with the Finance Act, 2020 and at the applicable rates of taxes. The TDS rate may vary depending upon the residential status of the shareholder and the documents submitted to your Company.

Your Company will also be sending communication to the shareholders informing them to submit the necessary documents to enable your Company to calculate the amount of tax required to be deducted from the proposed dividend in respect of each eligible shareholders. The aforesaid communication will be sent to those shareholders whose name appears in the Register of Member as on June 2, 2023 via email to those shareholders who have registered their email id with your Company.

During the previous financial year, your Company had paid a final dividend of ₹ 2.50 (Rupees Two and Paise Fifty only) per equity share of ₹1/- each for the Financial Year 2021-22. The aforesaid dividend involved a total payout of ₹ 9,180.22 Lacs.

DIVIDEND DISTRIBUTION POLICY

The Board of Directors of your Company had approved and adopted a policy on Dividend Distribution formulated in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and the dividend is recommended in accordance with the said policy.

The sub-regulation (1) of Regulation 43A of the Listing Regulations has allowed the companies to provide web-link of the Dividend Distribution Policy instead of attaching it along with the Annual Report. However, for the easy accessibility of the shareholders, your Company has annexed to this report its Dividend Distribution Policy as "Annexure – A" and has also uploaded the same on your Company's website at the link:

<https://www.jyothy.com/investor/management-policies-notices/#Management-Policies>

ISSUE OF SHARES

a) Issue of Equity Shares with differential rights

During the year under review and to date, your Company has not issued any shares with differential rights, hence no information prescribed under the provisions of Section 43(a)(ii) of the Companies Act, 2013 (the Act) read with Rule 4(4) of the Companies (Share Capital & Debentures) Rules, 2014 has been furnished.

b) Issue of Sweat Equity Shares

During the year under review and to date, your Company has not issued any sweat equity shares. Hence no information as per the provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital & Debentures) Rules, 2014 is furnished.

c) Issue of Employee Stock Option

During the year under review and to date, your Company has not issued any Employee Stock Option, hence no information is furnished.

INCREASE IN SHARE CAPITAL

Pursuant to the approval of the Scheme of Amalgamation of Jyothy Fabricare Services Limited with your Company sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench, the Authorised Share Capital of your Company is ₹ 3,08,85,00,000/- consisting of: (a) 3,01,95,00,000 Equity Shares of the Face Value of ₹1/- each (b) 30,000 11% Cumulative Redeemable Preference Shares of the Face Value of ₹ 100/- each and (c) 66,00,000 Preference Shares of ₹ 10/- each. Since the amalgamation was with the Wholly Owned Subsidiary of your Company, the paid-up Equity Share Capital of your Company remains unchanged as on March 31, 2023 which is ₹ 36,72,08,644/- consisting of 36,72,08,644 Equity Shares of the Face Value of ₹ 1/- each. Further, as on March 31, 2023, none of the Directors of your Company holds instruments convertible into equity shares of your Company.

DEBENTURES

During the Financial Year under review your Company did not issue any Debentures in terms of Section 42 of the Act read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and no debentures were redeemed during the Financial Year 2022-23.

ANNUAL RETURN

Pursuant to Section 134 (3) (a) of the Act, the draft annual return for Financial Year 2022-23 prepared in accordance with Section 92(3) of the Act is made available on your website of the Company i.e. <https://www.jyothy.com/investor/annual-report-2/#annual-report>

NUMBER OF MEETINGS OF THE BOARD

Your Company's Board of Directors met 7 (seven) times during the financial year ended March 31, 2023 in accordance with the provisions of the Act and the Rules made thereunder. All the Board and the Committee meetings during the financial year 2022-23, were held physically and the facility to attend the meeting through video conferencing in compliance with the provisions of Section 173 of the Act read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended was provided.

The meetings were held on May 24, 2022, July 25, 2022, September 7, 2022, September 12, 2022, November 14, 2022, January 25, 2023 and March 3, 2023. Also, during the financial year 2022-23, 1 (one) Circular Resolution pursuant to Section 175 of the Act was passed on August 26, 2022.

AUDIT COMMITTEE

The Audit Committee of your Company consists of all Independent Directors. The detailed composition of the Audit Committee is provided in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Act, in relation to the Audited Financial Statements of your Company for the financial year ended March 31, 2023, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards read with the requirements set out under Schedule III to the Act have been followed and there were no material departures from the same;
- b. your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2023 and of the profit of your Company for the year ended on that date;
- c. your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d. your Directors have prepared annual accounts of your Company on a going concern basis;

- e. your Directors have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively; and
- f. your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PERFORMANCE EVALUATION

In accordance with the Act and Regulation 4(2)(f) of the Listing Regulations, your Company has framed a Policy for Evaluation of Performance of Independent Directors, Board, Committees and other Individual Directors which includes criteria for performance evaluation of Non-Executive Directors and Executive Directors. A questionnaire is formulated for evaluation of performance of the Board, its committees and individual Directors, after taking into consideration several aspects such as board composition, strategic orientation, board functioning and team dynamics.

An annual performance evaluation for the financial year 2021-22 was carried out by the Board of Directors and the Nomination, Remuneration and Compensation Committee at their respective meetings held on May 24, 2022. The questionnaires were circulated to the Board members and the Committee members of the Nomination, Remuneration and Compensation Committee at the time of performance evaluation conducted at their respective meetings. The Directors and the Committee members then filled-up the questionnaire and rated the Board, its Committees and individual Directors and duly filled questionnaires were handed over to the Company Secretary.

Performance evaluation of Independent Directors was conducted by the Board of Directors, excluding the Director being evaluated. The criteria for performance evaluation of Independent Directors laid down by the Nomination, Remuneration and Compensation Committee include ethics and values, knowledge and proficiency, diligence, behavioral traits, efforts for personal development and independence in decision making.

Similarly, performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors of your Company at its separate meeting held on May 24, 2022. Your Directors also expressed their satisfaction with the evaluation process.

TRAINING OF INDEPENDENT DIRECTORS

All Independent Directors are familiarized with your Company, their roles, rights and responsibilities in your

Company, nature of the industry in which your Company operates, business model, strategy, operations and functions of your Company through its Executive Directors and Senior Managerial Personnel. The details of programs for familiarization of Independent Directors with your Company are available on the website of your Company at the link:

<https://www.jyothy.com/investor/management-policies-notice/#Management-Policies>

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Based on the recommendation of the Nomination, Remuneration and Compensation Committee at its meeting held on March 28, 2022, the Board of Directors of your Company appointed Mr. Aditya Sapru (DIN – 00501437) as an Additional Director designated as Independent Director of your Company with effect from March 28, 2022. Further, as per the requirement of Regulation 17(1C) of the Listing Regulations your Company on May 8, 2022 has obtained approval of the shareholders of your Company through Postal Ballot under Section 110 of the Act for appointment of Mr. Aditya Sapru as an Independent Director of your Company for a consecutive term of 5 years commencing from March 28, 2022 to March 27, 2027 (both days inclusive). In the opinion of the Board, Mr. Sapru is a person of integrity and have about 3 decades of international experience in building growth frameworks and growth strategy for organizations to create long term stakeholder value.

The term of Ms. Bhumika Batra (DIN – 03502004), Independent Director will expire on March 13, 2024. Based on the recommendation of the Nomination, Remuneration and Compensation Committee at its meeting held on May 3, 2023, the Board of Directors of your Company approved the re-appointment of Ms. Bhumika Batra (DIN – 03502004) as Independent Director of your Company for a further consecutive period of 5 years commencing from March 14, 2024 upto March 13, 2029 (both days inclusive). In opinion of the Board Ms. Batra is a person of integrity and has the required expertise and experience (including the proficiency) for appointment as an independent director. Further as per the requirements of Section 149 of the Act and Regulation 17(1C) of the Listing Regulations, a resolution for the re-appointment of Ms. Bhumika Batra as Independent Director of your Company forms an integral part of the Notice of the ensuing 32nd Annual General Meeting (AGM).

In accordance with the provisions of Section 152 of the Act, Ms. M. R. Jyothy, Managing Director (DIN – 00571828) of your Company retires by rotation at the

ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Apart from the aforesaid changes, there was no change in Directors and Key Managerial Personnel of your Company.

DECLARATION OF INDEPENDENT DIRECTORS

Pursuant to Section 134(3)(d) of the Act, your Company confirms having received necessary declarations from all the Independent Directors under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations declaring that they meet the criteria of independence laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. All the Independent Directors of your Company have complied with the provisions of sub-rule (1) and (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 by registering themselves under data bank of Independent Director for lifetime. Your Company has also formulated a Code of Conduct for Directors and Senior Management Personnel and has obtained declarations from all the Directors to the effect that they are in compliance with the Code.

MEETING OF INDEPENDENT DIRECTORS

Your Company's Independent Directors meet at least once in every financial year without the presence of the Executive Directors or Management Personnel of your Company and the Meeting is conducted informally. During the year under review, one meeting of Independent Directors was held on May 24, 2022.

REMUNERATION POLICY

Your Company follows the policy on Nomination, Remuneration and Compensation of Directors, Key Managerial Personnel and other Employees as approved by the Nomination, Remuneration and Compensation Committee and the Board of Directors of your Company and the same has been uploaded on your Company's website at <https://www.jyothy.com/investor/management-policies-notice/#Management-Policies> Salient features of the said Policy is annexed to this report as “Annexure – B”.

INSTANCES OF FRAUD, IF ANY, REPORTED BY THE AUDITORS

There have been no instances of any fraud reported by the Statutory Auditors under Section 143(12) of the Act.

AUDITORS & AUDIT REPORTS

Statutory Auditors and their Report

At the 31st Annual General Meeting held on July 25, 2022, M/s B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022) were re-appointed as the Statutory Auditors of your Company

for a second term of 5 years commencing from conclusion of the 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting. Also, as per the Companies (Amendment) Act, 2017, provisions of Section 139 of the Act have been amended, wherein, the requirement of ratification of appointment of Statutory Auditors at every AGM has been done away with. Accordingly, appointment of M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration no.101248W/W-100022) as Statutory Auditors of your Company, will not be placed for ratification by the members in the ensuing Annual General Meeting

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification(s), reservation(s) or adverse remark(s).

Secretarial Auditors and their Report(s)

In terms of Section 204 of the Act, the Board of Directors of your Company on the recommendation of the Audit Committee have re-appointed M/s. Rathi & Associates, Practicing Company Secretaries, (Firm Registration No. P1988MH011900), Mumbai as the Secretarial Auditors of your Company to carry out Secretarial Audit for the financial year 2023-24. Your Company has obtained Secretarial Audit Report for the Financial Year 2022-23 in the prescribed Form MR-3 from M/s Rathi & Associates, Practicing Company Secretaries, which forms part of the Annual Report and is appended as "**Annexure – C**" to this Report. The report does not contain any qualification(s), reservation(s) or adverse remark(s) which calls for any explanation from your Board of Directors.

In addition to the above Secretarial Audit and pursuant to the requirements of Regulation 24A of the Listing Regulations M/s. Rathi & Associates, Practicing Company Secretaries have also issued to your Company, Annual Secretarial Compliance Report for the financial year 2022-23 confirming compliance of all laws, SEBI Regulations and circulars/ guidelines issued thereunder, applicable to your Company. The Annual Secretarial Compliance Report dated May 3, 2023 issued by M/s. Rathi & Associates, Practicing Company Secretaries has been submitted to the stock exchanges within 60 days from the financial year ended March 31, 2023.

Regulation 24A of the Listing Regulations requires the companies to annex to its Annual Report, a Secretarial Audit Report, given by a Company Secretary in practice, in the format prescribed by SEBI from time to time. However, pursuant to the provision of SEBI Circular

No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 and in order to avoid duplication, SEBI has allowed companies to use the same Form No. MR-3 as required under the Act and the rules made thereunder for the purpose of compliance with Regulation 24A of the Listing Regulations as well. Accordingly, your Company in compliance with the said SEBI Circular has used the same Form No. MR-3 as prescribed under the Act and the rules made thereunder for the purpose of compliance with Regulation 24A of the Listing Regulations as well.

Cost Auditors and their Report

As per Section 148 of the Act read with the Companies (Cost Records and Audits) Rules, 2014, as amended, the Board of Directors of your Company on recommendation of the Audit Committee have re-appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai (Registration No. 000010) as the Cost Auditors to carry out the cost audit of its products covered under the Ministry of Corporate Affairs Order dated June 30, 2014 (as amended on December 31, 2014) for the financial year 2022-23. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee and the requisite resolution for ratification of remuneration of Cost Auditors by the members has been set out in the Notice convening the 32nd Annual General Meeting of your Company.

The re-appointment of M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai as the Cost Auditors of your Company is within the prescribed limits of the Act and free from any disqualifications specified thereunder. Your Company has received the Certificate from the Cost Auditors confirming their independence and relationship on arm's length basis.

The Cost Audit Report for the financial year ended March 31, 2022, issued by M/s. R. Nanabhoy & Co., Cost Auditors, in respect of the various products prescribed under Cost Audit Rules does not contain any qualification(s), reservation(s) or adverse remark(s) and the same was filed with the Ministry of Corporate Affairs on August 2, 2022. The Cost Audit Report for the financial year ended March 31, 2023 will be filed with the Ministry of Corporate Affairs within the prescribed statutory time limit.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of Loans, Guarantees and Investments as prescribed under Section 186 of the Act are appended as "**Annexure – D**" and forms integral part of this Report.

RELATED PARTY TRANSACTIONS

Pursuant to Section 134 of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, in the prescribed Form AOC-2 is appended as “**Annexure – E**” to this Report. During the year under Review, your Company had entered into contract(s)/arrangement(s)/transaction(s) with related parties which were in ordinary course of business and on arm’s length basis and none of which could be considered as material in accordance with the policy of your Company on materiality of related party transactions. Further, none of the contract(s)/arrangement(s)/transaction(s) with related parties required approval of members as the same were within the limits prescribed under Section 188(1) of the Act and the Rules framed thereunder read with the provisions of Regulation 23(4) of the Listing Regulations.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed from your Company’s website at the link:

<https://www.jyothylabs.com/investor/management-policies-notice/#Management-Policies>

Attention of Members is also drawn to Note 32 to the financial statements for the year ended March 31, 2023 which sets out the related party disclosures as per the Indian Accounting Standard (Ind AS) 24.

STATE OF THE COMPANY’S AFFAIRS (MANAGEMENT DISCUSSION AND ANALYSIS)

In terms of the provisions of Regulation 34(2) of the Listing Regulations, the Management Discussion and Analysis Report of your Company’s affairs for the year under review is attached and forms an integral part of this Annual Report.

TRANSFER TO RESERVES

Your Company did not transfer any sum to the General Reserve or to the Debenture Redemption Reserve for the Financial Year under review.

MATERIAL CHANGES AND COMMITMENTS

Except as disclosed elsewhere in this report, no material changes and commitments which could affect your Company’s financial position have occurred between the end of the financial year 2022-23 and to the date of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings

and outgo, as required to be disclosed under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are annexed herewith as “**Annexure - F**” to this Report.

RISK MANAGEMENT

The Board of Directors of your Company on March 14, 2019, constituted the Risk Management Committee. Further, the Board of Directors at their meeting held on July 29, 2021 appointed Mr. Nilesh B. Mehta, Independent Director as the Chairman of the Risk Management Committee.

Accordingly, the Risk Management Committee comprises of the following Directors/Executives of your Company as Members of the Committee as on March 31, 2023:

1. Mr. Nilesh B. Mehta, Independent Director – Chairman;
2. Ms. M. R. Jyothy, Managing Director- Member;
3. Ms. M. R. Deepthi, Whole-time Director – Member;
4. Mr. T. Ananth Rao, Head – Operations & Commercial - Member; and
5. Mr. Ravi Razdan, Head – Systems & HR- Member.

The Risk Management Committee has been entrusted with the powers such as monitoring and reviewing of the risk management plans/policies; appointing various functionaries; deciding the role and responsibilities of various functionaries; evaluating risk including cyber risk to your Company as a whole and also control measures/security; such other powers as may be delegated by the Board of Directors from time to time. The Risk Management Committee of your Company met twice during the Financial Year 2022-23 i.e. on August 29, 2022 and February 22, 2023. Mr. Nilesh B. Mehta was appointed as the Chairperson to chair the said meetings of the Risk Management Committee.

The Board of Directors of your Company has designed a Risk Management Policy in a structured manner taking into consideration the following factors and the same is being monitored on a periodic basis by your Company:

1. The Management Approach;
2. Vision & Mission;
3. Key Business Goals;
4. Risk Library; and
5. Risk Management Focus.

Also, the Management has adopted the following 5 step approach keeping in view your Company’s Vision and Mission:

1. Identifying ‘Key’ Business goals;

2. Identifying the Risk Management focus;
3. Identifying Business risks;
4. Prioritizing the identified business risks; and
5. Rating the current risk management capability for identified risks.

Further, your Company has identified Key Business Goals for a five year horizon and a library of risk events which could be bottleneck in achieving the same. After defining the key business goals and the library of risk events, your Company identified the goals on which the management would focus.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has been a firm believer that each and every individual including an artificial person owe something to the society at large. Mr. M. P. Ramachandran Chairman Emeritus of your Company even before the inception of Corporate Social Responsibility provisions under the Act, has been involved in charitable and social activities in his individual capacity.

Your Company for the financial year 2022-23 was required to spend an amount of ₹ 381.83 Lacs (2% of the average net profits of last three financial years) towards Corporate Social Responsibility (CSR) activities. However, your Company for the financial year 2022-23 has spent an aggregate amount of ₹ 381.95 Lacs towards the CSR activities mentioned in the Annual Action Plan of the Company for the financial year 2022-23, approved by the Board of Directors. Further, the unspent CSR amount for the Financial Year 2021-22 of ₹ 126.00 Lacs towards your Company's ongoing project has also been spent during the current financial year.

The Annual Report on CSR activities that includes details about brief outline on CSR Policy developed and implemented by your Company, Composition of CSR Committee and CSR initiatives taken during the financial year 2022-23 in accordance with Section 135 of the Act and other details required to be disclosed as per the latest format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time is annexed herewith as "**Annexure – G**" to this Report.

Details about the CSR Policy adopted and formulated by your Company can be accessed from your Company's website at the link:

<https://www.jyothylabs.com/investor/management-policies-notice/#Management-Policies>

The Annual action plan for the financial year 2023-24 as recommended by the Corporate Social Responsibility

Committee and approved by the Board of Directors of your Company at their respective Meetings held on May 3, 2023 has also been uploaded on your Company's website at the link:

<https://www.jyothylabs.com/wp-content/uploads/2023/05/CSR-Annual-Action-Plan-for-FY-2023-24.pdf>

CHANGE IN NATURE OF BUSINESS

During the year under review, there was no change in the nature of business of your Company.

PERFORMANCE OF SUBSIDIARIES, ASSOCIATE COMPANIES/JOINT VENTURES

A statement containing the salient features of the financial statements of your Company's subsidiaries, Associates and Joint Venture Companies in the prescribed format AOC-1 is presented in separate section forming part of the financial statements and hence not repeated here in this Report for the sake of brevity. Policy for determining material subsidiaries, formulated and adopted by your Company can be accessed from your Company's website at the link:

<https://www.jyothylabs.com/investor/management-policies-notice/#Management-Policies>

During the year under review, Jyothy Fabricare Services Limited (JFSL), a wholly owned subsidiary of your Company was amalgamated with your Company pursuant to approval of the Scheme of Amalgamation of Jyothy Fabricare Services Limited (Transferor Company) with Jyothy Labs Limited (Transferee Company) by the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide its Order dated February 24, 2023.

Pursuant to approval of the Scheme of Amalgamation by the NCLT, the JFSL-JLL (JV) was also dissolved with effect from March 31, 2023.

Except as mentioned above, no Company has become or ceased to be your Company's subsidiary, Joint venture or associate company during the financial year 2022-23.

FIXED DEPOSITS

Your Company did not accept/renew any fixed deposits from public and no fixed deposits were outstanding or remained unclaimed as on March 31, 2023.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by any Regulator/Court that would impact the going concern status of your Company and its future operations.

INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls adopted and followed by your Company are adequate and are operating effectively. Your Company has adopted a dynamic Internal Financial Controls framework based on the best practices followed in the industry. Under the said framework, Risk and Control Matrix are defined for the following process(es):-

1. Fixed Assets;
2. Financial Statement Closing Process;
3. Information Technology;
4. Inventory Management;
5. Marketing and Advertising;
6. Payroll;
7. Production Process;
8. Taxation; and
9. Treasury.

M/s. MGB & Co LLP have been entrusted with the responsibility of testing the controls identified and implemented by your Company for all the aforesaid processes.

During the year under review, no material or serious observations have been received from the Internal Auditors of your Company regarding inefficiency or inadequacy of such controls.

CONSOLIDATED ACCOUNTS

The consolidated financial statements of your Company are prepared in accordance with the relevant Indian Accounting Standards issued by the Central Government under Section 133 of the Act and forms integral part of the Annual Report.

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of the Listing Regulations together with the Certificate received from M/s. Rathi & Associates, Practicing Company Secretaries, confirming compliance of Corporate Governance requirements is attached and forms an integral part of this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

The Securities and Exchange Board of India (SEBI), vide notification dated May 5, 2021 amended Regulation 34(2)(f) of the Listing Regulations prescribing that with effect from the financial year 2022-23, the top 1000 listed entities based on market capitalization shall submit a business responsibility and sustainability report in the format as specified by SEBI.

Your Company being one of the top 1000 listed companies is required to report on Business Responsibility. Accordingly, the BRSR forms an integral part of this Annual Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

REMUNERATION/COMMISSION FROM ANY OF ITS SUBSIDIARIES

During the year under review, neither the Managing Directors nor the Whole-time Director of your Company received any remuneration or commission from any of its subsidiaries.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

During the financial year under review, no options were granted, vested or exercised and hence, the disclosure as required under Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is not required to be furnished.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company has a Vigil Mechanism in place which includes a Whistle Blower Policy in terms of the Listing Regulations for Directors and Employees of your Company to provide a mechanism which ensures adequate safeguards to Employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports etc.

The Vigil Mechanism/Whistle Blower Policy of your Company can be accessed from your Company's website at the link:

<https://www.jyothy.com/investor/management-policies-notice/#Management-Policies>

Your Company has put in place a mechanism in consonance with the requirements of Section 177 of the Act and Regulation 18(3) of the Listing Regulations for the Directors, employees and other stakeholders to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or policy framed by your Company. All Protected Disclosures can be reported by the Whistle Blower in writing or through call on the following

number i.e. **18601232120** or Hotline number i.e. **022-66892804** or alternatively, the same can also be sent through email on whistleblower@jyothy.com with the subject "Protected disclosure under the Whistle Blower Policy".

The Whistle Blowers have a right/option to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy directly to the Chairman of the Audit Committee. During the year under review, no protected disclosure from any Whistle Blower was received by the designated officer under the Vigil Mechanism.

INTERNAL CONTROL SYSTEMS

Your Company has adequate internal control systems and procedures in place for effective and smooth conduct of business and to meet exigencies of operation and growth. Your Company has set up Standard Operating Process (SOP), procedures and controls apart from regular Internal Audits. Roles and responsibilities have been laid down for each process owners. Management Information System has been established which ensures that adequate and accurate information is available for reporting and decision making.

Internal Audit is conducted by an independent firm of Chartered Accountants viz. M/s. Mahajan & Aibara Chartered Accountants, LLP. Internal Auditors regularly check the adequacy of the system, their observations are reviewed by the management and remedial measures, as necessary, are taken. Internal Auditors report directly to the Chairman of the Audit Committee to maintain its objectivity and independence.

Your Company has also implemented a Compliance Tool software mechanism viz. "Legatrix" designed by Legasis Services Private Limited which ensures compliance with the provisions of all applicable laws to your Company adequately and effectively.

TRANSFERS TO INVESTOR EDUCATION AND PROTECTION FUND

Transfer of Equity Shares:

Pursuant to the provisions of Section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all the equity shares of any Company in respect of which dividend amounts have not been paid or claimed by the shareholders for seven consecutive years or more are required to be transferred to demat account of the Investor Education and Protection Fund Authority (IEPF Account).

Accordingly, 5431 shares of 115 members of your Company were transferred to Demat Account of IEPF

Authority on September 30, 2022. Your Company had sent individual notice to all the aforesaid members and has also published the notice in the leading English and Marathi newspapers. The details of the aforesaid members are available on website of your Company i.e. www.jyothy.com.

Transfer of Unpaid/Unclaimed Dividend:

Further, pursuant to the provisions of Section 124(5) of the Act, the dividend which remained unclaimed/ unpaid for a period of seven years from the date of transfer to unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

As a result, the unclaimed/unpaid dividend pertaining to the financial year 2014-15 which remained unpaid and unclaimed for a period of 7 years has been transferred by your Company to the IEPF.

Your Company has uploaded the details of unclaimed/ unpaid dividend for the financial year 2014-15 onwards on its website i.e. www.jyothy.com and on website of the Ministry of Corporate Affairs i.e. www.mca.gov.in and the same gets revised/updated from time to time pursuant to the provisions of IEPF (Uploading of Information Regarding Unpaid and Unclaimed Amount Lying with Companies) Rules, 2012.

Further, the unpaid interim and final dividend amount pertaining to the financial year 2015-16 will be transferred to IEPF during the Financial Year 2023-24.

EMPLOYEE RELATIONS

Your Company has always provided a congenial atmosphere for work to all its employees that is free from discrimination and harassment. Employee relations remained cordial during the year under review.

MANUFACTURING FACILITIES

Your Company has 23 state-of-the-art facilities at all of its manufacturing locations spread across India. Furthermore, five manufacturing plants of your Company situated at Roorkee, Wayanad, Jammu, Pithampur and Puducherry are ISO 9001-2015 certified.

PREVENTION OF SEXUAL HARASSMENT

Your Company has framed 'Anti – Sexual Harassment Policy' at workplace and has constituted an Internal Complaints Committee (ICC) as per the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. No complaints with allegations of any sexual harassment were reported during the year under review.

PARTICULARS OF EMPLOYEES

The disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and forming part of the Directors' Report for the year ended March 31, 2023 is annexed herewith as "Annexure – H " to this Report.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)

Your Company filed an application before the Hon'ble National Company Law Tribunal, Chennai Bench (NCLT) as a financial creditor to initiate corporate insolvency resolution process under Section 7 read with Chapter II of Part II/ Under Chapter IV of Part II of the Insolvency and Bankruptcy Code, 2016 (Code) against Abhiraami Chemicals Limited (ACL) and the Hon'ble NCLT admitted the application vide order dated October 04, 2021.

In view of the fact that ACL does not have any business operations since the Financial Year 2015-16, the Committee of Creditors (CoC) vide its meeting held on November 26, 2021 recommended and approved Liquidation of ACL. Subsequently, the Resolution Professional filed an application for initiation of Liquidation before the Hon'ble NCLT and the Hon'ble NCLT vide its order dated September 19, 2022 has allowed for Liquidation of ACL and appointed the Resolution Professional as the Liquidator in this matter. ACL is currently under Liquidation process.

Also, based on the application filed by your Company under Section 9 of the Act read with Rule 6 of the Code before the Hon'ble National Company Law Tribunal, Chennai Bench (NCLT) as the Financial Creditor to initiate corporate insolvency resolution process against Khadyota Kishan Foundation (KRDC), the Hon'ble NCLT was pleased to admit the Application of your Company vide its order dated November 9, 2022. Thereafter, the Committee of Creditors (CoC) vide its meeting held on February 10, 2023 approved and resolved liquidation of KRDC and filed an application to commence liquidation process which is pending hearing before the Hon'ble NCLT.

CAUTIONARY NOTE

Certain statements in the "Management Discussion and Analysis" section may be 'forward-looking'. Such 'forward looking' statements are subject to risks and uncertainties and therefore actual results could be different from what your Directors envisage in terms of future performance and outlook.

ACKNOWLEDGEMENT

Your Directors express their sincere appreciation for the contribution and commitment of the employees of your Company at all levels and for the excellent support provided by the members, customers, distributors, suppliers, bankers, media and other stakeholders, during the financial year under review. Your Company looks forward to continued and unstinted support in its endeavor to make lives of consumers better by providing world class products at affordable price.

**For and on behalf of the Board of Directors
For Jyothy Labs Limited**

sd/-

M. R. Jyothy

Managing Director
(DIN: 00571828)

sd/-

M. R. Deepthi

Whole Time Director
(DIN: 01746698)

Place: Mumbai

Date: May 3, 2023

DIVIDEND DISTRIBUTION POLICY

1. Background, Scope and Purpose:

The Securities and Exchange Board of India (SEBI) on July 8, 2016 had notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations). Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires the top 500 listed companies (by market capitalisation) to formulate and disclose a Dividend Distribution Policy in the annual report and on the website of the Company.

Jyothy Labs Limited (Formerly known as Jyothy Laboratories Limited) [the "Company"] being one of the top 500 listed companies as per the criteria mentioned above, the Board of Directors ("Board") of the Company at its meeting held on January 20, 2017 adopted this Dividend Distribution Policy to comply with these requirements. The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted herein, progressive dividend, which shall be consistent with the performance of the Company over the years.

2. Definitions:

- 2.1 "Board" shall mean Board of Directors of the Company.
- 2.2 "Companies Act" shall mean the Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended from time to time.
- 2.3 "Dividend" represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.
- 2.4 "Listed Entity / Company" shall mean Jyothy Labs Limited.
- 2.5 "Policy" means Dividend Distribution Policy.
- 2.6 "Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by the Securities and Exchange Board of India, as amended, from time to time.
- 2.7 "Stock Exchange" shall mean a recognised Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (Regulation) Act, 1956.

3. Dividend distribution philosophy:

The Company is deeply committed to driving superior value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both, medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

4. Financial parameters and other internal and external factors that would be considered for declaration of Dividend:

- A. **Financial parameters and Internal Factors-**
 - Distributable surplus available as per the Act and Regulations
 - Working Capital requirement

- Earnings Per Share (EPS)
- The Company's liquidity position and future cash flow needs
- Track record of Dividends distributed by the Company
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- Capital expenditure requirements considering the expansion and acquisition opportunities
- Additional investment in subsidiaries and associates of the Company
- Upgradation of technology and physical infrastructure
- Acquisition of brands and business
- Past dividend payout ratio/ trends

B. External Factors-

- Cost and availability of alternative sources of financing
- Economic Environment
- Capital Markets
- Dividend Payout ratio of competitors
- Macroeconomic and business conditions in general

Any other relevant factors that the Board may deem fit to consider before declaring dividend.

5. Manner of Dividend Payout:

A. In case of final dividend:

- i. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
- ii. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.
- iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

B. In case of interim dividend:

- i. Interim dividend, if any, shall be declared by the Board.
- ii. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
- iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.
- iv. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

6. Utilisation of retained earnings:

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- Funding inorganic and organic growth requirements including working capital, capital expenditure, repayment of debt, etc.
- Buyback of shares subject to applicable limits
- Payment of Dividend in future years
- Issue of Bonus shares
- Replacement of Capital Assets
- Where the cost of debt is high
- Any other permissible purpose

7. Circumstances under which shareholders may not expect Dividend:

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- Proposed expansion plans requiring higher capital allocation
- Decision to undertake any acquisitions, amalgamation, merger, joint ventures,

new product launches etc. which requires significant capital outflow

- Requirement of higher working capital for the purpose of business of the Company
- Proposal for buy-back of securities
- In the event of loss or inadequacy of profit
- Any other unforeseen circumstances having a bearing on the profits of the Company

8. Parameters to be adopted with regards to various classes of shares:

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive

the same amount of dividend per share. The Policy shall be suitably revised at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

9. Modification of the Policy:

The Board is authorised to review/ change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

10. Disclaimer:

This document does not solicit investments in the Company's securities nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

SALIENT FEATURES OF NOMINATION AND REMUNERATION/ COMPENSATION POLICY

The Board of Directors of the Company in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and remuneration for Directors, Key Managerial Personnel and other employees.

Major criteria defined in the Policy framed for appointment of the Directors including criteria for determining qualifications, positive attributes, Independence etc. are as under:

(I) Selection

In case of Executive Directors and Key Managerial Personnel, the selection can be made either by recruitment from outside or from within the Company hierarchy or upon recommendation by the Chairman or other Directors. The appointment may be made either to fill up a vacancy caused by retirement, resignation, death or removal of an existing Executive Director or it may be a fresh appointment.

In case of Non-Executive Directors, the selection can be made either by way of selection from the data bank of Independent Directors maintained by the Government of India or upon recommendation by Chairman or other Directors. The appointment may be made either to fill up a vacancy caused by resignation, death or removal of an existing Non-Executive Director or it may be an appointment as an additional director or an alternate director.

(II) Qualifications, Experience and Positive Attributes

- a) While appointing a Director, it has to be ensured that the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
- b) In case of appointment as an Executive Director, the candidate must have the relevant technical or professional qualifications and experience as are considered necessary based on the job description of the position. In case no specific qualification or experience is prescribed or

thought necessary for the position then, while recommending the appointment, the Human Resource Department shall provide the job description to the Committee and justify that the qualifications, experience and expertise of the recommended candidate are satisfactory for the relevant appointment. In such circumstances, the Committee may call for an expert opinion on the appropriateness of the qualifications and experience of the candidate for the position of the Executive Director.

- c) In case of appointment as a Non-Executive Director, the candidate must have a post graduate degree, diploma or a professional qualification in the field of his practice/ profession/ service and shall have not less than five years of working experience in such field as a professional in practice, advisor, consultant or as an employee. Provided that the Board may waive the requirements of qualification and/ or experience under this paragraph for a deserving candidate.
- d) The Board, while making the appointment of a Director, shall also try to assess from the information available and from the interaction with the candidate that he is a fair achiever in his chosen field and that he is a person with integrity, diligence and open mind.

(III) Board Diversity and Independence

While making appointment of directors, following principles shall be observed by the Board, as far as practicable:

- a) There shall be a proper mix of Executive and Non-Executive Directors and Independent and Non-Independent Directors on the Board. The Company must always be in compliance of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, in this regard.
- b) There shall be a workable mix of directors drawn from various disciplines, like technical, finance, commercial, legal etc. The Board

shall not at any time be entirely comprised of persons drawn from one discipline or field.

- c) While appointing a director to fill in a casual vacancy caused by death, resignation etc. of a director, an effort shall be made, as far as possible, to appoint such a person in his place who has the relevant experience in the fields or disciplines in which the outgoing director had the experience or the person with relevant experience in the fields or disciplines which are not represented in the Board as requisite to business of the Company.
- d) No preference on the basis of gender, religion or caste shall be given while considering the appointment of directors.
- e) Generally, an effort shall be made to maintain the Board diversity by appointment of persons from diverse disciplines (relevant to the Company's business), of different age groups and of both the genders (male as well as female) as Directors.
- f) While appointing Independent Directors, the criteria for the independent directors, as laid down in Section 149 (6) of the Companies Act, 2013 and Listing Regulations are followed.

(IV) Remuneration of Directors, Key Managerial Personnel and other Employees

- a) While determining the remuneration of Executive Directors and Key Managerial Personnel, the Board shall consider following factors:
 - i) Criteria/ norms for determining the remuneration of such employees prescribed in the HR Policy.
 - ii) Existing remuneration drawn.
 - iii) Industry standards, if the data in this regard is available.
 - iv) The job description.
 - v) Qualifications and experience levels of the candidate.
 - vi) Remuneration drawn by the outgoing employee, in case the appointment is to fill a vacancy on the death, resignation, removal etc. of an existing employee.
 - vii) The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.

- b) The determination of remuneration for other employees shall be governed by the HR Policy.

- c) The proposal for the appointment of an Executive Director/ Key Managerial Personnel shall provide necessary information in this regard which the Board will consider in arriving at the conclusion as to whether or not the remuneration offered to the candidate is appropriate, reasonable and balanced as to the fixed and variable portions (including the commission).

- d) The remuneration payable to the Executive Directors, including the Commission and value of the perquisites, shall not exceed the permissible limits as are mentioned within the provisions of the Companies Act, 2013.

- e) The Executive Directors shall not be eligible to receive sitting fees for attending the meetings of the Board or committees thereof of the Company and its subsidiary Companies.

- f) The Non-Executive Directors shall not be eligible to receive any remuneration/ salary from the Company. However, the Non-Executive Directors shall be paid sitting fees for attending the meetings of the Board or committees thereof and commission, as may be decided by the Board/ Shareholders from time to time.

- g) The Non-Executive Directors shall also be eligible for reimbursement of reasonable out-of-pocket expenses incurred by them for attending meetings of Board, Committees or Shareholders, including the travelling and lodging & boarding expenses on an actual basis.

The amount of sitting fees and commission payable to Non-Executive Directors shall not exceed the limits prescribed under the provisions of the Companies Act, 2013.

Explanation : For the purpose of this Policy, Remuneration shall mean the cost to the Company and shall include the salary, allowances, perquisites, performance incentive and any other facility provided or payment made to or on behalf of the employee.

- h) Independent Directors shall not be eligible to participate in the ESOP Scheme, if any.

SECRETARIAL AUDIT REPORT
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

To
The Members
JYOTHY LABS LIMITED
Ujala House, Ram Krishna Mandir Road,
Kondivita, Andheri (East),
Mumbai, Maharashtra – 400 059

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jyothy Labs Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter, however subject to verification of the audited financial statements for the Financial year ended March 31, 2023 and documents related thereto.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure I**, for the financial year ended on March 31, 2023, according to the provisions of:
 - (i) The Companies Act, 2013 ('**the Act**') and the rules made there under to the extent applicable;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and
 - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Provisions of the following Regulations and Guidelines prescribed under the SEBI Act were **not applicable** to the Company under the financial year under report: -
 - a. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding dealing with client;
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
 - f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as mentioned hereunder:

1. Legal Metrology Act, 2009
2. Legal Metrology (Packaged Commodities) Rules, 2011
3. Environment (Protection) Act, 1986
4. Hazardous Wastes (Management and Handling) Rules, 1989
5. Insecticides Act, 1968
6. Drugs and Cosmetics Act, 1940

We have also examined compliance with the applicable clauses of the Secretarial Standards including the amended Secretarial Standards applicable with effect from October 1, 2017 issued by The Institute of Company Secretaries of India under the provisions of the Act.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one-woman director in compliance with the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days

in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings, the decisions of the Board were taken unanimously.

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

Apart from the above, following action had a major bearing on the Company's affairs during the period under report:

The Board of Directors of the Company at its meeting held on September 12, 2022, approved Scheme of Amalgamation under the provisions of Sections 230 to 232 of the Companies Act, 2013 for amalgamation of its wholly owned subsidiary viz., Jyothy Fabricare Services Limited (Transferor Company) with Jyothy Labs Limited (the Transferee Company). The said scheme was duly approved by the applicable authorities including final sanction by the Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated February 24, 2023.

For **RATHI & ASSOCIATES**
COMPANY SECRETARIES

sd/-
HIMANSHU S. KAMDAR

PARTNER

M. No. FCS 5171

C.P. No.3030

UDIN: F005171E000245257

P.R. Certificate No.: 668/2020

Place: Mumbai

Date: May 3, 2023

Note: This report should be read with our letter of even date which is annexed as Annexure II and forms an integral part of this report.

ANNEXURE – I

List of documents verified

1. Memorandum and Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2022.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, and Corporate Social Responsibility Committee held during the financial year under report.
4. Minutes of Annual General Meeting held during the financial year under report;
5. Proof of circulation & Delivery of notice for Board meetings and Committee Meetings.
6. Proof of circulation of draft Board and Committee meetings minutes as per Secretarial Standards.
7. Various Policies made under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
8. Statutory Registers maintained under the Companies Act, 2013;
9. Copies of Notice, Agenda and Notes to Agenda submitted to all the directors / members for the Board Meetings and Committee Meetings as well as resolutions passed by circulation;
10. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2) and Section 149(7) of the Companies Act, 2013.
11. Intimations received from Directors under the Code of Prohibition of Insider Trading.
12. E-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
13. Intimations/documents/reports/returns filed with the Stock Exchanges pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year under report;
14. Confirmation related to payments of dividend made to its shareholders during the financial year under report;
15. E-mails evidencing dissemination of information related to closure of Trading window;
16. Internal Code of Conduct for prevention of Insider Trading by Employees / Directors / Designated Persons of the Company;
17. Statement of Related Party Transactions entered into by the Company during the financial year under report;
18. Compliance Certificate placed before the Board of Directors from time to time;
19. Details of Sitting Fees paid to all Non - Executive Directors for attending the Board Meetings and Committees.
20. Documents related to the scheme of amalgamation of Jyothy Fabricare Services Limited (Transferor Company) (Wholly Owned Subsidiary) with Jyothy Labs Limited (the Transferee Company), including approvals by the Shareholders, Creditors and other applicable authorities respectively and final sanction by the Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated February 24, 2023.

ANNEXURE- II

To
The Members
JYOTHY LABS LIMITED
Ujala House, Ram Krishna Mandir Road,
Kondivita, Andheri (East), Mumbai,
Maharashtra-400 059.

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

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

For **RATHI & ASSOCIATES**
COMPANY SECRETARIES

sd/-

HIMANSHU S. KAMDAR

PARTNER

M. No. FCS 5171

C.P. No.3030

UDIN: F005171E000245257

P.R. Certificate No.: 668/2020

Place: Mumbai

Date: May 3, 2023

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**(Pursuant to Section 186 of the Companies Act, 2013)**

Amount Outstanding as at March 31, 2023

Particulars	(₹ in lacs)
Loans given	NIL
Guarantee Given (Financial exposure)	NIL
Investment (Current and Non-Current)	580.47
Security provided	NIL

**For and on behalf of the Board of Directors
For Jyothy Labs Limited**

sd/-

M. R. JyothyManaging Director
(DIN: 00571828)

sd/-

M. R. DeepthiWhole Time Director
(DIN: 01746698)**Place:** Mumbai**Date:** May 3, 2023

PARTICULARS OF CONTRACTS/ ARRANGEMENTS MADE WITH RELATED PARTIES**Form No. AOC-2**

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013
and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of Contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2. Details of material Contracts or arrangements or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board	
(f)	Amount paid as advances, if any	

**For and on behalf of the Board of Directors
For Jyothy Labs Limited**

sd/-
M. R. Jyothy
Managing Director
(DIN: 00571828)

sd/-
M. R. Deepthi
Whole Time Director
(DIN: 01746698)

Place: Mumbai
Date: May 3, 2023

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of energy-

The Company took following initiatives for conservation of energy at its various manufacturing locations:

- a. Replaced traditional lights with LEDs across plants and replaced high power consuming Air cooler system with low power consuming cooling system.
- b. Usage of Variable Frequency Drive (VFD) in Mixer Motor, Conveyor Belt, Plodder Motor, Detergent Bucket Elevator, Blender Motor etc. for reducing its Motor Power Consumption.
- c. Assessed loads at various points and installed lower rating motors to conserve energy also reassessed the capacity and replaced with lower capacity motors.
- d. Use of briquettes as alternate green energy source.
- e. Power factor correction method using active and passive filter (Hybrid panel)
- f. Power factors maintain at unity which reduced harmonic current and thereby resulting in energy consumption.
- g. Increased the output by optimizing process time & batch size and therefore effectively reduced the power consumption per metric ton produced.

(B) Technology absorption-

The Company took following initiatives for technology absorption at its various manufacturing locations:

- a. Using sensor-based operation in start and stop in no load condition – In the Company’s production process, the machine runs continuously once it gets started, however, with the help of sensors, the machine automatically stops when there is no production and starts automatically as per the production load on the machine.
- b. Installed 495 KW roof top solar in Pithampur unit as a green initiative.
- c. Installed 500 KW and 150 KW roof top solar in Puducherry unit as a green initiative.
- d. Automation line implemented - Earlier in Crisp & Shine 200 gram machine there was a manual workforce required for filling, plugging, capping & cap closing process, however with new auto machine setup, the Company has eliminated manual operation and now all the process is carried on in auto mode. This helps in energy conservation as well manpower reduction in multistage operation of the Company.
- e. the expenditure incurred on Research and Development for the Financial Year 2022-23 amounted to ₹1,104.24 Lacs.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of foreign exchange earnings and outgo are as below:

Particulars	(₹ in Lacs)	
	2022-23	2021-22
Foreign exchange earnings	4,999.36	4,527.97
Foreign exchange outgo	2,625.75	3,232.90

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES**1. A brief outline on CSR policy of the Company**

The CSR Policy of the Company, framed in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, provides for the manner of implementation of its CSR initiatives. The Company subscribes to the philosophy of compassionate care. It believes and acts on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of the Company's CSR policy. The CSR Policy of the Company is available on its website at <https://www.jyothylabs.com/>

The Company has undertaken projects in promoting education including employment enhancing vocational skills, eradication of hunger, and promoting health care including preventive health care as a part of its CSR initiatives for the financial year 2022-23. The CSR activities and funding is regularly monitored by the CSR Committee of the Company.

Through its CSR initiatives, targeted toward education and eradication of hunger, the Company aims to make an impact in the social arena and act as a catalyst in bringing about a change in the lives of people. Through its healthcare activities the Company's objective is to improve the health conditions of people.

The Company has identified the following fields of operation for spending of expenditure towards CSR:

1. Promoting healthcare including preventive healthcare;
2. Disaster management, including relief, rehabilitation and reconstruction activities;
3. Promoting education and enhancing vocational skills;
4. Ensuring environmental sustainability, ecological balance;
5. Rural development projects;
6. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans;
7. Eradicating hunger, poverty and malnutrition

2. Composition of CSR Committee

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Nilesh Mehta	Independent Director as Chairman	Two (2) i.e. on May 24, 2022 and November 14, 2022	2
2.	Mr. R. Lakshminarayanan	Independent Director as Member		2
3.	Ms. M. R. Jyothy	Managing Director as Member		2

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

Composition of CSR Committee:	https://www.jyothylabs.com/wp-content/uploads/2023/03/COMPOSITION-OF-VARIOUS-COMMITTEE-OF-THE-BOARD_03.03.2023-1.pdf
CSR Policy:	https://www.jyothylabs.com/wp-content/uploads/2021/06/JLL_CSR-Policy_18.5.2021.pdf
CSR Projects approved:	https://www.jyothylabs.com/wp-content/uploads/2022/05/CSR-Annual-Action-Plan-2022-23.pdf

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable - **Not Applicable**
5. (a) Average net profit of the Company as per sub-section (5) of section 135: ₹ **19,091.62 Lacs**
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ **381.83 Lacs**
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **NIL**
 (d) Amount required to be set-off for the financial year, if any: **NIL**
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ **381.83 Lacs**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **381.95 Lacs**
 (b) Amount spent in Administrative Overheads: **NIL**
 (c) Amount spent on Impact Assessment, if applicable: **Not Applicable**
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ **381.95 Lacs**
 (e) CSR amount spent or unspent for the Financial Year: ₹ **381.95 Lacs**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of section 135		
	Amount	Date of Transfer	Name of fund	Amount	Date of Transfer
381.95 Lac	NA	NA	NA	NA	NA

- (f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
1.	Two percent of average net profit of the company as per sub-section (5) of section 135	NIL
2.	Total amount spent for the Financial Year	NIL
3.	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
4.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
5.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Years	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1.	2021-22	126 Lacs	NIL	126 Lacs	NIL	NIL	NIL	Not Applicable
2.	2020-21				Not Applicable			
3.	2019-20				Not Applicable			

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **NO**

If Yes, enter the number of Capital assets created/ acquired: **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
Not Applicable							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).- **Not Applicable**

**For and on behalf of the Board of Directors
For Jyothy Labs Limited**

sd/-
Nilesh Mehta
Independent Director and
Chairman – CSR Committee
(DIN – 00199071)

sd/-
M. R. Jyothy
Managing Director
(DIN – 00571828)

Date: May 03, 2023
Place: Mumbai

STATEMENT OF PARTICULARS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 (AS AMENDED TILL DATE)

A. Employed throughout the Financial Year 2022-23 with an aggregate salary not less than ₹ 1,02,00,000/- per annum:

Name	Age	Qualification	Designation	Date of Commencement of employment	Experience (years)	Total Gross Remuneration (Amt in ₹)	Previous Employment
M. R. JYOTHY	45	B.Com, MBA from Welinkar Institute of Management and Research, Family Managed Business Administration from S.P Jain Institute of Management, Mumbai and Owner/ President Management Programme from Harvard University, USA.	MANAGING DIRECTOR	01-01-2004	19 years	3,61,55,700	-
SANJAY AGARWAL	47	Chartered Accountant, Cost Accountant, EDP - Wharton Business School, USA and A.M.P., Harvard Business School, USA	CHIEF FINANCIAL OFFICER	18-04-2018	23 years	3,15,14,556	Adani Capital – Executive Director
KANDALA ANIL SARMA	44	PGDBM from Management Development Institute – Gurgaon & B.E (Electrical Electronics) from Birla Institute of Technology	SALES HEAD	04-07-2019	22 Years	2,95,63,940	Britannia Industries Limited as National Sales Manager – Dairy Business & Country Manager – Nepal & Bangladesh
ANANTH RAO T	49	Bachelor of Business Management, Intermediate level -Institute of Chartered Accountants of India and Owner/ President Management Programme from Harvard University,USA	HEAD - OPERATIONS & COMMERCIAL	24-12-2003	19 years	2,13,98,412	-
RAVI RAZDAN	42	Masters in Information Systems - SIES College of Management Studies	HEAD - Systems & HR	02-04-2010	17 years	1,19,30,160	Kotak Mahindra Bank – Sr. Manager IT
SHREYAS PARAG TRIVEDI	50	B.COM, Company Secretary, LLB, Cost Accountant	HEAD - LEGAL & COMPANY SECRETARY	02-05-2016	30 years	1,07,40,864	VIP Industries Limited – Company Secretary & Head - Legal

B. Employed for part of the financial year 2022-23 with an aggregate salary not less than ₹ 8,50,000/- per month:

Name	Age	Qualification	Designation	Date of Commencement of employment	Experience (years)	Total Gross Remuneration (Amt in ₹)	Previous Employment
NONE							

Note:

- All appointments are contractual and terminable by notice on either side.
- None of the employees mentioned above are related to any director of the Company except: a) Ms. M. R. Jyothy and Ms. M. R. Deepthi, who are related to each other being sisters; b) Mr. T. Ananth Rao and Ms. M. R. Jyothy, who are related to each other, being spouse and; c) Mr. Ravi Razdan and Ms. M. R. Deepthi, who are related to each other, being spouse.
- None of the employee is drawing remuneration more than the remuneration drawn by managing director/ whole time director and is holding by themselves or along with their spouse and dependent children, two percent or more of the equity shares of the Company.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:

Sr. No.	Name of Director/ Chief Financial Officer/ Company Secretary	Designation	Remuneration Current Year (Amt in ₹)	% increase/ decrease in Remuneration in the financial year 2022-23	Ratio of remuneration of each Director/ CFO/ CS/ to median remuneration of employees
1	R. Lakshminarayanan	Chairman & Independent Director	18,75,000	0.00%	4 : 1
2	M.R. Jyothy	Managing Director	3,61,55,700	10.04%	82 : 1
3	M. R. Deepthi	Whole Time Director	89,30,700	10.18%	20 : 1
4	Nilesh B. Mehta	Independent Director	19,25,000	0.00%	4 : 1
5	Bhumika Batra	Independent Director	17,25,000	1.47%	4 : 1
6	Aditya Sapru	Independent Director	3,50,000	600.00%	0.8 : 1
7	Sanjay Agarwal	Chief Financial Officer	3,15,14,556	1.18%	72 : 1
8	Shreyas Trivedi	Head - Legal & Company Secretary	1,07,40,864	9.20%	24 : 1

- (ii) In the financial year, there was an increase of 10.18% in the median remuneration of employees;
- (iii) There were 2,602 permanent employees and workers on the rolls of Company as on March 31, 2023;
- (iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2022-23 was 8.77% whereas the managerial remuneration for the same financial year decreased by 38.86%.
- (v) The key parameters for the variable component of remuneration availed by the directors are as per the Remuneration Policy of the Company.
- (vi) It is hereby affirmed that the remuneration paid is as per Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

Details of the listed entity

1. Corporate Identity Number (CIN)	L24240MH1992PLC128651
2. Name of the Listed Entity	Jyothy Labs Limited
3. Year of incorporation	1992
4. Registered office address	'Ujala House', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059
5. Corporate address	
6. E-mail	secretarial@jyothy.com
7. Telephone	022-66892800
8. Website	www.jyothylabs.com
9. The financial year for which reporting is being done	2022-23
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited and the National Stock Exchange of India Limited
11. Paid-up Capital	₹ 36,72,08,644
12. Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Ms. M. R. Jyothy (022-66892800/ secretarial@jyothy.com)
13. Reporting boundary	The reporting is done on a standalone basis for F.Y. 2022-23. Being the maiden year of BRSR, we are limiting the scope of the report to the organizational boundaries of the Company on a standalone basis.

Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing and Trading of FMCG products	Manufacturing and trading of Soaps	34.94%
2		Manufacturing and trading of Detergents	39.82%
3		Manufacturing and trading of Mosquito repellent	8.75%
4		Manufacturing and trading of Personal Care products	9.74%

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Soaps	20231	34.94%
2	Detergents	20233	39.82%
3	Mosquito Repellent	20211	8.75%
4	Personal Care	20237	9.74%

16. The number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	23	5	28
International	1	0	1

17. Markets served by the entity:**a. Number of locations**

Locations	Number
National (No. of States)	Pan-India
International (No. of Countries)	19

b. What is the contribution of exports as a percentage of the total turnover?

(₹ in Lakhs)

	FY23	FY22
Export Revenue	6016.53	5829.62
Percentage of the total turnover	2.42%	2.65%

c. A brief on types of customers

Jyothy Labs is an Indian consumer goods company that manufactures a variety of products such as fabric care, household insecticides, personal care and dishwashing products for consumers that require cleaning and hygiene products. The Company has a strong presence in India and its products are available through a network of retail outlets and supermarkets. The Company also has a significant digital presence with items sold online on E-commerce platforms.

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

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	2047	1932	94.38%	115	5.62%
2.	Other than Permanent (E)	1832	1558	85.04%	274	14.96%
3.	Total employees (D + E)	3879	3490	89.97%	389	10.03%
Workers						
4.	Permanent (F)	555	228	41.08%	327	58.92%
5.	Other than Permanent (G)	2284	1479	64.75%	805	35.25%
6.	Total workers (F + G)	2839	1707	60.13%	1132	39.87%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently-abled employees						
1.	Permanent (D)	1	1	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees(D + E)	1	1	100%	0	0%
Differently-abled workers						
4.	Permanent (F)	2	1	50%	1	50%
5.	Other than permanent (G)	6	5	83.33%	1	16.67%
6.	Total differently abled workers (F + G)	8	6	75%	2	25%

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	3	50%
Key Management Personnel	3	1	33.33%

20. The turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.28%	13.62%	12.36%	11.63%	14.29%	11.79%	7.48%	0.85%	7.08%
Permanent Workers	4.71%	3.60%	4.06%	2.92%	1.49%	2.08%	9.36%	8.10%	8.62%

Holding, Subsidiary and Associate Companies (including joint ventures)
21. (a) Names of holding/subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary(A)	Type	% of shares held by the listed entity	Is the entity indicated in the Business Responsibility initiatives? (Yes/No)
1	Jyothy Kallol Bangladesh Limited	Subsidiary	75.00	No

CSR Details

22. (i)	Whether CSR is applicable	:	Yes
	Turnover (₹ in Lakhs)	:	2,48,194.60
	Net worth (₹ in Lakhs)	:	88,142.10
	CSR Spend (₹ in Lakhs)	:	381.95

Transparency and Disclosures Compliances

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

Stakeholder group	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23			FY 2021-22		
		No. of complaints filed during the year	No. of complaints pending resolution	Remarks	No. of complaints filed during the year	No. of complaints pending resolution	Remarks
Communities	Yes	0	0	N.A.	0	0	N.A.
Investors (other than shareholders)	Yes	0	0	N.A.	0	0	N.A.
Shareholders	Yes	10	0	All the Complaints have been resolved	11	0	All the Complaints have been resolved
Employees and workers	Yes	0	0	N.A.	0	0	N.A.
Customers	Yes	107	8	The pending complaints were received during the end of March, 2023 and the same has been satisfactorily resolved during April, 2023	247	0	All the Complaints have been resolved
Value Chain Partners	Yes	0	0	N.A.	0	0	N.A.

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

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy management	Opportunity	Around the globe, there is an urgent need to save energy. By adopting Energy management practices, the Company can not only help in reducing the carbon emissions that contribute to global warming but it will also help in reducing the Company's dependence on limited fossil fuels.	N.A.	Positive - Investing in renewable energy, energy-efficiency can positively impact the Company's financial performance and reduce operating costs over the long term.
2	Managing packaging materials and waste	Risk	Plastic waste is India's and the world's most formidable environmental challenge today. The Company being in the business of consumer products and since majority of its final goods are packed in plastic bottles/ wrappers, the Company consider plastic as risk to the environment and its business. The management of plastic packaging materials, especially at the end-of-life stage, is an issue of significant societal importance and potential business risk.	The Company is committed to developing a sustainable future by investing in advanced packaging research and development and facilitating the creation of recycling infrastructure to ensure that none of its packaging ends up in landfills, aquatic dumps or as litter in the environment.	Negative – Non-compliance with regulatory norms on waste management can lead to fines/ penalties and can adversely affect the operating costs of the Company.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Climate change	Risk	The potential consequences of climate change can significantly harm the Company's business, and a failure to adopt a suitable strategy or implement it correctly can severely disrupt the Company's business continuity. Being a manufacturing Company, our business is energy intensive and regulators are also very prompt to take corrective action in case of failure from Company side to comply with various laws protecting Environment and which may lead to heavy fines & penalties.	<ul style="list-style-type: none"> a. Investment in state-of-the-art equipment and automation initiatives at the Company's plant to ensure optimal energy consumption b. Installed 65 KW roof top photovoltaic (solar) power station at Silvassa unit which generates a daily average of 258 KWh energy c. replaced traditional lights with LEDs across plants d. Use of briquettes as alternate energy source e. Installing variable frequency drive (VFD) on major conveyor belt system at some of the Company's plants, reducing its motor power consumption to 40% f. Centralising air compressor, water chiller with single chiller (for winters) and vacuum pump system g. Educate employees about negative impacts of climate change and corrective measure required in day to day life to reduce the impact. 	Positive - The adoption of eco-friendly technology and emission reduction techniques may lead to a short term rise in costs, but, it would benefit the Company in a long run for business sustainability. Being a socially responsible organization, apart from statutory compliances Company also takes voluntary measures to mitigate the impact on Environment.
4	Water consumption	Risk	As water is a limited resource, it presents a potential threat to the Company's business operations. Also, poor management of waste water can lead to non-compliance with legal requirements leading to penalties, fines, etc. besides demining image of the Company.	<p>The Company has initiated pilot programs to decrease the consumption of raw water during the manufacturing process, and all its facilities have efficient water recycling and wastewater treatment systems.</p> <p>The Company also aims to implement zero liquid discharge facilities at all its plants in near future.</p>	Positive - The cost of operations is directly related to water consumption. Therefore, effective water management has a positive financial impact not only in the short term, but also in the long term.
5	Product life cycle assessment	Opportunity	Product life cycle assessment will help the Company to gain a comprehensive understanding of the environmental footprint of its products and develop effective plans for mitigating any adverse environmental impacts resulting from its products.	N.A.	Positive - The use of Product Life Cycle Assessment can assist the Company in pinpointing opportunities to promote the use of sustainable materials and circular practices. By doing so, the Company can reduce costs associated with compliance and promote reuse and recycling of input materials. Ultimately, this will result in cost savings for the Company.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Raw material sourcing and sustainability	Risk	The type of products the Company produces heavily relies on the quality of its raw materials. The potential environmental hazards resulting from climate change could jeopardize the availability and reliability of raw materials for the Company. Additionally, failure to source raw materials sustainably may lead to compliance risks, negatively impacting the Company's ESG performance and rating.	By leveraging our R&D capabilities, the Company can explore potential substitutes for specific raw materials in cases where they become unavailable. Additionally, the Company will collaborate with its vendors to identify sustainable methods for the sourcing, storage, and transportation of raw materials.	<p>Positive - The Company can strengthen its environmental dedication by procuring raw materials from local suppliers. This practice will not only reduce emissions resulting from transportation but also improve product quality and support the regional/national community. Additionally, the Company can benefit from lower raw material costs by sourcing locally.</p> <p>Negative –</p> <p>Inability to procure raw material can impact the production. It can also reduce the margin or create disruption in operations.</p> <p>The Company aspire to have a sustainable supply chain where it can decrease its dependencies to external factors and make it more resilient.</p>
7	Employee health and safety	Risk	Failure to prioritize employee health and safety can result in reduced productivity and an increased risk of injuries and harm to our employees.	Numerous endeavours and undertakings have been established to guarantee the well-being and safety of employees. Additionally, the Company has in place an EHS management system for all its facilities. The Company also conducts regular training for its employees and workers to tackle workplace hazards.	Positive – Allocating financial resources towards employee health and safety can yield positive long-term results by reducing downtime and costs associated with any injury or illness.
8	Human rights	Risk	The ever-evolving regulations surrounding human rights present a challenge for the Company's business. Additionally, addressing modern slavery is a key business risk to remain relevant for future generations.	The Company dedicates significant efforts to ensure that its business practices do not infringe upon human rights and it adheres to all applicable relevant labour laws and regulations.	Negative - Any human rights violations can lead to substantial financial and reputational risks for a company, which can ultimately have a negative impact on the Company's business.
9	Responsible marketing	Risk	In order to establish trust and foster engagement with the Company's stakeholders, it is essential that the Company engage in responsible marketing practices and are transparent about the environmental and societal impacts of its products. It is also important to note that failure to comply with relevant marketing standards, laws, and regulations poses a risk to the Company's business and may result in accusations of greenwashing.	The Company recognize the importance of leading and directing its employees and partners in ethical marketing practices. The Company's commitment to adhering to applicable local, national, and international marketing standards, laws, and regulations, as well as industry self-regulatory guidelines, is a fundamental aspect of its approach.	Positive - Responsible marketing can help a business build a positive reputation and brand image. This can lead to increased consumer confidence, higher sales, and better financial performance.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Stakeholder engagement	Opportunity	The connection between decision-making and accountability is essential, and effective engagement between stakeholders and the Company's Board is crucial for informed and meaningful decision-making. Engaging with stakeholders involves providing opportunities for both parties to listen to each other and gain insights into different perspectives. Therefore, the Company place a great importance on engaging with all of its stakeholders in the decision-making process for its business.	N.A.	Positive- Investors are increasingly looking for companies that take a holistic approach to business, which includes engaging with stakeholders, and are more likely to invest in companies that demonstrate a commitment to social responsibility.
11	Diversity and inclusion	Opportunity	An increasing recognition exists that establishing an inclusive workplace where all individuals, regardless of gender, ethnicity, background, preferences, and beliefs, feel valued and included, has a profound impact on stakeholders' perspectives. Cultivating a diverse and inclusive environment allows the Company to become a desirable employer.	N.A.	Positive – Diversity, Equity and Inclusion (DEI) initiatives foster positive relationships among employees and promote a more diverse and inclusive workplace, leading to long-term financial benefits for the Company.
12	Consumer Welfare	Risk	Failing to address consumer complaints and consider their input for product innovation can result in a decline in sales and market share besides losing consumer's confidence and Company's image.	The Company has developed robust relationships with its consumers and established enduring brands that offer value. The Company employ stringent quality control measures to monitor product quality concerns and handle consumer complaints efficiently.	Negative - Failure to address consumers complaints and issues will potentially lead to loss in the consumer base of the Company as well as lose goodwill in the long run.
13	Care for consumer hygiene	Opportunity	Post COVID-19, hygiene and health has become a matter of concern across the globe. The Company being manufacturer/ distributor of hygiene focused products like Exo, Pril, Margo etc. has allowed the Company to meet the consumer requirements pertaining to hygiene and health safety. It exemplifies the agility of our core team, which is always innovating to quickly respond to market developments.	N.A.	Positive - Approximately 45% of the Company's sales are from its products that primarily focuses on health and hygiene of the consumers.
14	Counterfeit Product	Risk	Since the products are sold on trust/ brand image, any duplication/ infringement of a product misleads the consumers about the quality/ effectiveness of Company's original product. Risk arising due to Counterfeit products: a. damages brand image; b. loss of sales; c. loss of brand value; and d. health and safety danger to consumers.	The Company has taken following steps to mitigate the risk associated with counterfeit products: a. appointed various agencies at various Local market to track duplication of the Company's Products b. improvise/ change packaging so the Consumers can differentiate between Branded and duplicate Product. c. create awareness about the Company's various Brands through various mode like TV commercial & Print/ media release, etc. d. conducting raids and taking legal action	Negative - Loss of sales; Reputation risk; Market share decrease; Low quality products to consumers and related hazards; and Media spend go wasted.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
15	Compliance and governance	Risk	<p>The Manufacturing facility of the Company is spread across the Country with 23 factories.</p> <p>Number of factories also increases the corresponding number of compliance risk associated to its functioning and complying of various Laws applicable at local/ State level.</p> <p>The Regulations/ Laws in the consumer goods industry continues to evolve with newer Health, Environment & Safety norms. Non-compliance of the same may lead to environmental and social risk.</p>	In order to ensure and track compliance of all the laws and regulations applicable to the Company, it has implemented a Compliance Tool software mechanism viz. "Legatrix" designed by Legasis Services Private Limited.	Negative - An organization's failure to comply with applicable laws and regulations can affect its revenue, profits which can lead to loss of reputation, business opportunities and valuation. It may also lead to incur Legal Cost and in many cases Civil/ Criminal consequences.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No) [Refer Note]	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	a) Sustainable Procurement Policy: https://www.jyothylabs.com/wp-content/uploads/2023/03/Sustainable-Procurement-Policy-JLL.pdf b) Equal Opportunity Policy for Persons with Disabilities: https://www.jyothylabs.com/wp-content/uploads/2023/02/Equal-Opportunity-Policy.pdf c) Safety Health & Environment Policy: https://www.jyothylabs.com/wp-content/uploads/2022/06/JLL-SAFETY-HEALTH-ENVIRONMENT-POLICY-IN-ENGLISH.pdf d) Anti-bribery and Anti-corruption Policy: https://www.jyothylabs.com/wp-content/uploads/2021/05/Anti-bribery-policy.pdf e) Business Ethics Policy: https://www.jyothylabs.com/wp-content/uploads/2021/05/BUSINESS-ETHICS-POLICY_18.5.2021_JLL.pdf f) Corporate Governance Code: https://www.jyothylabs.com/wp-content/uploads/2021/05/Corporate-governance-code-18.5.2021_JLL.pdf g) Conflict of Interest Policy: https://www.jyothylabs.com/wp-content/uploads/2021/05/Conflict-of-Interest-Policy-18.5.2021_JLL.pdf								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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Governance, leadership and oversight

7. Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Sustainability is a key pillar of our business at Jyothy Labs, and we remain steadfast in our commitment to conducting our operations in a responsible and ethical manner that supports social and environmental responsibility.

Over the past years, we have taken significant strides towards achieving this goal. We have invested in renewable energy sources, implemented initiatives to reduce our carbon footprint, and introduced sustainable waste management practices. Our ISO 14001:2015 certified Environment Management System has helped us commission solar plants and conduct energy audits at all our plants. We are also working towards decarbonization and reducing Scope 1, 2 and 3 emissions.

Our commitment to upholding human rights and treating our employees and stakeholders fairly and respectfully is also a priority. We have implemented policies and procedures to ensure this and supported the communities we operate in through our Corporate Social Responsibility initiatives.

We understand that sustainability is an ongoing journey, and we remain dedicated to improving and finding new ways to reduce our environmental impact, contribute to society, and create a sustainable future. We will continue to make progress in this direction and keep our stakeholders updated on our journey towards sustainability.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Ms. M. R. Jyothy, Managing Director.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes, the Managing Director/ Corporate Social Responsibility (CSR) Committee/ Risk Management Committee were responsible for taking decisions earlier on sustainability issues. Recently, the Board of Director's at its meeting held on March 3, 2023 have constituted a dedicated Environment, Social and Governance (ESG) Committee who will be responsible jointly with the CSR Committee for identifying and addressing issues related to sustainability.

Note: As per the Company's practice, all the mandatory policies under Indian laws and regulations have been approved by the Board. Other policies are approved by the concerned Functional Head or Top Management of the Company depending upon the nature of the policy.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether the review was undertaken by the Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes									The policies are reviewed on a periodic basis								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes, the Compliance with statutory requirements is checked on a regular basis and the policies are updated as and when required.																	

11. Has the entity carried out an independent assessment/evaluation of the working of its policies by an external agency?

Yes, in addition to internal review of the Policies, the Company has also carried out the assessment of the working of the Policies through M/s. Maroon Oak Technologies Private Limited, an external agency, expert in the reviewing, guiding and reporting the sustainability issues.

12. If the answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									Not Applicable
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

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

Segment	Total number of training held	Topics/principles covered under the training and its impact	%age of persons covered
Board of Directors	8	<p>During the Financial Year 2022-23, the Company had conducted the following trainings for the Board of Directors on the Principles of NGRBC:</p> <ol style="list-style-type: none"> 1. Climate change & environment sustainability (Cool the Globe); 2. Training on the Prevention of Sexual Harassment of women at workplace; 3. Diversity Training; 4. Human Rights training; 5. Anti-corruption & Anti Bribery; 6. Conflict of Interest; 7. Business Ethics; and 8. Training of Structured Digital Database under SEBI Insider Trading Regulations 	100%

Segment	Total number of training held	Topics/principles covered under the training and its impact	%age of persons covered
Key Managerial Personnel	13	<p>During the Financial Year 2022-23, the Company had conducted the following trainings for the Employees including Key Managerial Personnels on the Principles of NGRBC:</p> <ol style="list-style-type: none"> 1. Climate change & environment sustainability (Cool the Globe); 2. Training on the prevention of Sexual Harassment of women at workplace; 3. Training on mental wellness; 4. Diversity Training; 5. Training Workshop on EPFO Higher Pension Scheme; 6. Advanced Excel training; (except for workers) 	100%
Employees other than BoD and KMPs	13	<ol style="list-style-type: none"> 7. Data Privacy, Cyber security and how to safeguard from cyber crime; 8. First Aid CPR & Fire Safety Training; 9. Human Rights training; 10. Anti-corruption & Anti Bribery; 11. Conflict of Interest; 12. Business Ethics; and 13. Training of Structured Digital Database under SEBI Insider Trading Regulations [only Designated Persons categorised under SEBI (Prohibition of Insider Trading) Regulations, 2015] 	100%
Workers	28	<p>In addition to above 11 trainings on NGRBC, workers were also provided the following skill upgradation training and awareness programme in their respective areas of work:</p> <ol style="list-style-type: none"> 1. Compressor Efficiency Improvement; 2. Resources Utilisation(MMM); 3. Diesel Generator Preventive Maintenance; 4. In Mould Labelling Robot Preventive Maintenance; 5. Soap Defoiling procedure; 6. One Point Lesson for Fire Extinguisher Accesibility; 7. One Point Lesson for Wrapping operators responsibilty; 8. Over Equipment Efficiency; 9. Preventive Maintenance; 10. Corrective Action Preventive Action (CAPA) Reporting; 11. Injection Moulding Operational; 12. Personal Hygiene; 13. RCA (Root Cause analysis); 14. Online Quality; 15. Chemical Handling; 16. Waste Management; and 17. Statutory Requirement for HSE 	100%

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

NGRBC Principle	Monetary		Brief of the Case	Has an Appeal been preferred? (Yes/ No)
	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)		
Penalty/ fine	NIL			
Settlement	NIL			
Compounding fee	NIL			
Non-Monetary				
Imprisonment	NIL			
Punishment	NIL			

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
N.A.	N.A.

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

Yes, the Company has adopted an Anti-bribery and Anti-corruption Policy which has been adopted and approved by the Board of Directors of the Company at its meeting held on May 18, 2021. The Company believes in conducting its business with integrity and ethical practices. The Company believes that its reputation is a vital business asset that not only depends upon the commitment and conduct of all the Company's directors, officers, and employees but also on the conduct of those with whom it does business i.e. all its stakeholders. The Company's goal is to ensure that all of its business partners reflect the same high ethical standards as that of the Company and demonstrate a commitment to compliance with all laws governing their activities, including laws prohibiting bribery or corruption.

During the Financial Year, the Company has also conducted a virtual training and awareness session for its employees on Anti-bribery and Anti-corruption.

The Company has also made Anti-corruption and Anti-bribery clause as a part of all its business agreements, wherein any breach or failure of the said clause will lead to termination of business relationship.

A copy of the said Policy is available on the Company's website at: <https://www.jyothy.com/wp-content/uploads/2021/05/Anti-bribery-policy.pdf>

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

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:

Not applicable

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**Essential Indicators****1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

The Company's R&D department has successfully implemented an optimized formulation for the manufacture of its mosquito coils under the Maxo brand. This implementation has been rolled out across all three manufacturing locations, which resulted in a savings of approximately 18% of the water consumption during coil dough manufacturing process. Additionally, this formulation has also led to a reduction in energy demand required during its drying operation.

The Company is sensitive to the concerns of the environment and its surroundings that it operates in.

The Company has installed a mini-ETP facility in March, 2022 to treat the sewage generated from R&D laboratory at Mumbai before discharging this downstream to main Municipal Corporation of Greater Mumbai (MCGM) sewage line.

The Company being in the FMCG industry, it's R&D expenses are always focused towards improving its products considering the Social and Environmental parameters. During the Financial Year 2021-22 the Company had spent ₹ 67.27 Lacs towards capex investments and ₹ 781.39 Lacs towards R&D expenditure. Similarly, the Company for the Financial Year 2022-23 has spent ₹ 116.81 Lacs towards capex investments and ₹ 987.43 Lacs towards R&D expenditure.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, we have formed a Sustainable Procurement Policy which outlines the sustainable sourcing strategy of the Company.

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

Approximately 70% of the inputs was sourced sustainably. While selecting vendors/ channel partners, the Company always analyse & evaluate the sustainability of the vendors/ channel partners. The Company's continuous initiative to source it's raw material/ packaging material from sustainable vendors/ channel partners will lead towards achieving 100% sustainable sourcing.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

For Plastics, E-waste and Hazardous waste, we have a best-in-class waste management practice in place. We engage with certified partners for the co-processing of waste.

Plastic:

Reuse - industrial plastic waste is collected at the Company's factories and used in plastic package moulding of the Company's products. This reduces wastage of plastic at the factory level itself.

Recycle / End-of-life disposal:

The Company has engaged CPCB registered plastic waste processors to collect plastic waste from municipal waste sites, public areas, bulk generators like hotels and restaurants. Once the plastic waste is collected, these plastic waste processors weigh the waste, segregate and compress it, and thereafter send it for recycling/end of life disposal. The processed plastic waste is generally sent to either a recycler who converts to plastic granules which are then added to virgin plastic for reuse, or to a co-processor for generation of energy, or to road construction agencies for road construction.

Additionally, the Company has taken significant efforts to reduce its usage of plastic in its packaging. The Company has successfully reduced use of plastic in its Henko Matic (Penta Carton) packaging by 12.67%, in Maxo Liquid Vaporiser by 8.51%, in Maxo 12 Hour Coil by 7.57% and in its Exo Safai Steel by 1.06%.

E-waste:

The Company has engaged a CPCB registered vendor for E-waste collection, disposal & recycling process. For recycling and disposal of E-waste, as and when the plants identify any e-waste, the same is informed to the Central IT team of the Company. Which in-turn requests, the E-waste collecting vendor to collect the e-waste from the specific location and dispose the e-waste in accordance with regulatory norms.

The process adopted by the Company's e-waste vendor is as follows:

The first crusher adopts double-shaft shredding, the second crusher adopts hammer crusher, and the third crusher adopts high-speed turbine crusher. The material is pulverized into powder through three-stage pulverization, and then sorted by air separation equipment and electrostatic separation equipment. This production line has a novel and unique structure, large production capacity and low power consumption, one-time feeding, and multiple machines cooperate to complete; Controlled by PLC, the machine improves the quality of recovered copper and prevents secondary pollution. The recovery rate of copper in waste circuit boards is over 98% through separation and sorting equipment.

Hazardous waste:

For recycling and disposal of hazardous waste:- All hazardous products of the Company are segregated at the depot level and sent to the respective State Pollution Control Board (SPCB) authorised waste management processor for disposal in accordance with regulatory norms.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable and the Company is a registered brand owner under the EPR regime. Further, the Company is compliant with the action plan approved by Central Pollution Control Board (CPCB) for the Financial Year 2022-23 by collecting 100% of its target.

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

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
Permanent employees											
Male	1932	1932	100%	1932	100%	NA	NA	0	0%	894	46.27%
Female	115	115	100%	115	100%	115	100%	NA	NA	115	100%
Total	2047	2047	100%	2047	100%	115	5.53%	0	0%	1009	49.24%
Other than Permanent employees											
Male	1558	1558	100%	1558	100%	NA	NA	0	0%	59	3.79%
Female	274	274	100%	274	100%	274	100%	NA	NA	122	44.52%
Total	1832	1832	100%	1832	100%	274	14.96%	0	0%	181	9.87%*

Note:

*Other than permanent employees of the Company are mostly from field staff and their job profile requires extensive travelling to discharge their duties. Hence, it becomes difficult to provide them day care facility.

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
Permanent workers											
Male	228	228	100%	228	100%	NA	NA	0	0%	228	100%
Female	327	327	100%	327	100%	327	100%	NA	NA	327	100%
Total	555	555	100%	555	100%	327	58.92%	0	0%	555	100%
Other than Permanent workers											
Male	1479	1479	100%	1479	100%	NA	NA	0	0%	1457	98.51%
Female	805	805	100%	805	100%	805	100%	NA	NA	780	96.89%
Total	2284	2284	100%	2284	100%	805	35.25%	0	0%	2237	97.94%

2. Details of retirement benefits, for the current financial year and previous financial year

Benefits	FY 2022-23			FY 2021-22		
	% of total employees covered	% of workers covered	Deducted and deposited with the authority (Y/N/N.A.)	% of total employees covered	% of workers covered	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	11.39%	64.86%	Y	15.78%	70.42%	Y

3. Accessibility of workplaces

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

Yes, the Company has premise/offices which are accessible for its differently-abled employees.

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

The Company has implemented a policy on equal opportunity in accordance with the Rights of Persons with Disabilities Act, 2016. The policy was approved by the board on March 28, 2022, and is also available at the website of the Company at www.jyothy.com. Additionally, the Company's Business Ethics Policy includes provisions for equal employment and business opportunity, which can also be accessed on the Company's website.

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate*	Retention rate*
Male	N.A.	N.A.	-	-
Female	100%	100%	-	-
Total	100%	100%	-	-

*No permanent worker went on maternity leave during the reporting period

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	In case of permanent workers, for any grievance they can approach their shift supervisor/factory manager.
Other than Permanent Workers	In case of contractual workers, for any grievance they can approach their shift supervisor who will then consult factory manager if required.
Permanent employees	Yes, in case of any grievance employees can send mail to employeeegrievances@jyothy.com or they can also send mail to respective function Business HR /AGM - HR /Head - HR, the same is reviewed by respective BHR /GM - HR and any such grievance if required is then also discussed with Head - HR. In case required further discussion is done with MD for resolving the grievance.
Other than permanent employees	In the case of contractual employees, they can send mail to employeeegrievances@jyothy.com or can approach their reporting managers for grievance redressal

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees/workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or union (B)	% (B / A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or union (D)	% (D / C)
Total Permanent Employees	2047	0	0%	2015	0	0%
- Male	1932	0	0%	1895	0	0%
- Female	115	0	0%	120	0	0%
Total Permanent Workers	555	183	32.97%	578	200	34.60%
- Male	228	118	51.75%	239	127	53.14%
- Female	327	65	19.88%	339	73	21.53%

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (A)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees										
Male	3490	2986	85.56%	2955	84.67%	-	-	-	-	-
Female	389	101	25.96%	89	22.88%	-	-	-	-	-
Total	3879	3087	79.58%	3044	78.47%	-	-	-	-	-
Workers										
Male	1707	68	3.98%	98	5.74%	-	-	-	-	-
Female	1132	192	16.96%	110	9.72%	-	-	-	-	-
Total	2839	260	9.16%	208	7.33%	-	-	-	-	-

Note:

The Company has been providing training on health and safety/ skill upgradation on a regular basis, but no data/ record has been maintained regarding the information asked above, hence the Company has not provided the data for the Financial Year 2021-22. Further, the Company has initiated data collection from Financial Year 2022-23 and will ensure 100% data availability of the above-mentioned trainings.

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (A)	No. (B)	% (B / A)
Employees						
Male	1932	1853	95.91%	1895	1790	94.46%
Female	115	112	97.39%	120	113	94.17%
Total	2047	1965	95.99%*	2015	1903	94.44%*
Workers						
Male	228	228	100%	239	239	100%
Female	327	327	100%	339	339	100%
Total	555	555	100%	578	578	100%

Notes: 100% of the employees eligible for appraisal were considered for performance and career development reviews.

*In the aforesaid table, 95.99% and 94.44% is the total number of employees who were reviewed by the Company and the balance 4.01% and 5.56% of the employees were new joinees, who were not eligible for appraisal.

10. Health and safety management system:

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

The Company has a policy and ensures maximum safety of all the employees & workers, the Company has adopted the following practices/ methods:

- Conducting Periodic Mock drills on all types of Emergencies like Fire, Natural calamities like flood, earthquake etc. with preparedness by site Emergency Response Team.
- Mitigating Emergency Preparedness Response Plan (EPRP) for all factories.
- Safety induction training program topics covering Basic First Aid & CPR (Cardiopulmonary Resuscitation) as per the requirements of OSHA 29 CFR 1910.266 (First Aid), Fire Safety Training as per requirements of OSHA 29 CFR 1926.150 (Fire Safety) regulations, Behavior base safety, Electrical safety by Lock Out Tag Out (LOTO) method, Material handling, Rescue & Evacuation training, Chemical storage safety, Hot work cold work activities conducted by safety work permit system, frequently conducting Road safety campaign.
- Safety toolbox talk walk, GEMBA walk by Site Safety committee etc. monitoring EHS data by Management Information system (MIS) monthly & Daily HSE inspection checklist. Safety advised letter issued if any deviation observed in safety management system.
- Focus on more leading parameters like Unsafe Act (UA) & Unsafe Condition (UC) on regular basis & took required Corrective action preventive action (CAPA).
- Health Task measurement by conducting Medical Health checkup camps, Medical fitness enhancement program conducted by site safety committee.
- Any incident is reported immediately by CAPA with horizontal deployment, sharing of EHS practices circulation as continual improvement in all factories to maintain the safe work environment.
- Access the Lagging parameters such as First aid cases, Minor & Major cases, if any, by 4 Block diagram Safety method covering, incident description, immediate action ,CAPA, & Safety recommendation.
- Enforcing Jyothy Labs Safety Health & Environment policy & objectives by displaying in Regional local languages.
- Circulation of HSE safety guidelines through audio clip in English as well as in local languages like Hindi, Tamil, Malayalam, Telgu, Kannada, Assamee. The idea is to give more rigorous focus on the safety discipline across all Regional Manufacturing units with continuous improvement.
- Encouraging team by giving safety award as a token of appreciation to Company employees and contract workers.

The Company has also been recognized by CII (Confederation of Indian Industry) EHS award, NSC award, GSS (Global Safety Summit Award), WSO (World Safety Organization) OHSE Award, SKIN (Synchronization of Knowledge & Information Network) Award.

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

- Reporting & closing the leading parameters such as Unsafe act & Unsafe condition on regular basis and the same is also captured in the monthly safety MIS.
- Implementing Job safety analysis, Hazard & Risk assessment & Environment aspect & Impact management process.
- Safety suggestion box implementation at all factories.
- Process safety communication by safety toolbox talk, pep talk method.
- Display MSDS (Material Safety Data Sheet) at material storage work areas.
- Communicate the employees as to what can be categorized as hazard by giving them health and safety training.
- Issue Work permit & also continuously monitoring HSE guidelines across at the Company.

14. Assessments for the year:

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

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions:

The Company has ensured the work safety, employee safety as well as contract worker safety by providing a safe work environment. The Company has not reported any significant risk or concern. Also, the Company has circulated the best EHS practices across teams as a continuous improvement on the EHS front.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders
Essential Indicators
1. Describe the processes for identifying key stakeholder groups of the entity.

Since the Company is a listed entity, its stakeholders are its owners i.e. the shareholders of the Company. For meeting the working capital requirements and other financial facilities, the Company avails the services of the Banks, Non-Banking Financial Companies & Financial Institutions hence the Company considers Banks also its key stakeholder.

For smooth functioning of the Company's business operations, the Company has identified regulatory authorities, employees, vendors/ suppliers, distributors, carrying and forwarding agents, landlords of properties taken on Leave & License or lease and Government agencies & authorities, as its other key stakeholders. The revenue of the Company is generated by sale of Company's products to its consumers.

The Company subscribes to retail audit data from NielsenIQ for the key categories to understand respective category growth and the Company's performance as compared to other key players. The Company also periodically participates in market trends sessions organized by suppliers to understand the growing needs of the consumers and the consumption habits. The Company's communication agencies provides requisite market intelligence to understand and tap into the mind set of the target consumer.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Y/N)	Channel of Communication (Email/SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/ Half yearly/ Quarterly/ Other please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement.
Shareholders	No	-Stock Exchange intimations, -Company's Website, -Official Press releases, -Conference call transcripts, - Annual Report, -Emails, - Newspaper, -SMS, -Calls, -Notice Board, -One to one	Quarterly / Annually/ as and when required	- Quarterly, half-yearly and annual financial results - General Meeting Notices - Television Commercials - Material information/ changes in the Company - Analyst Meet - Annual General Meetings - Dividend updates - Intimation about transfer of shares/ dividend

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Y/N)	Channel of Communication (Email/SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/ Half yearly/ Quarterly/ Other please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement.
Banks, Non-Banking Financial Companies & Financial Institutions	No	-Email, -Calls, letters, -One to one, - SMS, - Net banking	Regularly/ as and when required	- Term loan/ working capital facilities - Sanction letters/ facility letters
Regulatory / Government authorities	No	-Email, -Filings, - Official letters, - One to one	Regularly /as and when required	- Filing of various returns/ disclosures/ Forms - Replies to notices/ queries, etc.
Vendors/ Suppliers	No	- Calls, - Emails, - SMS, - One to one	Regularly /as and when required	- Enquiry about the quality of source products - Sustainability status - Raw material delivery status, - Routine activities
Employees	No	- Emails, - Sms, - letters, - One to one	Monthly or as and when required	- Important notifications - Annual appraisals - Medical health programmes - Trainings
Consumers	No	-Press release, -Advertisement, - Newspaper, - Pamphlets, - Website, - social media	Regularly	- Promotion of Company's brands - Feedback of product quality - Survey before new launch
Community	Yes	NGOs, CSR implementing agencies	Regularly/ as and when required	- Understanding need of the community, - Challenges in the society

PRINCIPLE 5: Businesses should respect and promote human rights**Essential Indicators****1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. employees/ workers covered (D)	% (D / C)
Employees						
Permanent	2047	2047	100%	-	-	-
Other than permanent	1832	1832	100%	-	-	-
Total Employees	3879	3879	100%	-	-	-
Workers						
Permanent	555	555	100%	-	-	-
Other than permanent	2284	2284	100%	-	-	-
Total Workers	2839	2839	100%	-	-	-

Note: The Company has been regularly conducting training on human right issues for its employees, whose data/ record has not been maintained for the Financial Year 2021-22, with respect to the information asked above, hence the Company has not provided the data for the Financial Year 2021-22.

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

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	2047	21	1.03%	2026	98.97%	2015	43	2.13%	1972	97.87%
Male	1932	20	1.04%	1912	98.96%	1895	40	2.11%	1855	97.89%
Female	115	1	0.88%	114	99.12%	120	3	2.52%	117	97.48%
Other than Permanent	1832	902	49.24%	930	50.76%	1483	618	41.67%	865	58.33%
Male	1558	686	44.03%	872	55.97%	1262	454	35.97%	808	64.03%
Female	274	216	78.83%	58	21.17%	221	164	74.21%	57	25.79%
Workers										
Permanent	555	0	0%	555	100%	578	0	0%	578	100%
Male	228	0	0%	228	100%	239	0	0%	239	100%
Female	327	0	0%	327	100%	339	0	0%	339	100%
Other than Permanent	2284	1725	75.53%	559	24.47%	2503	1864	74.47%	639	25.53%
Male	1479	1227	82.96%	252	17.04%	1626	1364	83.88%	262	16.12%
Female	805	498	61.86%	307	38.14%	877	500	57.01%	377	42.99%

3. Details of remuneration/salary/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	18,75,000	3*	89,30,700
Key Managerial Personnel	2	2,11,64,910	0	-
Employees other than BoD and KMP	1930	5,20,218	113	4,88,052
Workers	228	2,00,074	327	1,89,496

* Ms. M. R. Jyothy, Managing Director of the Company is also categorised as a Key Managerial Personnel.

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

The Company's HR team is responsible for handling any human rights impacts or issues resulting from or attributed to the business. In the event of any such human rights issues, employees and workers can reach out to the HR team directly via email at employee grievances@jyothy.com.

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

If there are any human rights issues, emails can be sent to employee grievances@jyothy.com or any other HR team email address. The head of HR reviews the issue and conducts the necessary investigation. All points related to the investigation are then forwarded to the head of HR for further discussion and action. If necessary, the issue may also be reviewed with the MD.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

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

Employees who have complaints related to discrimination can send an email to employee grievances@jyothy.com or any other HR team email address. The head of HR reviews the complaint and conducts an investigation, and all relevant information regarding the discrimination case is sent to the head of HR for further discussion and action. If necessary, the issue may be reviewed with the MD.

In the case of sexual harassment, the company has established an Internal Complaints Committee in each zone and factory unit, as per guidelines of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). The details of committee members and policy are available on the Company's notice board, which employees can view. Throughout the process, the confidentiality of the reporter is maintained, creating a safe space for employees and workers to report any discrimination or harassment issues.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, all the Company's agreement has a dedicated clause on compliance with the requirements of human rights provisions and any breach of human rights provision can also lead to termination of business relationship.

9. Assessments for the year:

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**Essential Indicators****1. Details of total energy consumption (in Joules or multiples) and energy intensity:**

Parameter	FY (2022-23) In MJ	FY (2021-22) In MJ
Total electricity consumption (A)	7,83,55,762	7,31,06,590
Total fuel consumption (B)	15,43,64,904	21,00,17,977
Energy consumption through other sources (Solar) (C)	35,44,895	4,68,630
Total energy consumption (A+B+C)	23,62,65,561	28,35,93,197
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) [MJ/₹]	0.0097	0.0131

Notes:

- To move towards sustainable and environmentally friendly production methods and techniques, the Company has successfully implemented solar power plants in select facilities during the fiscal year 2021-22, with operations commencing in FY 2022-23. This initiative has had a significant impact in reducing the Company's reliance on non-renewable energy sources and has contributed to its efforts in achieving low carbon production.
- Furthermore, the Company's energy efficiency improvement initiatives in its manufacturing units have resulted in a substantial reduction in its overall energy consumption. This includes discontinuing the use of natural gas in the Company's facilities and implementing alternative energy installations, which have proven to be effective in the Company's quest for sustainable operations.

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

Although the entity does not have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India, the Company is committed to promoting a healthy and sustainable lifestyle based on traditional values of conservation and moderation. As part of the Company's voluntary efforts, the Company is actively undertaking initiatives to adopt a climate-friendly and cleaner approach. The Company's aim is to lead by example and contribute to a more sustainable future for its planet.

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

Parameter	FY (2022-23)	FY (2021-22)
Water withdrawal by source (in kilolitres)		
(i) Surface water	2,414	-
(ii) Groundwater	1,79,002	1,86,101
(iii) Third party water	20,677	19,403
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,02,093	2,05,504
Total volume of water consumption (in kilolitres)	1,71,910	2,04,766
Water intensity per rupee of turnover (Water consumed / turnover) (L/₹)	0.0077	0.0095

Notes: As part of the Company's ongoing commitment to managing water resources responsibly, it is actively working towards reducing water footprint. In the fiscal year 2022-23, the Company have installed water meters in its plants to accurately measure the water withdrawal from surface water sources. While the volume of water obtained from surface sources is minimal and is only used at one plant, the Company did not measure this data in FY 2021-22. However, the Company is now measuring and monitoring its water usage from surface sources moving forward. This allows the Company to better understand its impact on water resources and make informed decisions to promote sustainable water management practices.

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

As part of the Company's continued dedication to responsible water resource management, the Company is actively striving to reduce its water footprint. Currently, the Company has implemented the Zero Liquid Discharge (ZLD) mechanism in six of its plants located in Roorkee, Jammu, Puducherry, Karaikal, Kalingamalai, and Kadanassary.

However, the Company's goal is to implement ZLD in all its plants wherever feasible. Furthermore, the Company is proud to state that it has already started reusing treated water for various purposes, such as gardening, green area redevelopment, and washroom usage. This demonstrates the Company's commitment to sustainable practices and maximizing the efficient use of water resources throughout its operations.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY (2022-23)	FY (2021-22)
Nox	µg/m ³	29	25
Sox	µg/m ³	8	8
Particulate matter (PM)	µg/m ³	40	77
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others (Co ₂)	-	-	-

Notes:

- The above emissions have been calculated after taking the average of all plants emission test reports which has been submitted to respective SPCB.
- The Company prioritize environmentally-friendly operations and take measures to minimize air emissions during its manufacturing processes. The main sources of air emissions are closely monitored at regular intervals by a recognized laboratory or agency, as required by the Central and/or respective State Pollution Control Boards.
- The Company diligently report the details of its air emissions to the Pollution Control Board (PCB) on an annual basis through Form-5 (Annual Environment Statement). This transparent disclosure helps us ensure compliance with regulatory requirements and fosters responsible environmental stewardship in its operations.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY (2022-23)	FY (2021-22)
Total Scope 1 emissions	TCo ₂ e	15,016	20,136
Total Scope 2 emissions	TCo ₂ e	19,589	18,277
Total Scope 1 and Scope 2 emissions per rupee of turnover	KgCo ₂ e/₹	0.0014	0.0017

Notes: The Company's relentless efforts to improve energy efficiency in its manufacturing units have yielded significant results, including a substantial reduction in its overall energy consumption and emissions in the Scope 1 category. This has been achieved through a combination of measures, such as discontinuing the use of natural gas in its facilities, implementing alternative energy installations, and utilizing bio briquettes as an eco-friendly fuel source. These initiatives have proven to be highly effective in its pursuit of sustainable operations, resulting in an impressive 25% reduction in the Company's Scope 1 emissions. The Company is proud to be contributing to a greener future through its commitment to environmentally responsible practices.

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

1. Renewable Energy:

The Company has taken steps to embrace renewable energy by installing solar plants at specific locations and conducting a comprehensive feasibility study for 14 additional plants. The primary objective of this initiative is to lower the Company's Scope 2 emissions while enhancing its resilience by leveraging clean energy sources.

2. Energy Management:

The Company has undertaken an extensive electrical energy audit across all of its plants, with the purpose of conserving electricity. Each facility was thoroughly assessed, and energy saving recommendations, including the installation of LED lights and AC energy savers, are being implemented based on their feasibility and viability.

3. Emission Reduction:

The Company will take steps wherever feasible that any new purchase of its owned vehicle will be in electric variant. Additionally, the Company has plans to expand this initiative to cover all leased and rented vehicles, while also encouraging its employees to utilize electric vehicles for business travel. This strategic move is part of the Company's commitment to reducing its Scope 1 and Scope 3 emissions, in line with its sustainability goals.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY (2022-23)	FY (2021-22)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	467	374
E-waste (B)	0.22	0.65
Bio-medical waste (C)	0.01	0.01
Construction and demolition waste (D)	0	0
Battery waste (E)	0.33	0
Radioactive waste (F)	0	0
Hazardous waste - Empty Drums (G)	4	13
Total (A+B+C+D+E+F+G)	471.56	387.66

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

(i) Recycled	395	318
(ii) Re-used	36	23
(iii) Other recovery operations	0	0
Total	431	341

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

(i) Incineration	0	0
(ii) Landfilling	2.56	11.66
(iii) Other disposal operations	38	35
Total	40.56	46.66

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

The Company has a robust Environment Management System in place, which is certified as per ISO 14001:2015. The Company's waste management procedures ensure the safe disposal of hazardous waste, e-waste, and other waste.

The Company handle, segregate, store, and transport hazardous waste in compliance with relevant regulatory requirements and industry best practices. The hazardous waste is disposed of in an environmentally responsible manner through authorized vendors for recycling, as stipulated by regulations.

10. If the entity has operations/offices in/around ecologically sensitive areas where environmental approvals/clearances are required, please specify details

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance being complied with? (Y/N)
N.A.			

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

Yes, the Company has conducted environmental impact assessments of its four units viz. Puducherry, Karaikal, Jammu and Roorkee and no negative observations were found during the said assessments.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder

Yes

S. No.	Specify the law/regulation/ guidelines which were not complied with	Provide details of the non-compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

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

Essential Indicators

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

5 (five)

2. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	Confederation of Indian Industry (CII)	National
3	Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)	National
4	The Advertising Standards Council of India (ASCI)	National
5	Home Insect Control Association (HICA)	National

3. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

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

Not applicable to the Company pursuant to the provisions of the Companies Act, 2013 read with the rules framed thereunder.

2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

The Company does not have any on-going projects on R&R.

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

In case of any complaints, emails can be sent to employeegrievances@jyothy.com or secretarial@jyothy.com or info@jyothy.com or whistleblower@jyothy.com email ids. Thereafter the issue is reviewed by the concerned department and any investigation, if required, is completed. Based upon the investigation, the concerned department in consultation with the department head provides a satisfactory resolution to the complaint.

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

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	34%	32%
Sourced directly from within the district and neighbouring districts	22.84%	25.38%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

The Company has a dedicated tollfree customer care number i.e. **+18001032992** and email address i.e. customercare@jyothy.com where the consumer can reach the Company with her/his concerns. The details of customer care number and email id is cited on all the products of the Company as well as on the Company’s website under ‘Contact’ section.

Post receipt of the complaint, if any, the customer care officer raises the issue with the relevant department within the Company. However, while the discussion is on, the quality team requests for the samples in question from the complainant be handed over to the Company representative for ascertaining the cause. Once the product is received, a thorough examination is conducted by the relevant teams. If found genuine, the Company replaces the product.

2. Turnover of products and/or services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	79.80%*
Safe and responsible usage	76.30%*
Recycling and/or safe disposal	96.40%*

*The Company is continuously taking initiatives to make 100% of its products carry relevant information about the above specified criteria.

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

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

4. Details of instances of a product recall on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	N/A
Forced recalls	Nil	N/A

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

Yes, the Company has in place an Information Security Policy and Risk Management Policy which is being administered by the Information Technology department of the Company and has been uploaded on the website of the Company. Also, regular trainings are conducted for all the employees/ workers on cyber security and data privacy.

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

Not applicable as no such incidents were reported.

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's philosophy is to conduct business and its dealings with all stakeholders in compliance with law and high standards of business ethics and to exceed the statutory requirements with regard to Corporate Governance. Your Company continues to strengthen its principles of transparency, fairness and accountability to generate long-term value for its shareholders on a continuous and sustainable basis in harmony with the interests of all other stakeholders.

Your Company recognizes that the enhancement of corporate governance is one of the most important aspects in terms of achieving your Company's goal of enhancing corporate value by deepening societal trust. Efficient corporate governance requires a clear understanding of the respective roles of the Board of Directors and of senior management employees and their relationships with others in the corporate structure. Your Company believes that Corporate Governance is not just the compliance of statutory requirements or framework/ set of rules but rather much more than that. Your Company also believes that effective and efficient corporate governance should be a part of its culture, habit and the manner of conducting its business.

Your Company is in compliance with all the provisions/regulations stipulated by the Companies Act, 2013 and Rules framed thereunder and provisions under Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the Listing Regulations'), including any amendment(s) or modification(s) thereof. The following Report together with the information contained in the Management Discussion and Analysis Report and other parts of the Annual Report constitutes your Company's compliance with the Corporate Governance requirements.

To ensure that your Company at all times remain in compliance with all the sections applicable to your Company under the Companies Act, 2013 and the Rules framed thereunder and with all the regulations prescribed under the Listing Regulations, your Company has adopted '**Corporate Governance Code**' which has been approved by the Board of Directors of your Company at its Meeting held on May 18, 2021. A copy of the Corporate Governance Code is also available on the website of your Company for easy access of the Stakeholders.

BOARD OF DIRECTORS

Composition:

The Board of Directors of your Company (hereinafter referred to as 'the Board') represents an optimum combination of the executive and non-executive directors with more than 50% of the Board of Directors comprising of non-executive directors. Your Company has 3 (three) women directors out of which 1 (one) is independent woman Director appointed pursuant to the requirement of the Listing Regulations. The Board of your Company has a balanced gender ratio with 50% of its directors consists of women directors.

The Board, as on March 31, 2023, comprises of 6 (Six) Directors out of which 2 (Two) are Executive Directors and 4 (Four) are Non-executive Independent Directors and accordingly more than 50% of the Board consists of Non-executive Independent Directors.

The term of Ms. Bhumika Batra (DIN – 03502004), Independent Director will expire on March 13, 2024. Based on the recommendation of the Nomination, Remuneration and Compensation Committee at its meeting held on May 3, 2023, the Board of Directors of your Company approved the re-appointment of Ms. Bhumika Batra (DIN – 03502004) as an Independent Director of your Company for a further consecutive period of 5 years commencing from March 14, 2024 upto March 13, 2029 (both days inclusive). Further as per the requirements of Section 149 of the Companies Act, 2013 and Regulation 17(1C) of the Listing Regulations, a resolution for the re-appointment of Ms. Bhumika Batra as Independent Director of your Company forms an integral part of the Notice convening the 32nd Annual General Meeting (AGM).

Based on the recommendation of the Nomination, Remuneration and Compensation Committee at its meeting held on March 28, 2022, the Board of Directors of your Company appointed Mr. Aditya Sapru (DIN – 00501437) as an Additional Director designated as Independent Director of your Company with effect from March 28, 2022. Further, as per the requirement of Regulation 17(1C) of the Listing Regulations, your Company on May 8, 2022 has obtained approval of the shareholders of your Company through Postal Ballot under Section 110 of the Companies Act, 2013 for appointment of Mr. Aditya Sapru as an Independent Director of your Company for a consecutive term of 5 years commencing from March 28, 2022 to March 27, 2027 (both days inclusive).

The composition of the Board of your Company is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

None of the Directors on the Board are member of more than ten committees and Chairman of more than five committees across all companies in which they are Directors as per the requirement of Regulation 26 of the Listing Regulations.

During the financial year ended on March 31, 2023, the Board of Directors of your Company met seven (7) times and the gap between the meetings did not exceed 120 days. The meetings were held on May 24, 2022, July 25, 2022, September 7, 2022, September 12, 2022, November 14, 2022, January 25, 2023 and March 3, 2023. All the Board and the Committee meetings during the financial year 2022-23, were held physically and the facility to attend the meeting through video conferencing in compliance with the provisions of

Section 173 of the Companies Act, 2013 read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended was also provided. There was 100% attendance of all your Directors in all the Board and the Committee meetings held during the financial year 2022-23. Also, during the financial year 2022-23, 1 (one) Circular Resolution pursuant to Section 175 of the Companies Act, 2013 was passed on August 26, 2022.

The last Annual General Meeting (AGM) of your Company was held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) on Monday July 25, 2022 in compliance with the provisions of General Circular no. 02/ 2022 dated May 5, 2022 read with General Circular no. 20/ 2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs and Circular No. SEBI/ HO/CFD/ CMD2/CIR/P/2022/62 dated May 13, 2022 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India.

The details of the Directors on the Board of your Company as on March 31, 2023 are given below:

Name of the Director	Category/ Designation	No. of shares held	Attendance Particulars		No. of Outside Directorships*	No. of outside Committee positions@	
			Board Meeting	Last AGM		Member	Chairman
Mr. R. Lakshminarayanan	Chairman & Independent Non-executive Director	-	7	Yes	1	-	1
Ms. M. R. Jyothy	Promoter Group and Managing Director	95,37,874	7	Yes	1	-	-
Ms. M. R. Deepthi	Promoter Group and Whole Time Director	1,03,61,770	7	Yes	-	-	-
Mr. Nilesh B. Mehta	Independent Non-executive Director	-	7	Yes	10	-	-
Ms. Bhumika Batra	Independent Non-executive Director	-	7	Yes	11	5	4
Mr. Aditya Sapru	Independent Non-executive Director	-	7	Yes	6	2	-

* Includes directorship in Indian Private Limited Companies, Foreign Companies, Companies under section 8 of the Companies Act, 2013 and excludes that of your Company.

@ Only membership/chairmanship of Audit Committee and Stakeholders' Relationship Committee of Listed and Public Limited companies have been considered, excluding that in your Company. Committee Membership(s) and Chairmanship(s) are counted separately.

As per the requirement of clause (c) of Para C of Schedule V of the Listing Regulations, below are the names of the other listed companies and corresponding category of directorship held by the above Directors as on March 31, 2023:

Name of the Director	Name of the Listed companies	Category of Directorship
Mr. R. Lakshminarayanan	Wonderla Holidays Limited	Non-Executive - Non Independent Director
Ms. Bhumika Batra	a) Repro India Limited b) NXTDIGITAL Limited c) Sharp India Limited d) Finolex Industries Limited e) Hinduja Global Solutions Limited	Non-executive - Independent Director
Mr. Aditya Sapru	GOCL Corporation Limited	Non-executive - Independent Director

Apart from Jyothy Labs Limited, Ms. M. R. Jyothy, Ms. M. R. Deepthi and Mr. Nilesh B. Mehta did not hold Directorship in any other listed company as on March 31, 2023.

As on March 31, 2023, apart from Ms. M. R. Jyothy, Managing Director who is related to Ms. M. R. Deepthi, Whole time Director of your Company, being sisters, none of the other Directors were related to each other.

None of the Non-executive Independent Directors holds any shares and/or convertible instruments issued by your Company for the time being.

FAMILIARIZATION PROGRAMMES

The details of familiarization programmes imparted to independent directors are uploaded on the website of your Company and can be accessed through weblink:

<https://www.jyothy labs.com/investor/management-policies-notice/#Management-Policies>

CHART OR A MATRIX SETTING OUT SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS

Your Company operates in Fast Moving Consumer Goods (FMCG) industry and offers variety of products in the categories of fabric care, dish wash, household insecticides, personal care, etc. Your Company while appointing a Director always ensures that the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, law, business management, sales, marketing, research, corporate governance, technical operations or other disciplines related to your Company's business. Your Company believes that each person appointed on the Board of your Company shall have expertise in one or more of the aforesaid fields. Your Directors collectively possess all the required core skills/expertise/competencies that are required to operate business smoothly in the FMCG industry.

The list of core skills/expertise/competencies identified by the Board as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Directors:

Sr. No.	List of skills/expertise/competencies	Name of Director having the identified skills/expertise/ competencies
a)	Leadership experience in running or serving large entities	Ms. M. R. Jyothy and Mr. R. Lakshminarayanan
b)	Business Strategy/Business Management	Ms. M. R. Jyothy and Mr. Aditya Sapru
c)	Sales and Marketing	Mr. R. Lakshminarayanan and Ms. M. R. Jyothy
d)	Finance and Accounting	Ms. M. R. Deepthi and Mr. Nilesh B. Mehta
e)	Legal, regulatory framework, corporate governance	Ms. M. R. Deepthi and Ms. Bhumika Batra

The Board hereby confirms that the Independent Directors of your Company have fulfilled all the conditions specified in the Listing Regulations and that they are independent of the Management. During the year under review, no Independent Director has resigned from his/her position of Director before expiry of his/her tenure.

AUDIT COMMITTEE

The Board of your Company has constituted a well-qualified, financially literate and independent Audit Committee with all its members as Independent Directors. All Members of the Audit Committee possess expert knowledge of Accounts, Audit and Finance.

Composition, Meetings and Attendance

During the year under review i.e. April 1, 2022 to March 31, 2023, 6 (Six) meetings of the Audit Committee were held on May 24, 2022, July 25, 2022, September 7, 2022, September 12, 2022, November 14, 2022 and January 25, 2023. The composition of the Committee and attendance of each Committee Member during 2022-23 is as under:

Sr. No.	Name of the Members	Position	No. of meetings attended
1	Mr. Nilesh B. Mehta	Chairman	6
2	Mr. R. Lakshminarayanan	Member	6
3	Ms. Bhumika Batra	Member	6

Mr. Sanjay Agarwal, Chief Financial Officer of your Company is the permanent invitee to all the Audit Committee meetings. Mr. Shreyas Trivedi, Head – Legal & Company Secretary acts as the Secretary of the Committee. Further, representatives of the Internal Auditors and the Statutory Auditors were invitees to the Audit Committee meeting, except for the meetings held on September 7, 2022 and September 12, 2022.

Terms of Reference of the Audit Committee

The terms of reference of the Audit Committee of your Company are in accordance with Section 177 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder and Regulation 18 read with Part C of Schedule II of the Listing Regulations, which inter alia include the following:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to the Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause I of sub-section 3 of Section 134 of the Companies Act, 2013,
 - b. Changes, if any, in accounting policies and practices and reasons for the same,
 - c. Major accounting entries involving estimates based on the exercise of judgment by management,
 - d. Significant adjustments made in the financial statements arising out of audit findings,
 - e. Compliance with the listing and other legal requirements relating to financial statements,
 - f. Disclosure of any related party transactions,
 - g. Modified opinion(s) in the draft Audit Report;
5. Reviewing, with the management, and examine the quarterly, limited review and auditors' report before submission to the Board for approval;
6. 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 regarding the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditor's independence and performance and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with Internal Auditors of any significant findings and follow up there on;
15. 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;
16. Discussion with the 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;
17. 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;
18. To review the functioning of the Whistle Blower mechanism or Vigil mechanism;
19. Reviewing the utilization of loans and/or advances from/investment by the company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
20. 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;
21. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
22. Review mandatory matters as specified under Para B of Part C of Schedule II of the Listing Regulations; and
23. Carrying out any other function as the Audit Committee may deem fit.

NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

Composition, Meetings and Attendance

As on March 31, 2023 the Nomination, Remuneration and Compensation Committee of your Company comprises of 3 (three) Members and is constituted in accordance with Section 178 and other provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

During the year under review i.e. April 1, 2022 to March 31, 2023, the Committee met 1 (one) time i.e. on May 24, 2022. The attendance of the members at the said meeting was as under:

Sr. No.	Name of the Members	Position	No. of meetings attended
1	Mr. Nilesh B. Mehta	Chairman	1
2	Mr. R. Lakshminarayanan	Member	1
3	Ms. Bhumika Batra	Member	1

Ms. M. R. Jyothy, Managing Director of your Company is the permanent invitee to all the Nomination, Remuneration and Compensation Committee meetings. Mr. Shreyas Trivedi, Head – Legal & Company Secretary acts as the Secretary of the Committee.

Terms of Reference of Nomination, Remuneration and Compensation Committee

The role and terms of reference of the Committee are in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the Listing Regulations. The Committee is empowered to do the following:

1. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to appointment and remuneration for Directors, Key Managerial Personnel and other senior employees;
 2. In case of appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description and thereafter recommend to the Board for appointment of such independent director;
 3. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.
 4. To formulate criteria for evaluation of the members of the Board of Directors including Independent Directors, the Board of Directors and the Committees thereof;
 5. To devise policy on Board Diversity;
 6. To identify persons, qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and where necessary, their removal;
 7. To formulate policy ensuring the following:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully,
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
 - c. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay
- reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
8. To design Company's policy on specific remuneration packages for Executive/Whole Time Directors and Key Managerial Personnel including pension rights and any other compensation payment;
 9. To determine, peruse and finalize terms and conditions including remuneration payable to Executive/Whole Time Directors and Key Managerial Personnel of the Company from time to time;
 10. To review, amend or ratify the existing terms and conditions including remuneration payable to Executive/Whole Time Directors and Key Managerial Personnel of the Company;
 11. To apply to Ministry of Corporate Affairs, New Delhi or any authority regarding their approval for payment of remuneration to Executive/Whole Time Directors as may be required under the said Act;
 12. To consider and approve ESOP Scheme and to perform all such acts, deeds and functions including, but not limited to, the matters specified in Regulation 5 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time and matters incidental/supplemental thereto;
 13. To recommend to the Board, all remuneration in whatever form, payable to senior management;
 14. To recommend to the Board of Directors, their decisions and further actions as they may deem fit; and
 15. For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director and thereafter recommend to the Board for appointment of such independent director.

Performance evaluation criteria for Independent Directors:

As per the Nomination, Remuneration and Compensation policy of your Company, the Independent Directors are evaluated on six criteria as mentioned below:

- 1) Ethics and Values;
- 2) Knowledge and Proficiency;
- 3) Diligence;

- 4) Behavioural Traits;
- 5) Efforts for Personal Development; and
- 6) Independence in decision making.

The above six criteria are further divided into sub-criteria, not exceeding five for each of the criteria. These also bring out whether or not a Director has necessary positive attributes required for discharging his/her duties, functions and responsibilities as the Director of your Company.

A rating scale of 5 (five) is used to give scores for each of the sub-criteria:

- 1) Outstanding- 5
- 2) Very Good- 4
- 3) Good- 3
- 4) Unsatisfactory- 2
- 5) Poor- 1

Each evaluating Director provides score for each of the Independent Director. The evaluating Director gives score for each of the sub-criteria comprising each of the criteria mentioned above. The score is based on the rating scale as mentioned above.

The evaluator have to provide reasons for rating score of 1 or 2 and suggestions, if any, for improvement. The final score for each of the independent director is arrived at in the manner given below:

- i) The score for each of the criteria is arrived at by aggregating the scores for sub-criteria and dividing them by the number of sub criteria.
- ii) The total score from each evaluator is arrived at by adding up the scores of all criteria and dividing the total by 5 (five).
- iii) The total score for an independent director will be arrived at by adding the scores from all evaluators and dividing such total score by the number of evaluators.

The Chairman then conveys the result of the evaluation to the concerned Independent Director. In case the total score of an Independent Director is less than or equal to 2, the Chairman shall convey to such Independent Director the reasons for the score mentioned by the evaluator(s), and suggestions for improvements, if any. If an Independent Director gets score of less than or equal to 2 for his whole tenure (as provided under the provisions of the Companies Act, 2013), he shall not be eligible for re-appointment for a further term as Director of your Company.

The Performance Evaluation of Executive Directors and Key Managerial Personnel shall be carried out by the Independent Directors in the manner mentioned above

taking into consideration the performance against the corporate goals and objectives on the basis of performance parameter set for each Executive Director and Key Managerial Personnel.

Remuneration Policy

Your Company follows a policy on remuneration of Directors and Senior Management Employees.

- a) While determining the remuneration of Executive Directors and Key Managerial Personnel, the Board considers following factors:
 - i) Criteria/norms for determining the remuneration of such employees prescribed in the HR Policy.
 - ii) Existing remuneration drawn.
 - iii) Industry standards, if the data in this regard is available.
 - iv) The job description.
 - v) Qualifications and experience levels of the candidate.
 - vi) Remuneration drawn by the outgoing employee, in case the appointment is to fill a vacancy on the death, resignation, removal etc. of an existing employee.
 - vii) The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.
- b) The determination of remuneration for other employees shall be governed by the HR Policy.
- c) The proposal for the appointment of an Executive Director/Key Managerial Personnel shall provide necessary information in this regard which the Board will consider in arriving at the conclusion as to whether or not the remuneration offered to the candidate is appropriate, reasonable and balanced as to the fixed and variable portions (including the commission).
- d) The remuneration payable to the Executive Directors, including the Commission and value of perquisites, as per the provisions of the Companies Act, 2013 and Listing Regulations, as amended.
- e) The Executive Directors shall not be eligible to receive sitting fees for attending the meetings of the Board or committees thereof of the Company and its Subsidiary Companies.
- f) The Independent Directors and/or Non-executive Directors shall not be eligible to receive any remuneration/salary from the Company. However,

they shall be paid sitting fees for attending the meeting of the Board or Committees thereof and commission, as may be decided by the Board/ Shareholders from time to time.

- g) The Independent Directors and/or Non-executive Directors shall also be eligible for reimbursement of reasonable out-of-pocket expenses incurred by them for attending meetings of Board, Committees or Shareholders, including the travelling and lodging & boarding expenses on an actual basis.

The amount of sitting fee and commission payable to Independent Directors and/or Non-executive

Directors shall not exceed the limits prescribed under the provisions of the Companies Act, 2013.

Explanation: For the purposes of this Policy, Remuneration shall mean the Cost to the Company and shall include the salary, allowances, perquisites, performance incentive and any other facility provided or payment made to or on behalf of the employee.

- h) Independent Directors shall not be eligible to participate in the ESOP Scheme, if any.

Details of Remuneration paid to Directors for the financial year ended March 31, 2023:

Executive Directors

(Amount in ₹)

Sr. No.	Name	Salary including Benefits & Perquisites	Provident Fund	Super-annuation	Commission payable	Stock Options	Gratuity	Leave encashment	Total
1	Ms. M. R. Jyothy	3,57,95,700	3,60,000	-	-	-	-	-	3,61,55,700
2	Ms. M. R. Deepthi	85,70,700	3,60,000	-	-	-	-	-	89,30,700

For further details, please refer to Note No. 32 of the Notes to Financial Statements which form part of the Annual Report.

Notice period and severance fees for all Executive Directors is six months' notice or six months' salary in lieu thereof or as may be mutually decided between the Director and your Company.

Non-Executive Directors' Compensation and Shareholding:

As per the resolution dated July 30, 2021 passed by your Company, the members had approved payment of commission to the Non-Executive and Independent Directors of your Company for an amount not exceeding 1% of the net profits of your Company calculated in accordance with the provisions of Section 197 and 198 of the Companies Act, 2013 and Regulation 17(6) of the Listing Regulations in such manner as may be determined by the Board of Directors from time to time within the said limits. The approval accorded by the members for payment of remuneration by way of commission was for a period of five years, commencing from April 1, 2022 up to March 31, 2027.

Details of sitting fees & commission paid to the Independent Directors during the year 2022-23 along with their Shareholding as on date of this Report are as under:

Sr. No.	Name of the Directors	Sitting Fees (₹)	Commission (₹)	No. of Shares held
1	Mr. R. Lakshminarayanan	6,75,000	12,00,000	-
2	Mr. Nilesh B. Mehta	7,25,000	12,00,000	-
3	Ms. Bhumiika Batra	5,25,000	12,00,000	-
4	Mr. Aditya Sapru	3,50,000	-	-

There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis your Company which has potential conflict of interest with the interests of your Company at large.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee inter-alia monitors and reviews investors' grievances and is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of services.

The Committee is headed by Mr. Nilesh B. Mehta, Independent Non-executive Director and the Committee consists of 3 (three) members as stated below. During the financial year ended March 31, 2023, this Committee had 4 (four) meetings which were held on May 24, 2022, July 25, 2022, November 14, 2022 and January 25, 2023 and attended by the members as under:

Sr. No.	Name of the Members	Position	No. of Meetings Attended
1	Mr. Nilesh B. Mehta	Chairman	4
2	Mr. R. Lakshminarayanan	Member	4
3	Ms. M. R. Jyothy	Member	4

Mr. Shreyas Trivedi, Head - Legal & Company Secretary is designated as the Compliance Officer of your Company who oversees the redressal of investor grievances.

During the financial year, your Company received 10 complaints from shareholders and all of them were disposed off to the satisfaction of the shareholders. As on March 31, 2023 there was no complaint which remained unresolved.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility (CSR) Committee is constituted pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The composition of the Committee and attendance of the members of the Committee at the meetings held is as below. The CSR Committee met 2 (two) times during the financial year ended March 31, 2023 i.e. on May 24, 2022 and November 14, 2022.

Sr. No.	Name of the Members	Position	No. of Meetings Attended
1	Mr. Nilesh B. Mehta	Chairman	2
2	Mr. R. Lakshminarayanan	Member	2
3	Ms. M. R. Jyothy	Member	2

The terms of reference of the Corporate Social Responsibility Committee broadly includes the following:

- (a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which

shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the review thereof at periodical intervals;

- (b) To recommend the amount of expenditure to be incurred on the activities referred above;
- (c) To formulate and recommend to the Board of Directors, annual action plan in pursuance of the CSR Policy;
- (d) To monitor the expenditure incurred on the specified activities; and
- (e) To monitor the implementation of Corporate Social Responsibility Policy of the Company from time to time.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee (RMC) of your Company is constituted pursuant to Regulation 21 of the Listing Regulations.

The composition of the Committee and attendance of the members of the Committee at the meetings held is as below. The RMC met 2 (two) times during the financial year ended March 31, 2023 i.e. on August 29, 2022 and February 22, 2023.

Sr. No.	Name of the Members	Position	No. of Meetings Attended
1	Mr. Nilesh B. Mehta	Independent Director as Chairman	2
2	Ms. M. R. Jyothy	Managing Director as Member	2
3	Ms. M. R. Deepthi	Whole Time Director as Member	2
4	Mr. T. Ananth Rao	Head – Operations & Commercial as Member	2
5	Mr. Ravi Razdan	Head – Systems & HR as Member	2

Mr. Shreyas Trivedi, Head- Legal & Company Secretary of your Company acts as the Secretary of the Committee and Mr. Sanjay Agarwal, Chief Financial Officer is the permanent invitee to all the meetings of the Risk Management Committee.

The Committee's prime responsibility is to implement and monitor the risk management plan and policy of your Company. As on March 31, 2023, the Committee's composition is in compliance with the provisions of Regulation 21 of the Listing Regulations.

Your Company has formulated a risk management policy and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

Terms of reference of the Risk Management Committee inter-alia include the following:

- a) Formulate a detailed risk management policy which shall include a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee, Measures for risk mitigation including systems and processes for internal control of identified risks, Business continuity plan.
- b) ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c) monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- d) periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f) review appointment, removal and terms of remuneration of the Chief Risk Officer, if any.
- g) Recommend changes in policies and procedure;
- h) Decide budget for control measures;
- i) Identifying high/medium/low risk that the Company is exposed to; and
- j) Such other powers as may be delegated by the Board of Directors from time to time.

GENERAL BODY MEETING

Annual General Meetings

Last three Annual General Meetings of your Company were held at the venue and time as detailed herein below:

Year	Date of Annual General Meeting	Time of Meeting	Special Resolutions passed
2022-31 st AGM	July 25, 2022	11:30 a.m.	None
2021-30 th AGM	July 30, 2021	11:30 a.m.	Approval for annual payment of remuneration by way of commission to its Directors (whether existing or future) other than the Managing Director/Whole-time Directors of the Company for a period of five years commencing from April 1, 2022, collectively up to 1% of the net profits of the Company of the respective financial year.
2020-29 th AGM	August 7, 2020	12:00 noon	Approval for payment of aggregate annual remuneration to the Executive Directors who are Promoters/Promoter group of the Company in terms of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the above AGMs were convened through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).

All resolutions at the 29th, 30th and 31st Annual General Meeting were passed electronically through remote e-voting and e-voting at the time of the AGM.

Postal Ballot

During the year under review i.e. April 1, 2022 to March 31, 2023, Members had passed a Special Resolution approving appointment of Mr. Aditya Sapru (DIN - 00501437) as an Independent Director of your Company through the Postal Ballot exercise.

The Board had appointed Mr. Himanshu S. Kamdar, Partner, M/s Rathi & Associates, Company Secretaries, as the scrutinizer to conduct the postal ballot voting process in fair and transparent manner. Details of Voting Pattern are as below:

Sr. No.	Particulars	Resolution	
		No. of remote e-voting confirmations	No. of Shares voted
a.	Remote e-voting confirmations received	551	314,838,184
	Total	551	314,838,184
b.	Less: Invalid Postal Ballot forms	0	0
c.	Net valid remote e-Voting confirmations	551	314,838,184
	(i) Remote e-Voting confirmations with assent for the Resolution	506	314,829,027
	% of Assent	*100	
	(ii) Remote e-Voting confirmations with dissent for the Resolution	45	9,157
	% of dissent	*0.00	

*Rounded off to the nearest number

Procedure for postal ballot

In compliance with Regulation 44 of the Listing Regulations and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, your Company provided only electronic voting facility to all its members, to enable them to cast their votes electronically. In accordance with the MCA General Circular No. 20/2021 dated December 8, 2021 read with the General Circular No. 14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020 (collectively referred to as "MCA Circulars") the option to vote through physical ballot was not available to the members for this Postal Ballot. Your Company engaged the services of CDSL for the purpose of providing remote e-voting facility to all its Members.

Your Company on **Friday, April 8, 2022** dispatched the Postal Ballot Notice only through emails to those members whose names appeared on the Register of Members/ List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the relevant cut-off date i.e. **Thursday, March 31, 2022** and whose e-mail addresses were registered with the Company/Depositories/Registrar and Share Transfer Agents.

Your Company on **Saturday, April 9, 2022**, also published a notice in English language newspaper viz. Financial Express and Marathi language newspaper viz. Loksatta, declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013, applicable Rules and MCA Circulars.

Voting rights were reckoned on the number of equity shares registered in the name of Member(s) as on the cut-off date i.e. Thursday, March 31, 2022. The remote e-voting, commenced on **Saturday, April 9, 2022** at **9:00 a.m.** (IST) and ended on **Sunday, May 8, 2022** at **5:00 p.m.** (IST). Exercising of remote e-voting was not allowed beyond **5:00 p.m. (IST) on Sunday, May 8, 2022** and the remote e-voting module was disabled by CDSL for voting thereafter.

The scrutinizer submitted his report dated May 9, 2022 to Mr. Shreyas Trivedi, Head – Legal & Company Secretary being the person authorised by the Chairman to declare the result of the voting, after the completion of scrutiny, and the remote e-voting results of postal ballot were then announced by him on the same date. The results were also displayed on the website of your Company i.e. www.jyothy.com, besides being communicated to the stock exchanges, the depositories and Registrar and the Share Transfer Agent. The Resolution was deemed to be passed on the last date specified for remote e-voting i.e. **Sunday, May 8, 2022**.

No other Special Resolution is proposed to be passed through Postal Ballot.

Means of communication

Your Company publishes its quarterly, half-yearly and annual financial results generally in English language newspaper viz. Business Standard or Financial Express and Marathi language newspaper viz. Sakal or Loksatta

after submitting it to the Stock Exchanges once approved by the Board of Directors of your Company. The said results are also available on the website of your Company at www.jyothylabs.com.

Official Press releases, Conference call transcripts and presentation made to the institutional investors/ Analysts are also available on the aforesaid website of your Company and on the website of the Stock Exchanges.

GENERAL SHAREHOLDER INFORMATION

- a) **Annual General Meeting:** In accordance with the Ministry of Corporate Affairs (MCA) General Circular no. 10/2022 dated December 28, 2022, the 32nd Annual General Meeting of your Company will be held through Video Conferencing (VC) or any other mode of audio-visual means (OAVM) on Tuesday, July 25, 2023 at 11:30 a.m.
- b) **The Financial year covered by this Annual Report:** April 1, 2022 to March 31, 2023.
- c) **Book Closure Dates:** From July 4, 2023 to July 11, 2023 (both days inclusive).
- d) **Dividend Payment Date:** On or after July 27, 2023, subject to the approval of Shareholders at the ensuing Annual General Meeting.
- e) **Listing on Stock Exchanges and Stock Codes:**
The equity shares of your Company are listed on BSE Limited (BSE) and the National Stock Exchange

of India Limited (NSE). The annual listing fees for the financial year 2023-24 have been paid to both the stock exchanges. The following table indicates your Company's stock exchange codes.

Name and Address of Stock Exchange	Stock Code
BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	532926
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	JYOTHYLAB
ISIN Number	INE668F01031

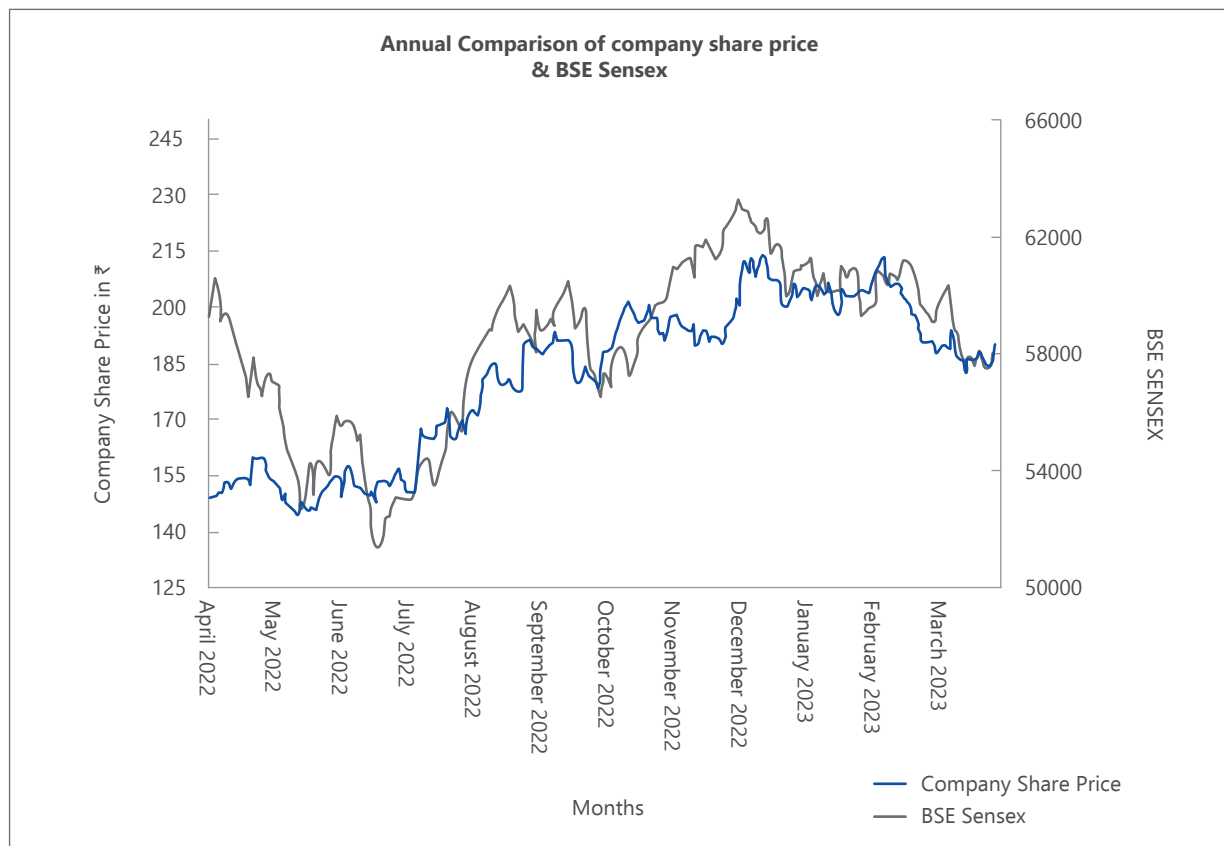
- f) **Registrar & Share Transfer Agent:**
Link Intime India Private Limited
C-101, 247 Park, LBS Marg,
Vikhroli West, Mumbai- 400083,
Phone: 022-49186000, Fax: 022-49186060
E-mail: mt.helpdesk@linkintime.co.in
- g) **Share Transfer System:**
Pursuant to the requirement of the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, w.e.f. April 1, 2019, all the transfers of securities shall be mandatorily effected through dematerialized mode only. Further, the requirement of this provision is not applicable in case of transmissions/transpositions.

h) Stock Market Price for the year:

The monthly high/low stock price of your Company's equity shares listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) from April 1, 2022 to March 31, 2023 are given below:

Month	BSE Market Price (₹)		NSE Market Price (₹)	
	High	Low	High	Low
April – 2022	163.50	147.35	163.50	147.15
May – 2022	163.70	142.00	163.70	142.05
June – 2022	165.85	145.00	165.95	145.00
July – 2022	175.40	147.45	175.50	147.50
August – 2022	198.20	168.35	198.40	170.00
September – 2022	197.10	174.55	197.40	174.55
October – 2022	208.20	186.65	208.45	186.60
November – 2022	206.55	184.00	206.80	184.00
December – 2022	218.00	195.15	217.90	195.00
January – 2023	211.85	191.10	211.90	190.00
February – 2023	222.90	183.50	222.70	183.25
March - 2023	196.15	180.30	199.60	180.15

i) Share Price (₹) in Comparison with BSE Sensex:



j) Shareholding Pattern as on March 31, 2023:

Shareholding pattern of your Company's equity shares in broad categories as on March 31, 2023 are given below:

Sr. No.	Category of Shareholder	As on 31.03.2023	
		Total Number of Shares	%
1	Promoter and Promoter's Group	230934685	62.89
	Sub-total - 1	230934685	62.89
2	Institutions		
a.	Mutual Funds	50209195	13.67
b.	Alternate Investment Funds	4449307	1.21
c.	Venture Capital Funds	0	-
d.	Foreign Portfolio Investor	50546301	13.77
e.	Financial Institutions/ Banks	2249	0.00
f.	Insurance Companies	7100750	1.93
g.	Foreign Bank	0	-
	Sub-Total - 2	112307802	30.58
3	Central Government/ State Government(s)	840	0.00
	Sub-Total - 3	840	0.00
4	Non-institutions		
a.	Individuals & HUF	21158684	5.76
b.	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	32	0.00
c.	NBFC Registered with RBI	12050	0.00
d.	IEPF	406781	0.11
e.	Trusts	450	0.00
f.	Non Resident Indians	1196299	0.33
g.	Foreign Nationals	50	0.00
h.	Clearing Members	12564	0.00
i.	Bodies Corporates	1178407	0.33
	Sub-Total - 4	23965317	6.53
	Total	367208644	100.00

k) Distribution of Shareholding as on March 31, 2023:

Sr. No.	Slab of shareholding		Shareholders		Shares Value	
	No. of Equity shares held		Number	In %	Face Value (₹)	In %
	From	To				
1.	1	500	122908	95.55	10035063	2.73
2.	501	1000	3178	2.47	2423802	0.66
3.	1001	2000	1272	0.99	1886995	0.51
4.	2001	3000	398	0.31	1010956	0.28
5.	3001	4000	195	0.15	703516	0.19
6.	4001	5000	155	0.12	731531	0.20
7.	5001	10000	230	0.18	1661184	0.45
8.	10001	& Above	299	0.23	348755597	94.98
	Total		128635	100.00	367208644	100.00

I) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on March 31, 2023:

Sr. No.	Shareholder's Name	No. of Shares	% of Shareholding
1.	Nalanda India Equity Fund Limited	22121523	6.02
2.	Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	10444301	2.84
3.	Franklin India Smaller Companies Fund	9706465	2.64
4.	Franklin India Flexi Cap Fund	9200000	2.51
5.	ICICI Lombard General Insurance Company Ltd	6151515	1.68
6.	Pari Washington India Master Fund Ltd.	6120778	1.67
7.	ICICI Prudential Value Discovery Fund	4331826	1.18
8.	Pari Washington Investment Fund	4130774	1.12
9.	Franklin India Taxshield	3800000	1.03
10.	ICICI Prudential Smallcap Fund	3422826	0.93

- l) **Suspension of securities from trading:** As on March 31, 2023, none of the securities of your Company has been suspended from trading and accordingly explanation in this regard in Director's Report is not required.
- m) **Dematerialization of shares and Liquidity:** As on March 31, 2023, 99.73% of total equity share capital was held in dematerialized form. The equity shares of your Company are actively traded on the BSE and NSE in the dematerialized form.
- n) **Outstanding GDRs/ADRs/Warrants or any convertible instruments:** During the year 2022-23, your Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.
- o) **Plant Locations:** Manufacturing Plants of your Company are situated at the following locations:-
1. Bishnupur, Light House More, Bishnupur West Bengal - 722122
 2. Guwahati Detergent Unit, Paschim Boragaon, N.H-37, Assam - 781011
 3. Guwahati Unit I, E.P.I.P. Complex, Amingaon, Assam - 781031
 4. Guwahati Unit II, E.P.I.P. Complex, Amingaon, Assam - 781031
 5. Guwahati -Unit -III, Plot No. 50, Brahma Putra Industrial Park, Gauripur, North Guwahati Assam - 781031
 6. Guwahati -Unit -IV, Plot No. 109, Brahma Putra Industrial Park, Gauripur, North Guwahati, Kamrup, Assam - 781031
 7. Guwahati Unit-V, Jagati Mini Industrial Estate, Sila Sinduri Ghopa, Kamalpur, Chowkigate, Changsari, Assam - 781101
 8. Jammu Unit Lane 2, Phase II, Sidco Industrial Complex, Bari Brahamana, Jammu & Kashmir - 181133
 9. Jammu Unit II, Lane 4, Phase II, Sidco Industrial Complex, Bari Brahamana, Jammu & Kashmir - 181133
 10. Kalingamalai R.S. No. 63 & 68 (63/8, 63/9, 63/12, 63/13, 63/15 & 68/5), Kalingamalai Village, Pakkiri Palayam Panchayat, Vazhudavour Post, Villupuram District, Tamilnadu - 605 502
 11. Kandanassery Unit Kandanassery, Via - Ariyannur, Kerala - 680102
 12. Karaikal Unit, 131 Peralam Main Road, Thirunallar Post, Puducherry - 609607
 13. Mehboobnagar – Telangana Unit Shed No.25/26, Ida, Kothur, Ranga Reddy, Telangana - 509228
 14. Pithampur Unit Plot No. 201, Sector 1, Pithampur, Dhar, Madhya Pradesh - 454775
 15. Puducherry (Detergent, Exo, Maxo Unit), R.S. No.15, Thethampakkam Village, Suthukeny Puducherry - 605502
 16. Puducherry (Ujala & Bottle) R.S. No. 12/1 & 2, Thethampakkam Village, Suthukeny Puducherry - 605502
 17. Puducherry (Personal Care Division) R.S. No. 12/1 & 2, Thethampakkam Village, Suthukeny Puducherry - 605502
 18. Silvassa Engineering Division (EDS), Survey No 910/7/1 Dokmardi Amla Silvassa, Dadra & Nagar Haveli - 396230

19. Silvassa Unit II Old Survey No.369/1/1/1, New Survey No 1680,1683 & 1684,Rakholi-Sayli Road,Sayli Village,Behind Siyaram Silk Mills, Sayli Silvassa, Dadra & Nagar Haveli - 396230
20. Uttaranchal - Unit-I (PCD, Ujala, Maxo Machine), Plot No. 6, 7 & 8 Bearing Khasara Nos. 361, 363, 366, 369 & 370, KIE Industrial Estate, Village Mundiyaiki, Gurukul Narsan Post, Roorkee, Haridwar, Uttarakhand - 247670
21. Uttaranchal II - Detergent & Dishwash Division, Plot No.18,19,20 & 21, Bearing Khasara Nos 366 & 367, KIE Industrial Estate, Village Mundiyaiki, Gurukul Narsan Post, Roorkee, Haridwar, Uttarakhand - 247670
22. Wayanad (Detergent), MP IV/101 B, Kolagappara Po, Sulthan Bathery, Wayanand Kerala – 673591
23. S-1 Phase-1, Inside Apparel Park, KIDB Industrial Area, Doddaballapura, Bangalore Rural, Karnataka-561203

p) Shareholders & Investors Correspondence:

Shareholders should address their correspondence to your Company and/or its Registrars and Share Transfer Agent at the following address:

1. Link Intime India Private Limited
Unit: Jyothy Labs Limited
C-101, 247 Park, LBS Marg,
Vikhroli West, Mumbai- 400083
Phone: 022-49186000, Fax: 022-49186060
E-mail: rnt.helpdesk@linkintime.co.in
Contact Person: Ms. Suman Shetty
2. Mr. Shreyas Trivedi
Head – Legal and Company Secretary
Jyothy Labs Limited
'Ujala House', Ram Krishna Mandir Road,
Kondivita, Andheri (East),
Mumbai – 400 059
Phone: 022-66892800, Fax: 022-66892805
E-mail: secretarial@jyothy.com

CREDIT RATING

Details of Credit Ratings obtained by your Company during the financial year under review are as follows:

Sr. No.	Name of the Rating Agency	Rating	Type of debt instrument
1.	CARE Ratings Limited	CARE A1+	Commercial Paper Issue
2.	CARE Ratings Limited	CARE AA; Stable	Long term Bank Facilities
3.	ICRA Limited	[ICRA] A1+	Commercial Paper Issue

DISCLOSURES

1. During the year under review, there were no materially significant related party transactions that may have potential conflict of interest with the interests of your Company at large. Your Company has formulated the Policy on dealing with related party transactions and the same is available on the website of your Company and a web link thereto is as below:
<https://www.jyothy.com/investor/management-policies-notice/#Management-Policies>
Transactions with related parties, as per requirements of Indian Accounting Standard 24, are disclosed in Notes to Accounts annexed to the Financial Statements.
2. Your Company has followed all relevant Accounting Standards while preparing the Financial Statements and no treatment different from that prescribed in an Accounting Standard has been followed.
3. No penalties or strictures have been imposed on your Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
4. Your Company has in place Vigil Mechanism/ Whistle Blower policy and the details of the same are provided in the Boards' Report. Further, it is affirmed that no personnel have been denied access to the Audit Committee.
5. Your Company has complied with the applicable mandatory requirements of the Listing Regulations. Your Company has not adopted any of the discretionary requirements as specified in Part E of Schedule II of the Listing Regulations, except access to Internal Auditors of your Company to directly report to the Audit Committee.
6. Your Company has laid down procedures to inform Board members about the risk assessment and minimization procedures.

7. The policy for determining criteria of material subsidiaries is formulated by your Company and is available on the website of your Company and the web link thereto is as below:

<https://www.jyothy.com/investor/management-policies-notice/#Management-Policies>

8. Your Company has formulated the Policy on distribution of dividend and the same is available on the website of your Company and the web link thereto is as below:

<https://www.jyothy.com/investor/management-policies-notice/#Management-Policies>

9. During the year under review, your Company has not raised funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of the Listing Regulations.

10. During the year under review, there has been no instance where the Board has not accepted any recommendation(s) of any of the Committee of the Board which was mandatorily required to be accepted.

11. Your Company has paid a total consolidated fee of ₹ 110.42 Lacs to M/s. B S R & Co. LLP, the Statutory Auditors for all services availed by your Company and its Subsidiary Company viz. Jyothy Fabricare Services Limited.

12. There is no outstanding loans and advances in the nature of loans given by your Company and/ or its subsidiaries to any firms/ companies in which any of the Director(s) is interested. The detailed particulars of loans and advances has been provided in the Notes to the Standalone Financial Statements of your Company forming part of this Annual Report.

13. Your Company does not have any material subsidiaries and accordingly details such as the date and place of incorporation and the name and

date of appointment of the statutory auditors of such subsidiaries is not required to be disclosed.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

Your Company has exposure to various commodities involved in the manufacturing of the final products of your Company. Any fluctuation in prices of basic commodities like Benzene, Crude, Naptha, Palm and Palm Kernel may have direct impact on the products falling under detergent, Body soap and dish wash category. Similarly, volatility in prices of Polyethylene terephthalate (PET) and Polypropylene (PP) may lead to increase in prices of container. Any rise in Kraft paper prices can impact the Secondary packaging cost for the products of your Company hence commodity price risk is one of the important market risks for your Company. The commodities are priced using pricing benchmarks.

Your Company has a mechanism in place wherein a dedicated team keeps a close watch on the market behaviour and adopts best purchase practices to minimize the effect of inflation.

Your Company has minimal exposure to foreign exchange risk vis-à-vis, total Sales / Purchases of your Company and the transactions are significantly in Indian Currency.

Your Company has not undertaken any hedging activities during the year under review. The Company does not enter into any derivative instruments for trading or speculative purposes.

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE PURSUANT TO CLAUSE 10(I) OF PARA C OF SCHEDULE V OF THE LISTING REGULATIONS

M/s. Rathi & Associates, Company Secretaries has issued certificate dated May 3, 2023 confirming that none of the Directors on the Board of your Company have been debarred or disqualified from being appointed or continue to act as directors of Companies by the Board/ Ministry of Corporate Affairs or any such other statutory authorities as on March 31, 2023. The said certificate is annexed and forms part of this Annual Report.

DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Number of complaints filed during the financial year (i.e. from April 1, 2022 to March 31, 2023)	Nil
Number of complaints disposed off during the financial year (i.e. from April 1, 2022 to March 31, 2023)	Nil
Number of complaints pending as on end of the financial year (i.e. as on March 31, 2023)	Nil

CODE OF CONDUCT

The Board has adopted the Code of Conduct for all its Directors and Senior Management Personnel which has been uploaded on your Company's websites www.jyothylabs.com. All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration to this effect as required under the Listing Regulations regarding compliance with the Code of Conduct by the Managing Director and the Whole Time Director of your Company is annexed and forms part of this Annual Report.

MD/CFO CERTIFICATE

The Managing Director (MD) and Chief Financial Officer (CFO) have issued the certificate in terms of Regulation 17(8) read with Part B of Schedule II to the Listing Regulations. The said certificate is annexed and forms part of this Annual Report.

DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS:

Your Company has complied with all the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, wherever applicable to your Company.

Your Company has complied with all the requirements of corporate governance report as specified in sub-paras (2) to (10) of Para (C) Schedule V of the Listing Regulations.

**For and on behalf of the Board of Directors
For Jyothy Labs Limited**

Place: Mumbai
Date: May 3, 2023

Sd/-
M. R. Jyothy
Managing Director
(DIN: 00571828)

Sd/-
M. R. Deepthi
Whole Time Director
(DIN: 01746698)

**CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE PURSUANT TO CLAUSE 10(I) OF
PARA C OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2015 REGARDING NO DISQUALIFICATION OF DIRECTORS**

May 3, 2023

To,
The Members of

Jyothy Labs Limited

Ujala House, Ram Krishna Mandir Road,
Kondivita, Andheri (East),
Mumbai, Maharashtra-400059.

Sub: Certificate pursuant to Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Jyothy Labs Limited (CIN: L24240MH1992PLC128651) having its Registered Office situated at Ujala House, Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai, Maharashtra-400059 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para C, sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our knowledge, information and based on the individual confirmations received from the Board of Directors of the Company and the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of the Director	DIN
1.	Ms. Jyothy Ramachandran	00571828
2.	Mr. Ramakrishnan Lakshmi Narayanan	00238887
3.	Ms. Deepthi Moothedath Ramachandran	01746698
4.	Mr. Nilesh Bansilal Mehta	00199071
5.	Ms. Bhumika Batra	03502004
6.	Mr. Aditya Sapru	00501437

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RATHI AND ASSOCIATES
COMPANY SECRETARIES

Sd/-
HIMANSHU S. KAMDAR

PARTNER

M. NO. FCS 5171

COP NO. 3030

UDIN: F005171E000245433

P.R. Certificate No.: 668/2020

**DECLARATION BY THE MANAGING DIRECTOR AND THE WHOLE TIME DIRECTOR UNDER
THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015
REGARDING COMPLIANCE WITH THE CODE OF CONDUCT**

In accordance with the Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2023.

**For and on behalf of the Board of Directors
For Jyothy Labs Limited**

	Sd/-	Sd/-
	M. R. Jyothy	M. R. Deepthi
Place: Mumbai	Managing Director	Whole Time Director
Date: May 3, 2023	(DIN: 00571828)	(DIN: 01746698)

**CERTIFICATION BY THE MANAGING DIRECTOR AND THE CHIEF FINANCIAL OFFICER (CFO)
PURSUANT TO REGULATION 17(8) READ WITH PART B OF SCHEDULE II OF THE SEBI (LISTING
OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We, M. R. Jyothy, Managing Director and Sanjay Agarwal, Chief Financial Officer of Jyothy Labs Limited, certify that:-

1. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2023 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee that there are no
 - a) significant changes in internal control over financial reporting during the year;
 - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board of Directors
For Jyothy Labs Limited**

	Sd/-	Sd/-
	M. R. Jyothy	Sanjay Agarwal
Place: Mumbai	Managing Director	Chief Financial Officer
Date: May 3, 2023	(DIN: 00571828)	

**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE**

To,
The Members of
Jyothy Labs Limited

We have examined the compliance of conditions of Corporate Governance by Jyothy Labs Limited (CIN: L24240MH1992PLC128651) having its Registered Office situated at Ujala House, Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai, Maharashtra- 400059 ('hereinafter referred to as 'the Company'), for the financial year ended March 31, 2023, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations have been limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the Listing Regulations. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our knowledge, information and according to the explanations given to us and the representations made by the Directors and the Management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Listing Regulations.

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

For and on behalf of
RATHI AND ASSOCIATES
COMPANY SECRETARIES

Sd/-
HIMANSHU S. KAMDAR
PARTNER
M. NO. FCS 5171
COP NO. 3030
UDIN: F005171E000245391
P.R. Certificate No.: 668/2020

Place: Mumbai
Date: May 3, 2023



Financial Statements

Independent Auditor's Report

To the Members of
Jyothy Labs Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Jyothy Labs Limited (the "Company") which comprise the standalone balance sheet as at March 31, 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTER(S)

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

The key audit matter	How the matter was addressed in our audit
<p>Revenue Recognition Refer note 2.2(d) of accounting policies and notes 20 and 42 of standalone financial statements.</p> <p>Revenue is recognized when control of the underlying products has been transferred to the customer.</p> <p>Revenue is a key performance indicator for the Company. There is risk of revenue being fraudulently recognized resulting from pressure to meet external investor/stake-holder expectations.</p> <p>Accordingly, recognition of revenue throughout the year and at period-end has been considered to be a key audit matter.</p>	<p>Our audit procedures in respect of recognition of revenue included the following-</p> <ul style="list-style-type: none"> Assessed the Company's accounting policies relating to revenue recognition by comparing them with the applicable accounting standards. Obtained understanding of the process and tested design and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue. Examined underlying sales invoices and dispatch/shipping documents for selected samples of revenue recognized throughout the year and as at period end to determine existence of sales throughout the period and at the period-end. Verified authorisations of non-standard journal entries that affect reported revenue of the Company.

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's reports thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

OTHER MATTER(S)

a. As described in Note 46 to the standalone financial statements, the acquisition of the business of a partnership firm already controlled by the Company has been accounted for by the Company as if it had occurred from the beginning of the preceding period in the financial statements. Accordingly, the

amounts relating to the year ended March 31, 2023 include the impact of the business combination and the corresponding amounts for the previous year ended March 31, 2022, have been restated by the Company after recognising the effect of the acquisition as above. The comparative figures for the year ended March 31, 2022, in so far it pertains to the partnership firm, have been audited by another auditor who had expressed an unmodified opinion on 4 May 2022.

Our opinion is not modified in respect of above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Company as on March 31, 2023 taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 45 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 45 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 13B to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration
No.:101248W/W-100022

Sreeja Marar
Partner

Place: Mumbai Membership No.: 111410
Date: May 03, 2023 ICAI UDIN:23111410BGYATU9020

Annexure A

to the Independent Auditor's Report on the Standalone Financial Statements of Jyothy Labs Limited for the year ended March 31, 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (in lacs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold land	33.23	Associated Industries Consumer Products Private Limited	No	15-16 years	Ownership transfer pending (undisputed)
Building	658.10	Associated Industries Consumer Products Private Limited	No	15-16 years	Ownership transfer pending (undisputed)
Freehold land	108.19	Fab clean & care Private Limited	No	11-12 years	Ownership transfer pending (undisputed)
Building	26.55	Fab clean & care Private Limited	No	11-12 years	Ownership transfer pending
Freehold Land	127.44	Snoways Laundrers & Drycleaners Private Limited	No	4-5 years	Ownership transfer pending (undisputed)

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as

followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships during the year. The Company has granted loans to other parties in respect of which the requisite information is as below. The Company has not made any investments, provided guarantee or security or advances in the nature of loans, secured or unsecured to other parties.

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to other parties as below:

Particulars	Guarantees	Security	Loans (in lacs)	Advances in nature of loans
Aggregate amount during the year - Others	Nil	Nil	736.32	Nil
Balance outstanding as at balance sheet date - Others	Nil	Nil	32.76	Nil

- (b) According to information and explanations given to us and based on the audit procedures conducted by us, in our opinion terms and conditions of the loans provided during the year are prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been generally regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Income-Tax, Sales Tax, Value Added Tax, Duty of Excise or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Period	Forum where dispute is pending (Amount in Lacs)			
			Commissioner & Appellate (amount demanded)	High Court (amount demanded)	Tribunal (amount demanded)	Amount paid under protest
The Central Excise Act, 1944	Excise	1999-00	10	-	-	-
		2007-17	1,239	-	-	4
		2011-16	-	-	2,618	196
The Central Sales Tax Act, 1956 and Value Added Tax	Sales Tax and VAT	1999-00	5	-	-	2
		2000-18	2,942	-	-	647
		2002-14	-	1,130	-	323
		2001-15	-	-	518	270
Goods and Service Tax Act	GST	2019-22	13	-	-	13
The Income Tax Act, 1961	Income Tax	AY 2010-11	-	1,000	-	500
		AY 2011-12	279	-	-	-
		AY 2012-13	52	758	-	-
		AY 2014-15	7	-	-	-
		AY 2021-22	96	-	-	-
Grand Total			4,643	2,888	3,136	1,955

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanation provided to us, there is no core investment company within the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sreeja Marar
Partner

Place: Mumbai
Date: May 03, 2023

Membership No.: 111410
ICAI UDIN:23111410BGYATU9020

Annexure B

to the Independent Auditor's Report on the Standalone Financial Statements of Jyothy Labs Limited for the year ended March 31, 2023

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Jyothy Labs Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable

detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including

the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sreeja Marar
Partner

Place: Mumbai Membership No.: 111410
Date: May 03, 2023 ICAI UDIN:23111410BGYATU9020

Standalone Balance Sheet

as at March 31, 2023

₹ in Lacs

Particulars	Note	As at March 31, 2023	As at March 31, 2022 (Restated)
Assets			
Non-current assets			
Property, plant and equipment	3a	28,041.02	29,006.09
Capital work in progress	3b	1,540.61	750.31
Right-of-use assets	3c	4,309.06	4,107.33
Goodwill	3d	10,524.47	10,524.47
Other intangible assets	3d	612.02	393.88
Financial assets			
Investment in subsidiaries	4	580.47	580.47
Other financial assets	5	1,511.61	1,622.56
Deferred tax assets (net)	6	9,928.55	10,541.97
Non-current tax assets (net)	7	1,081.72	1,046.26
Other non-current assets	8	4,371.30	5,154.70
		62,500.83	63,728.04
Current assets			
Inventories	9	30,019.38	29,566.17
Financial assets			
Trade receivables	10	13,226.35	13,708.75
Cash and cash equivalents	11a	10,553.07	7,564.93
Bank balances other than cash and cash equivalents	11b	17,701.78	13,429.62
Other financial assets	5	233.43	623.84
Other current assets	8	4,401.94	5,898.58
Asset held for sale	3e	556.59	680.36
		76,692.54	71,472.25
Total assets		139,193.37	135,200.29
Equity and liabilities			
Equity			
Equity share capital	12	3,672.09	3,672.09
Other equity	13	84,470.01	69,568.56
Total equity		88,142.10	73,240.65
Non-current liabilities			
Financial liabilities			
Lease Liabilities	33	2,800.33	2,448.90
Provisions	18	7,082.27	6,763.72
Other non-current liabilities	17	552.45	701.09
		10,435.05	9,913.71
Current liabilities			
Financial liabilities			
Borrowings	14	-	12,653.67
Lease Liabilities	33	1,853.22	2,021.50
Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises		5,059.30	5,934.64
Total outstanding dues of creditors other than micro enterprises and small enterprises		16,360.47	17,695.88
Other financial liabilities	16	3,169.52	2,833.17
Other current liabilities	17	11,733.33	9,160.31
Provisions	18	2,183.57	1,260.55
Current tax liabilities (net)	19	256.81	486.21
		40,616.22	52,045.93
Total liabilities		51,051.27	61,959.64
Total equity and liabilities		139,193.37	135,200.29
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the Standalone financial statements.

As per our report of even date

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sreeja Marar

Partner

Membership No: 111410

Mumbai

May 03, 2023

For and on behalf of the Board of Directors of

Jyothy Labs Limited

CIN: L24240MH1992PLC128651

M.R. Jyothy

Managing Director

DIN: 00571828

Shreyas Trivedi

Company Secretary

Membership No: A12739

Mumbai

May 03, 2023

M.R. Deepthi

Whole Time Director

DIN: 01746698

Sanjay Agarwal

Chief Financial Officer

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

₹ in Lacs

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
Income			
Revenue from operations	20	248,194.60	219,326.33
Other income	21	3,948.39	1,847.58
Total income (I)		252,142.99	221,173.91
Expenses			
Cost of raw material and components consumed	22	128,906.06	109,398.54
Purchase of Stock in Trade		14,703.41	19,029.28
Changes in inventories of finished goods, stock in trade and work-in-progress	23	(349.07)	(299.69)
Employee benefits expense	24	26,396.64	24,668.35
Finance costs	25	1,309.09	1,180.39
Depreciation and amortisation expense	26	5,002.12	8,875.80
Other expenses	27	46,981.79	41,739.53
Total expense (II)		222,950.04	204,592.20
Profit before exceptional item and tax (I-II)		29,192.95	16,581.71
Exceptional item	44	703.25	-
Profit before tax		29,896.20	16,581.71
Income tax	28		
Current tax		5,399.82	3,207.00
Deferred tax charge/(credit)		543.98	(496.73)
Total Income tax		5,943.80	2,710.27
Profit for the year attributable to equity shareholders (A)		23,952.40	13,871.44
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) of post employment benefit obligation	29	198.71	(37.79)
Income tax relative to items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) of post employment benefit obligation	28	(69.44)	6.68
Other comprehensive income/(loss) for the year net of tax, attributable to equity shareholders (B)		129.27	(31.11)
Total comprehensive income for the year net of tax, attributable to equity shareholders (A+B)		24,081.67	13,840.33
EARNINGS PER SHARE (EPS)	36		
Basic (₹)		6.52	3.78
Diluted (₹)		6.52	3.78
Nominal value per share (₹)		1.00	1.00
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the Standalone financial statements.

As per our report of even date

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sreeja Marar

Partner

Membership No: 111410

For and on behalf of the Board of Directors of

Jyothy Labs Limited

CIN: L24240MH1992PLC128651

M.R. Jyothy

Managing Director

DIN: 00571828

Shreyas Trivedi

Company Secretary

Membership No: A12739

M.R. Deepthi

Whole Time Director

DIN: 01746698

Sanjay Agarwal

Chief Financial Officer

Mumbai
May 03, 2023

Mumbai
May 03, 2023

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

₹ in Lacs

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
Equity shares of ₹ 1 each issued, subscribed and fully paid		
At the beginning of the period	3,672.09	3,672.09
Issue of share capital	-	-
At the end of the period	3,672.09	3,672.09

For further details, Refer Note 13

B. OTHER EQUITY

Particulars	Retained earnings	Capital reserves	Securities premium	General reserves	Amalgamation Adjustment Deficit Account	Total
As at April 1, 2021	32,220.74	6,514.46	50,510.09	460.67	-	89,705.96
Reserves acquired on account of merger of Jyothy Fabricare Services Limited ("JFSL") (Note 46)	(25,038.48)	496.58	18,943.00	15.52	(2,617.57)	(8,200.95)
Amalgamation Adjustment Deficit Account due to merger (Note 46)	-	-	-	-	(11,088.43)	(11,088.43)
Restated Balance as at April 1, 2021	7,182.26	7,011.04	69,453.09	476.19	(13,706.00)	70,416.58
Profit for the year	13,871.44	-	-	-	-	13,871.44
Other comprehensive income -Re-measurement gains/(losses) of post employment benefit obligation	(31.11)	-	-	-	-	(31.11)
Total comprehensive income	13,840.33	-	-	-	-	13,840.33
Cash Dividends (Note 13(B))	(14,688.35)	-	-	-	-	(14,688.35)
As at March 31, 2022	6,334.24	7,011.04	69,453.09	476.19	(13,706.00)	69,568.56
Profit for the year	23,952.40	-	-	-	-	23,952.40
Other comprehensive income - Re-measurement gains/(losses) of post employment benefit obligation	129.27	-	-	-	-	129.27
Total comprehensive income	24,081.67	-	-	-	-	24,081.67
Cash Dividends (Note 13(B))	(9,180.22)	-	-	-	-	(9,180.22)
As at March 31, 2023	21,235.69	7,011.04	69,453.09	476.19	(13,706.00)	84,470.01

Nature and purpose of reserves

- Retained earnings - Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- Capital reserves - During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.
- Securities premium - The amount received in excess of face value of the equity shares is recognised in Securities Premium. This reserve can be utilized only in accordance with the provisions of section 52 of the Companies Act, 2013.
- General reserves -The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956.
- Amalgamation Adjustment Deficit Account - Excess of book value of investment in the equity share capital of Jyothy Fabricare Services Limited ("JFSL") over the face value of such share capital.

For further details, Refer Note 13 and 46

As per our report of even date

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

Jyothy Labs Limited

CIN: L24240MH1992PLC128651

Sreeja Marar

Partner

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M.R. Jyothy

Managing Director

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M.R. Deepthi

Whole Time Director

DIN: 01746698

Sanjay Agarwal

Chief Financial Officer

Mumbai

May 03, 2023

Mumbai

May 03, 2023

Standalone Statement of Cash Flows

for the year ended March 31, 2023

₹ in Lacs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	29,896.20	16,581.71
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and impairment of property, plant and equipment	2,941.43	3,800.79
Depreciation of right-of-use assets	1,956.14	1,912.55
Amortisation and impairment of intangible assets	104.55	3,162.46
Lease rent income	(5.70)	(6.72)
Provision for doubtful debts written back	-	(4.24)
Profit on sale of fixed assets	(1,814.72)	(135.50)
Finance costs	1,309.09	1,180.39
Interest income	(760.35)	(355.78)
Unrealised Foreign exchange fluctuation loss/(gain) (net)	5.06	(12.52)
Investment subsidy income	(148.64)	(198.56)
Operating profit before working capital changes	33,483.06	25,924.58
Movements in working capital :		
Decrease/(increase) in trade receivables	477.34	(4,922.18)
Decrease/(increase) in other financial assets	620.00	(792.09)
Decrease/(increase) in inventories	(453.21)	(1,799.72)
Decrease/(increase) in other assets	2,274.63	(151.00)
Increase/(decrease) in trade payables	(2,210.75)	4,376.07
Increase/(decrease) in other financial liabilities	337.29	164.07
Increase/(decrease) in other liabilities	2,573.02	224.90
Increase/(decrease) in provisions	1,440.28	188.72
Cash generated from operations	38,541.66	23,213.35
Taxes paid (net)	(5,664.68)	(3,100.62)
Net cash generated from operating activities (A)	32,876.98	20,112.73
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress and capital advances	(3,526.60)	(2,589.21)
Proceeds from sale of fixed assets	2,331.34	429.00
(Investment in)/maturity proceeds from fixed deposit (net)	(4,335.57)	(1,186.86)
Interest income received	704.18	268.35
Lease rent income	5.70	6.72
Net cash used in investing activities (B)	(4,820.95)	(3,072.00)
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:		
Finance cost paid	(1,041.53)	(702.87)
Proceeds from short-term borrowings	500.00	23,126.74
Repayment of short-term borrowings	(13,000.00)	(22,126.74)
Payment of lease liabilities	(2,346.14)	(2,243.18)
Dividend paid	(9,180.22)	(14,688.35)
Net cash used in financing activities (C)	(25,067.89)	(16,634.40)
D. Net Increase in cash and cash equivalents (A+B+C)	2,988.14	406.33
E. Cash and cash equivalents at the beginning of the year	7,564.93	6,974.91
Net Assets acquired on account of merger of Jyothy Fabricare Services Limited ("JFSL") (Note 46)	-	183.69
F. Cash and cash equivalents at the end of the year	10,553.07	7,564.93

Standalone Statement of Cash Flows (Contd.)

for the year ended March 31, 2023

₹ in Lacs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
G. Components of cash and cash equivalents		
Cash in hand	43.79	44.48
Balance with scheduled banks - Current account	10,509.28	7,520.45
Cash and cash equivalents considered for cash flow statement	10,553.07	7,564.93

The merger of Jyothy Fabricare Services Limited and JFSL-JLL(JV) with the Company is a non cash transaction. The Standalone cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7)

H. Changes in liabilities arising from financing activities

Particulars	As at March 31, 2022 (Restated)	Cash inflow	Cash outflow	As at March 31, 2023
Current Borrowings * (Refer Note 14)	12,500.00	500.00	(13,000.00)	-
Total	12,500.00	500.00	(13,000.00)	-

* This is excluding accrued interest.

Summary of significant accounting policies

Note 2

As per our report of even date

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sreeja Marar

Partner

Membership No: 111410

Mumbai

May 03, 2023

For and on behalf of the Board of Directors of

Jyothy Labs Limited

CIN: L24240MH1992PLC128651

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Managing Director

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Membership No: A12739

Mumbai

May 03, 2023

M.R. Deepthi

Whole Time Director

DIN: 01746698

Sanjay Agarwal

Chief Financial Officer

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

NOTE 1 CORPORATE INFORMATION

Jyothy Labs Limited ('the Company') is a public company domiciled in India. Its shares are listed on two stock exchanges in India. The registered office of the company is located at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (E) Mumbai. The Company is principally engaged in manufacturing and marketing of fabric care, dishwashing, personal care and household insecticides products. These Financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors on May 3, 2023

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The Standalone financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value. (Refer accounting policy regarding financial instruments).

The Standalone financial statements are presented in INR and all values are rounded to the nearest lacs, except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

b. Foreign currencies

The Company's financial statements are presented in INR, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

c. Fair value measurement

The Company measures financial instruments (Refer Note 2.2(o)) at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

c. Fair value measurement (Contd.)

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the transaction price of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

However Goods and Service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. No element of financing is deemed present as the sales are made with normal credit terms consistent with market practice.

Accumulated experience is used to accrue for the discounts considering the terms of the underlying schemes and agreements with the customers.

Sale of Services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised on completion of the transaction at the end of the reporting period provided no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. Service revenue are net of GST.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

e. Government grants (Contd.)

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

f. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except :

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

f. Taxes (Contd.)

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and service tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Goods and service taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

MAT

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an item in deferred tax asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of fifteen succeeding assessment years.

g. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant part of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance cost are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows :

Category	Estimated useful life (in years)
Factory Buildings	10 to 30
Building (Other than Factory Building)	30 to 60
Building (Fences and temporary structure)	3 to 6
Plant and machinery	8 to 15
Furniture and fixtures	8 to 10
Dies and moulds *	3 to 15
Computers	3 to 6
Office equipment's *	3 to 5
Vehicles	8 to 10

* The useful lives of these assets are taken as per management estimates.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

g. Property, plant and equipment (Contd.)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital work-in-progress comprises cost of Property, Plant and Equipments that are not yet ready for their intended use at the year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed finite as per table below -

Category	Estimated useful life (in years)
Trademarks and Copyrights	9 - 10
Brands	10
Software and Licences	10

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

j. Leases

The Company applies a single recognition and measurement approach for all leases, The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The lease liabilities were discounted using the incremental borrowing rate (same as company average borrowing rate).

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

i) *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Building 3 to 15 years
- Land 60 to 999 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.2(l) Impairment of non-financial assets.

ii) *Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

j. Leases (Contd.)

guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate/renew. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) *Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

i. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually on reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

m. Provisions, Contingent liability and commitment

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

m. Provisions, Contingent liability and commitment (Contd.)

reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- (i) estimated amount of contracts remaining to be executed on capital account and not provided for;
- (ii) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a decrease in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined at the period end by an independent actuary using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

n. Retirement and other employee benefits (Contd.)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Short-term employee benefits

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other Long-term employee benefits

The liabilities for earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees upto the end of the reporting period using the projected unit credit method based on actuarial valuation.

Re-measurement are recognised in profit or loss in the period in which they arise including actuarial gains and losses.

o. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories -

- 1 Debt instruments at amortised cost
- 2 Debt instruments at fair value through other comprehensive income (FVTOCI)
- 3 Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- 4 Equity instruments measured at fair value through other comprehensive income (FVTOCI)

The Company does not have any financial assets falling under category 2 and 4 above.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

o. Financial instruments (Contd.)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

Investment in subsidiaries are carried at cost less accumulated impairment losses, if any.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL and are measured at fair value with all changes recognised in the profit or loss. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when :

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) The Company has transferred substantially all the risks and rewards of the asset, or
 - (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

o. Financial instruments (Contd.)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Investment in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below :

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

o. Financial instruments (Contd.)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

The Company does not have any financial liabilities at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

o. Financial instruments (Contd.)

external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p. Trade Receivables

Trade receivables do not include uncollected debts which have been factored as the contractual term specifies that these debts are factored without recourse.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

r. Cash dividend to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

s. Assets Held for Sale:

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

t. Earnings Per Share:

(i) *Basic earnings per share:*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) *Diluted earnings per share:*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

2.3 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - presentation of financial statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 3A PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land @	Building # @	Plant and machinery	Dies and moulds	Furniture and fixture	Office equipments	Vehicle	Total tangible assets
Cost								
As at April 1, 2021	4,584.18	15,213.72	18,110.06	1,966.80	760.36	910.66	729.50	42,275.28
Assets acquired on account of merger of JFSL (Note 46)	665.29	1,709.75	1,997.36	-	280.33	146.33	37.54	4,836.60
Assets acquired on account of merger of JFSL-JLL(JV) (Note 46)	-	197.23	936.52	-	34.52	7.66	-	1,175.93
Additions	42.66	693.40	1,801.74	199.65	25.58	165.16	6.94	2,935.13
Disposals	462.89	708.35	847.40	69.17	72.19	30.52	18.83	2,209.35
As at March 31, 2022 (Restated)	4,829.24	17,105.75	21,998.28	2,097.28	1,028.60	1,199.29	755.15	49,013.59
Additions	251.60	645.69	948.71	231.11	49.05	160.37	-	2,286.53
Disposals	11.45	10.97	1,016.02	2.20	9.49	31.32	24.51	1,105.96
As at March 31, 2023	5,069.39	17,740.47	21,930.97	2,326.19	1,068.16	1,328.34	730.64	50,194.16
Depreciation and impairment								
As at April 1, 2021	-	3,671.87	8,285.92	1,124.97	379.41	678.74	480.78	14,621.69
Assets acquired on account of merger of JFSL (Note 46)	-	395.96	1,165.42	-	218.30	116.42	19.81	1,915.91
Assets acquired on account of merger of JFSL-JLL(JV) (Note 46)	-	156.44	714.64	-	26.51	7.01	-	904.60
Depreciation charge for the year	-	1,096.28	2,127.49	246.60	98.88	151.37	80.17	3,800.79
Disposals	-	253.51	801.37	65.24	66.81	29.77	18.79	1,235.49
As at March 31, 2022 (Restated)	-	5,067.04	11,492.10	1,306.33	656.29	923.77	561.97	20,007.50
Depreciation charge for the year	-	697.81	1,883.65	80.42	80.57	137.52	61.46	2,941.43
Disposals	-	5.41	725.08	2.20	8.76	30.55	23.79	795.79
As at March 31, 2023	-	5,759.44	12,650.67	1,384.55	728.10	1,030.74	599.64	22,153.14
Net book value								
As at March 31, 2023	5,069.39	11,981.03	9,280.30	941.64	340.06	297.60	131.00	28,041.02
As at March 31, 2022 (Restated)	4,829.24	12,038.71	10,506.18	790.95	372.31	275.52	193.18	29,006.09

Includes ₹ 374.31 lacs (2022 - ₹ 374.31 lacs) represented by unquoted fully paid shares at cost in various co-operative societies.

a. The Company has not capitalised any borrowing cost in the current and previous year.

b. Refer note 14 for details of property, plant and equipment pledged as security for loans obtained.

c. Refer note 33 for details of assets given on lease.

@ The Company undisputedly possesses the title deeds for all properties (except mentioned below) held by the Company. Further, the Company does not hold any property where-in the title deed does not convey a lucid ownership interest in favour of the Company with respect to such property.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 3A PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Sr No	Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
1	Property, plant and equipment	Freehold land and building	691.33	Associated Industries Consumers Products Pvt Ltd (AICPPL)	No	07/09/2007	Ownership transfer pending
2	Property, plant and equipment	Freehold land and building	134.74	Fab clean & care Private Limited	No	08/06/2011	Ownership transfer pending
3	Property, plant and equipment	Freehold Land	127.44	Snoways Laundrers & Drycleaners Private Limited	No	01/04/2019	Ownership transfer pending

NOTE 3B CAPITAL WORK IN PROGRESS (CWIP)

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Opening Balance	750.31	1,002.00
Additions during the year	3,076.83	2,683.44
Capitalised during the year	2,286.53	2,935.13
Closing Balance	1,540.61	750.31

CWIP Ageing Schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Year	2-3 Year	More than 3 years	
As at March 2023					
Projects in progress	1,516.57	24.04	-	-	1,540.61
Projects temporarily suspended*	-	-	-	-	-
Total	1,516.57	24.04	-	-	1,540.61
As at March 31, 2022 (Restated)					
Projects in progress	750.31	-	-	-	750.31
Projects temporarily suspended*	-	-	-	-	-
Total	750.31	-	-	-	750.31

* There are no projects which are temporarily suspended or whose completion is overdue. There are no projects whose costs are exceeding the original budget.

For contractual commitment with respect to property, plant and equipment refer note 34A.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 3C RIGHT-OF-USE ASSETS

Particulars	Leasehold Land	Building	Total
Cost			
As at April 1, 2021	250.02	7,184.82	7,434.84
Assets acquired on account of merger of JFSL (Note 46)	17.70	1,123.28	1,140.98
Additions	-	1,546.57	1,546.57
Disposals	(42.20)	(192.89)	(235.09)
As at March 31, 2022 (Restated)	225.52	9,661.78	9,887.30
Additions	70.87	2,393.33	2,464.20
Disposals	(70.87)	(235.46)	(306.33)
As at March 31, 2023	225.52	11,819.65	12,045.17
Depreciation and impairment			
As at April 1, 2021	22.47	3,103.75	3,126.22
Assets acquired on account of merger of JFSL (Note 46)	1.76	743.86	745.62
Depreciation charge for the year	4.05	1,908.50	1,912.55
Disposals	(4.42)	-	(4.42)
As at March 31, 2022 (Restated)	23.86	5,756.11	5,779.97
Depreciation charge for the year	3.42	1,952.72	1,956.14
As at March 31, 2023	27.28	7,708.83	7,736.11
Net book value			
As at March 31, 2023	198.24	4,110.82	4,309.06
As at March 31, 2022 (Restated)	201.66	3,905.67	4,107.33

The Company undisputedly possesses the title deeds for all leases held by the Company. Further, the Company does not hold any property where-in the title deed does not convey a lucid ownership interest in favour of the Company with respect to such lease.

NOTE 3D INTANGIBLE ASSETS

Particulars	Goodwill	Other intangible assets			Total Other intangible assets
		Brands	Trademarks and Copyrights @	Softwares and Licences	
Cost					
As at April 1, 2021	10,287.69	21,256.20	85.48	888.42	22,230.10
Assets acquired on account of merger of JFSL (Note 46)	236.78	-	20.23	138.14	158.37
Assets acquired on account of merger of JFSL-JLL (JV) (Note 46)	-	-	-	5.03	5.03
Additions	-	-	-	47.35	47.35
Disposals	-	-	-	3.84	3.84
As at March 31, 2022 (Restated)	10,524.47	21,256.20	105.71	1,075.10	22,437.01
Additions	-	-	-	334.50	334.50
Disposals	-	-	-	71.27	71.27
As at March 31, 2023	10,524.47	21,256.20	105.71	1,338.33	22,700.24
Amortisation and impairment					
As at April 1, 2021	-	18,219.60	83.21	456.50	18,759.31
Assets acquired on account of merger of JFSL (Note 46)	-	-	20.23	99.94	120.17

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 3D INTANGIBLE ASSETS (CONTD.)

Particulars	Goodwill	Other intangible assets			Total Other intangible assets
		Brands	Trademarks and Copyrights @	Softwares and Licences	
Assets acquired on account of merger of JFSL-JLL (JV) (Note 46)	-	-	-	5.03	5.03
Amortisation charge for the year	-	3,036.60	2.27	123.59	3,162.46
Disposals	-	-	-	3.84	3.84
As at March 31, 2022 (Restated)	-	21,256.20	105.71	681.22	22,043.13
Amortisation charge for the year	-	-	-	104.55	104.55
Disposals	-	-	-	59.46	59.46
As at March 31, 2023	-	21,256.20	105.71	726.31	22,088.22
Net book value					
As at March 31, 2023	10,524.47	-	-	612.02	612.02
As at March 31, 2022 (Restated)	10,524.47	-	-	393.88	393.88

@ Includes trademarks and copyrights of ₹ 101.45 lacs (2022 - ₹ 101.45 lacs) pending for registration in the name of the Company.

IMPAIRMENT

Goodwill is tested for impairment annually as at March 31st. No impairment charges were identified as at March 31, 2023.

Goodwill of ₹ 10,037.59 lacs relates to the acquisition of erstwhile business of Henkel India Limited. Based on the purchase price allocation at the time of acquisition, brands were identified and recognised in the books and accordingly goodwill was determined. Since it is not practicable to allocate the goodwill to various reportable segments, the recoverable amount has been determined collectively for all brands acquired and compared with the carrying value of goodwill and brands together. Further, an amount of ₹ 250.78 lacs relates to the acquisition of Fabric Care segment and has been entirely allocated to this reportable segment.

Goodwill of ₹236.78 lacs relates to the merger of 'JFSL' laundry services segment and has been entirely allocated to this segment. (Note 46)

Impairment assessment was done by comparing carrying value vs fair value. Fair value is value in use or realisable value whichever is higher. Value in use is calculated basis Discounted Cash Flow (DCF) Method.

For DCF, following key assumptions were considered while performing impairment testing :-

Terminal value growth rate - 5% -8% (2022 - 5%)

Growth rate - 1% - 15% (2022 - 1% - 15%)

Weighted Average Cost of Capital % (WACC) (Discount rate) - 13% - 16% (2022 - 13%)

The projections cover a period of five years, as we believe this to be the most appropriate timescale over which to review and consider annual performances, before applying a fixed terminal value growth rate to the final year cash flows. The growth rates used to estimate future performance (revenue, cost of goods sold, expenses etc) are based on the conservative estimates after considering past performance.

The recoverable amounts of the above CGU's have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 3E ASSETS HELD FOR SALE

Refer Note 2.2 (s) for accounting policy on Assets Held for Sale

Particulars	As at	As at
	March 31, 2023	March 31, 2022 (Restated)
Freehold land	187.75	187.75
Leasehold land	-	37.78
Buildings	368.84	454.83
Total	556.59	680.36

The Company had identified certain non operational properties for disposal which have been reclassified as asset held for sale. The company expects to dispose off these assets over the course of next 12 months.

NOTE 4 INVESTMENT IN SUBSIDIARIES

Particulars	NON CURRENT	
	As at	As at
	March 31, 2023	March 31, 2022 (Restated)
Unquoted (fully paid)		
Jyothy Kallol Bangladesh Limited [^]		
8,485,431 (2022 - 8,485,431) equity shares of BDT 10 (2022 - BDT 10) each fully paid up	580.47	580.47
	580.47	580.47
Aggregate value of unquoted investments	580.47	580.47

[^] Jyothy Kallol Bangladesh Limited is incorporated in Bangladesh. The company holds 75% equity shares as at March 31, 2023 (2022 - 75%)

NOTE 5 OTHER FINANCIAL ASSETS

Particulars	NON CURRENT		CURRENT	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022 (Restated)	March 31, 2023	March 31, 2022 (Restated)
Security deposit considered good	941.36	1,014.19	75.43	75.43
Fixed deposit with Banks having remaining maturity of more than 12 months (Note 11(b))	142.42	73.57	-	-
Other Receivable	-	-	18.27	35.40
Investment Subsidy Receivable	427.83	534.80	106.97	369.14
Staff Loans	-	-	32.76	143.87
	1,511.61	1,622.56	233.43	623.84

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

Break up of financial assets carried at amortised cost / cost

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2023	As at March 31, 2022 (Restated)	As at March 31, 2023	As at March 31, 2022 (Restated)
Investment in subsidiaries (at cost) (Note 4)	580.47	580.47	-	-
Trade receivables (Note 10)	-	-	13,226.35	13,708.75
Other financial assets (Note 5)	1,511.61	1,622.56	233.43	623.84
Cash and cash equivalent and other bank balances (Note 11(a) and 11(b))	-	-	28,254.85	20,994.55
Total financial assets carried at amortised cost	2,092.08	2,203.03	41,714.63	35,327.14

The Company's exposure to credit and currency risk, and loss allowance related to other financial assets are disclosed in Note 40.

NOTE 6 DEFERRED TAX ASSETS (NET)

Particulars	NON CURRENT	
	As at March 31, 2023	As at March 31, 2022 (Restated)
a) Deferred tax liability		
Depreciation	4,938.24	6,249.24
Right-of-use assets	1,505.76	1,287.14
	6,444.00	7,536.38
b) Deferred tax assets		
Provision for gratuity	1,891.02	1,727.40
Provision for leave encashment	650.95	595.71
Provision for doubtful debts	414.00	410.36
Other provisions	378.56	378.55
Differential tax rate	535.04	1,493.69
Lease liability	1,626.14	1,399.80
Tax credit (MAT)	10,876.84	12,072.84
	16,372.55	18,078.35
Net deferred tax assets	9,928.55	10,541.97

NOTE 7 NON-CURRENT TAX ASSETS (NET)

Particulars	NON CURRENT	
	As at March 31, 2023	As at March 31, 2022 (Restated)
Advance income tax (net of provisions of ₹31,624.84 lacs (2022 - ₹28,410.90 lacs))	1,081.72	1,046.26
	1,081.72	1,046.26

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 8 OTHER ASSETS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2023	As at March 31, 2022 (Restated)	As at March 31, 2023	As at March 31, 2022 (Restated)
Capital Advances	95.00	50.61	-	-
Advance to suppliers*	-	-	1,244.42	1,347.98
Balance with government authorities and protest payments	4,276.30	5,078.53	2,351.31	3,816.10
Prepaid Expenses	-	25.56	775.93	631.13
Other receivables	-	-	30.28	103.54
Less: Loss allowance	-	-	-	(0.17)
	4,371.30	5,154.70	4,401.94	5,898.58

* Advance to suppliers amounting to ₹ Nil lacs (2022 ₹ 0.17 lacs) is considered doubtful and fully provided for.

NOTE 9 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

Particulars	CURRENT	
	As at March 31, 2023	As at March 31, 2022 (Restated)
Raw and packing materials	8,497.18	8,514.10
Work in progress	897.75	1,598.84
Finished goods	17,790.20	16,283.69
Stock in trade (including goods in transit ₹ 52.80 lacs (2022 - ₹ 24.22 lacs))	1,977.74	2,434.09
Stores and spare parts	856.51	735.45
	30,019.38	29,566.17

Inventories are net of provision of ₹ 703.25 lacs (2022 - ₹ 782.69 lacs) on account of damage and slow moving inventories. Inventories are pledged as securities for borrowing (Note 14)

NOTE 10 TRADE RECEIVABLES (UNSECURED)

Particulars	CURRENT	
	As at March 31, 2023	As at March 31, 2022 (Restated)
(i) Undisputed Trade Receivables – considered good	13,276.45	13,685.52
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-
(iii) Undisputed Trade Receivables – credit impaired	895.74	988.91
(iv) Disputed Trade Receivables – considered good	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-
(vi) Disputed Trade Receivables – credit impaired	237.68	217.84
Less: Loss allowance	(1,183.52)	(1,183.52)
	13,226.35	13,708.75

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 10 TRADE RECEIVABLES (UNSECURED) (CONTD.)

Ageing of trade receivable as at March 31, 2023

Particulars	Not Due	Less than 6 Months	6 Months-1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) Undisputed Trade Receivables – considered good	8,719.29	4,481.72	65.26	10.13	0.05	-	13,276.45
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	895.74	895.74
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	237.68	237.68
Less: Loss allowance	-	-	(39.92)	(10.13)	(0.05)	(1,133.42)	(1,183.52)
Total	8,719.29	4,481.72	25.34	-	-	-	13,226.35

Ageing of trade receivable as at March 31, 2022 (Restated)

Particulars	Not Due	Less than 6 Months	6 Months-1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) Undisputed Trade Receivables – considered good	1,249.14	12,435.13	0.74	-	0.04	0.47	13,685.52
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	8.09	7.21	0.01	0.51	973.09	988.91
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	101.14	116.70	217.84
Less: Loss allowance	(6.56)	(9.47)	(7.95)	(0.01)	(101.69)	(1,057.84)	(1,183.52)
Total	1,242.58	12,433.75	-	-	-	32.42	13,708.75

The above balance of trade receivable includes balance receivable from related party. (Refer Note 32)

Trade receivable are non interest bearing and are generally on advance term or for a credit term of 15-60 days.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 10 TRADE RECEIVABLES (UNSECURED) (CONTD.)

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer Note 32.

The Company's exposure to credit and currency risk, and loss allowance related to trade receivables are disclosed in Note 40.

NOTE 11 CASH AND BANK BALANCES

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2023	As at March 31, 2022 (Restated)	As at March 31, 2023	As at March 31, 2022 (Restated)
(a) Cash and cash equivalents				
Cash in hand	-	-	43.79	44.48
Balance with banks - Current account	-	-	10,509.28	7,520.45
	-	-	10,553.07	7,564.93
(b) Bank balances other than cash and cash equivalents				
Unclaimed dividend accounts	-	-	239.74	240.68
Deposits with original maturity for more than 3 months and maturing within 12 months*	-	-	17,462.04	13,188.94
Deposits with remaining maturity for more than 12 months*	142.42	73.57	-	-
Amount disclosed under 'other financial assets' (Note 5)	(142.42)	(73.57)	-	-
	-	-	17,701.78	13,429.62
	-	-	28,254.85	20,994.55

* Includes deposits provided as securities against bank guarantees and letter of credits - ₹ 326.96 lacs (2022 - ₹ 440.21 lacs)

NOTE 12 SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
AUTHORISED CAPITAL		
301,95,00,000 (2022 - 301,95,00,000) equity shares of ₹1 (2022 - ₹1) each	30,195.00	30,195.00
66,00,000 (2022 - 66,00,000) preference shares of ₹10 (2022 - ₹10) each	660.00	660.00
30,000 (2022 - 30,000) 11% cumulative preference shares of ₹100 (2022 - ₹100) each	30.00	30.00
	30,885.00	30,885.00

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 12 SHARE CAPITAL (CONTD.)

a) Reconciliation of the shares outstanding and at the end of the reporting period

Particulars	As at March 31, 2023		As at March 31, 2022 (Restated)	
	No.	Amount	No.	Amount
ISSUED EQUITY CAPITAL				
Equity shares of ₹1 each issued, subscribed and fully paid				
At the beginning of the period	367,208,644	3,672.09	367,208,644	3,672.09
Issued during the year	-	-	-	-
Outstanding at the end of the period	367,208,644	3,672.09	367,208,644	3,672.09

b) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2023		As at March 31, 2022 (Restated)	
	No.	% Holding in the class	No.	% Holding in the class
Equity shares of ₹1 each fully paid				
M. P. Ramachandran	143,640,871	39.12%	143,640,871	39.12%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
	No.	No.
Equity shares allotted as fully paid bonus shares by capitalization of securities premium (FY 2018 - 2019)	181,794,087	181,794,087
	181,794,087	181,794,087

In addition the company had issued 43,91,061 equity shares during the period of five years immediately preceding the reporting date on exercise of option granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 12 SHARE CAPITAL (CONTD.)

d) Disclosures of shareholding of promoters

Promoter Name	Share held by promoters as at March 31, 2023		Share held by promoters as at March 31, 2022		% change during current year
	No of shares (in Lacs)	% of total shares	No of shares (in Lacs)	% of total shares	
M P Ramachandran	1,436.41	39.12%	1,436.41	39.12%	0.00%
M P Divakaran	144.72	3.94%	144.72	3.94%	0.00%
M P Sidharthan	104.30	2.84%	104.30	2.84%	0.00%
M.R.Deepthi	103.62	2.82%	103.62	2.82%	0.00%
M R Jyothy	95.38	2.60%	95.38	2.60%	0.00%
M G Shanthakumari	72.36	1.97%	72.36	1.97%	0.00%
U B Beena	68.93	1.88%	68.93	1.88%	0.00%
M P Divakaran Huf	-	0.00%	38.08	1.04%	-1.04%
K Ullas Kamath	29.03	0.79%	29.03	0.79%	0.00%
M P Sidharthan Huf	-	0.00%	26.40	0.72%	-0.72%
K K Sujatha	1.62	0.04%	1.62	0.04%	0.00%
Moothedath Sidharthan Srihari	26.40	0.72%	-	0.00%	0.72%
Jithin Moothedath Divakaran	19.04	0.52%	-	0.00%	0.52%
Geetha Moothedath Divakaran	19.04	0.52%	-	0.00%	0.52%
Sahyadri Agencies Limited	145.00	3.95%	145.00	3.95%	0.00%
Jaya Trust	43.50	1.18%	43.50	1.18%	0.00%

Promoter Name	Share held by promoters as at March 31, 2022		Share held by promoters as at March 31, 2021		% change during current year
	No of shares (in Lacs)	% of total shares	No of shares (in Lacs)	% of total shares	
M P Ramachandran	1,436.41	39.12%	1,436.41	39.12%	0.00%
M P Divakaran	144.72	3.94%	144.72	3.94%	0.00%
M P Sidharthan	104.30	2.84%	104.30	2.84%	0.00%
M.R.Deepthi	103.62	2.82%	103.62	2.82%	0.00%
M R Jyothy	95.38	2.60%	95.38	2.60%	0.00%
M G Shanthakumari	72.36	1.97%	72.36	1.97%	0.00%
U B Beena	68.93	1.88%	68.93	1.88%	0.00%
M P Divakaran Huf	38.08	1.04%	38.08	1.04%	0.00%
K Ullas Kamath	29.03	0.79%	29.03	0.79%	0.00%
M P Sidharthan Huf	26.40	0.72%	26.40	0.72%	0.00%
K K Sujatha	1.62	0.04%	1.62	0.04%	0.00%
Sahyadri Agencies Limited	145.00	3.95%	145.00	3.95%	0.00%
Jaya Trust	43.50	1.18%	43.50	1.18%	0.00%

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 13 OTHER EQUITY

A. Other Equity consist of following :

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Retained earnings		
Balance, beginning of the year	6,334.24	32,220.74
Net Reserves acquired on account of merger of JFSL (Note 46)	-	(25,038.48)
Profit for the year	23,952.40	13,871.44
Other Comprehensive Income - Re-measurement gains/(losses) of post employment benefit obligation	129.27	(31.11)
Cash dividend (Note 13(B))	(9,180.22)	(14,688.35)
Net surplus in the statement of profit and loss	21,235.69	6,334.24
Other Reserves		
Capital Reserve		
Balance, beginning of the year	7,011.04	6,514.46
Net Reserves acquired on account of merger of JFSL (Note 46)	-	496.58
Balance, end of the year	7,011.04	7,011.04
Securities premium		
Balance, beginning of the year	69,453.09	50,510.09
Net Reserves acquired on account of merger of JFSL (Note 46)	-	18,943.00
Balance, end of the year	69,453.09	69,453.09
General reserves		
Balance, beginning of the year	476.19	460.67
Net Reserves acquired on account of merger of JFSL (Note 46)	-	15.52
Balance, end of the year	476.19	476.19
Amalgamation Adjustment Deficit Account		
Balance, beginning of the year	(13,706.00)	-
Net Reserves acquired on account of merger of JFSL (Note 46)	-	(2,617.57)
Amalgamation Adjustment Deficit Account due to merger	-	(11,088.43)
Balance, end of the year	(13,706.00)	(13,706.00)
	84,470.01	69,568.56

B. Distribution made and Proposed

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Cash dividend on equity shares declared and paid :		
Final dividend for the year ended March 31, 2022 ₹ 2.5 per share (2021 ₹ 4 per share)	9,180.22	14,688.35
	9,180.22	14,688.35
Proposed dividends on equity shares :		
Final dividend for the year ended March 31, 2023 ₹ 3 per share, (2022 ₹ 2.5 per share)*	11,016.26	9,180.22
	11,016.26	9,180.22

* The Board of Directors has recommended final dividend of ₹ 3 (2022 - ₹ 2.5) per equity share of face value ₹ 1 each for the financial year ended March 31, 2023 at their meeting held on May 3, 2023, The same is subject to approval of the shareholders at the ensuing Annual General Meeting.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 14 BORROWINGS

Particulars	CURRENT	
	As at March 31, 2023	As at March 31, 2022 (Restated)
Term Loan from Bank (Secured) (Note a below)	-	12,653.67
	-	12,653.67

Note :

- a. The Company had taken secured term loan of ₹10,000 lacs at interest which were linked to external bench mark plus spread. The interest rate were in range of 4.00%-8.00% p.a. payable monthly. These loans have been repaid during the year. The terms of the Loan also had quarterly call / put option. These loans were secured by first pari passu charge on the movable fixed assets and negative lien on fixed assets and second pari passu charge on stock and book debts of the Company. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.
- The term loan from bank of ₹ 7,642.35 lacs taken by JFSL at interest which were linked to bank base rate plus spread. The interest rate were in range of 6.00% - 9.00% p.a. payable half yearly. The loans have been repaid during the year. The Terms of the Loan also had first call / put option after 12 months and then half yearly thereafter. The loan was secured by corporate guarantee given by the Company.
- The term loan from bank consists of ₹ 2,500.49 lacs (2021: ₹Nil lacs) taken by JFSL at interest which are linked to bank base rate plus spread. The interest rate are in range of 6.00% - 9.00% p.a. payable half yearly. The loan is repayable after 1 years in March, 2023. The Terms of the Loan also has first call / put option after 12 months and then half yearly thereafter. The loan is secured by corporate guarantee given by the Company.

NOTE 15 TRADE PAYABLES

Particulars	CURRENT	
	As at March 31, 2023	As at March 31, 2022 (Restated)
Total outstanding dues of micro enterprises and small enterprises (refer note 35 for details of dues to micro and small enterprises)	5,059.30	5,934.64
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,360.47	17,695.88
	21,419.77	23,630.52

Ageing of trade payable as at March 31, 2023

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	2,914.40	2,144.90	-	-	-	5,059.30
Others	10,042.90	6,307.07	10.50	-	-	16,360.47
Disputed Due-MSME	-	-	-	-	-	-
Disputed Due-Others	-	-	-	-	-	-
Total	12,957.30	8,451.97	10.50	-	-	21,419.77

Ageing of trade payable as at March 31, 2022 (Restated)

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	2,819.21	3,103.42	12.01	-	-	5,934.64
Others	8,594.69	9,083.41	16.05	1.56	0.17	17,695.88
Disputed Due-MSME	-	-	-	-	-	-
Disputed Due-Others	-	-	-	-	-	-
Total	11,413.90	12,186.83	28.06	1.56	0.17	23,630.52

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 16 OTHER FINANCIAL LIABILITIES

Particulars	CURRENT	
	As at March 31, 2023	As at March 31, 2022 (Restated)
Security deposits	122.10	104.10
Payable to Employees *	2,807.68	2,488.39
Unclaimed dividend **	239.74	240.68
	3,169.52	2,833.17

* Payable to employees includes balance payable to related party (Refer Note 32).

** There are no amounts payable / due to be credited to Investor Education and Protection Fund.

For explanation on the Companies liquidity risk management processes, refer Note 40

Terms and conditions of the above financial liabilities:

- 1) Trade payables are non-interest bearing and are normally settled on 0-60 days term.
- 2) Other payable are non interest bearing and are settled within a year.
- 3) Interest payable is settled as per the term of the borrowings.

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2023	As at March 31, 2022 (Restated)	As at March 31, 2023	As at March 31, 2022 (Restated)
Break up of financial liabilities carried at amortised cost				
Borrowings (Note 14)	-	-	-	12,653.67
Trade payables (Note 15)	-	-	21,419.77	23,630.52
Lease Liabilities (Note 33)	2,800.33	2,448.90	1,853.22	2,021.50
Other financial liabilities (Note 16)	-	-	3,169.52	2,833.17
Total of financial liabilities carried at amortised cost	2,800.33	2,448.90	26,442.51	41,138.86

NOTE 17 OTHER LIABILITIES

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2023	As at March 31, 2022 (Restated)	As at March 31, 2023	As at March 31, 2022 (Restated)
Statutory dues	-	-	1,625.06	1,681.21
Deferred investment subsidy (a)	552.45	701.09	148.64	148.64
Advances from customers and others	-	-	3,930.26	2,560.35
Contractual Obligation	-	-	6,029.37	4,770.11
	552.45	701.09	11,733.33	9,160.31

(a) The Company has been awarded grants on account of Central capital investment subsidy (CCIS) of ₹1348.00 lacs and grants recognised as deferred income, is being amortised over the useful life of the assets in proportion to the usage of the related assets.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 18 PROVISIONS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2023	As at March 31, 2022 (Restated)	As at March 31, 2023	As at March 31, 2022 (Restated)
Provision for employee benefits				
Provision for leave encashment	1,670.69	1,624.18	192.16	177.23
Provision for gratuity (Note 29(ii))	5,411.58	5,139.54	-	-
	7,082.27	6,763.72	192.16	177.23
Other provisions #				
Provision for litigation*	-	-	1,991.41	1,083.32
	7,082.27	6,763.72	2,183.57	1,260.55

* Provision for litigation pertain to various disputed indirect tax matters for which timing of outflow is not determinable and will be based on outcome of ongoing litigation.

Movements in other provisions

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Balance as at April 1	1,083.32	1,457.35
Arising during the year	908.09	-
Reversal during the year	-	(374.03)
Balance as at 31st March	1,991.41	1,083.32

NOTE 19 CURRENT TAX LIABILITIES (NET)

Particulars	CURRENT	
	As at March 31, 2023	As at March 31, 2022 (Restated)
Provision for income tax (net of advance tax of ₹ 9,887.98 lacs (2022 - ₹ 8,085.36 lacs))	256.81	486.21
	256.81	486.21

NOTE 20 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
Sale of goods (Note 42)	243,140.43	216,487.61
Sale of Services (Note 42)	4,870.27	2,699.74
	248,010.70	219,187.35
Other operating revenues		
Sale of scrap	183.90	138.98
	183.90	138.98
	248,194.60	219,326.33

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 21 OTHER INCOME

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
Lease rent income (Note 33)	5.70	6.72
Foreign exchange fluctuation gain (net)	23.44	16.09
Profit on sale of fixed assets	1,814.72	135.50
Investment subsidy income	148.64	198.56
Interest on fixed deposit	676.99	208.92
Interest on Income tax Refund	0.02	30.02
Interest others	83.36	146.86
Budgetary support benefit under GST	1,164.03	1,069.00
Export incentives	31.49	31.15
Provision for doubtful debts written back	-	4.24
Miscellaneous income	-	0.52
	3,948.39	1,847.58

NOTE 22 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
Inventory at the beginning of the year	8,514.10	6,998.50
Assets acquired on account of merger of JFSL (Note 46)	-	25.41
Assets acquired on account of merger of JFSL-JLL(JV) (Note 46)	-	13.96
Add: Purchases	128,889.14	110,874.77
	137,403.24	117,912.64
Less: Inventory at the end of the year	8,497.18	8,514.10
	128,906.06	109,398.54

NOTE 23 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
Closing inventory		
Finished goods	17,790.20	16,283.69
Traded goods	1,977.74	2,434.09
Work in progress	897.75	1,598.84
	20,665.69	20,316.62
Opening inventory		
Finished goods	16,283.69	15,034.91
Traded goods	2,434.09	3,147.35
Assets acquired on account of merger of JFSL (Note 46)	-	21.33
Work in progress	1,598.84	1,813.34
	20,316.62	20,016.93
	(349.07)	(299.69)

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 24 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
Salaries, wages and bonus	21,924.64	20,038.37
Contribution to provident and other funds (Note 29(ii) and 29(iii))	1,384.62	1,347.06
Gratuity (Note 29(i))	733.17	686.60
Staff welfare expenses	482.12	435.63
Directors' remuneration (Note 32 (e))	443.66	928.76
Field staff incentives	1,428.43	1,231.93
	26,396.64	24,668.35

NOTE 25 FINANCE COST

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
Interest on bank overdraft and loan	881.48	692.35
Interest on lease liability	421.21	484.01
Other borrowing cost	6.40	4.03
	1,309.09	1,180.39

NOTE 26 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
Depreciation on tangible assets	2,941.43	3,800.79
Amortization of intangible assets	104.55	3,162.46
Depreciation of right of use assets	1,956.14	1,912.55
	5,002.12	8,875.80

NOTE 27 OTHER EXPENSES

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
Power and fuel expenses	3,208.22	2,891.97
Rent (Note 33)	178.59	190.47
Insurance	382.84	361.49
Repairs and maintenance		
- Building	34.38	36.20
- Plant and machinery	259.26	280.23
- Others	250.64	231.07
Consumption of stores and spares	671.91	610.93
Printing and stationery	59.85	44.86
Communication costs	195.39	181.79

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 27 OTHER EXPENSES (CONTD.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
Legal and professional fees (Note 30(A))	1,061.52	807.02
Rates and taxes	166.80	121.69
Directors' sitting fees (Note 32(e))	24.35	21.10
Vehicle maintenance	332.36	251.51
Conversion charges	849.55	622.73
Advertisement and sales promotion	17,432.52	16,107.15
Freight, handling and forwarding charges	15,486.64	14,062.64
Field staff expenses	2,059.42	1,501.00
Travelling and conveyance	422.78	191.89
Royalty	401.03	368.11
Corporate social responsibility expenses (Note 30(B))	381.96	400.82
Donation	4.47	5.84
Miscellaneous expenses	3,117.31	2,449.02
	46,981.79	41,739.53

NOTE 28 INCOME TAX

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
a. Profit or loss		
Income tax expenses		
Current tax		
Current period	5,399.82	3,207.00
Deferred tax		
Relating to origination and reversal of temporary differences	543.98	(496.73)
	5,943.80	2,710.27
b. OCI		
Deferred tax related to items recognised in OCI during the year :		
Net (gain) / loss on remeasurements of defined benefit plans	(69.44)	6.68
	(69.44)	6.68
c. Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate		
Accounting profit before tax	29,896.20	16,581.71
Tax rate	34.94%	34.94%
Tax at statutory rate	10,446.93	5,794.31
Tax impact :- Profit exempt from tax	(4,603.38)	(5,111.60)
Corporate social responsibility expenditure disallowed	67.34	99.27
Tax impact related to JFSL (merged with the Company)	(283.20)	-
MAT credit utilised/lapsed	471.97	1,068.80
Others	(155.86)	859.49
Adjusted tax expense	5,943.80	2,710.27
Tax expense	5,943.80	2,710.27
d. Deferred tax Assets and Liabilities		
Deferred tax assets	9,928.55	10,541.97
Net deferred tax assets and (liabilities)	9,928.55	10,541.97

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 28 INCOME TAX (CONTD.)

e. Movement in Deferred tax Assets and Liabilities

Movement during the year ended March 31, 2022

Particulars	As at March 31, 2021	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2022 (Restated)
Deferred tax assets/(liability)				
Depreciation	(7,251.43)	1,002.19	-	(6,249.24)
Right-of-use assets	(1,505.60)	218.46	-	(1,287.14)
Provision for gratuity	1,575.91	144.81	6.68	1,727.40
Provision for leave encashment	551.17	44.54	-	595.71
Provision for doubtful debts	410.36	-	-	410.36
Other provisions	509.26	(130.71)	-	378.55
Differential tax rate	1,493.69	-	-	1,493.69
Lease liability	1,577.47	(177.67)	-	1,399.80
Tax credit (MAT) (net)	12,677.73	(604.89)	-	12,072.84
	10,038.56	496.73	6.68	10,541.97

Movement during the year ended March 31, 2023

Particulars	As at March 31, 2022	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2023
Deferred tax assets/(liability)				
Depreciation	(6,249.24)	1,311.00	-	(4,938.24)
Right-of-use assets	(1,287.14)	(218.62)	-	(1,505.76)
Provision for gratuity	1,727.40	233.06	(69.44)	1,891.02
Provision for leave encashment	595.71	55.24	-	650.95
Provision for doubtful debts	410.36	3.64	-	414.00
Other provisions	378.55	0.01	-	378.56
Differential tax rate	1,493.69	(958.65)	-	535.04
Lease liability	1,399.80	226.34	-	1,626.14
Tax credit (MAT) (net)	12,072.84	(1,196.00)	-	10,876.84
	10,541.97	(543.98)	(69.44)	9,928.55

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 29 (I) GRATUITY

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India (LIC).

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Particulars	March 31, 2023	March 31, 2022 (Restated)
	Gratuity Funded	Gratuity Funded
(A) Summary of the Actuarial Assumptions		
Mortality	IALM (2012-14) Ult.	Indian Assured Lives Mortality (2006-08) Ult
Discount rate	7.40%	6.60% - 6.85%
Rate of increase in compensation	8.00%	8.00% - 10.00%
Withdrawal rates	8.00%	8.00% - 12.00%
Rate of return (expected) on plan assets	6.69% - 7.35%	6.83%-7.02%
The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.		
(B) Changes in present value of obligations (PVO)		
PVO at beginning of period	5,242.75	4,791.81
Interest cost	344.70	306.54
Current Service Cost	402.15	388.03
Benefits Paid	(277.90)	(264.62)
Actuarial changes arising from changes in demographic assumptions	-	1.80
Re-measurement changes arising from changes in financial assumptions	(221.91)	(111.74)
Experience adjustments	3.73	130.93
PVO at end of period	5,493.52	5,242.75
(C) Changes in fair value of plan assets		
Fair value of plan assets at the beginning of period	103.22	124.57
Investment Income	6.32	7.97
Benefit paid	(8.13)	(12.52)
Return on plan assets	(19.47)	(16.80)
Fair value of plan assets at end of period	81.94	103.22
(D) Expenses recognised in the statement of profit and loss		
Current service cost	402.15	388.03
Net Interest cost on the Net Defined Benefit Liability/(Asset)	338.38	298.57
Other Adjustments	(7.36)	-
Expense recognised in the statement of profit and loss	733.17	686.60

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 29 (I) GRATUITY (CONTD.)

Particulars	March 31, 2023	March 31, 2022 (Restated)
	Gratuity Funded	Gratuity Funded
(E) Remeasurement gains/(losses) in other comprehensive income		
Return on plan assets	19.47	16.80
Actuarial changes arising from changes in demographic assumptions	-	1.80
Re-measurement changes arising from changes in financial assumptions	(221.91)	(111.74)
Experience adjustments	3.73	130.93
Total amount recognised in OCI	(198.71)	37.79
(F) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investment with Insurer	100%	100%
(G) Net Assets/(Liabilities) recognised in the balance sheet		
PVO at end of period	(5,493.52)	(5,242.75)
Fair value of plan assets at end of period	81.94	103.22
Funded status (deficit in fair value of plan assets over PVO)	(5,411.58)	(5,139.53)
Net assets/(Liability) recognised in the balance sheet	(5,411.58)	(5,139.53)

These defined benefit plan exposed to actuarial risk, such as longevity risk, currency risk, interest rate risk and market risk.

Fund is Managed by LIC as per Insurance Regulatory and Development Authority guidelines, category-wise composition of the plan assets is not available.

(H) Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The results of sensitivity analysis is given below:

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Defined Benefit Obligation (Base)	5,493.52	5,242.75

Particulars	As at March 31, 2023		As at March 31, 2022 (Restated)	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	5,908.53	5,124.00	5,437.30	4,679.90
(% change compared to base due to sensitivity)	8.00%	-6.70%	7.96%	-7.05%
Salary Growth Rate (-/+ 1%)	5,158.88	5,852.84	4,713.30	5,384.43
(% change compared to base due to sensitivity)	-6.10%	6.50%	-6.41%	6.93%
Attrition Rate (-/+ 50% of attrition rates)	5,517.25	5,476.83	5,117.42	4,979.40
(% change compared to base due to sensitivity)	0.40%	-0.30%	1.99%	-1.30%
Mortality Rate (-/+ 10% of mortality rates)	5,493.40	5,493.60	5,036.01	5,035.38
(% change compared to base due to sensitivity)	0.00%	0.00%	0.01%	-0.01%

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 29 (I) GRATUITY (CONTD.)

(I) Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

(J) Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to meet the liabilities on account of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flows)	7 years
Expected cash flows over the next (valued on undiscounted basis) :-	₹
1 year	553.59
2 to 5 years	2,297.30
6 to 10 years	2,998.76
More than 10 years	4,458.59

c) The Company expects to contribute ₹Nil (2022 - ₹Nil) to gratuity fund.

NOTE 29 (II) SUPERANNUATION

The Company Contributed ₹ 14.17 lacs and ₹ 37.39 lacs to the superannuation plan during the years ended March 31, 2023 and March 31, 2022, respectively and same has been recognized in the Statement of Profit and Loss under the head employee benefit expense.

NOTE 29 (III) PROVIDENT FUND AND OTHER FUNDS

The Company Contributed ₹ 1,370.45 lacs and ₹1,309.67 lacs to the employee provident fund and other funds during the years ended March 31, 2023 and March 31, 2022, respectively and same has been recognized in the Statement of Profit and Loss under the head employee benefit expense.

NOTE 30 A PAYMENT TO AUDITORS (EXCLUDING GST)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
As Auditors		
Audit fee	43.00	58.00
Tax audit fees and certification	13.75	11.78
Limited review of quarterly results	48.00	48.00
Reimbursement of expenses	5.67	4.16
	110.42	121.94

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 30 B EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII IS AS GIVEN BELOW:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
(i) Amount required to be spent by the company during the year	381.83	410.15
(ii) Amount of expenditure incurred	507.96	274.82
(iii) Shortfall/(Excess) at the end of the year	(126.13)	135.33
(iv) Total of previous years shortfall/(Excess)	125.66	(9.67)
(v) Reason for shortfall*	NA	125.66
(vi) Nature of CSR activities.		
Promoting health care including preventive health care	250.00	138.01
Promoting Education	254.50	133.50
Others	3.46	3.31

* Unspent amount of ₹125.66 lacs was deposited in separate account earmarked as "Unspent Corporate Social Responsibility Account 2021-22" as on April 27, 2022 which has been spent during the year.

NOTE 31 SEGMENT REPORTING

The Company has presented segment information in the consolidated financial statements which are presented in the same annual report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

NOTE 32 RELATED PARTY DISCLOSURES

a) Parties where control exists/Significant influence exists :

Subsidiaries

Jyothy Fabricare Services Limited

Merged with the Company (Note 46)

Jyothy Kallol Bangladesh Limited

Partnership firm

M/S JFSL-JLL(JV)

Merged with the Company (Note 46)

b) Key Management Personnel :

K. Ullas Kamath

Joint Managing Director upto January 22, 2022

M.R. Jyothy

Managing Director

M.R. Deepthi

Whole Time Director

Sanjay Agarwal

Chief Financial Officer

Shreyas Trivedi

Head-Legal & Company Secretary

Other Directors

Nilesh B. Mehta

Independent Director

R. Lakshminarayanan

Independent Director

Bhumika Batra

Independent Director

Aditya Sapru

Independent Director

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 32 RELATED PARTY DISCLOSURES (CONTD.)

c) Relative of Key Management Personnel

M.P. Ramachandran	Chairman Emeritus
M. G. Santhakumari	
M.P. Sidharthan	
M.P. Divakaran	
Ravi Razdan	
Ananth Rao T	

d) Entities where Key Management Personnel and their relatives have significant influence

Quilon Trading Co.
M.P. Divakaran - H.U.F.
M.P. Sidharthan - H.U.F.
Jaya Trust
Sahyadri Bio Labs Private Limited
Sahyadri Agencies Ltd.

e) Transactions with related parties during the year

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
Jyothy Kallol Bangladesh Limited		
Sales of raw materials and packing material and finished goods	91.89	92.80
Key management personnel		
Remuneration*		
K. Ullas Kamath	-	271.87
M.R. Jyothy	361.56	328.56
M.R. Deepthi	89.31	81.06
Sanjay Agarwal	315.15	311.48
Shreyas Trivedi	101.89	98.36
Dividend		
K. Ullas Kamath	72.57	116.11
M.R. Jyothy	238.44	381.51
M.R. Deepthi	259.04	414.47
Contribution to Superannuation fund		
K. Ullas Kamath	-	24.27
Gratuity		
K. Ullas Kamath	-	20.00
Leave Encashment		
K. Ullas Kamath	-	50.00
Fee for attending board / committee meetings		
Nilesh B. Mehta	8.05	8.05
R. Lakshminarayanan	7.55	7.55
Bhumika Batra	5.25	5.00
Aditya Sapru	3.50	0.50

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 32 RELATED PARTY DISCLOSURES (CONTD.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
Commission		
K. Ullas Kamath	-	283.60
Nilesh B. Mehta	12.00	12.00
R. Lakshminarayanan	12.00	12.00
Bhumika Batra	12.00	12.00
Aditya Sapru	12.00	-
Relative of Key Management Personnel		
Remuneration*		
M.P. Sidharthan	8.00	24.00
Ravi Razdan	119.30	99.08
Ananth Rao T	213.98	164.56
Dividend		
M.P. Ramachandran	3,591.02	5,745.63
M. G. Santhakumari	180.90	289.44
M.P. Sidharthan	260.76	417.22
M.P. Divakaran	361.79	578.87
Purchase of Land and Building		
M.P. Sidharthan	-	41.00
Entities where Key Management Personnel and their relatives have significant influence		
Rent expenses		
Quilon Trading Co.	1.20	1.20
Dividend		
M.P. Divakaran - H.U.F.	-	152.32
M.P. Sidharthan - H.U.F.	-	105.60
Jaya Trust	108.75	174.00
Sahyadri Agencies Ltd.	362.50	580.00
Rent received		
Sahyadri Bio Labs Private Limited	5.70	6.53

* As the future liabilities for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 32 RELATED PARTY DISCLOSURES (CONTD.)

f) Related party balances outstanding

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Subsidiaries		
Jyothy Kallol Bangladesh Limited		
Receivables	-	34.66
Key Management Personnel :		
Sitting fees		
Nilesh B. Mehta	0.25	-
Commission		
K. Ullas Kamath	-	283.60
Aditya Sapru	12.00	-
Nilesh B. Mehta	12.00	12.00
R. Lakshminarayanan	12.00	12.00
Bhumika Batra	12.00	12.00
Entities where Key Management Personnel and their relatives have significant influence		
Payables		
Quilon Trading Company	0.10	0.10

Terms and conditions of transactions with related parties

The Sales to / purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

NOTE 33 LEASES

a) In case of assets taken on lease

The Company has lease contracts for leasehold land and building used in its operations.

The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Carrying amounts of right-of-use assets recognised and the movements during the period:

Refer note : 3c

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 33 LEASES (CONTD.)

b) Carrying amounts of lease liabilities and the movement during the period

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
As at April 1, 2022	4,470.40	4,956.81
Additions	2,393.31	1,546.58
Deletions	(235.46)	(192.89)
Accretion of interest*	371.44	437.22
Payments	(2,346.14)	(2,243.18)
Rent Concessions	-	(34.14)
As at March 31, 2023	4,653.55	4,470.40
Current	1,853.22	2,021.50
Non current	2,800.33	2,448.90

* Accretion of interest is net off impact of unwinding discount on security deposit.

The maturity analysis of lease liabilities is disclosed below:

Maturity analysis of contractual undiscounted cash flow	₹
Less than 1 year	1,853.22
1 to 2 years	1,260.67
2 to 3 years	855.91
3 to 4 years	310.02
4 to 5 years	149.90
More than 5 years	153.60
Total undiscounted lease liabilities	4,583.32

c) Total cash outflow

The Company has a total cash outflow (including short term and low value assets) for leases of ₹ 2,524.73 lacs in 2022-23 (2021-22 - ₹ 2,433.65 lacs). The Company also had non cash additions to right to use assets and lease liabilities of ₹ 2,157.85 lacs in 2022-23 (2021-22 - ₹ 1,361.16 lacs).

d) Lease commitments for leases accounted as short term lease and low value assets.

The company is committed to short term lease of ₹178.59 lacs (2022 - ₹189.17 lacs) and lower value assets ₹ Nil lacs (2022 - ₹ 0.20 lacs).

In case of assets given on lease

The Company has leased out few of its premises on operating lease for part of the year. Lease rent income for the year ended March 31, 2023 was ₹5.70 lacs (2022 - ₹6.72 lacs).

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 34 COMMITMENTS AND CONTINGENCIES

A) Capital Commitments (Net of Advances)

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Estimated amount of contracts remaining to be executed on capital account and not provided for	584.66	25.20
Other Commitments (Refer note 33d)	178.59	189.17
	763.25	214.37

B) Contingent Liabilities

In respect of the following, the Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required :

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
(I) Tax matters		
(a) Disputed sales tax demands – matters under appeal	1,445.44	1,435.90
(b) Disputed GST demands – matters under appeal	-	2,235.17
(c) Disputed excise duty and service tax demand - matter under appeal	480.95	2,217.42
(d) Disputed income tax demand - matter under appeal *	278.87	278.87

* The amount shown above does not include contingent liability for assessment years which have been reopened (unless demand order is raised) and those pending assessments.

Company believes that all these matters have a strong possibility of being dismissed in favour of the Company and accordingly no provisions has been considered necessary.

The above disclosure does not cover matters where the exposure has been assessed to be remote.

NOTE 35 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSMED')

The disclosure pursuant to the said Act is as under :

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Principal and interest amount remaining unpaid	5,059.30	5,934.64
Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
Interest accrued and remaining unpaid	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 36 EARNING PER SHARE (₹)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
Net Profit for calculation of basic and diluted EPS	23,952.40	13,871.44
Weighted average number of shares for calculation of Basic/Diluted EPS	367,208,644	367,208,644
Basic/Diluted EPS (₹)	6.52	3.78

The Company does not have any potentially dilutive equity shares and therefore basic and dilutive EPS are the same.

NOTE 37 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Balance with government authorities and protest payment

The Company has significant receivable from government authorities in respect of payment made under protest in earlier years towards VAT matters. The Company has received favourable orders from the Honourable Supreme Court / High Court in this matters and accordingly Company believes that all the amounts are fully recoverable.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 37 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

Impairment of non-financial assets, Investment in subsidiaries and Goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted cash flow (DCF) model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other long term leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Further, the Company has recognised Minimum Alternate tax Credit (MAT) which can utilised for a period of 15 years from the assessment year to which it relates to. Based on future projections of taxable profit and MAT, the Company has assessed that the entire MAT credit can be utilised.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 38 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying values		Fair values	
	As at March 31, 2023	As at March 31, 2022 (Restated)	As at March 31, 2023	As at March 31, 2022 (Restated)
Financial Assets				
Investment	580.47	580.47	580.47	580.47
Total	580.47	580.47	580.47	580.47
Financial Liabilities				
Borrowings	-	12,653.67	-	12,653.67
Total	-	12,653.67	-	12,653.67

The management assessed that fair value of cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables/advances given are evaluated by the Company based on parameters such as interest rates and individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of borrowings and financial guarantee contracts is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The same would be sensitive to a reasonably possible change in the forecast cash flows or the discount rate.

NOTE 39 FAIR VALUES HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets:

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial assets/Liabilities disclosed					
Investment	March 31, 2023	580.47	-	-	580.47
Investment	March 31, 2022	580.47	-	-	580.47

NOTE 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a core Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

A. Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2023 and March 31, 2022. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

For long term borrowings, the Company also focuses on maintaining / improving its credit ratings to ensure that appropriate refinancing options are available on the respective due dates.

Particulars	Less than 1 Year	1 to 5 years	5 years and above	Total
As at March 31, 2023				
Borrowings and Other financial liabilities*	3,169.52	-	-	3,169.52
Lease liabilities	1,853.22	2,800.33	-	4,653.55
Trade and other payables	21,419.77	-	-	21,419.77
	26,442.51	2,800.33	-	29,242.84
As at March 31, 2022				
Borrowings and Other financial liabilities*	15,486.84	-	-	15,486.84
Lease liabilities	2,021.50	2,448.90	-	4,470.40
Trade and other payables	23,630.52	-	-	23,630.52
	41,138.86	2,448.90	-	43,587.76

* The above disclosure has been made as per the contractual due dates of the borrowings, however, due to put option available to the holder (Note 14), the same has been presented as current borrowing in the financial statements.

B. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk exist mainly on account of borrowings of the Company. However, all these borrowings are at fixed interest rate and hence the exposure to change in interest rate is insignificant.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant foreign currency risk as at the respective reporting dates.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Price risk

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

C. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and other financial assets.

Movements of loss allowance

Trade receivables	As at March 31, 2023	As at March 31, 2022 (Restated)
Balance as at 1st April	1,183.52	1,183.52
Provision no longer required write back	-	-
Balance as at 31st March	1,183.52	1,183.52

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major trade receivables. (Note 10)

Other financial assets

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only in highly marketable debt instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities. The Company maximum exposure to credit risk as at March 31, 2023 and March 31, 2022 is the carrying value of each class of financial assets.

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 41 CAPITAL MANAGEMENT

For the purpose of the Company capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt which is calculated as borrowing less cash and cash equivalent, other bank balances and mutual funds investments.

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Borrowings	-	12,653.67
Less: Cash and cash equivalents, other bank balances (Note 11(a) and 11(b))	(28,254.85)	(20,994.55)
Net debt (A)	(28,254.85)	(8,340.88)
Equity	88,142.10	73,240.65
Capital and Net Debt (B)	59,887.25	64,899.77
Gearing ratio (A/B)	0%	0%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022

NOTE 42 IND AS 115 : REVENUE FROM CONTRACTS WITH CUSTOMERS

a. Reconciliation the amount of revenue recognised in the statement of profit and loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
Gross Sales	296,434.00	263,128.02
Less : Scheme, discounts, rebates, price adjustments and returns	(53,293.57)	(46,640.41)
Sale of goods	243,140.43	216,487.61
Sale of Services	4,870.27	2,699.74
Net Sales	248,010.70	219,187.35

b. Disaggregation of revenue-Segment wise

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
(a) Fabric Care	105,202.46	81,385.03
(b) Dishwashing	86,479.80	79,779.87
(c) Household Insecticides	21,168.11	26,521.42
(d) Personal Care	25,421.89	23,385.50
(e) Laundry Services	4,870.27	2,699.74
(f) Others	4,868.17	5,415.79
	248,010.70	219,187.35

Revenue from one customer which contributed more than 10% of company's total revenue amounted to ₹30,244.31 lacs (2022 - ₹24,725.57 lacs) arising from sales in various segments (Note 40)

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 43

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

NOTE 44 EXCEPTIONAL ITEM

During the current year Company has received a one-time settlement for extinguishing indemnity pertaining to an erstwhile business transaction of ₹ 1,641.91 lacs provided earlier which has been written back and an amount of ₹ 938.66 lacs has been provided towards litigation settlement under VAT amnesty scheme.

NOTE 45 ADDITIONAL REGULATORY INFORMATION

(a) Relationship with struck off company

The company has transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 as under.

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period	Relationship with the struck off company, if any, to be disclosed	Balance outstanding as at previous period	Relationship with the struck off company, if any, to be disclosed
Shirdi Sai Financial Services Pvt Ltd	Shares held by struck off company	50 shares	Shareholder	50 shares	Shareholder
Priti Puja Commercial Pvt Ltd	Shares held by struck off company	25 shares	Shareholder	25 shares	Shareholder
Growth Investment And Property Company private Limited	Shares held by struck off company	50 shares	Shareholder	50 shares	Shareholder

(b) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(c) Utilisation of borrowings availed from banks

The borrowings obtained by the company from banks have been applied for the purposes for which such loans were taken.

(d) Details of benami property held

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(e) Wilful defaulter

The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(f) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under the Companies Act, 2013.

(g) Compliance with approved scheme(s) of arrangements

The effect of scheme of merger have been accounted in the books of accounts of the Company in accordance with Accounting Standard (Note 46)

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 45 ADDITIONAL REGULATORY INFORMATION (CONTD.)

(h) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(i) Utilisation of borrowed funds and share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(j) Valuation of PP&E, intangible asset and investment property

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(k) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(l) Key Ratio

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022 (Restated)	% Variance	Reason for Variance for + / (-) 25% variation
a. Current Ratio	Current Assets	Current Liabilities	1.89	1.37	37.5%	Current Ratio has improved due to higher Current Assets backed by increase in cash and bank balance of ₹ 72.6 crore and reduction in current liabilities on account of repayment of loan amounting to ₹ 126.54 crore.
b. Debt Equity Ratio	Total Debt	Shareholder's Equity	-	0.17	-100.0%	During the year, the Company has repaid loan of ₹ 126.54 crores and consequently has Nil Debt as at March 31, 2023.
c. Debt service coverage ratio	Earning available for debt service	Debt Service	16.41	3.09	432.0%	The increase in Debt service coverage ratio is due to higher profitability and lower liability on account of repayment of loan amounting to ₹126.54 crores
d. Return on Equity	Net profits after taxes.	Average Shareholder's equity	29.68%	18.83%	57.6%	Return on Equity has improved due to profit on sale of property ₹18.36 crores, reduction in brand amortisation cost ₹ 30.36 crores and better margin on higher sales achieved during the year.
e. Inventory turnover ratio	Cost of goods sold	Average Inventory	4.81	4.47	7.58%	
f. Trade receivables turnover ratio	Net Sales	Closing Debtors	18.77	16.00	17.29%	
g. Trade payables turnover ratio	Net Purchases	Closing Trade Payable	6.70	5.50	21.95%	

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 45 ADDITIONAL REGULATORY INFORMATION (CONTD.)

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022 (Restated)	% Variance	Reason for Variance for + / (-) 25% variation
h. Net capital turnover ratio	Net Sales	Working Capital	6.88	11.29	-39.06%	Decrease due to higher working capital on account of loan repayment amounting to ₹126.54 crores and increase in cash and bank balance ₹72.6 crores
i. Net profit ratio	Net profits after taxes.	Net Sales	9.65%	6.32%	52.59%	Net profit ratio has improved due to profit on sale of property ₹18.36 crores, reduction in brand amortisation cost ₹ 30.36 crores and better margin on higher sales achieved during the year.
j. Return on capital employed	Earning before Interest and taxes	Capital Employed	40.52%	23.69%	71.05%	Return on capital employed has improved due to profit on sale of property ₹18.36 crores, reduction in brand amortisation cost ₹ 30.36 crores, better margin on higher sales achieved during the year and reduction in capital employed on account of repayment of loan amounting to ₹126.54 crores.
k. Return on investment	Income generated from invested funds	Average invested funds in treasury investments	NA	NA	NA	

NOTE 46 SCHEME OF MERGER

During the year, the National Company Law Tribunal vide its Order dated March 02, 2023, approved the Scheme of Merger of Jyothy Fabricare Services Limited (JFSL) (a wholly owned subsidiary) with the Company with effect from the Appointed date of October 1, 2022. The merger has been accounted in accordance with the 'Business combinations of entities under common control' as described in (Ind AS) 103 "Business Combinations" and accordingly as per approved scheme, the said merger has been accounted retrospectively for all periods beginning April 1, 2021. Pursuant to the above merger JFSL-JLL(JV), the partnership firm of Jyothy Fabricare Services Ltd and Jyothy Labs Ltd has also been merged with the Company. Accordingly, the financial statements for the year ended March 31, 2022 have been restated so as to include the financial information of JFSL and JFSL-JLL(JV).

The amalgamation of the JFSL and JFSL-JLL(JV) with the Company would have, inter alia, the following benefits:

- Consolidation of business - Standardization and simplification of business process and productivity improvements.
- Elimination of a multi layered structure and more clinical utilisation of capital.
- Reduction in administrative, compliance and other operational costs and optimal utilisation of various reserves.

As per Appendix C of Ind AS 103:-

- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, business combinations is accounted with effect from April 1 2021.
- The Company has recorded the asset and liabilities of the Merged Undertaking vested in it pursuant to this Scheme at the respective book values appearing in the books of the Merged Undertaking.
- The value of investment in the Merged Undertaking in the books of the Company shall be cancelled.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 46 SCHEME OF MERGER (CONTD.)

- e. The difference between the net assets of the Merged Undertaking transferred to Company, after making adjustment specified in (c) and (d) shall be adjusted in 'Other Equity' / 'Amalgamation Adjustment Deficit Account' of the Company.

A Identifiable assets acquired and liabilities assumed as on April 1, 2021

Particulars	JFSL	JFSL-JLL (JV)	Total
Non Current assets			
Property, plant and equipment	2,920.69	271.34	3,192.03
Capital work in progress	0.45	-	0.45
Right-of-use assets	395.37	-	395.37
Goodwill	236.78	-	236.78
Other intangible assets	38.20	-	38.20
Financial assets			
Investment in subsidiaries	13.57	-	13.57
Loans	-	60.06	60.06
Other financial assets	111.85	0.25	112.10
Deferred tax assets (net)	2.43	-	2.43
Non-current tax assets (net)	69.85	6.07	75.92
Other non-current assets	13.94	-	13.94
	3,803.13	337.72	4,140.85
Current assets			
Inventories	64.32	42.54	106.86
Financial assets			
Trade receivables	44.78	-	44.78
Cash and cash equivalents	137.85	45.85	183.70
Bank balances other than cash and cash equivalents	88.98	-	88.98
Other financial assets	66.07	-	66.07
Other current assets	69.25	33.50	102.75
	471.25	121.89	593.14
Total assets	4,274.38	459.61	4,733.99
Non-current liabilities			
Financial liabilities			
Lease Liabilities	191.73	-	191.73
Provisions	239.70	-	239.70
	431.43	-	431.43
Current liabilities			
Financial liabilities			
Borrowings	9,129.74	-	9,129.74
Lease Liabilities	250.81	-	250.81
Trade payables	201.37	25.50	226.87
Other financial liabilities	26.56	444.92	471.48
Other current liabilities	36.82	-	36.82
Provisions	13.60	-	13.60
	9,658.90	470.42	10,129.32
Total liabilities	10,090.33	470.42	10,560.75
Total Net assets acquired	(5,815.95)	(10.81)	(5,826.76)

Notes

to the Standalone Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 46 SCHEME OF MERGER (CONTD.)

B Amalgamation Adjustment Deficit Account

Particulars	JFSL	JFSL-JLL (JV)	Total
Cost of Investment	13,444.53	18.09	13,462.62
Less: Total net identifiable assets acquired	(5,815.95)	(10.81)	(5,826.76)
Total net reserves acquired (Debit balance)	(8,200.95)	-	(8,200.95)
Amalgamation Adjustment Deficit Account (Debit Balance)	(11,059.53)	(28.90)	(11,088.43)

C Reconciliation of Cash flow

Particular	Before Amalgamation	After Amalgamation	Impact due to Amalgamation
Net cash generated from operating activities	20,245.07	20,112.73	(132.34)
Net cash used in investing activities	(506.85)	(3,072.00)	(2,565.15)
Net cash used in financing activities	(19,391.55)	(16,634.40)	2,757.15
Net Increase in Cash and Cash Equivalents	346.67	406.33	59.66
Cash and cash equivalents at the beginning of the financial year	6,974.91	7,158.60	183.69
Cash and cash equivalents at end of the year	7,321.58	7,564.93	243.35

D Reconciliation of total equity as at March 31, 2022 and April 1, 2021

Particular	March 31, 2022	April 1, 2021
Shareholder's equity before Amalgamation	94,290.17	93,378.05
Add/Less : JFSL Amalgamation adjustments		
Add : Retained earnings	(9,961.09)	(8,200.95)
Less: Amalgamation Adjustment Deficit Account	(11,088.43)	(11,088.43)
Shareholder's equity after Amalgamation	73,240.65	74,088.67

NOTE 47

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Signatures to Notes 1 to 47

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Jyothy Labs Limited
CIN: L24240MH1992PLC128651

Sreeja Marar
Partner
Membership No: 111410

M.R. Jyothy
Managing Director
DIN: 00571828

M.R. Deepthi
Whole Time Director
DIN: 01746698

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
May 03, 2023

Mumbai
May 03, 2023

Independent Auditor's Report

To the Members of
Jyothy Labs Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Jyothy Labs Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at

March 31, 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTER(S)

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

The key audit matter	How the matter was addressed in our audit
<p>Revenue Recognition</p> <p>Refer note 2.2(d) of accounting policies and notes 20 and 44 of consolidated financial statements.</p> <p>Revenue is recognized when control of the underlying products has been transferred to the customer.</p> <p>Revenue is a key performance indicator for the Group. There is risk of revenue being fraudulently recognized resulting from pressure to meet external investor/stake-holder expectations.</p> <p>Accordingly, recognition of revenue throughout the year and at period-end has been considered to be a key audit matter.</p>	<p>Our audit procedures in respect of recognition of revenue included the following-</p> <ul style="list-style-type: none"> Assessed the Group's accounting policies relating to revenue recognition by comparing them with the applicable accounting standards. Obtained understanding of the process and tested design and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue. Examined underlying sales invoices and dispatch/shipping documents for selected samples of revenue recognized throughout the year and as at period end to determine existence of sales throughout the period and at the period-end. Verified authorisations of non-standard journal entries that affect reported revenue of the Group.

OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's reports thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

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

OTHER MATTER(S)

- a. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 847 lacs as at March 31, 2023, total revenues (before consolidation adjustments) of ₹ 499 lacs and net cash outflows (before consolidation adjustments) amounting to ₹ 10 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

This subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary

located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

- b. As described in Note 45 to the consolidated financial statements, the amounts for the year ended March 31, 2022 relating to a partnership firm controlled by the Company and merged with the Company during the current year have been audited by another auditor who had expressed an unmodified opinion on 4 May 2022.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary, as was audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of

cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.
 - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.
 - c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2023.
 - d (i) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 46 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or

any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 46 to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared

for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 13B to the consolidated financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sreeja Marar
Partner

Place: Mumbai

Membership No.: 111410

Date: May 03, 2023 ICAI UDIN:23111410BGYATV7086

Annexure A

to the Independent Auditor's Report on the Consolidated Financial Statements of Jyothy Labs Limited for the year ended March 31, 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company includes the following unfavourable answers or qualifications or adverse remarks.

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Jyothy Labs Limited	L24240MH1992PLC128651	Holding Company	i(c)

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sreeja Marar
Partner
Membership No.: 111410
ICAI UDIN:23111410BGYATV7086

Place: Mumbai
Date: May 03, 2023

Annexure B

to the Independent Auditor's Report on the Consolidated Financial Statements of Jyothy Labs Limited for the year ended March 31, 2023

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of Jyothy Labs Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company, as of that date.

In our opinion the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management

override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sreeja Marar
Partner
Place: Mumbai Membership No.: 111410
Date: May 03, 2023 ICAI UDIN:23111410BGYATV7086

Consolidated Balance Sheet

as at March 31, 2023

₹ in Lacs

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	4a	28,080.03	29,049.96
Capital work in progress	4b	1,548.29	758.98
Right of use assets	4c	4,309.06	4,107.36
Goodwill	4d	78,633.19	78,633.19
Other Intangible assets	4d	612.00	392.95
Financial assets			
Other financial assets	5	1,511.61	1,622.56
Deferred tax assets (net)	6	8,451.71	9,065.13
Non current tax assets (net)	7	1,139.36	1,104.60
Other non-current assets	8	4,371.30	5,129.14
		128,656.55	129,863.87
Current assets			
Inventories	9	30,186.26	29,722.62
Financial assets			
Trade receivables	11	13,781.50	14,308.39
Cash and cash equivalents	10a	10,565.24	7,601.66
Bank balances other than cash and cash equivalents	10b	17,781.66	13,518.40
Other financial assets	5	233.88	621.59
Other current assets	8	4,409.54	5,961.22
Asset held for sale	4e	556.59	680.36
		77,514.67	72,414.24
Total assets		206,171.22	202,278.11
Equity and liabilities			
Equity			
Equity Share Capital	12	3,672.09	3,672.09
Other Equity	13	151,226.86	140,684.45
Equity attributable to equity holders of the parent		154,898.95	144,356.54
Non-controlling interests		205.91	(4,065.09)
Total equity		155,104.86	140,291.45
Non-current liabilities			
Financial Liabilities			
Lease Liabilities	33	2,800.35	2,448.90
Provisions	16	7,082.27	6,763.71
Other non-current liabilities	17	552.45	701.09
		10,435.07	9,913.70
Current liabilities			
Financial Liabilities			
Borrowings	14	-	12,653.69
Lease Liabilities	33	1,853.22	2,021.50
Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		5,059.30	5,934.57
Total outstanding dues of other than micro enterprises and small enterprises		16,375.54	17,706.90
Other financial liabilities	15	3,169.52	2,849.51
Other current liabilities	17	11,733.33	9,160.03
Provisions	16	2,183.57	1,260.55
Current tax liabilities (net)	18	256.81	486.21
		40,631.29	52,072.96
Total liabilities		51,066.36	61,986.66
Total equity and liabilities		206,171.22	202,278.11
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

Jyothy Labs Limited

CIN: L24240MH1992PLC128651

Sreeja Marar

Partner

Membership No: 111410

M.R. Jyothy

Managing Director

DIN: 00571828

M.R. Deepthi

Whole Time Director

DIN: 01746698

Shreyas Trivedi

Company Secretary

Membership No: A12739

Sanjay Agarwal

Chief Financial Officer

Mumbai

May 03, 2023

Mumbai

May 03, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

₹ in Lacs

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	20	248,601.52	219,648.88
Other income	21	3,953.29	1,866.91
Total income (I)		252,554.81	221,515.79
Expenses			
Cost of raw material and components consumed	22	129,118.94	109,599.61
Purchases of stock in trade		14,703.41	19,029.36
Changes in inventories of finished goods, stock in trade and work-in-progress	23	(334.12)	(331.82)
Employee benefits expense	24	26,440.90	24,744.95
Finance costs	25	1,309.09	1,180.56
Depreciation and amortisation expense	26	5,012.32	5,816.72
Other expenses	27	47,085.70	41,784.27
Total Expense (II)		223,336.24	201,823.65
Profit before exceptional item and tax(I-II)		29,218.57	19,692.14
Exceptional item	43	703.25	-
Profit before tax		29,921.82	19,692.14
Income tax	28		
Current tax		5,405.24	3,214.74
Deferred tax (credit) / charge		543.98	564.37
Total Income tax		5,949.22	3,779.11
Profit for the year (A)		23,972.60	15,913.03
Other comprehensive income			
Items that will be reclassified to profit or loss			
Foreign Currency Translation Reserve		(108.24)	27.08
		(108.24)	27.08
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) of post employment benefit obligation	29	198.71	(37.79)
Income tax relative to items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) of post employment benefit obligation	28	(69.44)	6.68
		129.27	(31.11)
Other comprehensive income/ (loss) for the year, net of tax(B)		21.03	(4.03)
Total comprehensive income for the year, net of tax(A+B)		23,993.63	15,909.00
Non controlling interest		(27.56)	(280.51)
Total Comprehensive income attributable to equity holders of the parent		24,021.19	16,189.51
Profit for the year		23,972.60	15,913.03
Attributable to :			
Equity holders of the parent		23,973.10	16,197.35
Non-controlling interests		(0.50)	(284.32)
Total comprehensive income		23,993.63	15,909.00
Attributable to :			
Equity holders of the parent		24,021.19	16,189.51
Non-controlling interests		(27.56)	(280.51)
Earnings per share (EPS)	32		
Basic (₹)		6.53	4.41
Diluted (₹)		6.53	4.41
Nominal value per share (₹)		1.00	1.00
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

Jyothy Labs Limited

CIN: L24240MH1992PLC128651

Sreeja Marar

Partner

Membership No: 111410

M.R. Jyothy

Managing Director

DIN: 00571828

Shreyas Trivedi

Company Secretary

Membership No: A12739

M.R. Deepthi

Whole Time Director

DIN: 01746698

Sanjay Agarwal

Chief Financial Officer

Mumbai
May 03, 2023

Mumbai
May 03, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

₹ in Lacs

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
Equity shares of ₹ 1 each issued, subscribed and fully paid		
At the beginning of the period	3,672.09	3,672.09
Issue of share capital	-	-
At the end of the period	3,672.09	3,672.09

For further details, refer Note 12.

B. OTHER EQUITY

Particulars	Attributable to equity holders of the parent						Non Controlling Interest	Total Equity
	Retained Earnings	Foreign Currency Translation Reserve	Capital Reserve	Securities premium	General reserves	Total		
As at April 1, 2021	82,850.94	30.47	5,480.32	50,407.48	414.08	139,183.29	(3,784.58)	135,398.71
Profit for the year	16,197.35	-	-	-	-	16,197.35	(284.32)	15,913.03
Other Comprehensive Income								
Re-measurement gains/ (losses) of post employment benefit obligation	(34.92)	-	-	-	-	(34.92)	3.81	(31.11)
Foreign Currency Translation Reserve	-	27.08	-	-	-	27.08	-	27.08
Total comprehensive income	16,162.43	27.08	-	-	-	16,189.51	(280.51)	15,909.00
Transaction with owners recorded directly in equity								
Contribution by and distribution to owners								
Cash dividends (Note 13(B))	(14,688.35)	-	-	-	-	(14,688.35)	-	(14,688.35)
As at March 31, 2022	84,325.02	57.55	5,480.32	50,407.48	414.08	140,684.45	(4,065.09)	136,619.36
Profit for the year	23,973.10	-	-	-	-	23,973.10	4,298.06	28,271.16
Other Comprehensive Income								
Re-measurement gains/ (losses) of post employment benefit obligation	156.33	-	-	-	-	156.33	(27.06)	129.27
Minority Interest absorbed by parent company	(4,298.56)	-	-	-	-	(4,298.56)	-	(4,298.56)
Foreign Currency Translation Reserve	-	(108.24)	-	-	-	(108.24)	-	(108.24)
Total comprehensive income	19,830.87	(108.24)	-	-	-	19,722.63	4,271.00	23,993.63
Transaction with owners recorded directly in equity								
Contribution by and distribution to owners								
Cash dividends (Note 13(B))	(9,180.22)	-	-	-	-	(9,180.22)	-	(9,180.22)
As at March 31, 2023	94,975.67	(50.69)	5,480.32	50,407.48	414.08	151,226.86	205.91	151,432.77

Consolidated Statement of Changes in Equity (Contd.)

for the year ended March 31, 2023

C. NATURE AND PURPOSE OF RESERVES

- a) Retained earnings - Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- b) Capital reserves - During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.
- c) Securities premium - The amount received in excess of face value of the equity shares is recognised in Securities Premium. This reserve can be utilized only in accordance with the provisions of section 52 of the Companies Act, 2013.
- d) General reserves -The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956.
- e) Foreign Currency Translation Reserve - The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

For further details, refer Note 13.

As per our report of even date
For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
May 03, 2023

For and on behalf of the Board of Directors of
Jyothy Labs Limited
CIN: L24240MH1992PLC128651

M.R. Jyothy
Managing Director
DIN: 00571828

Shreyas Trivedi
Company Secretary
Membership No: A12739

Mumbai
May 03, 2023

M.R. Deepthi
Whole Time Director
DIN: 01746698

Sanjay Agarwal
Chief Financial Officer

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

₹ in Lacs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	29,921.82	19,692.14
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and impairment of property, plant and equipment	2,951.62	3,778.31
Depreciation of right-of-use assets	1,956.15	1,912.55
Amortisation and impairment of intangible assets	104.55	125.86
Profit on fixed assets sold	(1,814.72)	(135.50)
Finance costs	1,309.09	1,180.56
Interest income	(765.25)	(357.62)
Unrealised foreign exchange fluctuation gain (net)	5.06	(12.52)
Provision for doubtful debts written back (net of written off)	-	(4.24)
Investment subsidy income	(148.64)	(198.56)
Lease rent income	(5.70)	(6.72)
Operating profit before working capital changes	33,513.98	25,974.26
Movements in working capital :-		
Increase/ (decrease) in trade payables	(2,206.63)	4,443.19
Increase / (decrease) in provisions	1,332.05	215.79
Increase/ (decrease) in other liabilities	2,573.30	275.90
Increase/ (decrease) in other financial liabilities	337.28	143.15
Decrease / (increase) in trade receivables	521.83	(4,856.79)
Decrease / (increase) in inventories	(463.64)	(1,858.64)
Decrease / (increase) in other financial assets	567.51	(810.88)
Decrease / (increase) in other assets	2,353.91	(135.79)
Cash generated from operations	38,529.59	23,390.19
Taxes paid (net)	(5,669.40)	(3,134.31)
NET CASH PROVIDED BY OPERATING ACTIVITIES (A)	32,860.19	20,255.88
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress and capital advances	(3,548.13)	(2,605.27)
Proceeds from sale of fixed assets	2,331.30	466.82
Maturity proceeds from / (Investment in) fixed deposit (net)	(4,326.67)	(1,316.28)
Interest income received	709.08	276.71
Lease rent income	5.70	6.72
NET CASH USED IN INVESTING ACTIVITIES (B)	(4,828.72)	(3,171.30)
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:		
Interest and finance charges paid	(1,041.55)	(737.16)
Payment of lease liabilities	(2,346.12)	(2,243.18)
Proceeds from borrowings	500.00	23,126.74
Repayment of borrowings	(13,000.00)	(22,126.74)
Dividend paid	(9,180.22)	(14,688.35)
NET CASH USED IN FINANCING ACTIVITIES (C)	(25,067.89)	(16,668.69)
D. Net increase in cash and cash equivalents (A+B+C)	2,963.58	415.89
E. Cash and cash equivalents at the beginning of the year	7,601.66	7,185.77
F. Cash and cash equivalents at the end of the year	10,565.24	7,601.66

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2023

₹ in Lacs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
G. Components of cash and cash equivalents		
Cash in hand	45.52	48.52
Balance with scheduled banks - Current account	10,519.72	7,553.14
Cash and cash equivalents (Note 10a)	10,565.24	7,601.66
Cash and cash equivalents considered for cash flow statement	10,565.24	7,601.66

The consolidated cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7), Statement of Cash Flows.

H. Changes in liabilities arising from financing activities

Particulars	As at March 31, 2022	Cash inflow	Cash outflow	As at March 31, 2023
Current Borrowings * (Refer Note 14)	12,500.00	500.00	(13,000.00)	-
	12,500.00	500.00	(13,000.00)	-

* This is excluding accrued interest.

Summary of significant accounting policies

Note 2

As per our report of even date

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sreeja Marar

Partner

Membership No: 111410

Mumbai

May 03, 2023

For and on behalf of the Board of Directors of

Jyothy Labs Limited

CIN: L24240MH1992PLC128651

M.R. Jyothy

Managing Director

DIN: 00571828

Shreyas Trivedi

Company Secretary

Membership No: A12739

Mumbai

May 03, 2023

M.R. Deepthi

Whole Time Director

DIN: 01746698

Sanjay Agarwal

Chief Financial Officer

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

NOTE 1 CORPORATE INFORMATION

Jyothy Labs Limited ('the Company') is a public company domiciled in India. Its shares are listed on two stock exchanges in India. The registered office of the company is located at Ujala House, Ramkrishna Mandir Road, Kondivita, Andheri (E) Mumbai.

The Consolidated financials statement comprise the financial statements of Jyothy Labs Limited ('the Company') and its subsidiaries hereinafter referred to as 'the Group'. The Group is principally engaged in manufacturing and marketing of fabric care, dishwashing, personal care, household insecticides products and also provides laundry and dry cleaning services.

These Financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors on May 3, 2023.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified, under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value. (Refer accounting policy regarding financial instruments).

The consolidated financial statements are presented in INR and all values are rounded to nearest lacs except where otherwise indicated.

Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

2.1 Basis of preparation (contd.)

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31.

The consolidated financial statements of the Group have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits / losses, unless cost / revenue cannot be recovered. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

The excess of the cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said goodwill is not amortised, however, it is tested for impairment at each balance sheet date and the impairment loss, if any, is provided for. The share of equity in subsidiaries as on the date of investment is in excess of the cost of investments of the Group, it is recognised as 'Capital reserve'.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity. Non-controlling interests in the net assets of consolidated subsidiaries consists of :- The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and the non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Consolidated Financial Statements includes the financial statements of the following subsidiaries:

Name of the Company	Country of incorporation	Percentage of equity interest	
		March 31, 2023	March 31, 2022
(a) Direct Subsidiaries			
1. Jyothy Kallol Bangladesh Limited	Bangladesh	75.00	75.00

* Effective holding % of Company directly and indirectly through its subsidiaries.

2.2 Summary of significant accounting policies

The significant accounting policies adopted by the Group, in respect of the consolidated financial statements are as follows:

a. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

a. Current versus non-current classification (contd.)

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Group Companies

On consolidation, the assets and liabilities of foreign subsidiary's operation are translated into INR at the rate of exchange prevailing at reporting date and their statement of profit or loss are translated at exchange prevailing at date of transactions. For practical reasons, the Group uses an average rate to translate income and expense item. If the average rate approximates the exchange rates at date of transactions. The exchange differences arising on translation for consolidation are recognised in the Foreign Currency Translation Reserve.

c. Fair value measurement

The Group measures financial instruments (refer Note 2.2(o)) at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

c. Fair value measurement (contd.)

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the transaction price of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

However, Goods & Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on service provided or value added to the commodity by the seller or service provider on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

d. Revenue recognition (contd.)

transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. No element of financing is deemed present as the sales are made with normal credit terms consistent with market practice. Accumulated experience is used to accrue for the discounts considering the terms of the underlying schemes and agreements with the customers.

Sale of Services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised on completion of the transaction at the end of the reporting period provided no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. Service revenue are net of GST.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the consolidated statement of profit and loss.

e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

f. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

f. Taxes (contd.)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

MAT

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognised as an item in deferred tax asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of fifteen succeeding assessment years.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

f. Taxes (contd.)

Goods & Service Tax (GST) paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Goods & Service Tax (GST) paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

g. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant part of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance cost are recognised in profit and loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category	Estimated useful life (in years)
Factory Buildings	10 - 30
Building (Other than Factory Building)	30 - 60
Building (Fences and temporary structure)	3-6
Plant and machinery	8 - 15
Furniture and fixtures	8 - 10
Dies and moulds *	3 - 15
Computers	3-6
Office equipments *	3 - 5
Vehicles	8 - 10

* The useful lives of these assets are considered as per management estimate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital Work in Progress

Capital work-in-progress comprises cost of Property, Plant and Equipments that are not yet ready for their intended use at the year end.

Capital Advance

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

h. Intangible assets (contd.)

The useful lives of intangible assets are assessed finite as per table below -

Category	Estimated useful life
Trademarks and Copyrights	9 - 10
Brands	10
Software and Licences	10

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j. Leases

The Group applies a single recognition and measurement approach for all leases. The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The lease liabilities were discounted using the incremental borrowing rate (same as Group average borrowing rate).

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

j. Leases (contd.)

- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

i) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Building 3 to 15 years
- Land 60 to 999 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.2 (l) Impairment of non-financial assets.

ii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate \ renew. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

j. Leases (contd.)

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary.

l. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

I. Impairment of non-financial assets (contd.)

growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognised in the consolidated statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually on reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

m. Provisions, Contingent Liabilities and Commitments

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

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

Contingent Liabilities

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

m. Provisions, Contingent Liabilities and Commitments (contd.)

as interest expense. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- (i) estimated amount of contracts remaining to be executed on capital account and not provided for; and
- (ii) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined at the period end by an independent actuary using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Short-term employee benefits

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the consolidated statement of profit and loss as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

n. Retirement and other employee benefits (contd.)

Other Long-term employee benefits

The liabilities for earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees upto the end of the reporting period using the projected unit credit method based on actuarial valuation.

Re-measurement are recognised in the consolidated statement of profit or loss in the period in which they arise including actuarial gains and losses.

o. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories -

1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI)
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
4. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

The Group does not have any financial assets falling under category 2 and 4 above.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

o. Financial instruments (contd.)

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as measured at fair value with all changes recognized in the P&L.)

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL and are measured at fair value with all changes recognised in the profit or loss. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of the Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) The Group has transferred substantially all the risks and rewards of the asset, or
 - (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

o. Financial instruments (contd.)

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the consolidated statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

This category generally applies to borrowings.

The Group does not have any financial liabilities at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

o. Financial instruments (contd.)

instrument price, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations.

If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p. Trade Receivable

Trade receivables do not include uncollected debts which have been factored as the contractual term specifies that these debts are factored without recourse.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

r. Cash dividend to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

s. Assets held for sale:

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

s. Assets held for sale: (contd.)

immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

t. Earnings Per Share:

(i) Basic earnings per share:

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares."

NOTE 3 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 4A PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land @	Building # @	Plant and machinery	Dies and moulds	Furniture and fixture	Office equipments	Vehicle	Total tangible assets
Cost								
As at April 1, 2021	4,551.14	16,989.44	20,724.92	1,966.66	1,093.98	1,093.82	796.62	47,216.58
Additions	42.66	693.40	1,801.75	199.65	25.58	165.89	6.94	2,935.87
Disposals	462.89	708.35	847.41	69.17	72.19	30.52	18.83	2,209.36
As at March 31, 2022	4,130.91	16,974.49	21,679.26	2,097.14	1,047.37	1,229.19	784.73	47,943.09
Additions	251.60	645.69	954.00	231.11	49.05	160.37	-	2,291.82
Disposals	11.45	10.97	1,014.53	2.20	9.49	31.32	24.51	1,104.47
As at March 31, 2023	4,371.06	17,609.21	21,618.73	2,326.05	1,086.93	1,358.24	760.22	49,130.44
Depreciation and impairment								
As at April 1, 2021	-	3,870.86	9,364.95	1,124.97	628.77	830.68	530.05	16,350.28
Depreciation charge for the year	-	1,127.89	2,073.16	246.60	98.97	151.52	80.17	3,778.31
Disposals	-	253.51	801.34	65.24	66.81	29.77	18.79	1,235.46
As at March 31, 2022	-	4,745.24	10,636.77	1,306.33	660.93	952.43	591.43	18,893.13
Depreciation charge for the year	-	697.81	1,893.15	80.42	80.67	138.11	61.46	2,951.62
Disposals	-	5.41	723.63	2.20	8.76	30.55	23.79	794.34
As at March 31, 2023	-	5,437.64	11,806.29	1,384.55	732.84	1,059.99	629.10	21,050.41
Net book value								
As at March 31, 2023	4,371.06	12,171.57	9,812.44	941.50	354.09	298.25	131.12	28,080.03
As at March 31, 2022	4,130.91	12,229.25	11,042.49	790.81	386.44	276.76	193.30	29,049.96

Includes ₹ 374.31 (2022: ₹ 374.31) represented by unquoted fully paid shares at cost in various co-operative societies.

The Group has not capitalised any borrowing cost in current and previous year.

Refer Note 14 for details of property, plant and equipment pledged as security for loans obtained.

For details of assets given on lease, refer Note 33A.

The Group undisputedly possesses the title deeds for all properties (except mentioned below) held by the Group. Further, the Group does not hold any property where-in the title deed does not convey a lucid ownership interest in favour of the Group with respect to such property.

@ Freehold land, leasehold land and building includes asset which are not transferred in the name of the Group amounting to ₹ 953.50 (Gross block) (2022: ₹ 1,011.98). These are held in the name of the entities which have been merged with the Group in earlier years.

Sr No	Relevant line item in the Balance sheet (i.e., PP&E, investment property, Non-current asset held for sale or others)	Description of item of property	Gross carrying value (₹ in lacs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company (also indicate if in dispute)
1	Property, plant and equipment	Freehold land and building	691.33	Associated Industries Consumers Products Pvt Ltd (AICPPL)	No	07/09/2007	Ownership transfer pending
2	Property, plant and equipment	Freehold land	108.20	Fab clean & care Private Limited	No	08/06/2011	Ownership transfer pending
3	Property, plant and equipment	Building	25.00	Fab clean & care Private Limited	No	08/06/2011	Ownership transfer pending
4	Property, plant and equipment	Building	1.54	Fab clean & care Private Limited	No	08/06/2011	Ownership transfer pending
5	Property, plant and equipment	Freehold Land	127.44	Snoways Laundrers & Drycleaners Private Limited	No	01/04/2019	Ownership transfer pending

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 4B CAPITAL WORK IN PROGRESS

Particulars	Amount
As at April 1, 2021	1,011.13
Additions	2,810.42
Capitalised during the year	(3,062.57)
As at March 31, 2022	758.98
Additions	3,075.84
Capitalised during the year	(2,286.53)
As at March 31, 2023	1,548.29

CWIP Ageing Schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Year	2-3 Year	More than 3 years	
March 2023					
Projects in progress	1,524.25	24.04	-	-	1,548.29
Projects temporarily suspended*	-	-	-	-	-
Total	1,524.25	24.04	-	-	1,548.29
March 2022					
Projects in progress	758.98	-	-	-	758.98
Projects temporarily suspended*	-	-	-	-	-
Total	758.98	-	-	-	758.98

* There are no projects which are temporarily suspended or whose completion is overdue. There are no projects whose costs are exceeding the original budget.

NOTE 4C RIGHT-OF-USE ASSETS

The Group undisputedly possesses the title deeds for all leases held by the Group. Further, the Group does not hold any lease where-in the title deed does not convey a lucid ownership interest in favour of the Group with respect to such lease arrangement.

Particulars	Leasehold Land	Building	Total
Cost			
As at April 1, 2021	267.71	8,308.10	8,575.81
Additions	-	1,546.58	1,546.58
Disposals	(42.20)	(192.89)	(235.09)
As at March 31, 2022	225.51	9,661.79	9,887.30
Additions	70.87	2,393.31	2,464.18
Disposals	(70.87)	(235.46)	(306.33)
As at March 31, 2023	225.51	11,819.64	12,045.15
Depreciation and impairment			
As at April 1, 2021	24.21	3,847.60	3,871.81
Depreciation charge for the year	4.05	1,908.50	1,912.55
Disposals	(4.42)	-	(4.42)
As at March 31, 2022	23.84	5,756.10	5,779.94
Depreciation charge for the year	3.43	1,952.72	1,956.15
As at March 31, 2023	27.27	7,708.82	7,736.09
Net book value			
As at March 31, 2023	198.24	4,110.82	4,309.06
As at March 31, 2022	201.67	3,905.69	4,107.36

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 4D INTANGIBLE ASSETS

Particulars	Goodwill	Other Intangible assets		Total other intangible assets
		Trademarks and Copyrights \$	Softwares and Licences	
Cost				
As at April 1, 2021	78,633.19	104.77	1,031.59	1,136.36
Additions	-	-	47.35	47.35
Disposals	-	-	3.84	3.84
As at March 31, 2022	78,633.19	104.77	1,075.10	1,179.87
Additions	-	0.95	334.46	335.41
Disposals	-	-	71.27	71.27
As at March 31, 2023	78,633.19	105.72	1,338.29	1,444.01
Amortisation and impairment				
As at April 1, 2021	-	103.45	561.45	664.90
Amortisation charge for the year	-	2.27	123.59	125.86
Disposals	-	-	3.84	3.84
As at March 31, 2022	-	105.72	681.20	786.92
Amortisation charge for the year	-	-	104.55	104.55
Disposals	-	-	59.46	59.46
As at March 31, 2023	-	105.72	726.29	832.01
Net book value				
As at March 31, 2023	78,633.19	-	612.00	612.00
As at March 31, 2022	78,633.19	(0.95)	393.90	392.95

\$ Includes trademarks and copyrights of ₹ 101.45 (2022: ₹ 101.45) pending for registration in the name of the Company.

IMPAIRMENT

Goodwill is tested for impairment annually as at March 31st. No impairment charges were identified as at March 31, 2023.

- A) Goodwill of ₹ 70,925.56 lacs relates to the acquisition of erstwhile business of Henkel India Limited. Since it is not practicable to allocate the goodwill to various reportable segments, the recoverable amount has been determined collectively for all brands acquired and compared with the carrying value of goodwill. Further, an amount of ₹ 250.78 lacs relates to the acquisition of Fabric Care segment and has been entirely allocated to this reportable segment.

The following key assumptions were considered while performing the above impairment testing :-

Terminal value growth rate: 5% (2022: 5%)

Growth rate: 1% - 15% (2022: 1% - 15%)

Weighted Average Cost of Capital % (WACC) (Discount rate): 13% (2022: 13%)

The projections cover a period of five years, as we believe this to be the most appropriate timescale over which to review and consider annual performances, before applying a fixed terminal value growth rate to the final year cash flows. The growth rates used to estimate future performance (revenue, cost of goods sold, expenses etc) are based on the conservative estimates after considering past performance.

The recoverable amounts of the above CGU's have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

The Group has performed sensitivity analysis around the base assumptions and have concluded that no reasonable change in key assumptions would result in the recoverable amount of CGU to be less than the carrying value.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 4D INTANGIBLE ASSETS (CONTD.)

- B) Goodwill of ₹ 7,457.52 lacs relates to various acquisitions in the laundry services segment and has been entirely allocated to this segment.

The following key assumptions were considered while performing the above impairment testing : -

Terminal value growth rate: 5% (2022: 5%)

Growth rate: 26% - 43% (2022: 20% - 128%)

Weighted Average Cost of Capital % (WACC) (Discount rate): 16.17% (2022: 16.20%)

The projections cover a period of five years, as we believe this to be the most appropriate timescale over which to review and consider annual performances, before applying a fixed terminal value growth rate to the final year cash flows. The growth rates used to estimate future performance (revenue, cost of services, expenses etc) are based on the conservative estimates after considering past performance.

The recoverable amounts of the above CGU's have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

The Group has performed sensitivity analysis around the base assumptions and have concluded that no reasonable change in key assumptions would result in the recoverable amount of CGU to be less than the carrying value.

NOTE 4E ASSETS HELD FOR SALE

Refer Note 2.2 (s) for accounting policy on Assets Held for Sale

Particulars	As at March 31, 2023	As at March 31, 2022
Freehold land	187.75	187.75
Leasehold land	-	37.78
Buildings	368.84	454.83
Total	556.59	680.36

During the year, the Group had identified certain non operational properties as mentioned above for sales which had been moved from Property, Plant and Equipment to asset held for sale. The company expects to dispose of these assets over the course of next 12 months.

NOTE 5 OTHER FINANCIAL ASSETS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Fixed deposit with Banks having remaining maturity of more than 12 months (Note 10b)	142.42	73.57	-	-
Security Deposits considered good	941.36	1,014.19	75.88	75.84
Investment Subsidy Receivable	427.83	534.80	106.97	369.14
Staff Loans	-	-	32.76	141.21
Other receivables	-	-	18.27	35.40
	1,511.61	1,622.56	233.88	621.59

The Group exposure to credit and currency risk, and loss allowance related to other financial assets are disclose in note 41.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 6 DEFERRED TAX ASSETS (NET)

Particulars	NON CURRENT	
	As at March 31, 2023	As at March 31, 2022
a) Deferred tax liability		
Depreciation	6,443.98	7,754.99
Right-of-use assets	1,505.76	1,287.14
	7,949.74	9,042.13
b) Deferred tax assets		
Provision for gratuity	1,891.02	1,727.40
Provision for leave encashment	650.95	595.71
Provision for doubtful debts / advances	414.00	410.36
Other provisions	378.56	378.56
Differential tax rate	535.04	1,493.69
Lease liability	1,626.14	1,399.80
Tax Credits (MAT)	10,905.74	12,101.74
	16,401.45	18,107.26
Net deferred tax assets	8,451.71	9,065.13

NOTE 7 NON-CURRENT TAX ASSETS (NET)

Particulars	NON CURRENT	
	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provisions of ₹ 31,624.84 lacs (2022 - ₹ 28,417.84 lacs))	1,139.36	1,104.60
	1,139.36	1,104.60

NOTE 8 OTHER ASSETS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital Advances	95.00	50.61	-	-
Advance to suppliers*	-	-	1,244.42	1,372.36
Balance with government authorities and protest payments	4,276.30	5,078.53	2,358.91	3,826.15
Prepaid Expenses	-	-	775.93	656.69
Other receivables	-	-	30.28	106.19
Less: Loss allowance	-	-	-	(0.17)
	4,371.30	5,129.14	4,409.54	5,961.22

* Advances to suppliers amounting to ₹ Nil lacs (2022: ₹ 0.17 lacs) is considered doubtful and fully provided for.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 9 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

Particulars	CURRENT	
	As at March 31, 2023	As at March 31, 2022
Raw and packing materials	8,628.18	8,619.72
Work in progress	910.54	1,611.95
Finished goods	17,798.29	16,306.41
Stock in Trade (including goods in transit ₹ 52.80 lacs (2022: ₹ 24.22 lacs))	1,977.74	2,434.09
Stores, Operating supplies and spare parts	871.51	750.45
	30,186.26	29,722.62

Inventories are net of provision of ₹ 703.25 lacs (2022: ₹ 782.69 lacs) on account of damage and slow moving inventories.

Inventories are pledge as securities for borrowings. (Refer Note 14)

NOTE 10 CASH AND BANK BALANCES

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(a) Cash and cash equivalents				
Cash in hand	-	-	45.52	48.52
Balance with banks				
- Current account	-	-	10,519.72	7,553.14
	-	-	10,565.24	7,601.66
(b) Bank balances other than cash and cash equivalents				
Unclaimed dividend accounts	-	-	239.74	240.68
Deposits with original maturity for more than 3 months and maturing within 12 months*	-	-	17,541.92	13,277.72
Deposits with original and remaining maturity for more than 12 months*	142.42	73.57	-	-
Amount disclosed under 'Other financial assets' (Note 5)	(142.42)	(73.57)	-	-
	-	-	17,781.66	13,518.40
	-	-	28,346.90	21,120.06

* Includes deposits provided as securities against bank guarantees and letter of credits ₹ 326.96 lacs (2022: ₹ 440.21 lacs)

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 11 TRADE RECEIVABLES (UNSECURED)

Particulars	CURRENT	
	As at March 31, 2023	As at March 31, 2022
(i) Undisputed Trade Receivables – considered good	13,831.61	14,275.98
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-
(iii) Undisputed Trade Receivables – credit impaired	895.74	965.69
(iv) Disputed Trade Receivables – considered good	-	32.41
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-
(vi) Disputed Trade Receivables – credit impaired	237.68	217.84
Less: Loss allowance	(1,183.53)	(1,183.53)
	13,781.50	14,308.39

Trade receivable are non interest bearing and are generally on advance term or for a credit term of 15-60 days.

The Group exposure to credit and currency risk, and loss allowance related to trade receivables are disclose in note 41.

Ageing Schedule

Particulars	Not Due	Less than 6 Months	6 Months- 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
March 23							
(i) Undisputed Trade Receivables – considered good	9,274.44	4,481.72	65.26	10.13	0.06	-	13,831.61
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	895.74	895.74
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	237.68	237.68
Less: Loss allowance	-	-	(39.92)	(10.13)	(0.06)	(1,133.42)	(1,183.53)
Total	9,274.44	4,481.72	25.34	-	-	-	13,781.50

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 11 TRADE RECEIVABLES (UNSECURED) (CONTD.)

Ageing Schedule (contd.)

Particulars	Not Due	Less than 6 Months	6 Months- 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
March 22							
(i) Undisputed Trade Receivables – considered good	1,205.95	12,470.38	599.65	-	-	-	14,275.98
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	14.65	8.59	0.75	0.55	941.15	965.69
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	32.41	32.41
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	101.14	116.70	217.84
Less: Loss allowance	-	(14.65)	(8.59)	(0.75)	(101.69)	(1,057.85)	(1,183.53)
Total	1,205.95	2,470.38	599.65	-	-	32.41	14,308.39

Breakup of financial assets carried at amortised cost

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade receivable (Note 11)	-	-	13,781.50	14,308.39
Other financial assets (Note 5)	1,511.61	1,622.56	233.88	621.59
Cash and cash equivalents and other bank balances (Note 10a & 10b)	-	-	28,346.90	21,120.06
Total financial assets carried at amortised cost	1,511.61	1,622.56	42,362.28	36,050.04

NOTE 12 SHARE CAPITAL

AUTHORISED CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
301,95,00,000 (2022 - 301,95,00,000) equity shares of ₹ 1 (2022 - ₹1) each	30,195.00	30,195.00
66,00,000 (2022 - 66,00,000) preference shares of ₹ 10 (2022 - ₹ 10) each	660.00	660.00
30,000 (2022: 30,000) 11% cumulative preference shares of ₹ 100 (2022: ₹ 100) each	30.00	30.00
	30,885.00	30,885.00

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 12 SHARE CAPITAL (CONTD.)

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of 1 ₹ per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2023		As at March 31, 2022	
	No.	Amount	No.	Amount
At the beginning of the period	367,208,644	3,672.09	367,208,644	3,672.09
Issued during the year	-	-	-	-
Outstanding at the end of the period	367,208,644	3,672.09	367,208,644	3,672.09

b) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	No.	% Holding in the class	No.	% Holding in the class
Equity shares of ₹ 1 each fully paid				
M. P. Ramachandran	143,640,871	39.12%	143,640,871	39.12%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	As at March 31, 2023	As at March 31, 2022
	No.	No.
Equity shares allotted as fully paid bonus shares by capitalization of securities premium (FY 2018 - 2019)	181,794,087	181,794,087
	181,794,087	181,794,087

In addition the company has issued 43,91,061 equity shares during the period of five years immediately preceding the reporting date on exercise of option granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 12 SHARE CAPITAL (CONTD.)

Issued equity capital (contd.)

d) Disclosures of shareholding of promoters

Promoter Name	Share held by promoters at the end of the year March 31, 2023		Share held by promoters at the end of the year March 31, 2022		% change during the year
	No of shares (in Lacs)	% of total shares	No of shares (in Lacs)	% of total shares	
M P Ramachandran	1,436.41	39.12%	1,436.41	39.12%	0.00%
M P Divakaran	144.72	3.94%	144.72	3.94%	0.00%
M P Sidharthan	104.30	2.84%	104.30	2.84%	0.00%
M R Deepthi	103.62	2.82%	103.62	2.82%	0.00%
M R Jyothy	95.38	2.60%	95.38	2.60%	0.00%
M G Shanthakumari	72.36	1.97%	72.36	1.97%	0.00%
U B Beena	68.93	1.88%	68.93	1.88%	0.00%
M P Divakaran Huf	-	0.00%	38.08	1.04%	-1.04%
K Ullas Kamath	29.03	0.79%	29.03	0.79%	0.00%
M P Sidharthan Huf	-	0.00%	26.40	0.72%	-0.72%
K K Sujatha	1.62	0.04%	1.62	0.04%	0.00%
Moothedath Sidharthan Srihari	26.40	0.72%	-	0.00%	0.72%
Jithin Moothedath Divakaran	19.04	0.52%	-	0.00%	0.52%
Geetha Moothedath Divakaran	19.04	0.52%	-	0.00%	0.52%
Sahyadri Agencies Limited	145.00	3.95%	145.00	3.95%	0.00%
Jaya Trust	43.50	1.18%	43.50	1.18%	0.00%

Promoter Name	Share held by promoters at the end of the year March 31, 2022		Share held by promoters at the end of the year March 31, 2021		% change during current year
	No of shares (in Lacs)	% of total shares	No of shares (in Lacs)	% of total shares	
M P Ramachandran	1,436.41	39.12%	1,436.41	39.12%	0.00%
M P Divakaran	144.72	3.94%	144.72	3.94%	0.00%
M P Sidharthan	104.30	2.84%	104.30	2.84%	0.00%
M R Deepthi	103.62	2.82%	103.62	2.82%	0.00%
M R Jyothy	95.38	2.60%	95.38	2.60%	0.00%
M G Shanthakumari	72.36	1.97%	72.36	1.97%	0.00%
U B Beena	68.93	1.88%	68.93	1.88%	0.00%
M P Divakaran Huf	38.08	1.04%	38.08	1.04%	0.00%
K Ullas Kamath	29.03	0.79%	29.03	0.79%	0.00%
M P Sidharthan Huf	26.40	0.72%	26.40	0.72%	0.00%
K K Sujatha	1.62	0.04%	1.62	0.04%	0.00%
Sahyadri Agencies Limited	145.00	3.95%	145.00	3.95%	0.00%
Jaya Trust	43.50	1.18%	43.50	1.18%	0.00%

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 13 OTHER EQUITY

A. Other Equity consist of following :

Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings		
Balance, beginning of the year	84,325.02	82,850.94
Profit for the year	23,973.10	16,197.35
Other Comprehensive Income -	156.33	(34.92)
Re-measurement gains/ (losses) of post employment benefit obligation		
Minority Interest absorbed by parent company	(4,298.56)	-
Less : Appropriations		
Cash dividend (Note 13(B))	(9,180.22)	(14,688.35)
Net surplus in the consolidated statement of profit and loss	94,975.67	84,325.02
Other Reserves		
Foreign Currency Translation Reserve		
Balance, beginning of the year	57.55	30.47
Add: Addition during the year	(108.24)	27.08
Balance, end of the year	(50.69)	57.55
Capital Reserve		
Balance, beginning of the year	5,480.32	5,480.32
Balance, end of the year	5,480.32	5,480.32
Securities premium		
Balance, beginning of the year	50,407.48	50,407.48
Balance, end of the year	50,407.48	50,407.48
General reserves		
Balance, beginning of the year	414.08	414.08
Balance, end of the year	414.08	414.08
	151,226.86	140,684.45

B. Distribution made and Proposed

Particulars	As at March 31, 2023	As at March 31, 2022
Cash dividend on equity shares declared and paid		
Final dividend for the year ended March 31, 2022: ₹ 2.50 per share, (2021: ₹ 4 per share)	9,180.22	14,688.35
	9,180.22	14,688.35
Proposed dividends on equity shares		
Final dividend for the year ended March 31, 2023 ₹ 3.00 per share, (2022: ₹ 2.50 per share) *	11,016.26	9,180.22
	11,016.26	9,180.22

* The Board of Directors has recommended final dividend of ₹ 3.00 per equity share of face value ₹ 1 each for the financial year ended March 31, 2023 at their meeting held on May 3, 2023. The same is subject to approval of the shareholders at the ensuing Annual General Meeting.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 14 BORROWINGS

Particulars	CURRENT	
	As at March 31, 2023	As at March 31, 2022
Term Loan from Bank (Secured) (Note (a) below)	-	2,510.85
Term Loan from Bank (Secured) (Note (b) below)	-	7,642.35
Term Loan from Bank (Secured) (Note (c) below)	-	2,500.49
	-	12,653.69

Details of loan:

- The Company had taken secured term loan of ₹ 10,000 lacs at interest which were linked to external bench mark plus spread. The interest rate were in range of 4.00%-8.00% p.a. payable monthly. These loans have been repaid during the year. The terms of the Loan also had quarterly call / put option. These loans were secured by first pari passu charge on the movable fixed assets and negative lien on fixed assets and second pari passu charge on stock and book debts of the Company. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.
- The term loan from bank of ₹ 7,642.35 lacs taken by JFSL at interest which were linked to bank base rate plus spread. The interest rate were in range of 6.00% - 9.00% p.a. payable half yearly. The loans have been repaid during the year. The Terms of the Loan also had first call / put option after 12 months and then half yearly thereafter. The loan was secured by corporate guarantee given by the Company.
- The term loan from bank of ₹ 2,500.49 lacs taken by JFSL at interest which were linked to bank base rate plus spread. The interest rate were in range of 6.00% - 9.00% p.a. payable half yearly. The loans have been repaid during the year. The Terms of the Loan also had first call / put option after 12 months and then half yearly thereafter. The loan was secured by corporate guarantee given by the Company.

NOTE 15 OTHER FINANCIAL LIABILITIES

Particulars	CURRENT	
	As at March 31, 2023	As at March 31, 2022
Security deposits	122.10	104.10
Unclaimed dividend *	239.74	240.68
Creditors for capital goods	-	16.33
Payable to Employees	2,807.68	2,488.40
	3,169.52	2,849.51

* There are no amounts payable / due to be credited to Investor Education and Protection Fund.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 16 PROVISIONS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits				
Provision for leave encashment	1,670.69	1,624.18	192.16	177.23
Provision for gratuity (Note 29) (I)	5,411.58	5,139.53	-	-
	7,082.27	6,763.71	192.16	177.23
Other provisions #				
Provision for litigation*	-	-	1,991.41	1,083.32
	-	-	1,991.41	1,083.32
	7,082.27	6,763.71	2,183.57	1,260.55

*Provision for litigation pertains to various disputed indirect tax matters for which timing of outflow is not determinable and will be based on outcome of ongoing litigation.

Movement in other provisions

Particulars	CURRENT	
	As at March 31, 2023	As at March 31, 2022
As at April 1	1,083.32	1,457.35
Arising during the year	908.09	-
Reversal during the year	-	(374.03)
As at March 31	1,991.41	1,083.32

NOTE 17 OTHER LIABILITIES

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Statutory Dues	-	-	1,625.06	1,680.94
Deferred Investment Subsidy ^	552.45	701.09	148.64	148.64
Advances from customers and others	-	-	3,930.26	2,560.34
Contractual Obligation	-	-	6,029.37	4,770.11
	552.45	701.09	11,733.33	9,160.03

^ The Company has been awarded grants on account of Central capital investment subsidy (CCIS) and grants recognised as deferred income, is being amortised over the useful life of the assets in proportion to the usage of the related assets.

NOTE 18 CURRENT TAX LIABILITIES (NET)

Particulars	CURRENT	
	As at March 31, 2023	As at March 31, 2022
Provision for income tax (net of advance tax of ₹ 9,887.98 lacs lacs (2022: ₹ 7,465.76 lacs))	256.81	486.21
	256.81	486.21

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 19 TRADE PAYABLES

Particulars	CURRENT	
	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 34 for details of dues to micro enterprises and small enterprises)	5,059.30	5,934.57
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,375.54	17,706.90
Total	21,434.84	23,641.47

Ageing Schedule

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
March 23						
MSME	2,914.40	2,144.90	-	-	-	5,059.30
Others	10,057.97	6,307.07	10.50	-	-	16,375.54
Total	12,972.37	8,451.97	10.50	-	-	21,434.84

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
March 22						
MSME	2,819.14	3,103.42	12.01	-	-	5,934.57
Others	8,605.71	9,083.41	16.05	1.56	0.17	17,706.90
Total	11,424.85	12,186.83	28.06	1.56	0.17	23,641.47

Breakup of financial liabilities carried at amortised cost

Particulars	CURRENT	
	As at March 31, 2023	As at March 31, 2022
Borrowing (Note 14)	-	12,653.69
Trade payable (Note 19)	21,434.84	23,641.47
Other financial liabilities (Note 15)	3,169.52	2,849.51
Total financial liabilities carried at amortised cost	24,604.36	39,144.67

Terms and conditions of financial liabilities:

- 1) Trade payables are non-interest bearing and are normally settled on 0 - 60 days term.
- 2) Other payable are non interest bearing and are settled within a year.
- 3) Interest payable is settled as per the term of borrowings.

For explanation on the Group's liquidity risk management processes, refer Note 41.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 20 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of goods (Note 44)	243,547.35	216,828.37
Sale of services (Note 44)	4,870.27	2,681.53
	248,417.62	219,509.90
Other Operating Income		
Sale of scrap	183.90	138.98
	183.90	138.98
	248,601.52	219,648.88

NOTE 21 OTHER INCOME

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Lease rent income (Note 33A)	5.70	6.72
Foreign exchange fluctuation gain (net)	23.44	16.69
Provision for doubtful debts written back	-	4.24
Profit on sale of fixed assets	1,814.72	152.40
Investment subsidy income	148.64	198.56
Interest on fixed deposit	681.89	210.76
Interest on Income tax refund	0.02	30.02
Interest on Others	83.36	146.86
Budgetary support benefit under Goods and Services Tax	1,164.03	1,069.00
Export incentives	31.49	31.15
Miscellaneous income	-	0.51
	3,953.29	1,866.91

NOTE 22 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventory at the beginning of the year	8,619.72	7,116.71
Add: Purchases	129,105.83	111,102.62
	137,725.55	118,219.33
Less: Inventory at the end of the year	8,606.61	8,619.72
	129,118.94	109,599.61

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 23 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Closing inventory		
Finished goods	17,798.29	16,306.41
Traded Goods	1,977.74	2,434.09
Work in progress	910.54	1,611.95
Sub-total (A)	20,686.57	20,352.45
Opening inventory		
Finished goods	16,306.41	15,038.61
Traded Goods	2,434.09	3,168.68
Work in progress	1,611.95	1,813.34
Sub-total (B)	20,352.45	20,020.63
Total (A-B)	(334.12)	(331.82)

NOTE 24 EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	21,968.35	20,133.93
Contribution to provident and other funds (Note 29 II & III)	1,384.62	1,347.08
Gratuity (Note 29 I)	733.17	686.60
Staff welfare expenses	482.67	435.71
Directors' remuneration (Note 35(b))	443.66	928.75
Field staff incentives	1,428.43	1,212.88
	26,440.90	24,744.95

NOTE 25 FINANCE COST

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on term loan and bank overdraft	881.48	692.35
Interest on lease liability	421.21	484.01
Other borrowing cost	6.40	4.20
	1,309.09	1,180.56

NOTE 26 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on tangible assets	2,951.62	3,778.31
Amortization of intangible assets	104.55	125.86
Depreciation of right of use assets	1,956.15	1,912.55
	5,012.32	5,816.72

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 27 OTHER EXPENSES

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power and fuel expenses	3,222.13	2,891.36
Rent* (Note 33A)	242.02	257.43
Insurance	383.79	349.62
Repairs and maintenance		
- Building	34.38	36.20
- Plant and machinery	259.26	283.97
- Others	251.59	229.68
Consumption of stores and spares	671.91	574.37
Printing and stationery	59.97	45.23
Communication costs	195.58	182.03
Legal and professional fees (Note 30)	1,070.41	812.33
Rates and taxes	166.80	121.86
Directors' sitting fees (Note 35(b))	24.35	21.10
Vehicle maintenance	332.36	251.51
Donation and contribution	4.47	5.84
Loss on fixed assets discarded / sold	-	16.90
Conversion charges	849.55	209.21
Advertisement and Sales Promotion	17,432.52	16,107.15
Freight, handling and forwarding charges	15,486.64	14,097.28
Field staff expenses	2,059.42	1,462.33
Travelling and conveyance	425.09	193.09
Royalty	401.03	368.11
Corporate social responsibility expenses (Note 31)	381.96	400.82
Miscellaneous expenses	3,130.47	2,866.85
	47,085.70	41,784.27

*Current year expense pertains to short-term lease and low value assets

NOTE 28 INCOME TAX

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a. Profit or loss		
Income tax expenses		
Current tax		
Current period	5,405.24	3,214.74
	5,405.24	3,214.74
Deferred tax		
Relating to origination and reversal of temporary differences	543.98	564.37
	5,949.22	3,779.11
b. OCI		
Deferred tax related to items recognised in OCI during in the year		
Net loss /(gain) on remeasurements of defined benefit plans	(69.44)	6.68
	(69.44)	6.68

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 28 INCOME TAX (CONTD.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
c. Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate		
Accounting profit before tax	29,921.82	19,692.14
Tax rate	34.944%	34.944%
Tax at statutory rate	10,455.88	6,881.22
Tax impact : - Profit exempt from tax	(4,603.38)	(5,111.60)
Corporate social responsibility expenditure disallowed	67.34	99.27
Unrecognised deferred tax asset on loss of subsidiaries	-	371.94
Mat credit utilised / lapsed	471.97	1,068.80
Others	(442.59)	469.48
Adjusted tax expense	5,949.22	3,779.11
Tax expense	5,949.22	3,779.11

d. Movement in Deferred tax Assets and Liabilities

Movement during the year ended March 31, 2023

Particulars	As at March 31, 2022	Credit / (charge) in the Consolidated Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	As at March 31, 2023
Depreciation	(7,754.99)	1,311.01	-	(6,443.98)
Right-of-use assets	(1,287.14)	(218.62)	-	(1,505.76)
Provision for gratuity	1,727.40	233.06	(69.44)	1,891.02
Provision for leave encashment	595.71	55.24	-	650.95
Provision for doubtful debts	410.36	3.64	-	414.00
Other provisions	378.56	-	-	378.56
Differential tax rate	1,493.69	(958.65)	-	535.04
Lease liability	1,399.80	226.34	-	1,626.14
Tax credit (MAT) (net)	12,101.74	(1,196.00)	-	10,905.74
	9,065.13	(543.98)	(69.44)	8,451.71

Movement during the year ended March 31, 2022

Particulars	As at March 31, 2021	Credit / (charge) in the Consolidated Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	As at March 31, 2022
Depreciation	(7,699.99)	(55.00)	-	(7,754.99)
Right-of-use assets	(1,509.36)	222.22	-	(1,287.14)
Provision for gratuity	1,576.50	144.22	6.68	1,727.40
Provision for leave encashment	551.17	44.54	-	595.71
Provision for doubtful debts	410.36	-	-	410.36
Other provisions	509.26	(130.70)	-	378.56
Differential tax rate	1,493.69	-	-	1,493.69
Lease liability	1,583.54	(183.74)	-	1,399.80
Tax credit (MAT) (net)	12,707.65	(605.91)	-	12,101.74
	9,622.82	(564.37)	6.68	9,065.13

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 29 (I) GRATUITY

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India(LIC).

The following tables summarise the components of net benefit expense recognised in the consolidated statement profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Particulars	March 31, 2023	March 31, 2022
	Gratuity	Gratuity
	Funded, except for certain subsidiaries where it is non funded	
(A) Summary of the actuarial assumptions		
Mortality	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-08) Ult
Discount rate	7.40%	6.60% - 6.85%
Rate of increase in compensation	8.00%	8.00% - 10.00%
Withdrawal rates	8.00%	8.00% - 12.00%
Rate of return (expected) on plan assets	6.69%-7.35%	6.83%-7.02%
The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.		
(B) Changes in present value of obligations (PVO)		
PVO at beginning of period	5,242.75	4,791.81
Interest cost	344.70	306.54
Current Service Cost	402.15	388.03
Benefits Paid	(277.90)	(264.62)
Remeasurement gains/(losses) arising from changes in demographic assumptions	-	1.80
Remeasurement gains/(losses) arising from changes in financial assumptions	(221.91)	(111.74)
Experience adjustments	3.73	130.93
PVO at end of period	5,493.52	5,242.75
(C) Changes in fair value of plan assets		
Fair value of plan assets at the beginning of period	103.22	124.57
Investment Income	6.32	7.97
Benefit paid	(8.13)	(12.52)
Return on plan assets	(19.47)	(16.80)
Fair value of plan assets at end of period	81.94	103.22
(D) Expenses recognised in the consolidated statement of profit and loss		
Current service cost	402.15	388.03
Net Interest cost on the Net Defined Benefit Liability / (Asset)	338.38	298.57
Benefits paid directly paid by the group	(7.36)	-
Expense recognised in the consolidated statement of profit and loss	733.17	686.60

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 29 (I) GRATUITY (CONTD.)

Particulars	March 31, 2023	March 31, 2022
	Gratuity	Gratuity
	Funded, except for certain subsidiaries where it is non funded	
(E) Remeasurement gains/(losses) in other comprehensive income		
Return on plan assets	19.47	16.80
Remeasurement gains/(losses) arising from changes in demographic assumptions	-	1.80
Remeasurement gains/(losses) arising from changes in financial assumptions	(221.91)	(111.74)
Experience adjustments	3.73	130.93
Total amount recognised in OCI	(198.71)	37.79
(F) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investment with insurer	100.00%	100.00%
(G) Net assets/(liabilities) recognised in the balance sheet		
PVO at end of period	(5,493.52)	(5,242.75)
Fair value of plan assets at end of period	81.94	103.22
Funded status (deficit in fair value of plan assets over PVO)	(5,411.58)	(5,139.53)
Net asset / (liability) recognised in the balance sheet	(5,411.58)	(5,139.53)

These defined benefit plan exposed to actuarial risk, such as longevity risk, currency risk, interest rate risk and market risk. Fund is Managed by LIC as per Insurance Regulatory and Development Authority guidelines, category-wise composition of the plan assets is not available.

(H) Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The results of sensitivity analysis is given below:

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Defined Benefit Obligation (Base)	5493.52	5,242.75

Particulars	As at March 31, 2023		As at March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	5,908.53	5,124.00	5,437.30	4,679.90
(% change compared to base due to sensitivity)	7.55%	-6.73%	3.71%	-10.74%
Salary Growth Rate (- / + 1%)	5,158.88	5,852.84	4,713.30	5,384.43
(% change compared to base due to sensitivity)	-6.09%	6.54%	-10.10%	2.70%
Attrition Rate (- / + 50% of attrition rates)	5,517.25	5,476.83	5,117.42	4,979.40
(% change compared to base due to sensitivity)	0.43%	-0.30%	-2.39%	-5.02%
Mortality Rate (- / + 10% of mortality rates)	5,493.40	5,493.60	5,036.01	5,035.38
(% change compared to base due to sensitivity)	0.00%	0.00%	-3.94%	-3.96%

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 29 (I) GRATUITY (CONTD.)

(I) Asset Liability Matching Strategies

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity outgoes during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk.

However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

(J) Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Group has purchased an insurance policy to meet the liability on account of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

b) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows)	7 years
Expected cash flows over the next (valued on undiscounted basis)	₹
1 year	553.59
2 to 5 years	2,297.30
6 to 10 years	2,998.76
More than 10 years	4,458.59

c) The Group expects to contribute ₹ Nil (2022 - ₹ Nil) to gratuity fund.

NOTE 29 (II) SUPERANNUATION

The Group contributed ₹ 14.17 lacs and ₹ 37.39 lacs to the superannuation plan during the years ended March 31, 2023 and March 31, 2022 respectively and same has been recognized in the consolidated statement of profit and loss under the head Employee benefit expense.

NOTE 29 (III) PROVIDENT FUND AND OTHER FUNDS

The Group contributed ₹ 1,370.45 lacs and ₹ 1,309.69 lacs to the employee provident fund during the years ended March 31, 2023 and March 31, 2022, respectively and same has been recognized in the consolidated statement of profit and loss under the head Employee benefit expense.

NOTE 30 PAYMENT TO AUDITORS (EXCLUDING GST)

Particulars	April 1, 2022 to March 31, 2023	April 1, 2021 to March 31, 2022
As Auditors		
Audit fee	43.00	58.00
Tax audit fees and certification	13.75	11.78
Limited review of quarterly results	48.00	48.00
Reimbursement of expenses	5.67	4.16
Total	110.42	121.94

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 31 EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII IS AS GIVEN BELOW:

Particulars	April 1, 2022 to March 31, 2023	April 1, 2021 to March 31, 2022
(i) Amount required to be spent during the year	381.83	410.15
(ii) Amount of expenditure incurred	507.96	274.82
(iii) Shortfall / (Excess) at the end of the year	(126.13)	135.33
(iv) Total of previous years shortfall/(excess)	125.66	(9.67)
(v) Reason for shortfall*	NA	125.66
(vi) Nature of CSR activities		
Promoting healthcare including preventive healthcare	250.00	138.01
Promoting Education	254.50	133.50
Others	3.46	3.31

*Unspent amount of ₹ 125.66 lacs was deposited in separate account earmarked as "Unspent Corporate Social Responsibility Account 2021-22" as on April 27, 2022 which has been spent during the year.

NOTE 32 EARNING PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	April 1, 2022 to March 31, 2023	April 1, 2021 to March 31, 2022
Net Profit for calculation of basic and diluted EPS	23,973.10	16,197.35
Weighted average number of shares for calculation of basic and diluted EPS	367,208,644	367,208,644
Basic / Diluted EPS (₹)	6.53	4.41

The Company does not have any potentially dilutive equity shares and therefore basic and dilutive EPS are the same.

NOTE 33 COMMITMENTS AND CONTINGENCIES

A) Leases

In case of assets taken on lease

- i. The Group has lease contracts for leasehold land and building used in its operations.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Carrying amounts of right-of-use assets recognised and the movements during the period:

Refer Note 4c

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 33 COMMITMENTS AND CONTINGENCIES (CONTD.)

A) Leases (contd.)

ii) Carrying amounts of lease liabilities and the movement during the period

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	4,470.40	4,956.81
Net Additions	2,393.31	1,546.58
Deletions	(235.46)	(192.89)
Accretion of interest *	371.44	437.22
Payments	(2,346.12)	(2,243.18)
Rent Concessions	-	(34.14)
Closing Balance	4,653.57	4,470.40
Non current	2,800.35	2,448.90
Current	1,853.22	2,021.50

* Accretion of interest is net off impact of unwinding discount on security deposit.

The maturity analysis of lease liabilities is disclosed below:

Maturity analysis of contractual undiscounted cash flow	₹
Less than 1 year	1,853.22
1 to 2 years	1,260.67
2 to 3 years	855.91
3 to 4 years	310.02
4 to 5 years	149.90
More than 5 years	153.61
Total undiscounted lease liabilities	4,583.33

iii) The Group has a total cash outflow (including short term lease and low value assets) for leases of ₹ 2,524.73 lacs (2022: ₹ 2,433.65 lacs). The Group also had non cash additions to right to use assets and lease liabilities of ₹ 2,157.85 lacs (2022: ₹ 1,361.16 lacs).

iv) Lease commitments for leases accounted as short term lease and low value assets

The company is committed to short term lease of ₹ 178.59 lacs (2022: ₹ 189.17 lacs) and lower value assets ₹ Nil lacs (2022: ₹ 0.20 lacs).

In case of assets given on lease

The Group has leased out few of its premises on operating lease for part of the year. Lease rent income for the year ended March 31, 2023 was ₹ 5.70 lacs (2022: ₹ 6.72 lacs). There is no escalation clause in the lease agreement and the lease is cancellable. There are no restrictions imposed by lease arrangements.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 33 COMMITMENTS AND CONTINGENCIES (CONTD.)

B) Capital commitments (net of advances)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	584.66	25.20
Other commitments (Refer Note 33A (iv))	178.59	189.17
	763.25	214.37

C) Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
In respect of the following, the Group has assessed that it is only possible, but not probable, that outflow of economic resources will be required :		
(i) Tax matters		
(a) Disputed sales tax demands – matters under appeal	1,445.44	1,435.90
(b) Disputed GST demands – matters under appeal	-	2,235.17
(c) Disputed excise duty and service tax demand - matter under appeal	480.95	2,217.42
(d) Disputed income tax demand - matter under appeal*	278.87	278.87

* The amount shown above does not include contingent liability for assessment years which have been reopened (unless demand order is raised) and those pending assessments.

The Group believes that all these matters have a strong possibility of being dismissed in favour of the Group and accordingly no provisions has been considered necessary.

The above disclosure does not cover matters where the exposure has been assessed to be remote.

NOTE 34 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSMED')

The disclosure pursuant to the said Act is as under :

Particulars	As at March 31, 2023	As at March 31, 2022
Principal and interest amount remaining unpaid	5,059.30	5,934.57
Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
Interest accrued and remaining unpaid	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Group.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 35 RELATED PARTY DISCLOSURES

a) Related party relationships where transactions have taken place during the year

Key management personnel as per IND-AS / Companies Act, 2013

K. Ullas Kamath	Joint Managing Director upto January 22, 2022
M.R. Jyothy	Managing Director
M.R. Deepthi	Whole Time Director
Sanjay Agarwal	Chief Financial Officer
Shreyas Trivedi	Head-Legal & Company Secretary

Other Directors

Nilesh B. Mehta	Independent Director
R. Lakshminarayanan	Independent Director
Bhumika Batra	Independent Director
Aditya Sapru	Independent Director

Relative of Key Management Personnel

M.P. Ramachandran	Chairman Emeritus
M.G.Santhakumari	
Ananth Rao T	
Ravi Razdan	
M.P. Sidharthan	
M.P. Divakaran	

Enterprises significantly influenced by Key Management Personnel or their relatives

Quilon Trading Co.
M.P. Divakaran - H.U.F.
M.P. Sidharthan - H.U.F.
Jaya Trust
Sahyadri Agencies Ltd.
Sahyadri Bio Labs Pvt.Ltd

Enterprises under common control

Kallol Trading Corporation
Kallol Trading Limited
Kallol Chemicals Limited
Kallol Industries Limited

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 35 RELATED PARTY DISCLOSURES (CONTD.)

b) Transactions with related parties during the year

Particulars	April 1, 2022 to March 31, 2023	April 1, 2021 to March 31, 2022
Key management personnel		
Remuneration*		
K. Ullas Kamath	-	271.87
M R Jyothy	361.56	328.56
M R Deepthi	89.31	81.06
Sanjay Agarwal	315.15	311.48
Shreyas Trivedi	101.89	98.36
Dividend		
K. Ullas Kamath	72.57	116.11
M R Jyothy	238.44	381.51
M R Deepthi	259.04	414.47
Contribution to Superannuation fund		
K. Ullas Kamath	-	24.27
Gratuity		
K. Ullas Kamath	-	20.00
Leave Encashment		
K. Ullas Kamath	-	50.00
Commission		
K. Ullas Kamath	-	283.60
Nilesh B. Mehta	12.00	12.00
R. Lakshminarayanan	12.00	12.00
Bhumika Batra	12.00	12.00
Aditya Sapru	12.00	-
Fee for attending board / committee meetings		
Nilesh B. Mehta	8.05	8.05
R. Lakshminarayanan	7.55	7.55
Bhumika Batra	5.25	5.00
Aditya Sapru	3.50	0.50
Relative of Key Management Personnel		
Remuneration*		
Ananth Rao T	213.98	164.56
Ravi Razdan	119.30	99.08
M P Sidharthan	8.00	24.00
Dividend		
M.P. Ramachandran	3,591.02	5,745.63
M. G. Santhakumari	180.90	289.44
M.P. Sidharthan	260.76	417.22
M.P. Divakaran	361.79	578.87
Purchase of Land and Building		
M.P. Sidharthan	-	41.00

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 35 RELATED PARTY DISCLOSURES (CONTD.)

Particulars	April 1, 2022 to March 31, 2023	April 1, 2021 to March 31, 2022
Enterprises significantly influenced by Key Management Personnel or their relatives		
Rent & Other Expense		
Quilon Trading Company	1.20	1.20
Kallol Chemicals Limited	67.53	-
Kallol Industries Limited	9.82	-
Kallol Trading Limited	7.31	-
Rent received		
Sahyadri Bio Labs Private Limited	5.70	6.53
Dividend		
M.P. Divakaran - H.U.F.	-	152.32
M.P. Sidharthan - H.U.F.	-	105.60
Jaya Trust	108.75	174.00
Sahyadri Agencies Ltd.	362.50	580.00
Sale of finished goods		
Kallol Trading Corporation	104.36	415.37
Kallol Trading Limited	394.46	-

* As the future liabilities for gratuity is provided on an actuarial basis for the Group as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

c) Related party balances

Particulars	As at March 31, 2023	As at March 31, 2022
Amounts receivable		
Enterprises under common control		
Kallol Trading Corporation	-	53.99
Kallol Trading Limited	57.89	-
Amounts payable		
Enterprises significantly influenced by Key Management Personnel or their relatives		
Quilon Trading Company	0.10	0.10
Key Management Personnel		
Sitting Fees		
Nilesh B. Mehta	0.25	-
Commission		
K. Ullas Kamath	-	283.60
Nilesh B. Mehta	12.00	12.00
R. Lakshminarayanan	12.00	12.00
Bhumika Batra	12.00	12.00
Aditya Sapru	12.00	-

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 36 INFORMATION REQUIRED FOR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013

Particulars	31-Mar-23							
	Net Assets, i.e. Total Asset minus Total Liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Parent								
Jyothy Labs Limited	99.60%	154,272.83	99.92%	23,953.03	614.69%	129.27	100.37%	24,082.30
Subsidiaries								
Foreign								
Jyothy Kallol Bangladesh Limited	0.54%	832.03	0.08%	20.07	-386.02%	(81.18)	-0.25%	(61.11)
Non controlling interest	-0.13%	(205.91)	0.00%	(0.50)	-128.67%	(27.06)	-0.11%	(27.56)
GRAND TOTAL	100.00%	154,898.95	100.00%	23,972.60	100.00%	21.03	100.00%	23,993.63

Particulars	31-Mar-22							
	Net Assets, i.e. Total Asset minus Total Liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Parent								
Jyothy Labs Limited	96.69%	139,579.59	110.73%	17,621.18	308.68%	(12.44)	110.68%	17,608.74
Subsidiaries								
Indian								
Jyothy Fabricare Services Limited	-0.37%	(528.75)	-7.89%	(1,256.06)	536.72%	(21.63)	-8.03%	(1,277.69)
M/s JFSL JLL JV (Partnership Firm)	0.21%	297.75	-1.22%	(194.21)	-	-	-1.22%	(194.21)
Foreign								
Jyothy Kallol Bangladesh Limited	0.65%	942.86	0.14%	22.63	-839.95%	33.85	0.36%	56.48
Non controlling interest	2.82%	4,065.09	-1.76%	(280.51)	94.54%	(3.81)	-1.79%	(284.32)
GRAND TOTAL	100.00%	144,356.54	100.00%	15,913.03	100.00%	(4.03)	100.00%	15,909.00

Net assets and share of profits and losses reported in the above table have been considered from the respective audited financial statements after making necessary changes for consolidation adjustments having impact on the consolidated net assets and net profits.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 37 SEGMENT REPORTING

Based on the "management approach" as defined in Ind AS 108 - 'Operating Segments', the Chief Operating Decision Maker evaluates the Groups performance and allocate resources based on an analysis of various 'performance indicators by business segments and segment information is presented accordingly as follows :

1. Dishwashing includes dish wash scrubber and scrubber steel, dish wash bar, liquid and powder.
2. Fabric Care includes fabric whitener, fabric enhancer, bar soap and detergent powder.
3. Household Insecticides includes mosquito repellent coil, liquid and card and insect repellents.
4. Personal Care includes body soap, face wash, toothpaste, deodorants, talcum powder, after shave, hand wash, hand sanitizer and moisturiser.
5. Laundry services includes drycleaning and laundry.
6. Others includes incense sticks, toilet cleaner, floor shine and vegetable cleaner.

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and fixed assets. Assets at corporate level are not allocable to segments on a reasonable basis and thus the same have not been allocated. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liability.

Goodwill identifiable to operating segments are included in segment assets. However, where goodwill relates to multiple operating segments and it is not practicable to allocate between segments, it is included in 'unallocated assets. Finance cost, finance income and fair value gains and loss on financial assets are not allocated to any operating segments as the Group reviews the treasury and finance cost at the group level.

Accordingly, borrowings are also considered in unallocated liabilities.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to segments as they are also managed on group basis.

Capital expenditure consists of addition of property, plant and equipment and intangible assets.

Transfer pricing between operating segments are on as arm length basis in a manner similar to transaction with third parties.

Intersegment revenue are eliminated upon consolidation and reflected in the 'adjustment and eliminations' column. All other adjustment and eliminations are part of detailed reconciliation presented further below.

Year ended March 31, 2023

Particulars	Fabric care	Dishwashing	Household insecticides	Personal care	Laundry services	Other products	Total Operating segments	Adjustments and eliminations	Total segments
Revenue									
External revenue	105,609.38	86,479.80	21,168.11	25,421.89	4,870.27	5,052.07	248,601.52	-	248,601.52
Total revenue from operation	105,609.38	86,479.80	21,168.11	25,421.89	4,870.27	5,052.07	248,601.52	-	248,601.52
Income/(Expenses)									
Depreciation and amortisation	(965.67)	(901.68)	(432.17)	(291.58)	(643.35)	(20.39)	(3,254.84)	(1,757.48)	(5,012.32)
Segment profit	17,259.23	13,264.74	(2,022.08)	2,588.14	(518.24)	34.02	30,605.81	(683.99)	29,921.82
Total assets	32,676.40	24,281.58	10,403.18	6,718.84	10,422.78	1,670.98	86,173.76	119,997.46	206,171.22
Total liabilities	18,326.85	16,554.39	5,408.43	4,489.63	1,597.36	534.87	46,911.53	4,154.83	51,066.36
Capital expenditure	1,589.02	628.89	204.93	53.04	181.09	5.62	2,662.59	885.54	3,548.13

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 37 SEGMENT REPORTING (CONTD.)

Year ended March 31, 2022

Particulars	Fabric care	Dishwashing	Household insecticides	Personal care	Laundry services	Other products	Total Operating segments	Adjustments and eliminations	Total segments
Revenue									
External revenue	81,704.97	79,779.87	26,521.42	23,385.51	2,702.34	5,554.77	219,648.88	-	219,648.88
Total revenue from operation	81,704.97	79,779.87	26,521.42	23,385.51	2,702.34	5,554.77	219,648.88	-	219,648.88
Income/(Expenses)									
Depreciation and amortisation	(1,212.26)	(1,000.11)	(533.41)	(280.10)	(1,022.97)	(12.47)	(4,061.32)	(1,755.40)	(5,816.72)
Segment profit	12,358.90	9,285.00	(791.27)	3,559.37	(869.73)	(324.47)	23,217.80	(3,525.66)	19,692.14
Total assets	30,854.69	25,231.55	13,108.00	7,664.17	10,900.43	2,144.49	89,903.33	112,374.78	202,278.11
Total liabilities	16,373.64	15,803.21	6,810.87	4,422.52	1,173.60	950.00	45,533.84	16,452.82	61,986.66
Capital expenditure	363.41	977.22	305.72	109.79	35.84	38.78	1,830.76	774.51	2,605.27

Reconciliations to amount reflected in the consolidated financial statements :

Particulars	April 1, 2022 to March 31, 2023	April 1, 2021 to March 31, 2022
A) Reconciliation of profit		
Segment profit	30,605.81	23,217.80
Other Income (Note 21)	765.27	387.64
Other unallocable income	2,023.99	410.27
Finance cost (Note 25)	(1,309.09)	(1,180.56)
Exceptional Item (Note 43)	703.25	-
Other unallocable expenses	(2,867.41)	(3,143.01)
Profit before tax	29,921.82	19,692.14

Particulars	As at March 31, 2023	As at March 31, 2022
B) Reconciliations of assets		
Segment operating assets	86,173.76	89,903.33
Other financial assets (Note 5)	142.42	73.57
Non current tax assets (net) (Note 7)	1,139.36	1,104.60
Deferred tax asset (net) (Note 6)	8,451.71	9,065.13
Cash and cash equivalent	28,346.90	20,765.95
Other unallocable assets	655.82	813.80
Tangible and Intangible assets	81,261.25	80,551.73
Total assets	206,171.22	202,278.11
C) Reconciliations of liabilities		
Segment operating liabilities	46,911.53	45,533.84
Borrowings	-	12,653.69
Current tax liabilities (net) (Note 18)	256.81	486.21
Lease Liability	1,426.18	1,284.56
Other unallocable liabilities	2,471.84	2,028.36
Total liabilities	51,066.36	61,986.66

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 37 SEGMENT REPORTING (CONTD.)

Particulars	April 1, 2022 to March 31, 2023	April 1, 2021 to March 31, 2022
Revenue from external customers		
India	242,178.07	213,496.69
Outside India	6,423.45	6,152.19
Total revenue as per consolidated statement of profit or loss	248,601.52	219,648.88

The revenue information above is based on the location of the customers.

Revenue from one customer amounted to ₹ 30,244.31 lacs (2022: ₹ 24,725.57 lacs) arising from sales in various segment.

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current operating assets		
India	113,178.07	112,932.38
Outside India	4.50	10.06
Total	113,182.57	112,942.44

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress and intangible assets.

NOTE 38 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Balance with government authorities and protest payment

The Group has significant receivable from government authorities in respect of payment made under protest in earlier years towards VAT matters. The Group has received favourable orders from the Honourable Supreme Court / High Court in this matters and accordingly Company believes that all the amounts are fully recoverable.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets and Goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 38 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the Discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Further, the Group has recognised Minimum Alternate Tax Credit (MAT) which can utilised for a period of 15 years from the assessment year to which it relates to. Based on future projections of taxable profit and MAT, the Group has assessed that the entire MAT credit can be utilised.

NOTE 39 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying values		Fair values	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial Liabilities				
Borrowings	-	12,653.69	-	12,653.69
Total	-	12,653.69	-	12,653.69

The management assessed that fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 39 FAIR VALUES (CONTD.)

Long-term receivables/advances given are evaluated by the Group based on parameters such as interest rates and individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The same would be sensitive to a reasonably possible change in the forecast cash flows or the discount rate.

NOTE 40 FAIR VALUES HIERARCHY

The Group does not have any financial assets and financial liabilities fair valued through profit & loss.

NOTE 41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for establishing and governing the Group's risk management framework. The Group has constituted a core Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee.

A. Liquidity risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2023 and March 31, 2022. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

For long term borrowings, the Group also focuses on maintaining / improving its credit ratings to ensure that appropriate refinancing options are available on the respective due dates.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	Less than 1 Year	1 to 5 years	5 years and above	Total
As at March 31, 2023				
Borrowings and Other financial liabilities *	3,169.52	-	-	3,169.52
Lease Liabilities	1,853.22	2,800.35	-	4,653.57
Trade and other payables	21,434.84	-	-	21,434.84
	26,457.58	2,800.35	-	29,257.93
As at March 31, 2022				
Borrowings and Other financial liabilities *	15,503.20	-	-	15,503.20
Lease Liabilities	2,021.50	2,448.90	-	4,470.40
Trade and other payables	23,641.47	-	-	23,641.47
	41,166.17	2,448.90	-	43,615.07

* The above disclosure has been made as per the contractual due dates of the borrowings, however, due to the put option available to the holder (Note 14), the same has been presented as current borrowings in the consolidated financial statements.

B. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk exist mainly on account of borrowings of the Group. However, all these borrowings are at fixed interest rate and hence the exposure to change in interest rate is insignificant.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is not exposed to significant foreign currency risk as at the respective reporting dates.

Price risk

The Group is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The Group has internal guidelines to ensure that the price risk arising from investment in mutual fund is kept minimal.

C. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and other financial assets.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

C. Credit risk (contd.)

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major trade receivables. (Refer Note 11)

Movements of Loss allowance

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balance as at 1st April	(1,183.53)	(1,185.62)
Provision no longer required write back	-	2.09
Balance as at 31st March	(1,183.53)	(1,183.53)

Other financial assets

Credit risk from balances with banks and financial institutions is managed by the Group in accordance with the Group's policy. Investments of surplus funds are made only in highly marketable debt instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

The Group's maximum exposure to credit risk as at March 31, 2023 and March 31, 2022 is the carrying value of each class of financial assets.

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

NOTE 42 CAPITAL MANAGEMENT

For the purpose of the Group capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt which is calculated as borrowing less cash and cash equivalent, other bank balances and mutual fund investments.

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Borrowings	-	12,653.69
Less: Cash and cash equivalents and other bank balances (Note 10a and 10b)	(28,346.90)	(21,120.06)
Net debt (A)	(28,346.90)	(8,466.37)
Equity	154,898.95	144,356.54
Capital and net debt (B)	126,552.05	135,890.17
Gearing ratio (A/B)	0%	0%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 43 EXCEPTIONAL ITEM

During the current year, the Company has received a one-time settlement for extinguishing indemnity pertaining to an erstwhile business transaction of ₹ 1,641.91 lacs provided earlier which has been written back and an amount of ₹ 938.66 lacs has been provided towards litigation settlement under VAT amnesty scheme.

NOTE 44 IND AS 115 : REVENUE FROM CONTRACTS WITH CUSTOMERS

a. Reconciliation the amount of revenue recognised in the consolidated statement of profit and loss

Particulars	April 1, 2022 to March 31, 2023	April 1, 2021 to March 31, 2022
Gross Sales	296,840.92	263,468.78
Less : Scheme, discounts, rebates, price adjustments and returns	(53,293.57)	(46,640.41)
Sale of goods	243,547.35	216,828.37
Sale of services	4,870.27	2,681.53
Net Sales	248,417.62	219,509.90

b. Disaggregation of revenue-segment wise

Particulars	April 1, 2022 to March 31, 2023	April 1, 2021 to March 31, 2022
A Fabric Care	105,609.38	81,704.97
B Dishwashing	86,479.80	79,779.87
C Household Insecticides	21,168.11	26,521.42
D Personal Care	25,421.89	23,385.51
E Laundry Service	4,870.27	2,702.34
F Others	4,868.17	5,415.79
	248,417.62	219,509.90

Revenue from one customer which contributed more than 10% of Group's total revenue amounted to ₹ 30,244.31 lacs (2022: ₹ 24,725.57 lacs) arising from sales in various segments. (Note 41)

NOTE 45

During the year, the National Company Law Tribunal vide its Order dated March 02, 2023, approved the Scheme of Merger of Jyothy Fabricare Services Limited (JFSL) with the Jyothy Labs Limited (JLL) with effect from the Appointed date of October 1, 2022. The merger has been accounted in accordance with the 'Business combinations of entities under common control' as described in (Ind AS) 103 "Business Combinations". Pursuant to the above merger, JFSL-JLL (JV), a partnership firm of Jyothy Fabricare Services Limited and Jyothy Labs Limited have been also merged with Jyothy Labs Limited. The merger does not have any financial impact on consolidated financial results.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 46 ADDITIONAL REGULATORY INFORMATION

(a) Relationship with struck off company

The Group has transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 as under.

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at current period	Relationship with the struck off company, if any, to be disclosed	Balance outstanding as at previous period	Relationship with the struck off company, if any, to be disclosed
Shirdi Sai Financial Services Pvt Ltd	Shares held by struck off company	50 shares	Shareholder	50 shares	Shareholder
Priti Puja Commercial Pvt Ltd	Shares held by struck off company	25 shares	Shareholder	25 shares	Shareholder
Growth Investment And Property Company Private Limited	Shares held by struck off company	50 shares	Shareholder	50 shares	Shareholder

(b) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(c) Utilization of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

(d) Disclosures of benami property if any

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(e) Disclosures of willful defaulter

None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(f) Compliance with number of layers of companies

The group has complied with the number of layers prescribed under the Companies Act, 2013.

(g) Compliance with approved scheme(s) of arrangements

Scheme of arrangement is recorded in the books of accounts is in accordance with the accounting standards.

(h) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year

(i) Utilisation of borrowed funds and share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 46 ADDITIONAL REGULATORY INFORMATION (CONTD.)

not received any fund from any party(s) (Funding Party) with the understanding that the company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(j) Valuation of PP&E, intangible asset and investment property

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(k) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(g) Key Ratio

Particulars	Numerator	Denominator	As at Mar 31, 2023	As at Mar 31, 2022	% change	Reason for Variance for +/- 25% variation
a. Current Ratio	Current Assets	Current Liabilities	1.91	1.39	37%	Current Ratio has improved due to higher Current Assets backed by increase in cash and bank balance of ₹ 72.6 crore and reduction in current liabilities on account of repayment of loan amounting to ₹ 126.54 crore.
b. Debt Equity Ratio	Total Debt	Shareholder's Equity	-	0.09	-100%	During the year, the Company has repaid loan of ₹ 126.54 crores and consequently has Nil Debt as at March 31, 2023.
c. Debt service coverage ratio	Earning available for debt service	Debt Service	16.43	2.95	457%	The increase in Debt service coverage ratio is due to higher profitability and lower liability on account of repayment of loan amounting to ₹ 126.54 crores.
d. Return on Equity	Net profits after taxes.	Average Shareholder's equity	16.02%	11.08%	45%	Return on Equity has improved due to profit on sale of property ₹ 18.36 crores, and better margin on higher sales achieved during the year.
e. Inventory turnover ratio	Cost of goods sold or Sales	Average Inventory	4.79	4.46	7%	
f. Trade receivables turnover ratio	Net Sales	Trade Receivable Closing Balance	18.04	15.35	18%	
g. Trade payables turnover ratio	Purchases	Trade Payable Closing Balance	6.71	5.50	22%	
h. Net capital turnover ratio	Net Sales	Working Capital	6.74	10.80	-38%	Decrease due to higher working capital on account of loan repayment amounting to ₹ 126.54 crores and increase in cash and bank balance ₹ 72.99 crores
i. Net profit ratio	Net profits after taxes	Net Sales	9.64%	7.24%	33%	Net profit ratio has improved due to profit on sale of property ₹ 18.36 crores, and better margin on higher sales achieved during the year.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2023

₹ in Lacs

NOTE 46 ADDITIONAL REGULATORY INFORMATION (CONTD.)

(g) Key Ratio (contd.)

Particulars	Numerator	Denominator	As at	As at	% change	Reason for Variance for +/- 25% variation
			Mar 31, 2023	Mar 31, 2022		
j. Return on capital employed	Earning before Interest and taxes	Capital Employed	41.28%	26.77%	54%	Return on capital employed has improved due to profit on sale of property ₹ 18.36 crores, better margin on higher sales achieved during the year and reduction in capital employed on account of repayment of loan amounting to ₹ 126.54 crores.
k. Return on investment	Income generated from invested funds	Average invested funds in treasury investments	NA	NA	NA	

NOTE 47

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

NOTE 48

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Signatures to Notes 1 to 48

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
May 03, 2023

For and on behalf of the Board of Directors of
Jyothy Labs Limited
CIN: L24240MH1992PLC128651

M.R. Jyothy
Managing Director
DIN: 00571828

Shreyas Trivedi
Company Secretary
Membership No: A12739

Mumbai
May 03, 2023

M.R. Deepthi
Whole Time Director
DIN: 01746698

Sanjay Agarwal
Chief Financial Officer

FORM AOC - I

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

₹ in Lacs

PART "A": Subsidiaries

Sr. No	Name of the Subsidiary Company	Jyothy Fabricare Services Limited	Jyothy Kallol Bangladesh Limited
	Date since when subsidiary was acquired	September 10, 2008	October 14, 2010
	Country	India	Bangladesh
	Financial Year / Period	April 1, 2022 to September 30, 2022	April 1, 2022 to March 31, 2023
	Local Currency	INR	BDT
	Exchange rate as on March 31, 2023	-	1BDT = 0.76 INR
1	Share Capital	2,385.00	801.84
2	Reserves & Surplus	-10,722.75	30.14
3	Total Assets	3,771.40	847.04
4	Total Liabilities	12,109.15	15.06
5	Investment (except investment in subsidiaries)	-	-
6	Turnover (Net)	1,812.02	498.81
7	Profit / (Loss) before taxation	-810.43	3.42
8	Provision for taxation	-	5.42
9	Profit / (Loss) after taxation	-810.43	-2.00
10	Proposed / Interim Dividend	Nil	Nil
11	% of shareholding	100%	75%

Notes:

- None of the subsidiaries of the Company are yet to commence operations.
- The Hon'ble of National Company Law Tribunal, Mumbai Bench vide its Order dated February 24, 2023, approved the Scheme of Amalgamation of Jyothy Fabricare Services Limited (Transferor Company) with Jyothy Labs Limited (Transferee Company). Accordingly, Jyothy Fabricare Services Limited amalgamated with Jyothy Labs Limited with effect from February 24, 2023 and the appointed date being October 1, 2022.

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

₹ in Lacs

PART "B": Associates and Joint Ventures

Name of Joint Venture	JFSL – JLL JV (Partnership firm)
Latest audited Balance Sheet Date	September 30, 2022
Date on which the Associate or Joint Venture was associated or acquired	November 15, 2011
Shares of Associate/Joint Ventures held by the company on the year end:	
1. No.	N.A.
2. Amount of Investment in Joint Venture	100.24
3. Extent of Holding (%)	25%
Description of how there is significant influence	Control of Business decisions under a Partnership deed
Reason why the joint venture is not consolidated	N.A
Networth attributable to Shareholding as per latest audited Balance Sheet	400.97
Loss for the year	-36.78
i. Considered in Consolidation	-36.78
ii. Not Considered in Consolidation	-

1. None of the associates or joint ventures of the Company are yet to commence operations.
2. The JFSL-JLL JV was dissolved pursuant to the deed of dissolution dated March 16, 2023. The deed of dissolution was signed pursuant to the approval of the Scheme of Amalgamation of Jyothy Fabricare Services Limited (Transferor Company) with Jyothy Labs Limited (Transferee Company) by the Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated February 24, 2023.
3. The Company does not have any associate company.

**For and on behalf of the Board of Directors of
Jyothy Labs Limited**

CIN: L24240MH1992PLC128651

Sd/-

M.R. JyothyManaging Director
(DIN: 00571828)

Sd/-

M. R. DeepthiWhole Time Director
(DIN: 01746698)

Sd/-

Shreyas TrivediHead – Legal & Company Secretary
Membership No.: A12739

Sd/-

Sanjay Agarwal

Chief Financial Officer

Place: Mumbai

Date: May 03, 2023



Jyothy Labs Limited

CIN: L24240MH1992PLC128651

Corporate & Registered Office

Ram Krishna Mandir Road, Kondivita,
Andheri (East), Mumbai-400 059, Maharashtra
Tel: +91-22-66892800 | Fax: +91-22-66892805
Email: info@jyothy.com
Website: www.jyothylabs.com



JYOTHY LABS LIMITED

CIN: L24240MH1992PLC128651

Regd. Office: 'UJALA HOUSE', Ram Krishna Mandir Road, Kondivita, Andheri (East),
Mumbai- 400059; Tel.: 91-22-66892800 Fax: 91-22-66892805

Email: secretarial@jyothy.com Website: www.jyothylabs.com

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting (AGM) of the Members of Jyothy Labs Limited will be held on **Tuesday, July 25, 2023 at 11:30 a.m.** through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, comprising of the Audited Standalone Balance Sheet as at March 31, 2023, the Statement of Standalone Profit & Loss and Cash Flow Statement for the Financial Year April 1, 2022 to March 31, 2023 including its Schedules and the Notes attached thereto and forming part thereof along with the reports of the Board of Directors and the Statutory Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, comprising of the Audited Consolidated Balance Sheet as at March 31, 2023, the Statement of Consolidated Profit & Loss and Cash Flow Statement for the Financial Year April 1, 2022 to March 31, 2023 including its Schedules and the Notes attached thereto and forming part thereof along with the report of the Statutory Auditors thereon.
2. To declare dividend on equity shares of the Company for the Financial Year 2022-23.
 3. To appoint a Director in place of Ms. M. R. Jyothy (DIN: 00571828), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions,

if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration Number 000010) appointed as the Cost Auditors of the Company by the Board of Directors on recommendation of the Audit Committee of the Company for conducting audit of the cost accounting records of the Company for the financial year ending March 31, 2024, be paid a remuneration amounting to ₹4,63,000/- (Rupees Four Lacs Sixty-three Thousand only) per annum (plus Taxes as applicable and out of pocket, travelling and other expenses on actual basis);

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, expedient or desirable to give effect to this Resolution."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** based on the recommendation of the Nomination, Remuneration and Compensation Committee and approval of the Board of Directors of the Company at their respective meetings held on May 3, 2023 and pursuant to the provisions of sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25 read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Bhumika Batra (DIN: 03502004)

- Independent Director who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act, is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years commencing from March 14, 2024 up to March 13, 2029 (both days inclusive) and that pursuant to Regulation 17(6) of the Listing Regulations, she shall be entitled to the payment of remuneration including commission within the prescribed limits;

RESOLVED FURTHER THAT the Board of Directors or Key Managerial Personnel of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, incidental and/ or ancillary thereto to give effect to the aforesaid resolution."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and enacted from time to time read with all circulars and notifications issued thereunder (**SBEBSE Regulations**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**), the provisions of relevant regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India (**SEBI**), the provisions of any other applicable laws and regulations (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time), the relevant provisions of Memorandum and Articles of Association of the Company and subject to further such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and based on the recommendation of the Nomination, Remuneration and Compensation Committee (NRCC) and the Board of Directors of the Company at its respective meetings held

on June 9, 2023, the consent of the members of the Company be and is hereby accorded to the introduction and implementation of **Jyothy Labs Limited - Restricted Stock Unit Plan 2023(RSU 2023/ Plan)**, the salient features of which are detailed in the Explanatory Statement to this Notice and authorizing the Board of Directors of the Company (*hereinafter referred to as the "Board"* which term shall be deemed to include any Committee, including the Nomination, Remuneration and Compensation Committee which the Board has constituted to exercise its powers, including the powers conferred by this resolution read with Regulation 5 of the SBEBSE Regulations) to create, offer, issue, grant and allot from time to time, in one or more tranches, not exceeding 14,00,000 (fourteen lacs) Restricted Stock Units (**RSUs**) corresponding to 0.38% of the existing equity share capital of the Company to the eligible employees of the Company, as determined by the Board in terms of the Plan, working in or outside India, with the Company, exercisable into not more than 14,00,000 (fourteen lacs) equity shares of face value of ₹ 1/- (Rupee One Only) each fully paid-up, where one RSU would convert into one equity share upon exercise, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the RSU 2023;

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company;

RESOLVED FURTHER THAT the Plan shall be administered by the Nomination, Remuneration and Compensation Committee of the Company who shall have all the necessary powers as defined in the plan and in pursuance of Regulation 5 of the SBEBSE Regulations for the purpose of administration and implementation of the Scheme;

RESOLVED FURTHER THAT the Board of the Company shall be authorised to re-grant RSUs lapsed, if any, under the Plan, at its sole and absolute discretion, subject to the provisions of the Plan and the SBEBSE Regulations;

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional RSUs granted or equity shares are issued by the Company to the RSU grantees

for the purpose of making a fair and reasonable adjustment to the RSUs granted earlier, the ceiling of total number of RSUs and equity shares specified above shall be deemed to be increased to the extent of such additional RSUs granted or equity shares issued;

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the RSU grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under the Plan on the stock exchanges where the equity shares of the Company are listed in due compliance with SBEBSE Regulations and other applicable laws;

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SBEBSE Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Plan;

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Plan as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard;

RESOLVED FURTHER THAT the Board, be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Plan subject to the compliance with the applicable laws and regulations and further subject to consent of the shareholders by way of special resolution to the extent required under SBEBSE Regulations, and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Plan and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, SBEBSE Regulations, the relevant provisions of the Memorandum and Articles of Association of the Company and any other applicable laws in force."

By Order of the Board of Directors
For **Jyothy Labs Limited**

Sd/-

Shreyas Trivedi

Head – Legal & Company Secretary
Membership No.: A12739

Place: Mumbai

Date: June 9, 2023

Registered Office:

'Ujala House',
Ram Krishna Mandir Road,
Kondivita, Andheri (East),
Mumbai – 400059;

Tel.: +91-22-66892800;

Fax: +91-22-66892805;

Email: secretarial@jyothy.com;

Website: www.jyothylabs.com;

CIN: L24240MH1992PLC128651

NOTES:

1. The Ministry of Corporate Affairs (MCA) vide its General Circular no. 10/ 2022 dated December 28, 2022 has allowed companies whose Annual General Meeting (AGM) are due in the year 2023, to conduct their AGMs on or before September 30, 2023, in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/ 2020 dated May 5, 2020, through Video Conferencing (VC) or any Other Audio Visual Means (OAVM) in a manner provided in General Circular No. 14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020 issued by the MCA.

Accordingly, in compliance with the requirements of the aforesaid MCA General Circulars, the Company is convening its 32nd AGM through VC/OAVM, without the physical presence of the Members at a common venue. The Company has availed the facility of Central Depository Services (India) Limited (CDSL) for convening the 32nd AGM through VC/OAVM, a detailed process in which the members can attend the AGM through VC/OAVM has been enumerated in **Note number 26** of this Notice.

2. The Members can attend the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting i.e. on **Tuesday, July 25, 2023 from 11:15 a.m. till 11:45 a.m.** The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013 (the Act). The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination, Remuneration and Compensation Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The aforesaid MCA General Circular dated December 28, 2022 read with MCA General Circulars dated May 5, 2020 and April 13, 2020 and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12,

2020 have granted relaxations to the companies, with respect to printing and dispatching physical copies of the Annual Reports and Notices to its members. Accordingly, the Company will only be sending soft copy of the Annual Report 2022-23 and Notice convening 32nd AGM via e-mail, to the members whose e-mail ids are registered with the Company or the Registrar and Share Transfer Agent or Depository Participant/Depository as on the cut-off date i.e. Friday, June 16, 2023.

4. For Members who have not registered their e-mail address and those members who have become the members of the Company after June 16, 2023, being the cut-off date for sending soft copy of the Notice of 32nd AGM and Annual Report for Financial Year 2022-23, may refer to the Notice of 32nd AGM and Annual Report available on the Company's website, on the websites of CDSL, BSE Limited and the National Stock Exchange of India Limited (NSE).
5. Members may also note that the Notice convening the 32nd AGM and the Annual Report for the financial year 2022-23, in Portable Document Format (PDF), will also be available on the Company's website www.jyothylibs.com, website of CDSL i.e. www.evotingindia.com and on website of stock exchanges viz. www.bseindia.com and www.nseindia.com. The relevant documents, if any, referred to in the Notice of 32nd AGM and the Annual Report will also be available for inspection electronically on request by a member of the Company up to the date of the 32nd AGM of the Company.
6. Since the 32nd AGM of the Company will be convened through VC/ OAVM, where there will be no physical attendance of members, the requirement of appointment of proxies pursuant to the provisions of Section 105 of the Act has been dispensed with. Accordingly, attendance slip and proxy form will not be annexed to this Notice.
7. Pursuant to the provisions of Sections 112 and 113 of the Act, members such as the President of India/the Governor of a State/Body Corporate can authorise their representatives to attend the 32nd AGM through VC/OAVM and cast their votes through e-voting. Provided a scan copy (PDF) of the Board Resolution or governing body Resolution/ Authorisation etc., authorising such representative to attend the AGM of the Company through VC/

OAVM on its behalf and to vote through remote e-voting shall be sent to the Scrutinizer through the registered email address of the member(s) at associates.rathi8@gmail.com with a copy marked to the Company at secretarial@jyothy.com.

8. A Statement pursuant to Section 102(1) of the Act relating to the Special Business(es) to be transacted at the AGM is annexed hereto.
9. Pursuant to Section 91 of the Act, the Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, July 4, 2023 to Tuesday, July 11, 2023** (both days inclusive) for the purpose of AGM and determining the names of members eligible for dividend on equity shares for the Financial Year 2022-23.
10. In terms of Section 152 of the Act, Ms. M. R. Jyothy (DIN: 00571828) Managing Director of the Company, retires by rotation at the AGM and being eligible, offers herself for re-appointment.

Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards on General Meetings (SS-2) in respect of the Director seeking re-appointment at the AGM, forms integral part of the Notice.

11. Dividend, if approved by the Members at the ensuing AGM, will be paid on or after July 27, 2023, to those:
 - a) Members whose name appears in the Register of Members of the Company after giving effect to valid share transfers/transmission/transposition in physical form lodged with the Company or its Registrar and Share Transfer Agents (RTA) on or before July 3, 2023; and
 - b) Beneficial Owners whose name appears in the list of Beneficial Owners Position list as on the closing hours of July 3, 2023 furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for this purpose.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.

Further, as per SEBI Circular dated April 20, 2018 all security holders holding securities in physical form should submit their PAN and Bank account details to the RTA.

The Members may kindly note that as per the amended Regulation 40 of the Listing Regulations w.e.f. April 1, 2019, transfer of the securities would be carried out in dematerialized form only. Members may also note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website i.e. www.jyothy.com. It may be noted that any service request can be processed only after the folio is KYC Compliant. Accordingly, members holding shares in physical mode are advised to demat their physical share holdings at the earliest.

13. Members holding shares in electronic form may note that as per the circular issued by NSDL and CDSL, the Company is obliged to print on the dividend warrants, bank details of beneficiary owners/ Members as furnished by these Depositories while making payment of dividend. The Company or its RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Members are requested to advise such changes only to their respective DPs.
14. SEBI and the Ministry of Corporate Affairs encourage paperless communication as a contribution to greener environment.

Members are advised to register/update their PAN, address, e-mail address, mobile no., signature and bank mandates (i.e. bank account number, name of the bank and the branch, 9 digit MICR Bank/Branch code and account type) to their DPs in case of shares held in electronic form and to the Company and/or its RTA in prescribed Form ISR-1 and/or ISR-2 as per the SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, in case of shares held in physical form for receiving dividend in their bank

accounts and all communications, including Annual Report, Notices, Circulars etc. from the Company. The aforesaid Forms are available on website of the Company i.e. www.jyothylabs.com.

15. In case of remittance of dividend in electronic form, an intimation of the dividend payment would be sent to the members. In case of members who are not covered by NECS (National Electronic Clearing Service) facility, the dividend amount will be remitted by means of dividend warrants/demand drafts which will be posted to their respective registered address.
16. Members who have not encashed their dividend warrants for the dividends declared for the financial years 2015-16 onwards upto 2021-22 are requested to send a letter along with unclaimed dividend warrant, if any, or letter of undertaking for issue of duplicate dividend warrant/demand draft. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has uploaded the details of unpaid and unclaimed amounts in respect of dividends for the financial years 2014-15 to 2020-21 lying with the Company as on March 31, 2022 on the website of the Ministry of Corporate Affairs in e-Form IEPF-2 and also on the website of the Company (www.jyothylabs.com).

In terms of Section 124 of the Act, Final dividend declared for the financial year 2015-16 will be due for transfer to the Investor Education and Protection Fund (IEPF) (established by the Central Government) in August, 2023, as the same would remain unpaid for a period of seven years from the due date of payment. Members are requested to en-cash their Dividend Warrants promptly. It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie with the Company in respect of such amount. The Interim dividend declared for the financial year 2015-16 was transferred by the Company to IEPF in May, 2023, the details of members whose dividend have been transferred to IEPF is uploaded on the website of the Company i.e. www.jyothylabs.com

17. Attention of Members is invited to the provisions of Section 124(6) of the Act read with IEPF Rules, as amended from time to time, which inter alia requires the Company to transfer the equity shares in respect of which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to a Demat account of the Authority to be opened by the Investor Education and Protection Fund Authority ('IEPF Authority'). The

said shares, once transferred to the said Demat account of the IEPF Authority can be claimed only after following the procedure prescribed under the said IEPF Rules.

Therefore, members are requested to **claim their unpaid dividend pertaining to the financial year 2015-16 to 2021-22 as soon as possible**, so that shares in respect of which the dividend is pending are not transferred to the Demat Account of IEPF authority at appropriate date.

18. Members holding shares in physical form and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Act read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, may fill Form SH-13 or in case member desires to opt out or cancel the earlier nomination, he/ she may do so by filing Form ISR-3 or SH-14 as the case may be and send the same to the office of the Company and/or its RTA. In case of shares held in dematerialized form, the nomination/change in nomination should be lodged with their respective DPs.
19. Members, who hold shares in multiple Demat accounts and those who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are advised to consolidate their holdings in single Demat account/Folio.
20. Members desiring any information on the annual financial statements or any other query related to the Annual Report are requested to write to the Company at secretarial@jyothy.com at any time before the AGM.
21. Prevention of Frauds: Members are advised to exercise due diligence and notify their Depository Participant (DP) of any change in address, stay abroad or demise of any member as soon as possible. Do not leave your Demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified to prevent frauds/misuse, if any.
22. Confidentiality of Security Details: Do not disclose Folio Nos./DP ID/Client ID to unknown persons. Do not hand over signed blank transfer deeds, delivery instruction slips to any unknown persons.
23. Dealing of Securities with Registered Intermediaries: Members must ensure that they deal with only SEBI registered intermediaries and must obtain a valid contract note/confirmation memo from the

broker/sub-broker, within 24 hours of execution of the trade and it should be ensured that the Contract Note/Confirmation Memo contains order no., trade no., trade time, quantity, price and brokerage.

24. Since the ensuing AGM will be convened through VC/OAVM, members can opt for one mode of voting i.e. either by remote e-voting or through e-voting at the time of AGM. Only those members, who are present in the AGM through VC/OAVM facility and have not cast their vote on resolutions through remote e-voting or are otherwise not barred from doing so, shall be allowed to vote through e-voting system in the meeting.

However, in case Members cast their vote both by remote e-voting and e-voting at the time of AGM, then voting done through remote e-voting shall prevail and voting done by e-voting at the time of AGM will be treated as invalid. **The voting right of all members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday, July 18, 2023.**

25. **Voting through electronic means:**

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, as amended and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, and MCA Circular dated December 28, 2022 read with MCA Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is pleased to provide facility of remote e-voting and e-voting at the time of AGM, to its Members in respect of the business to be transacted at the 32nd AGM.

The Company has appointed Mr. Himanshu S. Kamdar, (Membership No. FCS 5171), Partner, M/s. Rathi & Associates, Practising Company Secretaries as the Scrutinizer for conducting the remote e-voting and the e-voting process at the time of AGM in a fair and transparent manner.

26. **The Instructions of Shareholders for remote e-voting and e-voting during 32nd AGM and Joining Meeting through VC/OVAM are as under:**

- (i) The remote e-voting period begins on **Saturday, July 22, 2023 at 9:00 a.m. and ends on Monday, July 24, 2023 at 5:00 p.m.** During the said period, shareholders of the Company, holding shares either in physical

form or in dematerialized form, as on the cut-off date of Tuesday, July 18, 2023 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the AGM date through remote e-voting would not be entitled to vote at the time of AGM.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020**, under Regulation 44 of the Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest is www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration and click on login of New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and will also be able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining VC/ OAVM & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining VC/ OAVM & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining VC/OAVM & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at 022- 23058738 and 022-23058542/43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining VC/ OAVM for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
 - (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (ix) Click on the EVSN for the relevant <Jyothy Labs Limited> on which you choose to vote.
 - (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 - (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –Remote Voting only**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically and can be de-linked in case of wrong mapping
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address i.e. associates.rathi8@gmail.com and to the Company at the email address i.e. secretarial@jyothy.com, if they have voted from individual tab and not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.
- (xvii) There is also an optional provision to upload Board Resolution / Power of Attorney if any, which will be made available to the Scrutinizer for verification.
- A. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE 32ND AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**
1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
 2. The link for VC/OAVM to attend meeting will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the time of AGM.
 4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
 5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to the meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@jyothy.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to the meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@jyothy.com. The members may alternatively express their views/ask questions at the time of the AGM by using the '**Q & A window**' which will be available during the streaming of the AGM on CDSL portal. These queries will be replied to by the Company suitably by email or at the time of AGM.
 8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
 9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
 10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- B. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**
1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company's email id i.e. secretarial@jyothy.com / RTA's email id i.e. rnt.helpdesk@linkintime.co.in**
 2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company's email id i.e. secretarial@jyothy.com / RTA's email id i.e. rnt.helpdesk@linkintime.co.in**
- If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at **022-23058738** and **022-23058542/43**. All grievances connected with the facility for voting by electronic means may be addressed to **Mr. Rakesh Dalvi**, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
- The results on voting of resolutions will be declared on or before **Thursday, July 27, 2023**. The results declared along with the scrutinizer's report will be placed on the website of the Company i.e. www.jyothylabs.com and website of CDSL i.e. www.evotingindia.com immediately after the result is declared by the Chairman or any other person authorized by him and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.
27. Since the 32nd AGM will be held through VC/OAVM, the Route Map to the venue of AGM as per the requirements of Secretarial Standards – 2 is not annexed to this Notice.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS(ES) PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

As required under Section 102(1) of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out the material facts relating to the Business(es) mentioned under item Nos. 4 to 6 in the accompanying Notice:

Item No. 4:

The Board of Directors at its meeting held on May 3, 2023 appointed M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration No. 000010), as the Cost Auditors of the Company to conduct audit of the Cost Accounting Records of the Company for the financial year ending March 31, 2024, at a remuneration amounting to ₹ 4,63,000/- (Rupees Four Lacs Sixty three Thousand only) plus Taxes as applicable and out of pocket, travelling and other expenses, if any, on actual basis.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

Accordingly, the Board recommends for approval of the resolution as set out at item no. 4 of the Notice for ratification of remuneration payable to the Cost Auditors.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested or deemed to be concerned or interested, financially or otherwise, in the proposed resolution as set out at item no. 4 of the Notice.

Item No. 5:

The members of the Company, at the 28th Annual General Meeting of the Company held on July 23, 2019 had approved the appointment of Ms. Bhumika Batra (DIN: 03502004) as an Independent Director of the Company to hold office upto March 13, 2024.

As per Section 149(10) of the Companies Act, 2013 (the Act), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment for further term of five consecutive years, if the members approve the same by passing a Special Resolution in general meeting.

The Company has received notice, pursuant to Section 160 of the Act, from member proposing the re-appointment of Ms. Bhumika Batra. Details of Ms. Batra as stipulated under Regulation 36 of the SEBI (Listing

Obligations and Disclosure Requirement) Regulations, 2015 (Listing Regulations), forms integral part of the Notice.

In the opinion of the Board, Ms. Bhumika Batra fulfils the conditions specified in Section 149, 152 and Schedule IV of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Regulations. Further, Ms. Batra has given a declaration to the Board of Directors to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Ms. Batra, with her rich experience and continued valuable guidance to the management, has contributed substantially in improving the Company's overall performance in the last several years. Generally, the Board of Directors of the Company carry out the performance evaluation of Independent Directors annually. For the financial year 2022-23, the Board at their meeting held on May 3, 2023 had evaluated the performance of Ms. Bhumika Batra, proposed to be re-appointed as an Independent Director and based on the report provided by other Directors, performance of Ms. Bhumika Batra was found to be outstanding.

Accordingly, based on evaluation report and recommendation of the Nomination, Remuneration and Compensation Committee of the Company, the Board of Directors at their meeting held on May 3, 2023 approved the re-appointment of Ms. Bhumika Batra as Independent Director of the Company for a further term of 5 years w.e.f. March 14, 2024 upto March 13, 2029 (both days inclusive) and that she shall not be liable to retire by rotation.

Appointment of Ms. Bhumika Batra as Independent Director requires approval of the members in General Meeting and accordingly the Board recommends passing of Special Resolution as set out in item no. 5 of the accompanying Notice for approval of members.

Upon confirmation of the re-appointment of Ms. Batra as Independent Director by the Members of the Company, the appointment shall be formalised by issue of a letter of appointment by the Company to Ms. Batra.

Save and except Ms. Bhumika Batra and her relatives, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested or deemed

to be concerned or interested financially or otherwise in the proposed resolution as set out at item no. 5 of the Notice.

Item No. 6:

The Company believes that equity-based compensation plans are an effective tool to reward the talents working with the Company. Further, equity-based compensation is considered to be an integral part of employee compensation across sectors, which enables alignment of the rewards with the long-term value creation for the shareholders. Further, it helps in creating ownership culture, and to retain, motivate and attract talents in light of growing business.

The Company is currently witnessing growing market opportunities, business growth including addressing of business competitions which has resulted in consistent demand for talents for critical roles. Apart from this, emergence of new skillsets relevant for the Company's growing business has resulted in changed dynamics of the talent market. This has necessitated in bringing out a meaningful reward strategy for attraction of new talents and retention of both existing and new critical resources in leadership positions, or holding critical roles as required in businesses.

In view of the above, the Company proposes to implement an **Employee Stock Option Scheme (ESOS)** namely **Jyothy Labs Limited - Restricted Stock Unit Plan 2023 (RSU 2023/ Plan)**, contemplating grant of Restricted Stock Units (**RSUs**) at face value of equity shares of the Company to a select band of employees responsible for critical business operations. However, the criteria to select employees for grant would be determined by the Nomination, Remuneration and Compensation Committee (Committee) based on factors such as length of service, grade, individual performance ratings over past few years, present contribution, potential contribution, conduct, etc. as it may deem relevant. Thus, vesting of RSUs shall be subject to achievement of mandatory corporate performance conditions as elaborated at clause D below.

Accordingly, the Committee and the Board of Directors of the Company at their respective meetings held on June 09, 2023, had approved the RSU 2023, subject to approval of the Shareholders.

As per the provisions of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (**SBEBSE Regulations**), the implementation of the

Plan and grant of RSU, to the eligible employees of the Company requires prior approval of the shareholders by way of a special resolution. Accordingly, the approval of shareholders is being sought for implementation of RSU 2023 and grant of RSUs to the eligible employees of the Company, as per the terms of the Plan.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Regulation 6(2) of the SBEBSE Regulations, the salient features of the Plan are given as under:

A. Brief Description of the Plan:

Keeping in view, the aforesaid objectives, the Plan contemplates grant of RSUs to the eligible employees of the Company, working in India or outside India, as may be determined in due compliance of SBEBSE Regulations and provisions of the Plan.

Besides continuity of employment, vesting shall also be dependent on achievement of certain corporate performance conditions. After vesting of RSUs, the eligible employees earn a right, but not obligation, to exercise the vested RSUs within the exercise period and obtain equity shares of the Company subject to the payment of exercise price and satisfaction of any tax obligation arising thereon.

The Committee shall act as the Compensation Committee for the administration and superintendence of the Plan. All questions of interpretation of the Plan shall be determined by the Committee and such determination shall be final and binding upon all persons/employees having an interest in the Plan.

B. Total number of RSUs to be granted:

The total number of RSUs to be granted under the Plan shall not exceed 14,00,000 (fourteen lacs). Each RSU when exercised would be converted into one equity share of face value of ₹ 1/- (Rupee One Only) each fully paid-up.

Further, SBEBSE Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the RSUs granted. In this regard, the Committee shall adjust the number and price of the RSUs granted in such a manner that the total value of the RSUs granted under the Plan remain the same after any such corporate action. Accordingly, if any additional RSUs are issued by the Company

to the RSU grantees for making such fair and reasonable adjustment, the ceiling of aforesaid shall be deemed to be increased to the extent of such additional RSUs issued.

C. Identification of classes of employees entitled to participate in the Plan:

Subject to determination or selection by the Committee, following classes of employees/ Directors are eligible being:

- i. an employee as designated by the Company, who is exclusively working in India or outside India; or
- ii. a Director of the Company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an Independent Director, but does not include -
 - a. an employee who is a promoter or belongs to the promoter group; or
 - b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

D. Requirements of Vesting and period of Vesting:

All the RSUs granted on any date shall vest not earlier than the minimum vesting period of **1 (one) year** and not later than maximum vesting period of **4 (four) years** from the date of grant.

The RSUs would vest essentially on the basis of continued tenure as per requirement of SEBI SBEBSE Regulations and apart from this, the vesting of RSUs shall be subject to achievement of mandatory one or more of the corporate performance conditions such as revenue, profits, delivering on key strategic initiatives, shareholders value creation and such other conditions as may be determined by the Committee. The Committee shall have the power to fix relative weightages assigned to the performance conditions. The specific vesting conditions subject to which vesting would take place shall be specified in the letter of grant issued to the RSU grantee(s) at the time of grant(s).

The vesting dates in respect of the RSUs granted under the Plan shall be determined by the Committee and may vary from an Employee to

Employee or any class thereof and / or in respect of the number or percentage of RSUs granted to an Employee.

In case of cessation of employment due to retirement, RSUs granted to such employees would continue to vest in accordance with the respective Vesting Schedules even after retirement.

In the event of death or permanent incapacity of an Employee, the minimum vesting period shall not be applicable and in such instances, all the unvested RSUs shall vest with effect from date of the death or permanent incapacity.

E. Maximum period within which the RSUs shall be vested:

All the RSUs granted on any date shall vest not later than the maximum period of **4 (four) years** from the date of grant.

F. Exercise price or pricing formula:

The Exercise Price per RSU shall be the face value of equity shares of the Company as on date of grant.

G. Exercise period and the process of exercise:

The Exercise Period in respect of the vested RSUs shall be subject to a maximum period of **2 (two) years** from the date of last vesting.

The vested RSU shall be exercisable by the RSU grantees by a written application to the Company expressing his/ her desire to exercise such RSUs in such manner and in such format as may be prescribed by the Committee from time to time. Exercise of RSUs shall be entertained only after payment of requisite exercise price and applicable taxes by the RSU grantee. The RSUs shall lapse if not exercised within the specified exercise period. However, such lapsed RSUs can be utilised for re-granting to other employees of the Company, at the sole and absolute discretion of the Board which shall include any committee(s) thereof.

H. Appraisal process for determining the eligibility of employees under the Plan:

The appraisal process for determining eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters such as length of service, grade, individual performance ratings over past few years, present contribution, potential contribution, conduct, etc. as it may deem relevant.

I. Maximum number of RSUs to be issued per employee and in aggregate:

The maximum number of RSUs that can be granted to a single Employee will be determined based on the performance metrics as set out by the Board/ Committee of the Company in accordance with the Plan, which at any time shall not exceed 1,60,000 RSUs. However, this limit shall be utilised over multiple grants in future at the discretion of the Committee.

The maximum number of RSUs that can be granted in aggregate is 14,00,000 equity shares, being 0.38% of the paid-up equity share capital of the Company as on March 31, 2023.

J. Maximum quantum of benefits to be provided per employee under the Plan:

The maximum quantum of benefits that will be provided to any eligible employee under the Plan will be the difference between the market value of Company's equity shares on the Stock Exchanges as on the date of exercise of RSUs and the exercise price paid by the employee.

Apart from the grant of RSUs as stated above, no other benefits are contemplated under the Plan.

K. Route of the Plan implementation:

The Plan shall be implemented and administered directly by the Company.

L. Source of acquisition of shares under the Plan:

The Plan contemplates the issue of fresh/ primary equity shares by the Company.

M. Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:

This is currently not contemplated under the Plan.

N. Maximum percentage of secondary acquisition:

This is currently not contemplated under the Plan.

O. Accounting and Disclosure Policies:

The Company shall follow the IND AS 102 on Share-based payments and/ or any relevant accounting standards/ guidance note as may be prescribed by the Institute of Chartered Accountants of India or any other competent authority, from time to time, including the disclosure requirements prescribed therein, in compliance with Regulation 15 of SBEBSE Regulations.

P. Declaration:

In case, the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee

compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the RSUs and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

Q. Method of RSU valuation:

The Company shall adopt 'fair value method' for valuation of RSUs as prescribed under IND AS 102 on Share-based payments or any accounting standard/ guidance note, as applicable, notified by competent authorities from time to time.

R. Period of lock-in:

The equity shares issued pursuant to exercise of vested RSUs shall not be subject to any lock-in period restriction in general. However, in case of any early vesting allowed for good leavers, the Committee at its discretion may impose lock-in period restriction for not exceeding 1 (one) year from the date of allotment. Usual restrictions as may be prescribed under applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended, shall apply.

S. Terms & conditions for buyback, if any, of specified securities/ RSUs covered granted under the Plan:

Subject to the provisions of the prevailing applicable laws, the Committee shall determine the procedure for buy-back of the specified securities/ RSUs if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

A draft copy of the Plan is available for inspection at the Company's registered office during official hours on all working days till the conclusion of the AGM.

In terms of Section 62 of the Companies Act, 2013 and Regulation 6 of SBEBSE Regulations the approval of the Shareholders is sought by way of Special Resolution for the implementation of the ESOS viz. Jyothy Labs Limited-Restricted Stock Unit Plan 2023 and other matters connected therewith. The Board recommends the resolution as set out in this notice, for approval of the Shareholders by way of a Special Resolution.

Except Chief Financial Officer and the Company Secretary of the Company, to the extent they may be lawfully granted RSUs under the RSU 2023, none of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned financially or otherwise in the proposed resolution as set out at item no. 6 of the Notice.

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS:

Name of the Director	Ms. Bhumika Batra	Ms. M. R. Jyothy
Date of Birth / Age	August 11, 1981 (41 years)	January 14, 1978 (45 years)
DIN	03502004	00571828
Nationality	Indian	Indian
Date of the first appointment on the Board	March 14, 2019	January 1, 2004
Terms and Conditions of Appointment	Appointed for a period of 5 years commencing from March 14, 2024 to March 13, 2029 (both days inclusive). Other terms and conditions will be as per the Formal Letter of Appointment to be issued by the Company.	Appointed for a period of 5 years commencing from April 1, 2020 to March 31, 2025 (both days inclusive). Other terms and conditions are as per the Agreement dated March 12, 2020 entered into between the Company and Ms. M. R. Jyothy.
Remuneration proposed to be paid	Sitting fees for attending each meeting of the Board / Committees and commission as may be decided by the Board of Directors of the Company for each of the Financial Year within the limits prescribed under the Companies Act, 2013.	As per the Agreement dated March 12, 2020 entered into between the Company and Ms. M. R. Jyothy.
Remuneration last drawn (including sitting fees, if any)	₹ 17,25,000/-	₹ 3,61,55,700/-
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	None	Sister of Ms. M. R. Deepthi, Whole Time Director of the Company.
Qualification(s)	Member of Professional Associations like the Bar Council of Maharashtra & Goa and the Institute of Company Secretaries of India. She has also received scholarship from London School of Economics for Masters in Law.	B.Com, MBA from Welingkar Institute of Management and Research, Family Managed Business Administration from S.P Jain Institute of Management, Mumbai and Owner/ President Management Programme from Harvard University, USA.
Brief Profile	<p>Ms. Bhumika Batra is a law and commerce graduate and also a qualified Company Secretary. She is also an alumni of Cornell University, SC Johnson School of Business, New York, USA and has earned Executive Program in Management.</p> <p>Ms. Batra carries with her a rich experience of over 19 years in corporate laws including mergers, acquisitions, private equity investments, anti – corruption laws, competition laws, regulatory compliance and related aspects. She is Partner with Crawford Bayley & Co., one of the oldest law firms of India and continuous to advice multinational corporations, start-ups and corporates on Indian law and compliance issues.</p> <p>She has co – authored the book “Treatise on Company Law” in 2014 and “Transfer and Transmission of Shares” in 2007. She is a regular feature writer in India Business Law Journal. She has also contributed in various other writings, like Company Law Ready Reckoner, Asia Business Law Journal etc.</p>	<p>Ms. M. R. Jyothy is a Post-Graduate in Management with an additional diploma in Family Managed Business Administration. She has also completed the Owner/ President Management Programme from Harvard Business School. After a successful stint in the sales and marketing function of the Company since last 15 years, Ms. M. R. Jyothy was unanimously chosen to lead the company as the Managing Director effective April 1, 2020. She has won several industry awards and recognition including ‘Woman Entrepreneur of the year’ award from Zee Business, voted amongst 50 most influential women in Indian Media. She has been the principal architect behind all the product innovations from Jyothy Labs since 2009.</p>

	<p>She sits as an Independent Director on the Board of various public limited companies and brings with her opulent experience in corporate governance, ESG and key aspects of board governance.</p> <p>She is also a distinguished visiting faculty at Symbiosis Law School, Pune. In 2018, she was awarded the "Rising Star - 40 under 40" award by Legal Era.</p>	
Experience and expertise in the specific functional area	Over 19 years of experience in field of Corporate Laws.	19 years of experience in Marketing and Brand Communication.
Skills and capabilities required for the role and the manner in which the proposed Independent Director meets such requirements	The Nomination, Remuneration and Compensation Committee took into consideration the skills, expertise and competencies required for the Board in the context of the business and sectors of the Company and based on the performance evaluation, concluded and recommended to the Board that Ms. Batra's qualifications and the rich experience of almost two decades in the Corporate Law areas meets the skills and capabilities required for the role of Independent Director of the Company.	Not Applicable
Directorship held in other Companies as of the date of this Notice	<ol style="list-style-type: none"> 1. Repro India Limited 2. NDL Ventures Limited (formerly known as NXTDIGITAL Limited) 3. Sharp India Limited 4. Finolex Industries Limited 5. Hinduja Global Solutions Limited 6. Axis Securities Limited 7. Oerlikon Textile India Private Limited 8. Hinduja Tech Limited 9. Behr Bircher Cellpack BBC India Private Limited 10. Hinduja Housing Finance Limited 11. Goa Glass Fibre Limited 	<ol style="list-style-type: none"> 1. Sahyadri Agencies Limited
Directorship in listed entities as of the date of this Notice	<ol style="list-style-type: none"> 1. Repro India Limited 2. NDL Ventures Limited (formerly known as NXTDIGITAL Limited) 3. Sharp India Limited 4. Finolex Industries Limited 5. Hinduja Global Solutions Limited 	Nil
List of Membership/ Chairmanship of Committees of other Companies including listed Companies as on the date of this notice	<p>Chairperson of Audit Committee of:</p> <ol style="list-style-type: none"> 1. Sharp India Limited <p>Member of Audit Committee of:</p> <ol style="list-style-type: none"> 1. Hinduja Global Solutions Limited 2. Finolex Industries Limited 3. NDL Ventures Limited (formerly known as NXTDIGITAL Limited) <p>Chairperson of Stakeholders Relationship Committee of:</p> <ol style="list-style-type: none"> 1. Repro India Limited 2. Hinduja Global Solutions Limited 3. NDL Ventures Limited (formerly known as NXTDIGITAL Limited) <p>Member of Stakeholders Relationship Committee of:</p> <ol style="list-style-type: none"> 1. Finolex Industries Limited 2. Sharp India Limited <p>Chairperson of Nomination and Remuneration Committee of:</p> <ol style="list-style-type: none"> 1. Repro India Limited 2. Sharp India Limited 3. Finolex Industries Limited 	Nil

	<p>Member of Nomination and Remuneration Committee of: 1. Hinduja Global Solutions Limited</p> <p>Chairperson of Risk Management Committee of: 1. Hinduja Global Solutions Limited</p> <p>Member of Risk Management Committee of: 1. Finolex Industries Limited</p> <p>Chairperson of Corporate Social Responsibility Committee of: Nil</p> <p>Member of Corporate Social Responsibility Committee of: 1. Finolex Industries Limited</p> <p>Member of Share Transfer Committee of: 1. Finolex Industries Limited</p>	
Listed entities from which the Director has resigned in the past three years	Nil	Nil
Number of shares held in the Company	Nil	95,37,874 Equity Shares
Number of meetings of the Board attended during the Financial Year 2022-23	7 of 7	7 of 7

By Order of the Board of Directors
For **Jyothy Labs Limited**

Sd/-

Shreyas Trivedi

Head – Legal & Company Secretary
Membership No.: A12739

Place: Mumbai

Date: June 9, 2023

Registered Office:

'Ujala House',
Ram Krishna Mandir Road,
Kondivita, Andheri (East),
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