



To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East),  
Mumbai – 400 051

June 30, 2022

**Scrip Code: JYOTHYLAB**

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 023

**Scrip Code: 532926**

Dear Sir,

**Sub: Submission of Notice convening 31<sup>st</sup> Annual General Meeting and Annual Report of Jyothy Labs Limited for the Financial Year 2021-22**

With reference to the captioned subject and in continuation to our letter dated May 24, 2022, informing the date of the 31<sup>st</sup> Annual General Meeting, we are enclosing herewith the Notice convening 31<sup>st</sup> Annual General Meeting and Annual Report of the Company for the Financial Year 2021-22 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Thanking you,

Yours faithfully,

**For Jyothy Labs Limited**

Shreyas  
Parag Trivedi

Digitally signed by  
Shreyas Parag Trivedi  
Date: 2022.06.30  
15:00:36 +05'30'

**Shreyas Trivedi**  
**Head – Legal & Company Secretary**

Encl.: as above

**Jyothy Labs Limited**  
(Formerly known as Jyothy Laboratories Limited)  
CIN: L24240MH1992PLC128651  
'Ujala House', Ramkrishna Mandir Road,  
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Jyothy labs

*Availability.*

*Accessibility.*

*Assurance.*

**Just why  
millions of  
Indians trust  
Jyothy**

**Annual Report 2021-22**



# ABOUT THIS REPORT

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*Availability.  
Accessibility.  
Assurance.*

**Just why  
millions of  
Indians trust  
Jyothy**



For nearly 40 years, Jyothy Labs Limited (Jyothy Labs henceforth) has emerged the undisputed champion of the Indian consumer in understanding their lifestyle and its cultural underpinnings. A lifestyle characterised by the tendency to put your best self forward no matter the circumstances - to find a way to shine a light through life's many challenges.

Today, as a completely homegrown FMCG brand that caters to a variety of consumer segments across Health & Hygiene, Home & Personal Care, the brand resonates strongly with consumers due to its desire to provide modern, relevant, reliable, and cost-effective products to the people of India. Jyothy Labs has always upheld the trust of the Indian consumer by manufacturing high-quality products that are practical and always offer distinct functional value-adds. We are trusted because our products offer superior performance and enable a healthier, safer, comfortable life. Our products represent our ability and passion to think, innovate, ideate and to improve our products all the time. It is an outcome of our service commitment, an unbroken promise, an uninterrupted hope and an undaunted spirit to always deliver value to our consumer and our nation.


Time and again during the past two years of the COVID era, circumstances have called us on to prove our commitment to our consumers. The pandemic brought risks to health and well-being, triggered overall economic uncertainty and a steady

rise in inflation, impacting cash flows and consumer sentiment.

At Jyothy Labs, we navigated this period with utmost care for our consumers, ensuring business continuity and retaining an attractive price proposition, as well as supporting our people and our communities.

**Our journey through it all has only further strengthened our resolve to stand by our consumers.**

- By going the extra mile to expand our retail reach, we have ensured steady **availability** of our products, regardless of lockdowns
- By rapidly increasing our operational efficiencies, we have ensured that these events had a minimal impact on our product prices, ensuring our products are **accessible**
- By using the highest quality raw materials and production processes, we have been able to **assure** our consumers of the quality and consistency of our products



Ready availability. Easy accessibility. Unwavering assurance of quality. At Jyothy Labs, we do everything to ensure our consumers always have the best.

**It is why millions of Indians trust Jyothy.**

# About Jyothy Labs

Jyothy Labs is a manufacturer and distributor of market-leading brands of FMCG household products, with a legacy of nearly 40 years of consistent growth and value creation.

## OUR PURPOSE

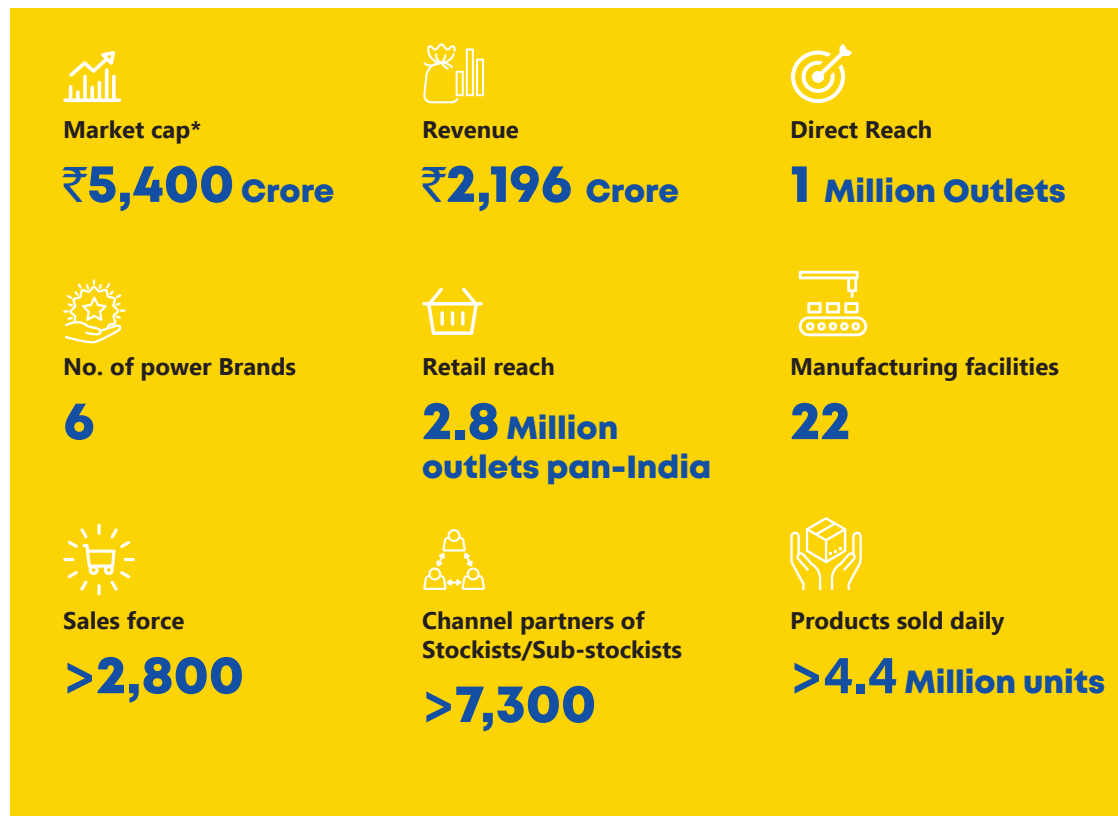
We're built with one intent: bettering lives. And it always will be, because progress is real only when shared

## OUR VISION

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

**We are present in Home care (includes Fabric wash & household cleaners) and personal care categories which contributes 50% of total Indian FMCG industry.**

## NUMBERS THAT MATTER FOR FY 2021-22 (Consolidated Financial)



\*As on March 31, 2022

**THE POSITION OUR CATEGORY-DEFINING PRODUCTS OCCUPY IN THE MARKET**

#1

(in terms of value)



Ujala Supreme, in fabric whitener category, since its launch in 1983

More on Page 10

#2

(in terms of value)



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

More on Page 12 & 13

#2

(by volume)



Maxo mosquito repellent coil

More on Page 11

Source – AC Nielsen (CY - Calendar Year)

*Fabric care*

**UJALA**

- Ujala Supreme
- Ujala Crisp & Shine
- Ujala Detergent
- Ujala Liquid Detergent





**HENKO**

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

Sirf wash nahin  
care



*Dishwash*

**EXO**

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



**PRIL**

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



## Personal care

### MARGO

- Margo Original Neem
- Margo Glycerine
- Margo Hand Wash
- Margo Hand Sanitizer
- Margo FaceWash



## Household insecticides

### MAXO

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



## Air care & Others

- Maya Agarbatti
- T-shine Toilet Cleaner
- T-shine Floor Cleaner



# Our year at Jyothy Labs

In FY 2021-22, we braved several challenges armed with unique consumer insights and a commitment to shine. We look back on a year that witnessed unprecedented rise in input costs, amid the continuing impact of the COVID-19 pandemic.

We controlled, to a large extent, passing on of the inevitable price rise to the consumer through internal mechanisms that included better operating efficiencies. We continued to support our people and our vendors and channel partners to be able to reliably service our consumers.

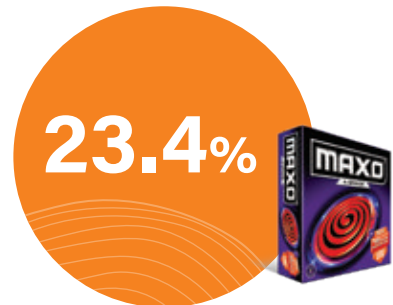
## PERCENTAGE MARKET SHARE OF OUR KEY PRODUCTS



Ujala Fabric Whitener\*



Ujala IDD (Kerala)\*



Maxo Coil\*



Maxo Liquid Vaporiser\*



Exo Dishwash Bar\*



Pril Liquid\*

\* Source – AC Nielsen (CY - Calendar Year - 2021)

|                     | CY19 | CY20 | CY21 |         |
|---------------------|------|------|------|---------|
| UJALA FW*           | 81.8 | 82.2 | 84.4 | 2.6 ▲   |
| EXO BAR*            | 11.2 | 12.5 | 14.0 | 2.8 ▲   |
| PRIL LIQUID*        | 16.3 | 17.3 | 15.0 | (1.3) ▼ |
| MAXO COIL VALUE*    | 21.2 | 23.0 | 23.4 | 2.2 ▲   |
| MAXO LV*            | 8.2  | 8.6  | 9.4  | 1.2 ▲   |
| UJALA IDD (KERALA)* | 18.7 | 19.7 | 20.3 | 1.6 ▲   |

▲ Increased over CY19

\* Source – AC Nielsen (CY - Calendar Year)

## PERFORMANCE HIGHLIGHTS FOR FY 2021-22

(Consolidated Financial)



Revenue

**₹2,196 Crore**



EBITDA

**₹248.2 Crore**



Net Profit

**₹159.1 Crore**



### 2 New Innovations

introduced in liquid detergent under the Brand name of Ujala and Henko Matic



**Margo completes 100 years**



# Brands we love

At Jyothy Labs, we are proud to bring to our consumers brands that pack a punch with respect to quality, ease of use, and affordability. Our brands are your everyday companion in leading a life that is simple, pleasurable, and hassle-free.

Our product portfolio bears the stamp of Jyothy Labs’ innate understanding of the Indian consumer. We continue to add value through innovation in our product manufacturing, ingredients as well as packaging to ensure consistent consumer satisfaction – the source of consumer trust in our brands.

## UJALA®

**The Fabric Expert**

**Tagline: Asli Safedi, Ujala Safedi!**

**Segment: Fabric care**



### UJALA SUPREME

Ujala Supreme is Jyothy Labs’ flagship product. It has been the undisputed leader in fabric whitener category for over four decades. It is synonymous with dazzling and spotless white clothes.



### UJALA DETERGENT

Ujala detergent powder is the No. 1 detergent powder brand in the mid-price segment in Kerala. It has unique “IDD - Instant Dirt Dissolvers” technology that gently melts the dirt to give superior clean and bright clothes.



### UJALA CRISP & SHINE

Ujala Crisp & Shine is an after-wash fabric enhancer that gives crispness, form and shine to clothes, wash after wash.



**UJALA LIQUID DETERGENT**

Ujala liquid detergent is powered with Instant Dirt Dissolvers that melts even the toughest dirt gently protecting fabric colours and retains newness, wash after wash.

The Ujala IDD liquid format offers five benefits:

- Superior colour care
- No residue
- Faster dissolution
- Refreshing fragrance
- 99.9% Germ protection



**Maximum Protection Against Mosquitoes**

Tagline: Maxo on, mosquitoes gone

Segment: Household insecticides



**MAXO A-GRADE COIL**

Maxo Coil is India's No. 2 bestseller by volume.



**MAXO GENIUS MACHINE & LIQUID VAPORISER**

Maxo Genius machine is India's first automatic liquid vaporiser; it is equipped with technology that automatically change modes for better performance.





**Convenient and Clean**

**Tagline: Exo Family, Healthy Family**

**Segment: Dishwash**



**EXO DISHWASH BAR**

Antibacterial Exo Dishwash Bar Ginger Twist is India's 2nd largest Dishwash Bar brand. It is positioned as an Antibacterial Dishwash solution that helps to sanitise utensils by killing bacteria in just 10 seconds. Exo is also the pioneer to introduce the dishwash bar in a Round format that enabled consumers to use the dishwash bar in full without any wastage – Zero Corner Loss, Zero bar breakage.



**EXO DISHWASH POWDER**

Exo Dishwash Powder helps to remove grime with ease and provide superb shine on utensils.



**EXO DISHWASH SUPER GEL**

Antibacterial Exo Dishwash Super Gel is the only dishwashing solution with Multi Active Concentrate that delivers the power of bar and shine of liquid. This helps to remove grime with ease and thereby give superior cleaning experience to consumer. A best-in-class packaging makes it easy to use and attractive for any modern kitchen.

**EXO BACTOSCRUB**

Exo Bactoscrub is India's first and only Antibacterial scrubber with Ginger Twist. It prevents bacterial growth on scrubber, which reduces malodour by 99% and also avoids bacteria spread among utensils when in direct contact with them.



**EXO SAFAI STEEL SCRUBBER**

Exo Safai Steel Scrubber is India's largest steel scrubber brand. It is a superior utensil cleaning product that is tough on grease while being soft on hands. It is made from 100% Stainless steel and hence doesn't get rusted.



**Tagline: Bartan Chamke, Aur Rishtey Bhi**  
**Segment: Dishwash**



**PRIL LIQUID**

Pril Liquid Insta Clean is a superior degreaser that removes grime with ease and helps the user to finish dishwashing chore in no time. It is available in three variants – Lime Grease Fighter, Tamarind Shine Specialist and Kraft Mint Malodour Remover.



**PRIL BAR**

Pril Bar Insta Clean is a superior degreasing utensil cleaner bar. It has Active Power Boosters embedded on the bar surface which bursts while scrubbing to give more abrasive power and thereby helps the user to finish dishwashing chore in no time.



**Clear & Beautiful Skin**  
**Segment: Personal care**



**MARGO ORIGINAL NEEM**

Margo is celebrating completion of 100 years, a century of trust and admiration. The soap comes with the authentic goodness of 1000 neem leaves.



**MARGO GLYCERINE**

Margo Glycerine comes with the Goodness of 1000 neem leaves and Pure Glycerine. Its nature-inspired fragrance ensures all-day freshness.

Read more on 100 years of Margo on **Page 18**





**MARGO HAND WASH**

Margo natural antibacterial hand wash comes with the goodness of 1000 neem leaves offering 99.9% germ protection. With every wash, one can expect a totally clean and soft feel on hands.



**MARGO HAND SANITIZER**

Introduced in 2020 in response to the pandemic-driven need for personal hygiene products.

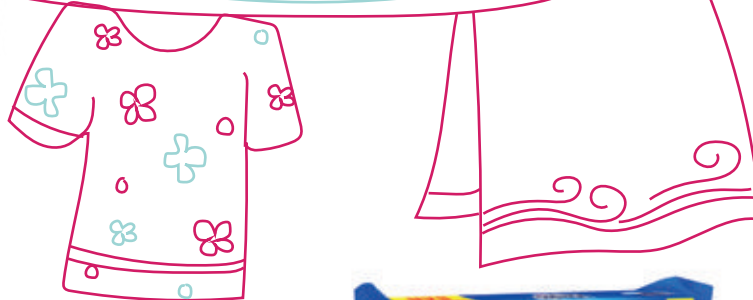


**Tagline: Not Just Wash, Care**  
**Segment: Fabric care**



**HENKO STAIN CARE**

Henko Stain Care is a premium detergent powder with Bio-Stain Power which removes tough stains and Care enzymes that protect colours from fading. Its superfine powder dissolves instantly and uniformly for superior results.



**HENKO STAIN CARE BAR**

Henko Stain Care Bar is a detergent bar with Stain Busters Formula that is tough on stains and gentle on clothes. It has a special non-soggy formula, which makes the bar last long and requires less effort while washing, it is also effective in hard water.



**HENKO MATIC (TOP LOAD/FRONT LOAD)**

Henko Matic LINTelligent comes with advanced Stain removal enzymes and Nano Fibre Lock Technology that locks the fibres when washed in a washing machine. This prevents pilling and keeps clothes looking younger for longer.

**HENKO MATIC LIQUID DETERGENT**

New Henko Matic Liquid comes with Bio Stain Power that removes tough stains and its LINTelligent Technology maintains colour and shine of clothes and prevents fibre breakage. This helps fight signs of ageing in the clothes and makes them last long. It gives 99.9% germ protection.



Tagline: Joy of Shine  
Segment: Other Products



**T-SHINE TOILET SPECIALIST**

T-Shine Toilet Specialist is made from 100% Organic Compounds. It not only removes stains from toilet bowl with ease but also prevents it from coming back again by creating an Anti-staining Coat. It comes in mesmerising Lavender aromas of nature variant, which gives a pleasant experience while and post cleaning.



**T-SHINE FLOOR SPECIALIST**

T-Shine Floor Specialist is made from 100% Organic Compounds. It removes dirt from floor and gives it a polish-like shine. It has unique dirt repulsion technology which prevents dirt from coming back to the mop from the dirt collected by it in wash liquor, thereby ensuring that only the clean mop goes onto the floor every time. This reduces the effort that user needs to put in. It comes in three variants wonderful fragrances - Mahogany, Tulsi and Jasmine.

# Brands that inspire ~40 years of championing the Indian consumer

At Jyothy Labs, we continue to devise solutions to enhance our consumers' lifestyles. They stem from our deep understanding of their way of life and respect for their cultural values and aspirations, which greatly influence their way of life. It is the most powerful reason that has enabled us to maintain and grow our consumer connect over time; it is also the most compelling reason for our consumers to trust us.

**Ujala**  
Our flagship product continues to shine as India's favourite fabric whitener with a market share of **84.4%**

- 1983:** Newly-founded Jyothy Labs launches Ujala Supreme in Kerala
- 1997:** National launch of Ujala Supreme
- 2005:** Launch of post-wash fabric enhancer Ujala Crisp and Shine
- 2014:** Ujala Detergent powder launched in Kerala

- 2021:** Ujala Liquid Detergent launched in Kerala and in Tamil Nadu
- 2022:** Ujala Detergent powder extended to West Bengal

**Antibacterial Exo -**  
Trusted by millions of happy consumers

- 2000:** Launched Exo bar as India's first anti-bacterial dishwash bar featuring Cyclozan in South India
- 2010:** Created differentiation through a unique ergonomic round shape packed in a container to prevent wastage, avoid bar breakage and hence offer superior value
- 2013:** Exo Dishwash bar awarded Product of the Year
- 2019:** Launched next-generation Antibacterial Exo Bactoscrub Ginger Twist that prevents bacterial growth on scrubber and hence has 99% less residual malodour

- 2020:** Launched Antibacterial Exo Dishwash Super Gel, a thick multi active concentrate that combines the power of a bar and the shine of the liquid and has goodness of ginger and power of Cyclozan

**Maxo**  
High performing  
mosquito  
repellent

- 2000:** Launch of Maxo
- 2003:** Maxo wins the 'AAA Brand Performance Award' by the All India Advertisers Association
- 2011:** Launched innovative Liquid Vaporiser Refill bottle that fits all machines
- 2015:** Launched unique state-of-the-art Maxo Genius Liquid Vaporiser (LV) machine that automatically shifts modes depending on the timing of mosquito menace

- 2017:** Maxo Genius LV machine voted as product of the year 2017 in the insect repellents category by AC Nielsen

**Henko**  
A Jyothy Labs  
offering since  
2011

- 1994:** Henko detergent launched as a premium offering
- 2014:** Henko Matic Powder with LINTelligent launched and created a revolution

- 2021:** Henko Matic Liquid detergent launched

**Margo**  
The original neem  
soap launched in  
1920, a Jyothy  
Labs offering  
since 2011

- 2019:** Launched Margo Glycerine with the goodness of 1,000 neem leaves for deep cleansing and pure glycerine for moisturisation
- 2019:** Launched Margo Hand Wash, a natural antibacterial hand wash with the goodness of 1,000 neem leaves for 99.9% germ protection

- 2020:** Launched India's first neem paste face wash with the goodness of 1,000 neem leaves
- 2020:** Launched alcohol-based Margo Hand Sanitizer infused with Neem extracts for 99.9% germ protection

**Pril**  
Brand of Choice  
for millions of  
Indians

- 1999:** Launched Pril as India's first liquid dishwasher, positioned as a superior de-greasing formulation in the premium segment - Acquired by Jyothy Labs in 2011
- 2017:** Launched Pril bar in tamperproof tub pack

- 2019:** Launched premium variant - Pril Tamarind Shine Specialist that has goodness of Tamarind with suspended speckles to remove grease with ease and provide for superb shine on utensils

**T-shine**  
the organic toilet  
cleaner

- 2018:** Launched 100% Organic Compound based T-Shine Toilet Specialist with Antistaining delivery. It has mesmerising Lavender Aromas of Nature fragrance

- 2021:** Launched 100% Organic Compound based T-Shine Floor cleaner that provides polish like shine through Instant Dirt Repulsion Technology



# Celebrating 100 years of Margo

Since its launch in 1920, Margo soap continues to be the ultimate name in neem-based skincare. Margo's unique manufacturing process retains the goodness of neem, which is endorsed by generations of women who continue to be its loyal consumers. Margo Original Neem continues to be among the largest selling soaps in the country today.

Jyothy Labs acquired the iconic brand in 2011 as a means of protecting a valued tradition. Since then, we have expanded the range aimed at harnessing the goodness of neem to benefit our consumers looking for skincare solutions that are natural and organic.



**THE ORIGINAL MARGO**

Margo Original Neem is made of 100% pure Neem and is infused with Vitamin E. Each bar of soap offers the goodness of 1,000 neem leaves. The power of neem provides it with natural anti-bacterial action that deep cleanses and protects the skin. Margo Original Neem soap is available in 45g, 75g, 100g and 125g packs.



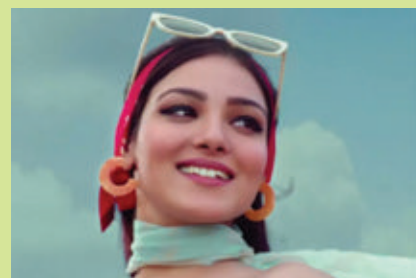
**THE MANY BENEFITS OF NEEM**

People are increasingly switching to Ayurveda to stay physically and mentally fit, and nothing replaces the magic of Neem.

Neem works wonders on the skin. Its antioxidant properties provide protection against harmful UV rays and pollution. Presence of vitamins and fatty acids in it gives it anti-ageing properties in terms of helping reduce wrinkles and stress lines and leaving the skin looking radiant and youthful. Further, it also helps reduce acne marks, and with its anti-inflammatory properties reduces pimples and skin blemishes. A neem-based soap or oil also provides relief from skin dryness, itchiness, and redness.

**CELEBRATION OF A CENTURY**

Celebrating the centenary year of Margo, an advertising campaign comprising a 30-second film that is an ode to the 100 years of Margo launch and how the soap passed from generations to generations.



Visit the link below to read more on the campaign and view the film:

<https://brandequity.economictimes.indiatimes.com/news/advertising/margo-celebrates-its-100-year-journey-with-a-new-campaign/83107908>

# *Our way of life:* **Consumer-obsessed and people-driven**

Jyothy Labs as a business traces its origins to one man's passion for change, and the drive to make a difference in the life of the common man. As a multi-brand FMCG leader today, we continue to serve the common man with the same fervour.

The golden thread running through all our efforts is the trust of our consumers. It strings millions of Indians from across different generations and cultural backgrounds. It continues to bind us in a collective vision of living lifestyles that are characterised by the adage 'simple living, high thinking', adapted to match our aspirations for the 21st century as 'convenient living, high thinking'.





Our single point of focus has been our strong commitment to our people and our desire to serve the consumer. On both fronts, I am happy to report that we have come through. While our business may have been impacted by prevalent global economic uncertainty, it is showing strong signs of a rebound in the form of growing market share and growing consumer loyalty.

**Mr. M. P. Ramachandran**

Founder & Chairman Emeritus,  
Jyothy Labs Limited

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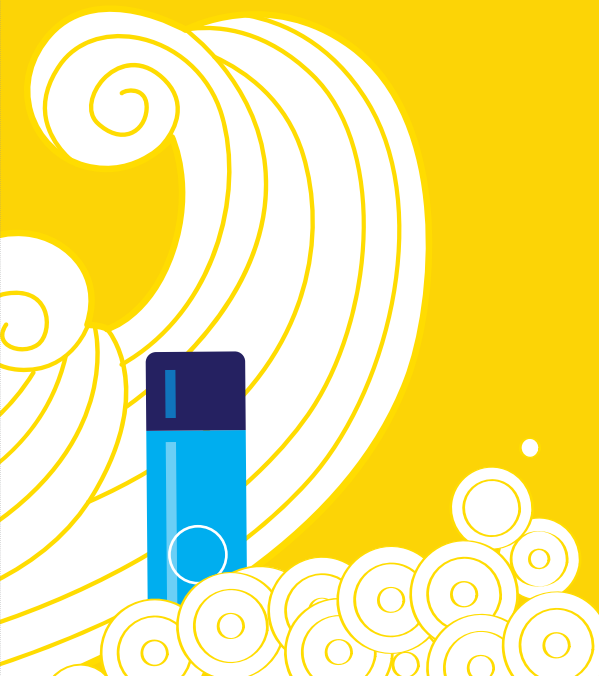


Consumers have appreciated our efforts at Jyothy Labs to serve them with high-quality products while maintaining an attractive pricing proposition throughout. We are proud to have fulfilled our core purpose at Jyothy Labs, which is to better lives.

**Mr. R. Lakshminarayanan**

Chairman, Jyothy Labs Limited

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## Message from Chairman Emeritus



*Once a personal dream, Jyothy Labs is now a platform that fulfills the aspirations of the many. I regard the organisation with growing pride with each passing day as it navigates the new-world challenges of a post-pandemic world.*

*With lessons learnt and strides taken further ahead, Jyothy Labs of today is a testament to the business' strong fundamentals, able leadership, and above all, the excellent talent that throbs within.*





## Dear Shareholders,

I feel a strong sense of satisfaction looking at the way in which our leadership has steered the organisation through these tough times since the start of the COVID-19 pandemic. The event that plunged the world into a period of chaos and uncertainty coincided with internal changes within the organisation's leadership structure, indicating a period of deep transformation, both within and without.

During this period, our single point of focus has been our strong commitment to our people and our desire to serve the consumers. On both fronts, I am happy to report that we have come through. While our business may have been impacted by prevalent global economic uncertainty, it is showing strong signs of a rebound in the form of growing market share and growing consumer loyalty.

The new leadership has posted an exemplary performance focussed on protecting the interests of all our key stakeholders, and extending support wherever needed. They have delivered on the Company's strategic priorities to reach out to a wider segment of consumers across categories and geographies and accelerated our embrace of digital transformation as an FMCG player growing in the 21st century. Along the way, they have succeeded in taking care of our people.

I commend our people and our teams for their belief in the ability of our leadership and for supporting them all the way through. Thank you for your unwavering dedication and commitment, which has served as the basis of our growth throughout our value creation journey at Jyothy Labs.

I find extreme gratification in the entire length and breadth of our long-standing relationships within our partner ecosystem and the way they have come together to support our business in these challenging times. Going forward, we hope to strengthen our value proposition for each of our key stakeholders.

I am prouder than ever to belong to this family that is forever conscious of every need of our consumers and all our stakeholders. Our research and innovation teams continue to closely observe the changes in the lifestyles of our consumers with the aim to meet their needs that go unexpressed. It led us to factor in the burden of rising inflation on household budgets and adopt appropriate substitutes as raw materials while ensuring the quality of our products remains untouched. We continue to try our level best to limit the impact of the rise in prices on the wallet of our consumer.

Looking back, I can say this with absolute certainty that the roots of this organisation are stronger than they have ever been. The values have been imbibed in a way that is tangible in the results we have driven and the outcomes we have produced.

Warm regards,

**M. P. Ramachandran**

# Message from Chairman



## *Confident and Cautious and Caring - our journey in enhancing the lives of others*



There is perhaps no better way to describe the journey we have undertaken at Jyothy Labs through the past two years of pandemic-led uncertainty than to say, **'tough times don't last; tough people do'**.

As we emerge on the other side of this most difficult time, I can say with complete conviction that the organisation in which you have bestowed your trust stands toughened and strengthened by the challenges it has faced. It is also much more agile than ever before.

While the past two years will be seen as highly uncertain and volatile, it is during this time that we took certain major strides to strategically position ourselves for market leadership in the future. Today, we are focussed on making a rapid and sustained economic recovery, both as a nation as well as an organisation.

I would, on behalf of all our people, like to offer my prayers and sympathies to all those who suffered a loss of life or faced poor health due to the pandemic and wish them a much better future in the coming years. I would also like to convey my gratitude to those who stood with us in these times and helped us to deliver on our commitments to all our stakeholders especially our consumers.

On behalf of the entire Board of Directors, I would like to express our sincere gratitude to my friend and colleague Mr. Ullas Kamath for his invaluable contributions to Jyothy Labs. We deeply value his exemplary services of over 30 years with your Company and acknowledge how his visionary leadership has helped Jyothy Labs to become a formidable name in the Indian FMCG Industry.

A few months ago, Mr. Kamath had requested the Company to allow him to step down from his employment and Board responsibilities and not to consider his re-appointment as the Joint Managing Director since he wishes to explore how he can use his considerable experience and knowledge to contribute to the society at large.

Accordingly, he has ceased to be the Joint Managing Director, member of the Board of Directors and its Committees with effect from January 22, 2022.

On behalf of all of us, we wish him and his family the best of luck, good health and abundant happiness.

Our work is centred on creating long-term value for our key stakeholders, an aim to which we remain strongly committed. Our annual report celebrates our vision for the business as well as to apprise you how we are balancing the risks we face without compromising on our growth agenda.

### **A review of our performance during the year**

This year, two challenges had a disproportionate impact on our industry as a whole. Besides the overall drop in consumer demand due to economic uncertainty and intermittent lockdowns, global supply chain disruptions resulted in an unprecedented rise in commodity prices and raising input costs.

At Jyothy Labs, our years of investment into agile systems of work and technologies aimed at digital transformation bore fruit. Our teams proactively moved to secure our value chain, from manufacturing to distribution, with a view to ensure that our products remained consistently present on the shelves. We made sure our products were available.

Our research teams were ready with a range of substitutes for the raw materials that faced difficulty in sourcing, while taking utmost care to uphold our consumers' expectations of quality. We ensured an assurance of quality.

Together, these moves helped to curb the impact of the sudden and unprecedented price rise. We made sure our products remained accessible.

Consumers have always appreciated our efforts to offer high-quality products while maintaining attractive price

levels. We are proud to have successfully fulfilled our core purpose at Jyothy Labs, which is to "Better Lives".

### **The way forward**

We believe the challenges will persist with the international situation offering no respite.

To deal with this, we have come together, closer than ever, by eliminating silos and automating all the functions that we can. We are constantly seeking more innovative solutions to enhance our products. We are marching ahead with technology adoption wherever possible, in order to improve our efficiencies while upskilling more of our people to work with new technologies.

We are, as always, looking to leverage our advantages as a homegrown brand that is 'Made in India and Made for India', by engaging more closely with our consumers.

### **In conclusion**

I am happy to reassure you that the values that inspired the previous generation of stalwarts at your Company continue to drive the next generation of its leaders. On behalf of all of us, I thank all our key stakeholders for their support and the foundational leadership of our Chairman Emeritus, Mr. M P Ramachandran sir.

At Jyothy Labs today, we consider it our privilege to be able to stand with our consumer, strongly by their side. Equally proudly, we stand in support of our people. We are sure that in navigating these tough times, we will continue to stand together and grow together.

Warm regards,

**R. Lakshminarayanan**

## Message from Managing Director



*Resilient.  
Resurgent.  
Ready. Earning  
our consumers'  
trust daily*

”

For nearly 40 years, Jyothy Labs has consistently delivered on its commitment to create value and deliver on the needs of the Indian consumers as well as all stakeholders. Our assurance to stand by our stakeholders always and to ensure ethical business practices is an unshakable foundation on which this organisation is built.

This is our philosophy of work at Jyothy Labs. FY 2021-22 proved to be a year that called on us to demonstrate it in action through each of our functions.

## Dear Shareholders,

FY 2021-22 has been nothing short of an extraordinary year for the FMCG industry. Seldom does one come across very conflicting scenarios that the industry saw transpire through the year. On one hand, the market sentiments were high and consumers were upbeat on retail spending, resulting in a strong resurgence in demand. Yet on the other, the steep rise in input prices and the subsequent inflationary pressure posed threat to pull down this euphoria.

The situation necessitated taking some tough and smart decisions. At Jyothy Labs, as always, we chose to shine in the lives of consumers and stakeholders no matter what the circumstances. Our first and foremost focus was on execution to ensure that our products remain available and accessible given most of them are items of daily need for households. And so, we augmented the use of technology to ramp up distribution, supply chain and improve productivity. At the same time, we implemented several inward looking cost rationalisation measures and expanded our distribution to cross the 1 million+ direct outlet mark. No compromise was made on quality whatsoever. These measures to a great extent helped in gaining consumer confidence and reinforcing our brand as well as balancing market share growth and margins.

But obviously, after a point we had to take the tough call of passing on the costs and reducing grammage to maintain margins. While we understand the pain of our consumers, this was the need of the hour, and we adopted a calibrated approach to ensure our products still remain reasonably priced and accessible. We will continue to closely track the market especially the implications of Russia-Ukraine war, and accordingly taking further pricing

decisions. We appreciate the recent intervention by the government towards reducing the fuel taxes, and believe this will give some respite to the citizens from inflation.

### A moment to cheer

Despite the challenges around rising cost, the year has given us several reasons to be exuberant. I am glad to report that we have crossed the ₹ 2,000 Crore topline milestone, closing the FY 2021-22 at ₹ 2,196 Crore with a strong growth of 15.1%. We were to some extent insulated by our solid portfolio comprising essential products finding daily household application. This contributed to stable pan-India demand and market share improvement across categories.

I take this moment to express my gratitude to our people who maintained steadfast focus and dedication to help the Company stay afloat. The sales team went all out and ensured our products are always on shelf and fill product availability voids. The Company adequately supported them by taking care of healthcare needs including regular follow-ups by a dedicated committee, arranging healthcare and doctor facilities and forming WhatsApp group to address all emergency needs. All in all, I think it was a complete team effort and shows the deep bonding among them as well as with the Company.

Profitability was hit due to increase in prices of raw and packing materials. As a result, gross margins were lower at 41.6% in FY 2021-22 as compared to 47.1% in the previous year. PAT declined by 16.5% to ₹ 159.1 Crore. On the balance sheet front, we continue to be a net debt free Company. Our net cash balance stood strong at ₹ 85 Crore as on March 31, 2022 as against ₹ 77 Crore as on March 31, 2021.



*Jyothy Labs has always been recognised for its innovation capabilities and consistently launching new products that solve for our consumers and make their lives easier.*



### **Delivering all-round performance**

The year saw us deliver strong performance across categories. The Fabric Care segment performed well growing by 22.1% to ₹ 817 Crore in FY 2021-22. The segment saw increased momentum in large pack sales from all channels, especially the e-commerce and modern trade. Our post wash products Ujala Supreme and Crisp and Shine whose sales were down for the last two years, saw uptick and returned back to the pre-COVID levels as institutions and workplaces resumed operations.

The Dish Wash category grew by 14.1% to ₹ 798 Crore in FY 2021-22 led by a double-digit growth in the power brands Exo and Pril whom we have established as a brand of choice for consumers. The segment has benefited from the increased emphasis on hygiene in the last two years, and we have strengthened distribution to reach consumers. In another milestone moment, our Exo bar crossed the ₹ 500 Crore net sales mark. We continue to build the brand through high impact campaigns and integration on high impact properties.

The Household Insecticides category grew marginally to ₹ 265 Crore in FY 2021-22 as the business was impacted in the final quarter due to extreme weather conditions, especially in the North and East which are key regions for us. Coils business was impacted. Though the liquid vaporiser continues to perform well given the robustness of our product Maxo Genius with intellichip 2.0 technology which automatically shifts between attack and defence modes to provide complete protection while checking consumption.

The Personal Care segment which is Margo franchise, grew by 7.5% to ₹ 234 Crore in FY 2021-22. Hand wash and hand sanitiser products which were launched in response to pandemic saw lower demand as fears relating to the coronavirus have largely subsided. We have several ground activities lined up to celebrate 100 years of Margo and spread awareness on the natural benefits of neem that this product offers.

### **Taking cautious approach in new launches**

Jyothy Labs has always been recognised for its innovation capabilities and consistently launching new products that solve for our consumers and make their lives easier. In FY 2021-22, though we took a conscious decision to undertake calibrated new launches given the high degree of uncertainty and inflation in the market.

The year saw us launching two new liquid detergents in line with the increasing consumer demand shift from detergent powder to liquid. Henko Matic Liquid Detergent was launched in the premium category across key states and in all major e-commerce platforms. Multiple branding and activation initiatives were undertaken to establish its unique proposition of – The Machine Specialist. In the midsize segment, Ujala Liquid Detergent was launched in South India and focussed measures were undertaken to enhance its penetration. We see this segment having strong potential and will continue to take targeted efforts to enhance its acceptance.

**What next?**

Irrespective of the current aberration, the fundamentals of the FMCG industry remains strong over the mid- to long-term. India's rising population and affluence alongside the strong expected growth in the Indian economy will continue to propel the demand.

Our focus going ahead will be to optimise our portfolio as per the market situation and driving volume-led growth. This will necessitate investments in higher brand building activities, technology upgradation, and strengthening distribution, which we will continue to undertake despite a margin trade-off that may be required.

We see rural regions a major growth contributor. The expectations of good monsoon which is key driver of rural agriculture-driven economy and increased government spending on welfare measures will hopefully drive rural demand offtake. We are adding manpower on the ground and undertaking initiatives around van and moped sales to accelerate distribution and rural expansion.

In terms of channel, we believe that the future is going to hybrid. E-commerce has seen exponential growth in recent years, and since pandemic the convenience of doorstep delivery continues to gain momentum. That said, stores will continue to remain an important salespoint in a market like India where consumers still prefer going out and experiencing. So, we have devised a well-laid out strategy to tap consumers at both ends, including strategising product SKU and category availability across diverse end points.

**Securing sustainable growth**

Sustainability has always been an important focus area for us. With actions around planting trees, reducing use of harmful chemicals in our products and processes and minimising resources consumption, we have been contributing to a better planet.

That said, we realise the current climate change challenge that the world faces, and believe it is time to scale our actions. This year, we started tracking our GHG emissions and are evaluating opportunities to progress towards a net-zero emissions, primarily through installing green energy capacity across all plants. We are also working towards net-zero plastic with efforts around light-weighting and using eco-friendly alternatives like biodegradable laminates.

**Closing comments**

I think if there is one aspect that differentiates us in the industry, then it definitely is assurance. The assurance that we give to our consumers, and which extends beyond to our business practices and people, be it the customers, consumers, distributors, vendors, employees or the shareholders. The strong relations that we have and strong trust that we enjoy is all because of our assurance of always being there for our people. We will continue to nurture this value system to take our Company to greater heights.

I thank all our stakeholders for their trust and support. I also thank all the esteemed Board members who bring in their respective expertise to drive this organisation forward. We are well-placed in the industry with a solid-portfolio, extensive distribution network and backing of consumers and stakeholders. We will continue to leverage these to scale our business and maximise value for all alongside taking the country towards self-reliance.

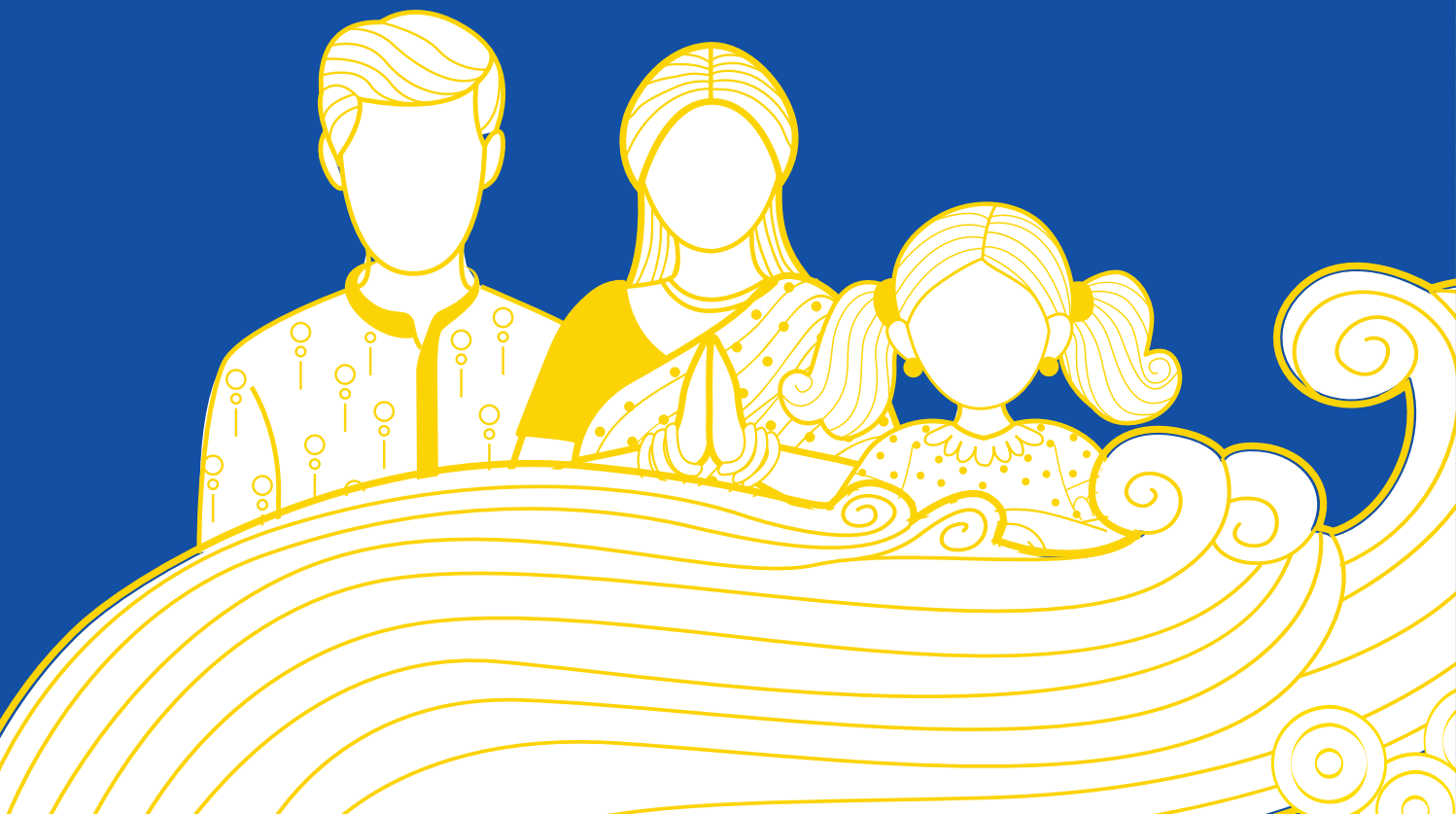
With warm regards,

**M. R. Jyothy**

# Resolute in our aim to create value

Jyothy Labs' rise as a homegrown FMCG player with pan-India presence, competing against global players is a celebration of our ability to capture the imagination of millions of Indian consumers.

While our products reflect an insight into the Indian culture, our quality helps generate consumer loyalty. Our relationships honour the Indian ethos of putting others before self and treating our people as family.



Our financial KPIs have led us to identify six key capitals that serve as the levers for our stakeholder value creation efforts.



### FINANCIAL

Our financial KPIs have led us to identify six key capitals that serve as the levers for our stakeholder value creation efforts.

We are debt free company which serves as a strong leverage.



### MANUFACTURED

This includes our manufacturing facilities, our offices and other physical infrastructure owned and operated by our business. We direct our financial and human resources towards maintenance and optimisation of these assets.



### HUMAN

Our people are the greatest force powering our ability to deliver. Empathy is a key driver of our organisational culture and meritocracy, our approach to maintaining our human capital.



### INTELLECTUAL

Our strong research and development capabilities, our data from our interactions with our consumers, vendors, and channel partners, and indigenous technologies being used at our manufacturing facilities form our intellectual capital. Our social and relationship capital plays a key role in contributing to our intellectual capital.



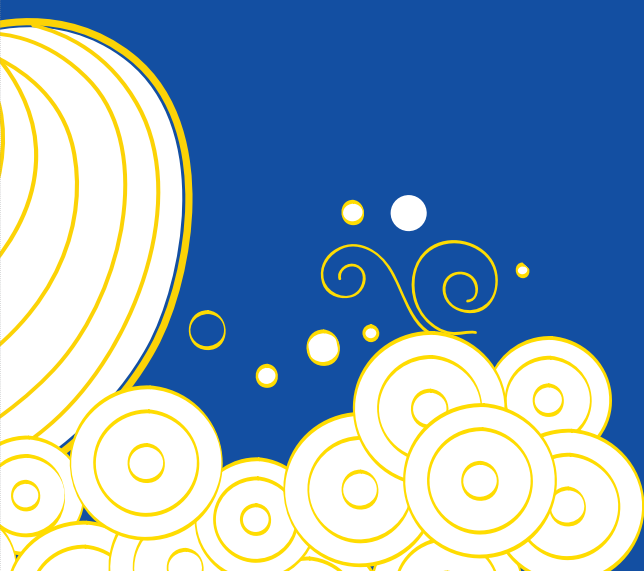
### SOCIAL & RELATIONSHIP

We are a business that prioritises its relationships with employees, vendors, and channel partners, and above all consumers, to be able to grow responsibly. We engage with all our key stakeholders, including our investors, authorities, members of the media regularly and hear out and respond to their concerns in a variety of ways.



### NATURAL

We source the raw materials for manufacturing in the form of renewable and non-renewable natural resources, which may have been further synthesised for use in our plants. We ensure that our use of these materials is optimal and judicious.



# Optimal efficiency. Seamless delivery.

## INPUTS



### Financial Capital

- Net worth - ₹ 1,444 Crore
- Net operating working capital - ₹ 119 Crore (Based on Consolidated Financial)



### Manufactured Capital

- Manufacturing facilities - 22
- Capex on capacity expansion and upgradation - ₹ 26 Crore (Based on Consolidated Financial)



### Intellectual Capital

- R&D with focus on building healthy, hygienic and environment-friendly portfolio
- 32 depots and warehouses spread all across the country
- Leveraging power of e-commerce
- Consumer insights to drive innovations
- Revenue growth outreach to new millennials through digital medium
- Multiple efforts to ensure sustained availability and accessibility of high-quality products
- Investments in brand building through innovative, marketing and packaging
- Multiple SKUs to target customers of all segments
- 3 R&D labs (Mumbai HO, Silvassa, Puducherry)



### Human Capital

- Strong focus on diversity and inclusion: 30% staff at factories and 22% at corporate function are women
- Providing safe working conditions for all employees
- Medical support and insurance coverage from COVID-19



### Social and Relationship Capital

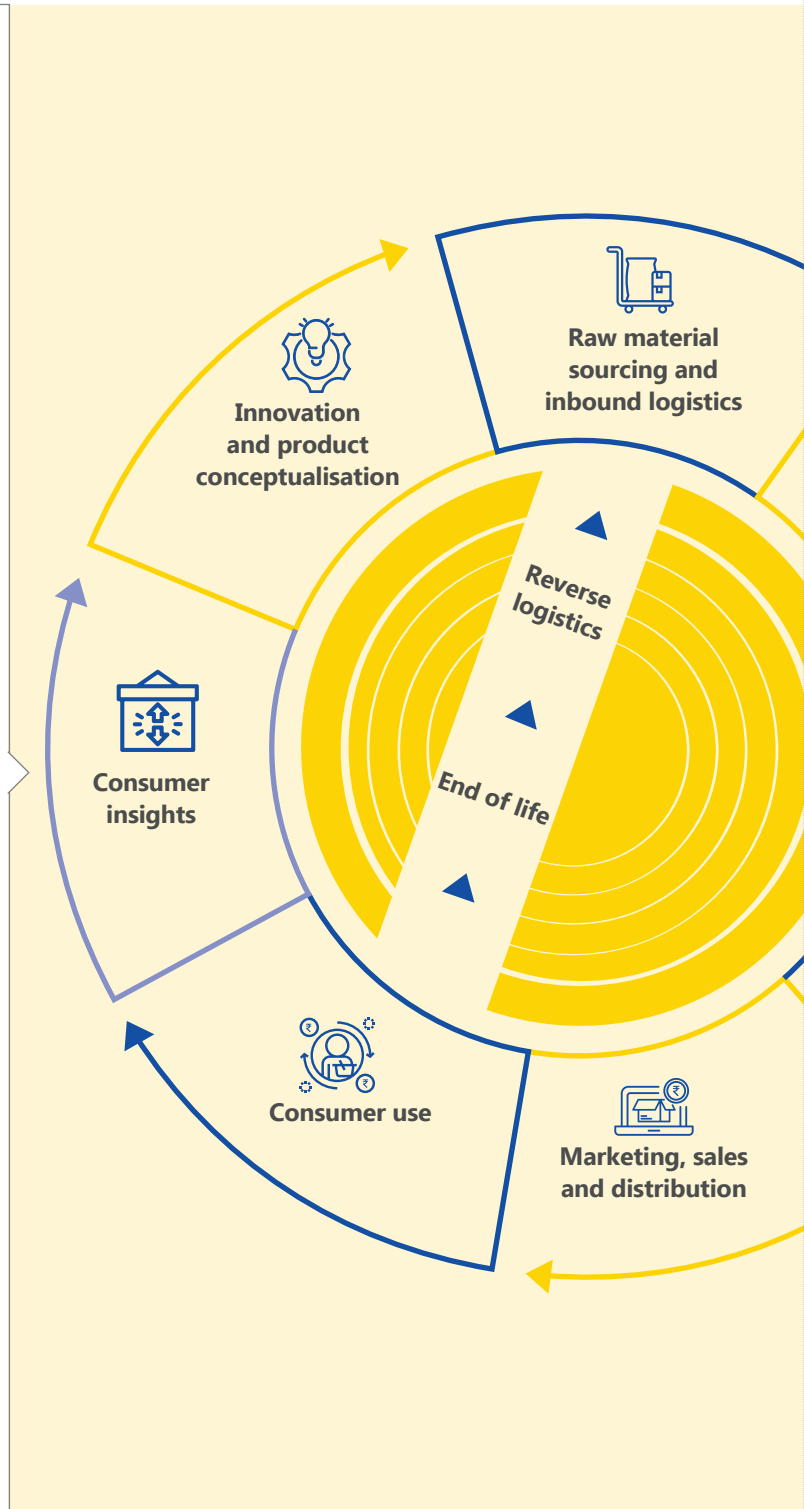
- Expanded distribution network with direct outlet reach crossing 1 million+
- Various CSR projects committed with a spending of ₹ 4 Crore



### Natural Capital

- Focus on sustainable packaging including reducing plastic usage
- Focus on natural and organic products
- Allocation of additional funds for Green Initiatives
- Impetus on green solar energy: 565 KW current capacity and 2,408 KW under installation
- Green belt - 45.4 acres
- Trees planted - 1,112 (Big), 3,640 (Small)

## VALUE CREATION MODEL





OUTPUTS

OUTCOMES

6

**Power brands**  
which contributes revenue of 86%

SALES OF KEY SEGMENTS

Fabric Care

₹ **817** Crore

Dishwashing

₹ **798** Crore

Household Insecticides

₹ **265** Crore

Personal Care

₹ **234** Crore

Others

₹ **55** Crore

Laundry Services

₹ **27** Crore



Manufacturing



Outbound logistics



**Financial Capital**

- Market capitalisation – ₹ 5,400 Crore
- Total Income – ₹ 2,196 Crore
- EBITDA – ₹ 248 Crore
- Profit after tax – ₹ 159 Crore
- Net operating working capital – 20 days
- Return on equity (excluding goodwill) – 24.5%
- Dividend payout (proposed) – 58%
- Current Ratio – 1.39
- Strong balance sheet position with Net Cash balance of ₹ 85 Crore allowing us to invest for long term  
*(Based on consolidated financial)*



**Manufactured Capital**

- Use of technology in demand & production planning
- Automation and cost control efforts helped mitigate high input costs
- Expanded existing Dishwash Bar line in Karaikal plant



**Intellectual Capital**

- >4.4 million products sold every day
- Improvement in market share across all categories
- Eight celebrities roped in to endorse the Brands
- Digital engagement in regional languages
- Improved productivity through automations



**Human Capital**

- Enhancement in employee engagement and satisfaction levels
- Glass door rating of 3.8
- High performance culture
- ~75% of employees with tenure of >5 years and ~35% employees engaged for 15 years or more



**Social and Relationship Capital**

- Ensured safety of consumers, people and communities with focus on natural and organic products having safe and environment-friendly ingredients
- Enhanced consumer satisfaction
- Delivered value to all stakeholders



**Natural Capital**

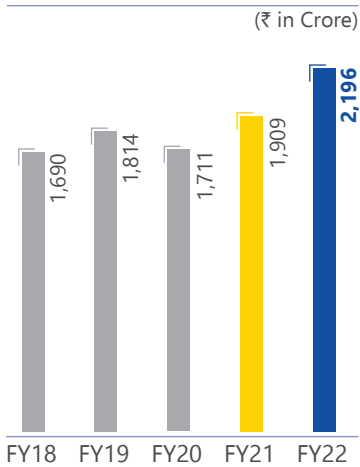
- Efforts to reduce plastic usage by replacing it with biodegradable laminates - Working towards Net-Zero Plastic Consumption
- Installed solar plants at factories to reduce carbon footprint and electricity cost

# Financial strength

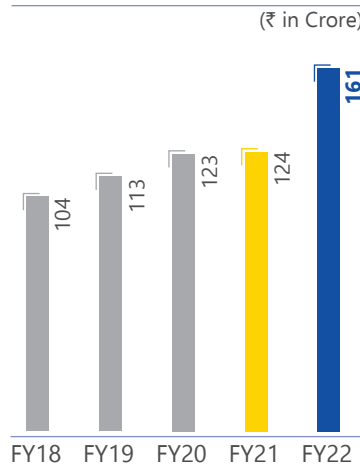
We continue to be a debt-free business. It helps us avoid interest rate risk, which tends to fluctuate significantly in the face of market volatility. Being conservative in management of our financial resources, has enabled us to deploy our cash flows more effectively.

We continue to prioritise the health of our balance sheet and protect our margins through prudence and operational efficiency.

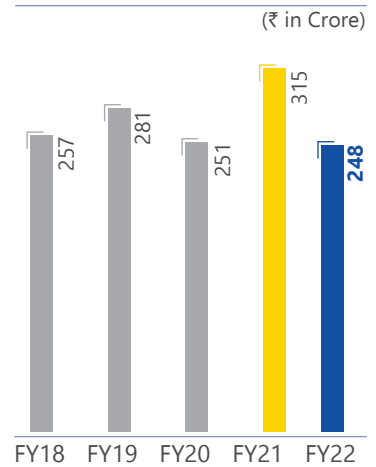
**Revenue from Operations**



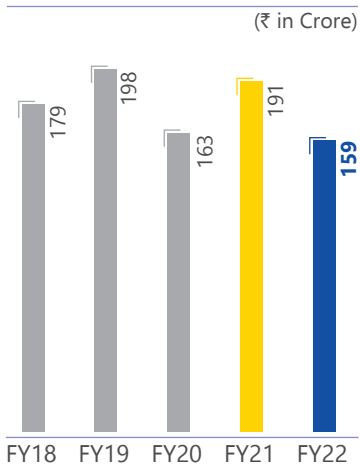
**Advertisement and Sales Promo**



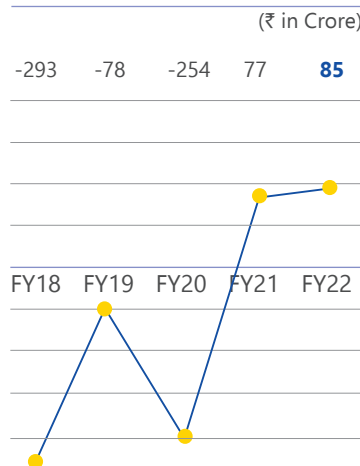
**EBITDA**



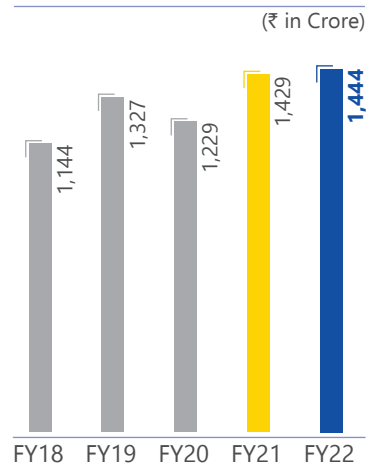
**PAT**



**Net cash**



**Net worth**



*(Based on consolidated financial)*



## Influencer Collaboration #GoForMargo



**@iamchetnapande**  
1.7M Followers  
Fashion Influencer & Actress



**@radhika\_nomllers**  
311K Followers  
Travel Influencer



**@niswaman**  
122K Followers  
Content Creator



**@chieffoodieofficer**  
114K Followers  
Food Influencer



**@simrankaurpurewal**  
82.1K Followers  
Fitness Influencer



**@neharana03**  
49.2K Followers  
Model & Actress



**@bhavna\_makhija**  
8.6K Followers  
Model

# Focussed on improving the health of the planet

At Jyothy Labs, we are increasingly adopting responsible practices in our business to minimise our environmental impact and protect the value we create for communities. Initiatives around reducing carbon emissions and hazardous chemicals and properly managing wastes are helping safeguard the natural assets as well as driving our long-term sustenance.

## Environment



*Pithampur Plant*

### **REDUCING CARBON FOOTPRINT TO ADDRESS CLIMATE CHANGE**

We are progressively greening our operations and reducing carbon footprint through increased use of energy-efficient technology, reducing emissions and optimising energy consumption. Additionally, we maintain a 45.4 acre green belt having over 16,000 trees which acts as a carbon sink.

### **OPTIMISING ENERGY CONSUMPTION**

We have invested in operational automation and equipment modernisation across all plants towards 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 have lowered energy usage.

### **GREEN ENERGY FOCUS**

We have put strong impetus on green energy. We have started a total of 565 KW of solar energy capacity at Silvassa (65 KW) and Pithampur facilities (500 KW). Work for installing 2,408 KW of additional solar power capacity – two in Guwahati and one each in Puducherry and Karaikkal – is ongoing and is targeted for completion during FY 2022-23. Our intent is to enhance green energy across all the plant.

### **REDUCING SUPPLY CHAIN CARBON FOOTPRINT**

We have implemented advanced technologies which is enabling better supply chain management, thus optimising travels and reducing travel-related emissions. Knowledge-sharing sessions for energy management are being held with supply chain to help them minimise power consumption.



## TRACKING EMISSION TOWARDS NET-ZERO

Tracking of GHG emissions is critical to reducing them. We have initiated steps towards this, and have started tracking of scope 1 and scope 2 emissions. Tackling climate change is not merely a green wishlist but also important from improving cost efficiency. We are actively engaged in evaluating methods of imbibing new renewable solutions across our factories aligned with the country's commitment of Net-Zero 2070. We will be studying opportunities to develop a robust roadmap to net-zero which will include transition of our facilities to the renewable path. Given the two years of COVID-19 and the current situation of rising cost, we have consciously moved this plan ahead and having initiated activities to take quantifiable measures across all locations.

## MINIMISING EMISSIONS

We monitor ambient air quality on an ongoing basis to check other emissions. We have installed wet scrubbers across all industrial exhausts to remove particles and gases before emissions. All our emission levels are well within the permissible limits with no instances of violation, and a report on the same is submitted to central and state pollution control boards.

## MANAGING PACKAGING MATERIALS AND WASTE

Our business makes it imperative to deliver products in packaging, which provides important functional benefits (i.e. health and safety, product protection and preservation) and marketing benefits (i.e. differentiating products on-shelf and online).

Being a player in the highly competitive FMCG space, packaging will continue to influence the decision of our potential customers. Even Principles for Responsible Investment (PRI) guides investors evaluating FMCG companies to appreciate that shelf life, hygiene, quality, and convenience are important consumer considerations, and alternative solutions to single-use plastic packaging would need to match these. Further, given the COVID-19 situation, there are even greater consumer concerns around hygiene and safety.

At Jyothy Labs, we are strongly 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. Further, we have eliminated usage of

printed PVC sleeve, transparent tamper evident top PVC sleeve and paper top label. At our factories, we have switched to reusable jumbo bags instead of small bags and are reusing packaging materials like drums.

We are fully committed to adopting modern ways of achieving a circular economy for plastics. Collaborations have been entered with partners to come up with innovative 100% reusable, recyclable or compostable packaging. We have also partnered with several vendors to collect, segregate and safely dispose of plastic waste. We further remain committed to make our plastic packaging recyclable, reusable or compostable through initiatives like absolute reduction, collecting more plastic and using less virgin and more recycled plastic. Our marketing and product innovation team is prioritising ways to eliminate unnecessary plastic packaging through redesign and innovation.

Additionally, we are mapping global trends including tracking the work of the Ellen MacArthur Foundation, UNEP's Global Commitment, and the Foundation's Plastics Pact Network which is working closely with over 1,000 organisations towards a circular economy for plastic by 2025.

## REDUCING WATER CONSUMPTION

Water is a critical resource for mankind, especially in India where water scarcity is a major issue. We are consistently undertaking efforts to reduce fresh water consumption across operations. We have installed online auto cut-off meters in several plants to monitor borewell water usage.

## RAW MATERIAL SOURCING AND SUSTAINABILITY

We have engaged R&D teams towards improving product formulation focussed on usage of eco-friendly alternatives and optimising water and other resource consumption. In recent years, we have increased launch of organic and natural products, which majorly have environment-friendly raw materials.

We are undertaking efforts for sustainable sourcing of raw materials. A majority of crude palm oil which is one of our key raw materials is RSPO-certified, and we intend to enhance the same through years. We further intend to initiate life cycle analysis of our products in the coming years to better understand the impact of our products across each stage right from raw material to disposal.



# Social

At Jyothy Labs, we endeavour to create lasting positive change for the ease and well-being of our people, customers and our communities. All our efforts are directed towards bettering lives of our key stakeholders, whose comfort and convenience are material to the way we do our business. Our business outcomes are aligned to their development. And we engage closely with them to understand their priorities and work together towards long-term solutions.

## Empowering and Ensuring Welfare of People

The power of people along with our unique familial-cum-professional work culture helps us in delivering lasting business results. We are working towards the welfare and development of people to drive their motivation and productivity. We are undertaking efforts to help them get future-ready to ensure a rewarding career.



## EQUAL OPPORTUNITY, DIVERSITY AND INCLUSION

We believe in an all-inclusive work environment where equal opportunity is provided to people from diverse backgrounds, ethnicity, religion and gender. This ensures bringing together of diverse knowledge and ideas which is critical to understanding consumer needs and devising right strategy. Our diversity and inclusion policy has been at the forefront of this, ensuring a safe workplace without any kind of discrimination. In FY 2021-22, there were no reported incidents of any kind of discrimination and child and forced labour across our operations. As on March 31, 2022, women representation stood at 30% at factories and 22% at corporate function.

## STRIVING FOR A CONDUCTIVE WORKPLACE

### Employee health and safety

We are continually taking actions to make workplace safer for employees, agencies associated and operational surroundings. Guided by our Safety, Health and Environment (SHE) policy, we have implemented best practices to drive operational efficiency and safety and capacitating workforce to safeguard themselves from occupational hazards. Initiatives like regular safety trainings and drills, standard operating safety checklist and stringent safety protocols at factories for employees and visitors are preventing incidents. We monitor plant HSE matrix on an annual and quarterly basis led by Safety Committee and region safety persons to take appropriate actions. Our sustained efforts have resulted in loss time injury declining.

**Employee wellbeing**

We strive to provide employees adequate work-life balance and take their feedbacks through surveys to understand their pulse. Multiple assistance programs are in place for all kinds of support. We ensure their financial security through group mediclaim coverage for them and their dependants, group personal accident cover and voluntary medical insurance policy for their parents.

Several COVID-19 related assistances were provided including insurance coverage, financial aid and doctor consultation in emergencies, set-up of healthcare facility at plants, flexible working and vaccination support. Additionally, virtual wellness programs were conducted to help them manage mental stress.

**Building a future-ready workforce**

Our learning and development efforts, aligned to the Company’s objective, focusses on filling internal capability gaps and driving employee’s professional development. We have programs around building capabilities at an individual, team and enterprise-level through internal and external experts.

On-the-job training is provided to new hires for building knowledge on products, processes and relevant skills. Field staff are trained on improving interpersonal and business development skills including order booking, merchandising and preparing report. Technical and on-the-job training is provided to manufacturing staff. We also provide trainings on soft skills, computers skills and other relevant areas to avoid redundancy.

**Digitally empowering employees**

We are enhancing technology implementation to enable our employees. Our JConnect online employee platform readily provides all relevant information and facilitates self-service. Sales Force Automation is enabling field staff to improve productivity through timely information and various analysis. In FY 2021-22, we rolled out SAP Success Factors which is a cloud-based human capital management software. It has talent management, recruiting, learning & development, performance management, compensation management, on boarding & attendance management, workforce planning and people analytics.

**Fair performance evaluation**

We have a robust performance management system which enables workforce capability and capacity tracking basis their KRAs. These are reviewed by immediate supervisor / managers and the functional heads. Accordingly, employees are provided performance-based incentives and promotions as well performance feedback to ensure transparency.

**Human rights**

We are committed to fair treatment of all employees in conformity with labour laws, human rights and other legislations promulgated by the regulators. We have in place procedures to identify instances of non-compliance and redressing grievances.

**PEOPLE CENTRICITY AT JYOTHY LABS**



Glass Door Rating

**3.8**



**~75%**

employees engaged for 5 years or more



**~35%**

employees engaged for 15 years or more



## Improving Experiences and Valuing the Needs of Customers

Our business is centred around improving the lives of consumers and solving their everyday needs. We ensure to continually engage with them to understand their needs and pain areas and resolve with the best of the products that are safe.



### PRODUCT INNOVATION AND QUALITY

Our laboratories in the Mumbai headquarters and in Silvassa, Puducherry, are harnessing technical knowhow cultivated over nearly 40 years of our existence to constantly innovate products and improve quality. All our product developments are focussed around addressing the everyday needs and issues of our consumers i.e. dish wash, fabric wash, mosquito repellent, personal care and hygiene. Quality is ensured through a dedicated quality team across all manufacturing sites.

### CONSUMER GRIEVANCE RESOLUTION

We have set-up a dedicated customer services cell to address consumers grievances including those relating to quality of products and packaging. A structured escalation mechanism is in place to quickly resolve issues.

### RESPONSIBLE MARKETING AND LABELLING

We ensure that all communications or advertisements carry out clear and transparent description of the products without any ambiguity to safeguard consumers' interests. We ensure 100% compliance relating to quality of products, ingredient safety and transparent disclosure on product formulations.

### PRODUCT SAFETY

We are increasingly channelising our R&D efforts focussed on launching natural and organic products which are safe, environment-friendly and use less chemicals. Currently, our few products falling under natural and organic category and we intend to increase this over the years. We also intend to steadily eliminate products that involve use of hazardous chemicals and get our products covered with EU Eco Label or third-party equivalent.

## Aspiring a Better Collective Future

We are a brand with purpose and relentlessly work towards uplifting and empowering the weaker sections of the society. We believe that our ability to create economic value is inextricably linked to the lasting value we create for them, and thus undertake meaningful efforts in line with their needs.

### FULFILLING THE HOUSING NEEDS OF COMMUNITIES

We have over the years constructed and provided 165 houses free of cost to several families who lost their homes in southern India. In our bid to support good hygiene, we have constructed 330 toilets.

### FACILITATING EDUCATION AND SKILL TRAINING

We are sponsoring scholarship programmes aimed at promoting of education of physically challenged children. We have contributed to institutions for promoting education and health. We further

undertake programmes across our manufacturing plant locations to impart basic education and vocational skill training to youth and women. Helping drive entrepreneurial spirit and making individuals in rural and semi-urban areas job capable, these programmes are enhancing income level and helping these communities thrive.

### SUPPORTING THE NATION FIGHT COVID-19

We continued our COVID-19 related support work in FY 2021-22.

*Read more on **Page 54***





# Governance



## Building an Organisation with Good Governance Practices

At Jyothy Labs, we value transparency, integrity, fairness, and openness. We have designed our corporate governance mechanism to ensure protection of interest of all stakeholders. Our Board and leadership play an important role in guiding and implementing these practices towards a strong value system.

### GOVERNANCE MECHANISM

Our governance framework encompasses regulatory and legal requirements as well as several voluntary practices for ensuring high level of transparency and maximising stakeholder's value legally, ethically and transparently. We remain committed to sound governance practices and upholding the highest standards in conducting business with integrity, transparency, sound disclosure practices and accountability.

### BUSINESS ETHICS AND POLICIES

We have in place various policies, frameworks and codes to strengthen our corporate governance architecture. Our Code of Conduct defines the conduct and guides all actions of employees and directors relating to business integrity, company assets, financial and workplace integrity and grievance redressal mechanism among others. All of our employees have read and understood this code and regular trainings relating to it is provided to them. We have also established a framework to encourage employees report any concerns or violations.

The Code further has guidance on the Prohibition of Insider Trading, Prevention of Bribery and Corruption, Preventing Fraud and Whistle-Blower, for which appropriate policies have been framed. The Company also have in place policies for human rights, environment sustainability, occupational health & safety, CSR and prevention of discrimination and harassment among others.

We have a zero tolerance for business courtesies and unfair business practices that violates the law, regulation or policies of our Company, other stakeholders or the regulatory. In FY 2021-22, there were no such instances of violations. We ensure assessing all our operations with a focus on corruption. Regularly training sessions for the Board, key managerial personnel and other employees relating to anti-bribery and anti-corruption awareness/laws are conducted.

### BOARD STRUCTURE AND EFFECTIVENESS

Board independence is an important element of our governance to ensure transparency, accountability and credibility in the management and its dealings. We have a Board diversity policy to ensure that Board operates independently of management.

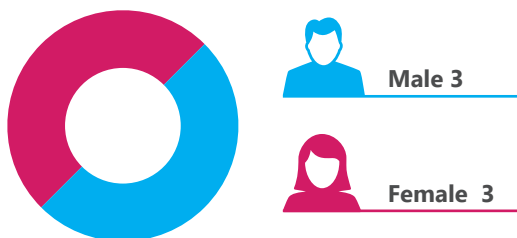
Four of our six Directors are Independent, constituting two-thirds of the Board and thus high level of independence in its decision-making. We also have three women Directors on the Board. We have a diverse representation in terms of field of knowledge which brings in a wide range of capabilities, skills and foresights to support business growth and resilience.

In FY 2021-22, the Board met 5 times to review performance, financial results, business strategies and other Board related matters. Each Independent Director maintained 100% attendance at the Board and Committee meetings held during the year. The average tenure of Board members is approximately five years.

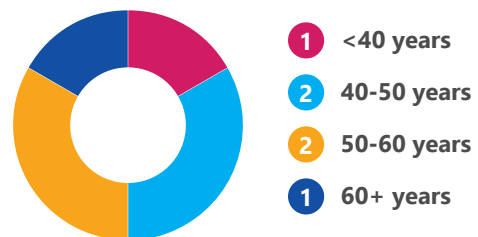


### Our Board Diversity

#### DIVERSITY BY GENDER

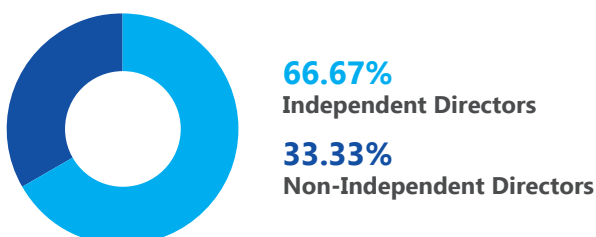


#### DIVERSITY BY AGE



Four out of the six Directors are within the age group of 40 to 60 years which shows a composed mixture of young and energetic and experienced Board members.

#### INDEPENDENCE





# 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 this position as a formidable player in the FMCG segment.

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**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.

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**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. She has done PGDM from Welinkar'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.

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**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.

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**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 an Associate Partner with M/s. Crawford Bayley & Co.

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**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.

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**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.

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# Working together to drive lasting impact

## Awards and recognition during FY 2021-22



### INSIGHTS CXO AWARDS 2021

Recognised as one of the winners for the year 2021 (DATA DOYENS Category) by the eminent panel of Juries of CIO AXIS and CISO CONNECT for its dedication in implementation of IT solutions, policy and technologies in innovative way



### CIO100 AWARDS 2021 BY IDG

Special Award in the Category of Intelligent Data Transformers



### 16TH CII (WR) SAFETY, HEALTH AND ENVIRONMENT (SHE) EXCELLENCE & INNOVATION AWARD 2021

The Engineering Division of Silvassa was announced as the winner in the Manufacturing sector (small)



### 9th Edition Safety Award 2022

The Uttaranchal Roorkee unit was declared as the winner in the FMCG sector



### 8th Edition Global Safety Summit 2021 EHS Award

The Jammu & Kashmir unit received the EHS Award, in the FMCG sector, organised by Fire and Safety Forum and United Nations Global Compact Network India (SDGs Outreach Partner)



**PACKAGING AWARDS**

**India Star Award**

Awarded by Indian Institute of Packaging for packaging of T-Shine Toilet Cleaner, Henkomatic Top Load & Front Load, Exo Dish Wash Gel, Pril 750 ml + Pril 500 gm Tub Free, Margo Neem Facewash, Pril Tamarind



**PACMACHINE 2020**

Margo Dangler Automation awarded the highest excellence in packaging in India



**NATIONAL SAFETY COUNCIL OF INDIA, SAFETY AWARDS 2021**

The Pithampur unit was recognised for appreciable achievement in Occupational Safety & Health during 2018-20 in the manufacturing sector



**WORLD SAFETY ORGANISATION, INDIA (STATE LEVEL) OHS&E AWARD 2022**

The Kalingmalai unit was awarded a 4 Star Trophy and certificate for outstanding performance in the manufacturing sector (MSME) under the 'Work Place OHSE Excellence Award' category



**SWACHH CITY & SWACHH BHARAT**



## Flexing the distribution muscle

During FY 2021-22, we have significantly added to our distribution capabilities to ensure our consumer can rely on our presence at a time of uncertainties brought on by intermittent lockdowns and insecurities due to the spread of the COVID-19 virus.

During the year, we crossed an important milestone of covering more than 1 million retail stores. It is a testimony to the hard work put in by people at Jyothy Labs, the dedication of our channel partners, and over and above all, the loyalty of our consumers.



The clamour for doorstep and rapid delivery are growing trends in the Indian market. At Jyothy Labs, we are working to enable distributors to easily access our products to be able to reliably include them in their delivery baskets. Thus, we have increased our reach and with it, our penetration into areas across our key markets.

During the year, therefore, in terms of channels, general trade neighbourhood grocery stores have led the growth. We have added sub stockist to increase the sales in rural areas. Due to increased adoption of internet, e-commerce channel sales have shown rapid growth, contributing to ~3% of our total sales.



### STRATEGY: DISTRIBUTION, ALONG WITH AFFORDABILITY AND DIFFERENTIATION

What has helped us at Jyothy Labs increase our market share is that we have maintained simultaneous focus on distribution and accessibility in these tough times. We have passed on only a certain component of the price increase to the consumer to ensure the affordability of our products. This has acted as an added boost to wider presence achieved through distribution.

Moreover, we have taken care to differentiate our products well, compared to many of our competitors in our key markets. This, along with the overall price proposition and ease availability, makes for a powerful consumer value proposition.

Our distributor network comprises 7,300+ stockists and sub-stockists in all. We are continually adding more sub-stockists and strengthened sales team to service the rising demand from rural areas. We are now reaching at 1 million outlet directly. To increase the availability of all the products, a continuous replacement model (CRS) was implemented across our distributors. Further, a retailer app was launched to enable retailer order through app.

Over the past two years, we have evolved a Permanent Dispatch Plan (PDP) to ensure there is a constant availability of our products with the lowest freight cost. The system factors in the value and volumes dealt in by our distributors and uses technology to monitor product supply and automatically register orders based on the drop in stocks below a certain point. The plan is working based on 5 years' historical data and is still being fine-tuned.

Further, we have automated the tasks of assigning transporters to ferry our products to their destinations with the help of IT system. The system manages the operation of nearly 150 vehicles on a daily basis.

#### Robust supply side

Strong distribution capabilities need equally strong backend support. Our supplier system is robust, not only in terms of numbers but also relationships. The first of our suppliers continue to partner with us across decades. Apart from the superior facilities we provide them with, we also ensure quick payment terms, which acts as a motivation. Our long-term contracts with primary transporters further help to cement our relationships, makes them part of our operations such that they now understand our demand cycles.



Stockists  
and sub-stockists

7,300+

Direct Reach

1 Million+  
Outlets



# Technology throughout our value chain

Digital transformation - while an ongoing agenda at Jyothy Labs since more than a decade, it has taken a leap during the two years of the pandemic. Technology is embedded in every key aspect of our processes pertaining to manufacturing, packaging, distribution, and marketing.

We continue progressively to automate our manufacturing plants, which will help us to scale our deliveries. We are operating an automated vendor-management system wherein registering of orders delivery schedules are automated. We are continually driven to increase our efficiencies to keep our value proposition intact.



## Digital technologies at Jyothy Labs

### During FY 2021-22

#### Automation of plants

While most of our plants are fully automated, we have further undertaken efforts to enhance automation during the ongoing financial year. We took steps to automate our detergent manufacturing plants to further increase our capacity. This helped us to support our sales and distribution teams.

Automation of our Karaikal plant which manufactures Detergent and Dishwash Bar, has upped its efficiency by ~35%. It helped us to re-do the size and packaging of the bars selling at ₹5 and ₹10 price points while increasing the volumes to meet the demand. It helped to grow our presence in the South market. Similarly, for our Pithampur plant in central India, which helps us to service markets in the West and Central India as well as the lower part of Eastern India. Here too, we achieved a ~25% increase in the output of Dishwash Bar.

#### Consolidation and optimisation

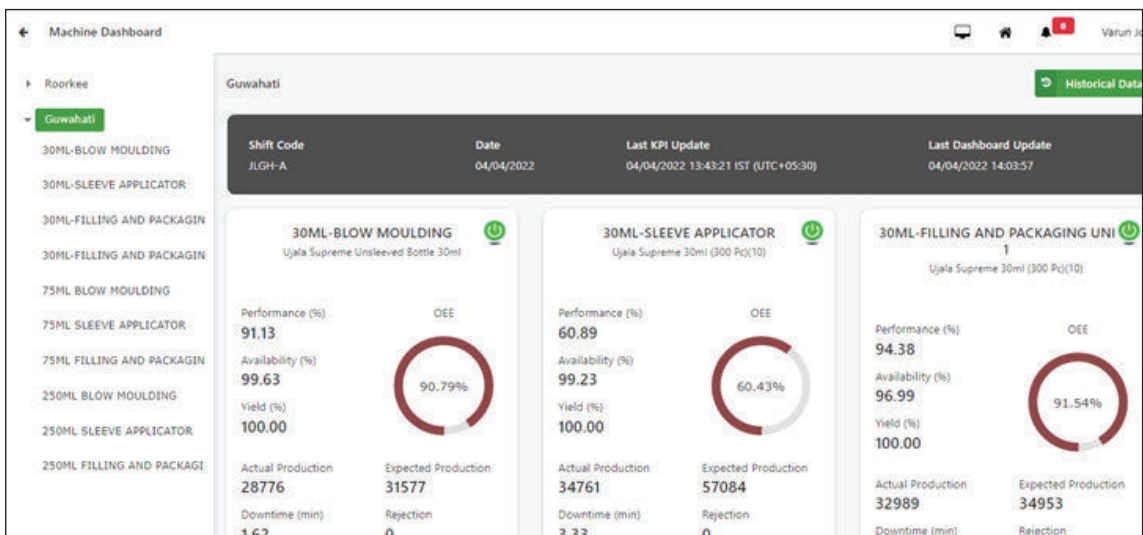
Similarly, in our drive to optimise operations, we closed the plant located at Baddi and shifted the entire operation at Roorkee unit. This has helped us effectively club our manufacturing and distribution

at one place, simplifying operations and saving us transport costs.

#### Research & development

We have faced an anomalous rise in input costs, largely due to commodity price rise and rise in imported freight costs. It includes not just raw material like LABSA, Palm oil etc. but also paper, cartons etc. which is used for packaging and freight cost of transportation. Our two-pronged strategy to tackle both has been to work very closely with our R&D team to evolve a range of substitutes that help us deliver the same quality of products. Our vendor team further supported us in sourcing these substitutes in good time so that sales cycle was not impacted.

Our Vendor Managed Inventory is based on long-term contracts and is automated. All fluctuations in terms of availability are managed on this end of our value chain. We have worked extensively with our experts in packaging to optimise the size and quality of our primary and secondary packaging. We re-engineered the secondary packaging for Maxo coil with great success; we are following this up for other SKUs like Pril liquid and Exo during the current year.



Dashboard - Manufacturing Automation Portal

## Deepening the consumer connect

At Jyothy Labs, our relationship with the consumer continues to be a key differentiator for our business. Our consumer trusts us to provide them with the highest quality within the price point possible.

Quality for us is not just about the raw materials we use but also about the way we innovate and enhance our products to facilitate a lifestyle of comfort and ease. Our success is reflected in the steady growth of our business and our growing influence across categories backed by increasing market share.

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FY 2021-22 has been a tough year for us and for our consumer. At Jyothy Labs, the key emotion driving our business decisions has been empathy. Steadily rising inflation and unprecedented price rise is squeezing the consumer's spending power.

Fortunately, we have succeeded in doing so to a significant measure. We have been rewarded in the form of increasing uptake in hitherto unexplored areas and market penetration.



**KEY CHALLENGES**

**Fluctuating demand**

The demand for our products witnessed sharper fluctuations than we traditionally expect, on account of rapidly changing market dynamics and changing consumer behaviour. We responded to this change by strengthening our supply-side and introducing greater flexibility in the way we manufacture our products as well as manage our infrastructure. We are being increasingly agile in collaborating with cross-functional teams to gauge and study demand and respond appropriately, taking support of technology.

**Changing consumer behaviour**

Today’s consumer prioritises ease of buying and is growing increasingly habituated to door-to-door delivery via e-commerce and various apps. This is one more avenue now requiring monitoring of demand, and a rapidly growing one at that. This is why grocery stores are at the fore of our outreach. Consumers are ordering online or via instant messaging services and settling payments digitally.

**STRATEGY**

While we made sure to flex our distribution muscle, while being adequately propped up by our supply backend, we also focussed on staying on top of our consumer’s mind. We did not curtail our advertising and promotion spends, in order to bring down costs. Instead, we increased our marketing spends. Being a debt-free company gives us this leverage.

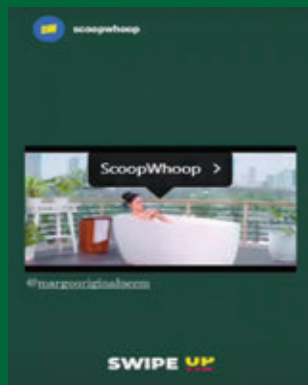
We did not go media dark. It helped us to retain our connect with our consumer and engage with them where they are: print, electronic, and digital media, in these times of lockdowns and lowered physical mobility. It helped us to consistently convey our brand proposition, which may have significantly contributed to the increased uptake.

**OUR KEY CAMPAIGNS DURING THE YEAR**



Margo Webinar in association with i-next

**Total reach:  
17.5 Lacs**



ScoopWhoop collaboration: Page that creates lifestyle & pop culture content.

**Campaign engagement:  
42k views**



Influencer Activity by Margo  
**2.36 Lacs Total Views**

## Our response to COVID-19

Throughout the period of two years, our people at Jyothy Labs have demonstrated unwavering commitment and willingness to collaborate across the board and ensure business continuity.

Plagued by the continuing impact of the COVID-19 pandemic, the second wave hit our service levels. We bounced back from it soon, thanks to the resilience of our people. We continued to strengthen our support systems to ensure their health, safety, and security.



## FACING THE SECOND WAVE TOGETHER

While the second and third wave of the pandemic temporarily impacted our distribution capabilities, our factories did not go into a shutdown. Thus, we managed to recover performance with relative ease. Consumer demand too was intact since the restrictions were localised.

Our range of health and hygiene focussed products continued to witness an increased uptake.

### Standard precautions in place

At all our operational facilities, we continued to observe standard precautions respecting government protocols for control of the spread of the virus. We continued to monitor the health of our workers at plant and support them with training that enabled them to function in a safe manner. This helped to secure their livelihoods during these tough times.

### Support for our people

We continued the monitoring of key health parameters through Jyothy Suraksha Portal, which covers ~4,000 people. It also facilitates medical consultations, e-cards, and health updates. We started a COVID helpline during the year to provide instant support in times of shortage of hospital beds and access to oxygen cylinders.



- We updated our medical insurance cover to include COVID-19 and continued COVID Medclaim coverage for our sales team (including off-rolls staff as well as staff of our outsource partners at depot and distributors). We continued to support our truckers with hygiene kits and provided them with proper sanitation facilities
- We supported our vendors and helping them to tide over their times of need. Our greatest concern for all our people has been the protection of their livelihoods along with their health and safety
- For those of us who contracted the virus and had exhausted their medical insurance facility, ready help was available along with a special medical leave and financial assistance



Jammu Plant



# Management Discussion & Analysis



## ECONOMIC OVERVIEW

### GLOBAL ECONOMY

The calendar year 2021 was marked by focus on economic recovery through control over the spread and the impact of the COVID-19 virus. However, the expectation of global economic recovery is getting impacted due to global supply chain woes and high commodity prices resulting from the Russia-Ukraine war. Thus, FY 2022-23 continues to be a year when the world is likely to grapple with the socio-economic impact of mutated strains of the COVID-19 virus on one hand and geopolitical issues like that of the Russia-Ukraine crisis on the other.

Sharp rise in prices of commodities and increasing inflation have marred a scenario already hit by global supply chains facing pressure since more than two years. These have dented consumer sentiment globally.

The International Monetary Fund (IMF) in April 2022 downgraded its projections for global growth to 3.6% in 2022 and 2023 – 0.8 and 0.2 percentage points lower than its forecasts in January respectively. This was done considering the new variants of coronavirus leading that

drove fresh infections and the war. As major European economies and the US as well as the UK have responded with sanctions against Russia, extreme uncertainty reigns amid hopes that deliberations between Russia and Ukraine countries will keep any escalations at bay.

As per the US Energy Information Administration, crude oil prices spiked ~50% due to global demand outstripping supply as pandemic-related restrictions loosened in pace with progress in vaccination programmes the world over. The annual average of Brent prices for 2021 came to US\$71 per barrel – the highest in the past three years. The uncertainty over Ukraine-Russia war is set to fuel further price rise and volatility.

This price rise will have a domino effect on commodity prices such as food, metals, and raw materials used for manufacturing. The year is expected to witness inflation rates climbing globally, impacting consumer spending and cash flows.

### Performance of Advanced Economies During 2021 The USA, EA and EU

The US economy recorded 5.7% growth in 2021 which came on the back of a US\$ ~6 trillion stimulus for pandemic relief. However, the expectations of further expansion were abruptly curbed by the Russia-Ukraine war, causing an inflation rate of 7.9% (in February 2022), highest ever in the past 40 years. Countries in the Euro Area and the European Union too saw their GDP growth rebound to 5.2% in 2021, close to pre-pandemic levels. However, the trend was short lived due to the Russia-Ukraine conflict.

### Emerging economies

The three top performing markets identified basis the performance of the MSCI Emerging Markets Index in 2021 were Czech Republic, United Arab Emirates, and Saudi Arabia while the bottom three included Turkey, China, and Peru. While the MSCI Emerging Markets Index lagged 24% behind the MSCI World Index, the inflation in emerging markets has consistently raced ahead of that witnessed by the developed economies, pointing to systemic challenges and imbalanced global recovery. The ongoing war may accelerate these gaps, further affecting the pace of growth of emerging economies.

### INDIAN ECONOMY

India continues to be a bright spot with regard to economic growth. The Economic Survey of India (released on January 31, 2022), the World Bank, ADB and IMF all have a consensus of the Indian economy remaining the fastest growing major economy in the world during 2021-24. As per IMF's April 2022 World Economic Outlook, the Indian economy grew by an estimated 8.9% in FY 2021-22 as against a contraction of 6.6% in FY 2020-21. This is now the sixth straight quarter of growth and with this the economy recovered past the pre-pandemic levels during the year.

The growth was mainly due to the enthusiastic vaccination drive undertaken by the country, backed by its indigenous vaccine production. By May 2022, India had successfully vaccinated 88.9 Crore people, accounting for 64.4% of its population. This along with a milder third or Omicron wave of COVID-19 that started in December 2021 ensured lower caseloads, and thus resulting in improved market sentiments and higher economic activities.

The growth also came on the back of a long festive season following a strong economic stimulus package 'Aatmanirbhar Bharat 3.0' announced by the Government back in November 2020 that sought to indirectly provide ₹ 6.3 Lacs Crore towards shoring up the economy. The package sought to achieve its

*As per IMF's April 2022 World Economic Outlook, the Indian economy grew by an estimated 8.9% in FY 2021-22 as against a contraction of 6.6% in FY 2020-21.*



goals through loan guarantee schemes and benefits to businesses that would help them create jobs and ease their access to financing.

### Performance of the Indian Economy During FY 2021-22

According to the Economic Survey of India, the agriculture sector grew by 3.9 % in FY 2021-22, up from 3.6% during FY 2020-21; the industrial sector grew 11.8%, making a sharp rebound from a contraction of 7% during the previous year. The services sector too grew 8.2% in FY 2021-22 after contracting 8.4% in the previous year. India's Forex reserves stood at US\$ 634 billion as on December 31, 2021 equivalent to over 13 months of imports and higher than country's external debt. Investment too witnessed a strong growth of 15% in FY 2021-22.

The gross GST (Goods and Services Tax) revenue collection stood at ₹ 1.38 trillion (US\$ 18.42 billion) in January 2022 – a 15% rise over that recorded in FY 2020-21. The rising core inflation, however, continues to fuel worries.

Crude oil prices began climbing up during the latter half of calendar year 2021. The trend continues as other macroeconomic factors persist, with the Ukraine-Russia conflict bringing more uncertainty and pressure into the mix since February 2022.

### Steps Taken by the Government to Support Economic Growth

**Monetary policy:** India's monetary policy continues with its accommodative stance. While the repo rates remained unchanged at 4% until April 2022 for the 9th consecutive time since May 2020, it was increased to 4.40% in May 2022 considering the inflationary pressure. Despite this rise, the rates are at benign levels and will continue to ensure higher liquidity by facilitating easier lending and financing for individuals and enterprises, alongside having positive impact on controlling inflation.

**Ease of credit access:** A number of initiatives have been taken to support MSMEs and enterprises through easy credit. Key among these include Emergency Credit Line Guarantee Scheme, expansion of the Resolution Framework 2.0 for COVID-related stressed assets of individuals, small businesses and micro, small and medium enterprises (MSMEs) with aggregate exposure of up to ₹ 25 Crore, increasing maximum number of days of overdraft from 36 to 50.

**Sector-specific measures:** For Healthcare and contact intensive sectors, the RBI has provided a liquidity window of ₹ 50,000 Crore and ₹ 15,000 Crore respectively, providing relief to these highly stressed sectors. The agriculture sector has received a boost aimed at increasing farm mechanisation, with special focus on horticulture, while Production-Linked Incentive (PLI) schemes are in place for textiles and specialty steel. In February 2022, these PLI schemes have been extended to 14 other sectors.

**National monetisation pipeline:** A four-year National Monetisation Pipeline worth ₹ 6 Lacs Crore and spread over four years of FY 2021-22 to FY 2024-25 has been created to oversee the unlocking of value in public sector brownfield assets, a large part of which will include roads, railways and assets within the power sector.

**Core businesses and infra push:** The Government of India continues its focus on infrastructure sector, both from perspective of public services and private enterprise. The PM GatiShakti Master Plan will oversee the development of a National Highway Network that will add 25,000 km of new highways at ₹ 20,000 Crore investment. It will pave the way for enhanced logistics and connectivity throughout the country and create millions of jobs. In the longer term, it will help boost the industry by and attract investments.

## OUTLOOK

With strong fundamentals and large domestic demand, the outlook for the Indian economy remains strong for the coming years. The Government's rapid vaccination drive, investment in infrastructure creation and focus on improving ease of business are likely to provide necessary thrust. The economy is also likely to benefit with rising exports. As per the IMF forecasts as on June 2022, the Indian economy is estimated to grow 8.2% in FY 2022-23 lower than the earlier estimate of 9% due to implications of war and higher inflation. The growth projection for FY 2023-24 is lower at 6.9%.



## Challenges Ahead

- Rising core inflation:** The average headline Consumer Price Index-Combined (CPI-C) inflation in India moderated to 5.2% in FY 2021-22 (April-December) as against 6.6% during the same period in FY 2020-21. While it remained within the tolerance band of 2-6% fixed by the Reserve Bank of India, it has largely persisted at the higher side of the range throughout FY 2021-22. However, core inflation crossed the 6.0% tolerance limit in February 2022.
- Encouraging consumer spending:** Consumer spending, which accounts for 55%+ of India's GDP, continues to be low as the consumer remains cautious in an economic environment fraught with uncertainty, marred by inflation and threats to health and well-being. The Government and the RBI may have to look at the fiscal policy and the monetary policy barrier while attempting to rein in inflation rates and take extra steps to help ease consumer spending.
- Rising unemployment rate:** India continues to witness high unemployment rates of 8.1% in February 2022, after averaging at 8.1% from April to December, 2021. The number of unemployed comes to 53 million people, of which more than 66% or 35 million people are actively looking for work. Of these people, 23% are women, indicating that unemployment is disproportionately affecting women in India. This indicates challenges for inclusive growth, a priority area for the Indian government. In the short term, it also curtails consumer discretionary spending.

## INDUSTRY OVERVIEW

As the fourth largest sector in India, Fast-Moving Consumer Goods is growing at 14.9% CAGR and is expected to touch US\$ 220 billion by 2025. Its three key segments, namely food and beverages, health care, and household and personal care products account for a share of ~19%, 31% and 50% respectively. Toiletries and household products are among the top five products sold. The sector also witnessed healthy FDI inflows of US\$ 18.59 billion from April 2000 to June 2021.

Lockdowns due to the second wave of COVID-19 pandemic notwithstanding, the FMCG sector grew by 36.9% in the April-June quarter of 2021. The retail market has shown consistent growth. CRISIL Ratings expects the sector to double its revenue 5-6% in FY 2020-21 to 10-12% in FY 2021-22. Fitch Solutions expected the real household spending to increase 9.1% in calendar year (CY) 2021, a sharp rebound from the 9.3%+ degrowth it saw during 2020 (CY) due to the pandemic.

However, this growth may not represent the complete picture of the FMCG industry's performance during the year.

The FMCG industry, while witnessing large-scale shifts in innovation and digital adoption, also encountered severe supply-side challenges. The year was marked by double-digit price growth across three consecutive quarters, hitting the consumer where it hurts. The 17.5% growth it recorded was largely driven by price rise rather than volumes.

FMCG companies have tried to strike a balancing act between passing the risen input costs to the customer and reduction in pack sizes in order to protect margins, while at the same time trying to widen their reach through various channels of trade as direct to consumer and e-commerce have emerged strong contenders to the traditional channel.

The sector faced a sudden and sharp rise in input costs owing to the rise in prices of crude oil as well as palm oil, the raw materials for several products in the personal and household care categories. Prices of several items, particularly packaged foods, items for personal care and household rose anywhere between 4% and 25%.

The consumers may continue to feel the pinch in the current financial year as factors that caused the price rise are expected to persist during the calendar year 2022 at least.

## KEY SHIFTS IN THE INDIAN FMCG INDUSTRY

### Change in consumer behaviour affects consumption patterns

Restricted mobility due to the pandemic and the availability of plethora of ecommerce and payment options led the consumer to choose modern trade over traditional channels. For the first time ever, rural markets are growing apace with urban markets, which have traditionally been responsible for driving majority of consumption in FMCG space.

Number of households shopping on modern-trade channel grew 29.15% (Y-o-Y) in the September quarter and shopping volume on the channel went up by 19.2% YoY. E-commerce companies reported sales worth US\$ 9.2 billion across platforms in October and November (2021), driven by increased shopping during the festive season. Direct-to-consumer has emerged among the most powerful sales channel as companies with dedicated websites saw 88% rise in demand (y-o-y).

At the same time, performance of traditional trade remains buoyant, having gained market share from 87.1% to 88.8% of the market during FY 2020-21.

Thus, going forward, FMCG companies will focus on fine-tuning their proposition for various customer segments.

### FDI opens up the gates to more funds

With liberal FDI norms, the Indian FMCG sector has seen robust FDI inflows that has helped it to enhance capacities and reach within retail markets. Also, with supply chain issues faced in the aftermath of the COVID-19 pandemic, capital utilisation is being aimed at closing the supply chain gaps through manufacturing. Programmes like Make In India are further encouraging FMCG sector to reinvest in manufacturing and R&D.





**Anomalous increase in input costs and rise in inflation rate**

The FMCG sector has borne the brunt of price rise during the reporting period. Industrial fuel prices went up 57% and diesel, 24% (y-o-y) in Q3 FY 2021-22. Packaging materials and laminates saw prices go up 39% and 21% respectively, year-on-year. Along with this, inflation rate has consistently been on the higher side. Thus, discretionary spending is expected to remain low, thus curbing the potential of growth within the sector. Also, while price increase may have contributed to the growth of the sector, volume growth has been muted, indicating the impact on the consumer sentiment.

**KEY TRENDS IN THE FMCG MARKET**  
**Rural catching up with urban**

India’s FMCG sector has traditionally been urban dominated, with the segment accounting for nearly 65% of overall sales. In recent years though, the rural segment has been growing faster and is poised to grow to US\$ 220 billion by 2025. In FY 2021-22, the steep rise in prices which was more pronounced in rural areas saw the segment hit hard, resulting in decline in volume. However, with expectation of good monsoon and additional spending by Government in programmes like rural employment scheme, this market is poised for growth.

**Technology adoption on both ends**

The pandemic has taught both the producers and the consumers about the benefits of the adoption of digital technology. Thus, while manufacturers have accelerated investments in technology across manufacturing and

marketing, consumers are increasingly using technology to choose products, deals, execute purchases, and interact with communities of consumers sharing their experiences and knowhow. This is changing the way that FMCG companies are engaging with their consumers. It is also changing the way FMCG companies are managing their core business processes, including human resources.

**Growth in health and wellness, as well as hygiene**

Two key segments of the FMCG sector have seen notable pandemic-driven growth. These segments are food & beverage, which accounts for 30% of the total household spending in India, and health and personal and household care. While customers are increasingly showing preference for organically produced health foods, the personal and household care market is growing on the basis of demand for sanitisers, disinfectants, wipes, and more.

**Sustainability**

Sustainability is a growing area of concern for customers and an increasingly active area of action for FMCG players. While the trend is being led by FMCG players that are global leaders, several mid and small size companies have made sustainable FMCG products their core business and their niche to operate in. This is driving consumer consciousness as it has been established globally on an average 34% of population were willing to pay more for a sustainable brand. This number is higher among Gen Z and millennials at 39% and 42% respectively. (Source: Businesswire)





### KEY ENABLERS FOR GROWTH

The Indian economy remains poised to deliver on growth expectations throughout FY 2021-22. FMCG sector will play a significant role in this growth. It continues to rely on the following enablers:

**Rise of the rural customer:** Increased penetration of digital technology is driving brand-consciousness among the rural customers. Enhanced infrastructure access is helping companies to reach these markets more easily. This is enabling growth for the organised sector in the FMCG space since spends on FMCG account for more than 50% of household spending in the rural areas. Also, the share of rural markets in total FMCG sales in the country is ~35%. Considering the vastness of the population and given that more than 50% of it is less than 25 years of age, FMCG companies have recognised the significance of the opportunity before them.

**Policy support:** Progress of the GST regime helps keep operating costs low. The Goods and Services Tax (GST) regime has brought many personal care products, like soap, toothpaste etc. and come under the tax bracket of 18% against the previous rate of 23%; GST on food products and hygiene products is also substantially reduced to 0-5% and 12-18%, respectively. This helps

keep products affordable for consumers. Similarly, the PLI scheme helps boost manufacturing capabilities as well as exports. Consumer rights and transparency have received a boost through the new Consumer Protection Act 2019, which addresses the large pendency of cases and brings in several sweeping changes with regard to responsibility of advertisers towards their customers. The focus on programmes like Make in India and Aatmanirbhar Bharat to curb supply chain issues is encouraging for producers.

**Innovation:** With the onset of pandemic, the FMCG sector saw nearly 53 products launched each day during April to September 2020, indicating the scale of innovation. During this period, 9,700 new products were launched – a 35% growth over the same period in the previous year. Of these, 3,000 products were in the health and hygiene space, contributing to over 37% of sales. Companies are using agile strategies to monitor data flowing in from various trade channels and tweaking their product portfolio, their marketing and branding in greater frequency than seen before. It helps them to stay relevant in a dynamic market.

(Source: Nielsen)

### INDUSTRY OUTLOOK

Outlook for the industry continues to be positive in the long term on account of two key factors:

- i. **Demographics:** The Indian FMCG customer is increasingly young, has growing aspirations, is brand conscious, and is looking for trendy products.
- ii. **Internet-driven growth:** As internet penetration continues to increase, it will bring more digital customers into the FMCG market.

A report by CRISIL expects the sector to post double-digit growth of ~12% during FY 2022-23, despite challenges in the near- to medium-term in the form of unprecedented food inflation, persistent rise in commodity prices and freight charges, as well as uncertainty in the international markets.

### COMPANY OVERVIEW

Founded in 1983 by Mr. M. P. Ramachandran in Thrissur, Kerala, Jyothy Labs is one of India's leading FMCG player. Your Company has a pan-India presence and a well-diversified product basket manufactured across its 22 facilities.

Your Company operates across the fabric care, dish wash, household insecticides and personal care segments. Its six power brands - Ujala, Exo, Maxo, Henko, Margo and Pril - are a household name and hold significant brand equity among consumers.

*Your Company practices the philosophy of being a brand that is accessible, affordable and is reputed for its high assurance.*



Your Company is a market leader in several product categories across these brands. Through the years, your Company has developed several differentiated products with unique ingredients and features which have greatly improved consumer experiences.

Your Company practices the philosophy of being a brand that is accessible, affordable and is reputed for its high assurance. In line with this, it has ensured highest level of product quality, reasonable pricing and has significantly increased its distribution capabilities by widening its network and using advanced technologies. It has also created presence across diverse channels including traditional stores, canteen stores department, modern trade and e-commerce, and its products are now available across 2.8 million outlets. Your Company is strongly focussed on R&D to meet the evolving needs of consumers and undertakes celebrity endorsements to build market.

#### **KEY STRENGTHS**

##### **Research and Development**

R&D is one the core strengths of Jyothy Labs and enables it to build a competitive edge in the industry. Your Company has three state-of-the-art modern R&D facilities where its expert team continually engage in developing new products as per evolving trends, improving production processes and refining ingredients of the existing products. In the recent years, your Company has been increasingly focussing on developing sustainable products such as organic and natural products which use environment-friendly raw materials.

In FY 2021-22, given the steep rise in input prices and an uncertain operating context, your Company undertook a calibrated approach to new product launches. Two liquid detergents were launched which were in line with the ongoing trend of consumes shifting from detergent powder to liquid. These included:

- Henko Matic Liquid Detergent in the premium category which is positioned as a machine wash specialist. Its Bio Stain Power removes tough stains and its LINTelligent Technology maintains fabric's colour and shine while preventing fibre breakage. Giving 99.9% germ protection, it helps prevents cloth ageing and makes them last long
- Ujala Liquid Detergent in the mid segment which contains instant dirt dissolvers that melts toughest dirt gently protecting the fabric and its colour and delivers freshness and fragrance. It leaves no residue and ensures 99.9% germ protection

##### **Marketing and Distribution**

Marketing and distribution are important to strengthening your Company's brand and ensuring widest availability of its products. Your Company invests significantly in undertaking various advertising and promotion activities including TV and OTT promotion, running campaigns (including digital) and brand activation activities at stores. It has also roped in eight celebrities to endorse brands. With social media becoming an important channel, several engagement and brand promotion activities are undertaken on it.

In terms of distribution, your Company has made significant strides and its products are now available across over 2.8 million outlets through a network of 7,300+ stockists and sub-stockists. During the year, it crossed the milestone of 1 million direct reach outlet. Further, as a part of its strategy to enhance rural reach and accelerate distribution, it has adopted van and moped sales model which carry smaller unit packs which finds greater acceptance in these regions. Your Company has also implemented several digital solutions which is enabling better control over distribution for ensuring sustained availability of products. Over the last two years of pandemic, supply chain was impacted resulting in unavailability of various products, your Company's robust distribution reach and infrastructure ensured filling the gap, and thus gain market share.

##### **Sustainable Practices**

Sustainability is an aspect gaining global importance. Jyothy Labs has been proactively taking actions to makes its operations environmentally sustainable. With a strong focus on reducing carbon footprint, your Company maintains a ~45 acre green belt as well as has invested in energy efficient measures including investing in renewable energy. Your Company also intends to become net-zero and is currently evaluating opportunities around it.

Sustainable packaging is a major focus area and your Company has undertaken measures like light-weighting

and using eco-friendly alternatives with an intent to achieve circular economy. Further, R&D projects are currently aimed at creating organic and natural products as well as increasing the use of sustainable raw materials.

## 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 2021-22 (Consolidated financial)

#### Revenue from Operations

Net Revenue from operations increased by 15.1% to ₹ 2,196 Crore.

#### Cost of Goods Sold (COGS)

The Cost of Goods Sold of your Company increased by 27% to ₹ 1,283 Crore.

#### Employee Cost

Employee cost grew by 6.4% to ₹ 247.5 Crore.

#### Advertisement and Promotion Cost

Advertisement and promotion cost increased by 30.3% to ₹ 161.1 Crore. As a percentage to net sales, advertisement and promotion stood at 7.3% during the year under reporting.

#### Other Expenses

Other expenses increased by 12.6% at ₹ 256.8 Crore during the reporting period from ₹ 228.1 Crore in FY 2020-21.

#### Depreciation

During the reporting period, depreciation increased by 4.6% to ₹ 58.2 Crore from ₹ 55.6 Crore in FY 2020-21.

#### Finance Cost

For the year under reporting, finance cost decreased by 38.6% to ₹ 11.8 Crore from ₹ 19.2 Crore in FY 2020-21 due to a reduction in debts. The Interest Coverage Ratio for the year stood at 17.7 as compared to 13.2 in FY 2020-21.

#### Margins

Operating EBITDA at 11.3% (₹ 248.2 Crore) during FY 2021-22 as against 16.5% (₹ 314.5 Crore), decreased by 21.1% over FY 2020-21.

PBT before exceptional items at ₹ 196.9 Crore during FY 2021-22 as against ₹ 258.1 Crore, decreased by 23.7% over FY 2020-21, PAT at ₹ 159.1 Crore as against ₹ 190.7 Crore, decreased by 16.5% over FY 2020-21.

### Share Capital

The paid-up share capital stood at ₹ 36.7 Crore as on March 31, 2022.

### Own Funds

The net worth of your Company stood at ₹ 1,444 Crore as on March 31, 2022, from ₹ 1,429 Crore as on March 31, 2021. Return on Capital Employed (excluding Intangible Assets) is at 26.8% in FY 2021-22.

### Loan Funds

Net cash/Bank balance of your Company stood at ₹ 85 Crore as on March 31, 2022, as against ₹ 77 Crore net cash/Bank balance as on March 31, 2021.

### Net Block

Net Block for the Company stood at ₹ 1,129.4 Crore as on March 31, 2022, as against ₹ 1,156.9 Crore as on March 31, 2021.

### Net Operating Working Capital

Net Operating Working Capital for the Company stood at ₹ 119 Crore as on March 31, 2022, as against ₹ 75 Crore as on March 31, 2021. This translates to 20 days of working capital as against 15 days in FY 2020-21. Current Ratio stood at 1.31 on March 31, 2022, as against 1.21 as on March 31, 2021.

### Inventory

Inventory of the Company stood at ₹ 297.2 Crore as on March 31, 2022, compared to ₹ 278.6 Crore as on March 31, 2021. Inventory Turnover for the Company stood at 49 days as at March 31, 2022, as against 53 days as at March 31, 2021.

### Trade Receivables

Trade Receivables for the Company stood at ₹ 143.1 Crore as on March 31, 2022. Debtor turnover stood at 24 days as at March 31, 2022 as against 18 days as at March 31, 2021.

### Cash and Bank Balances

Cash and bank balances for the Company stood at ₹211.2 Crore as on March 31, 2022.

### Provisions

Provisions for the Company stood at ₹ 80.2 Crore as on March 31, 2022, against ₹ 78 Crore as on March 31, 2021.

### Other Liabilities

Other Liabilities for the Company stood at ₹ 98.6 Crore as on March 31, 2022, against ₹ 97.8 Crore as on March 31, 2021.

### Shareholder Value: Dividend

In an endeavour to maximise the returns to its shareholders, the Board of Directors has recommended a dividend of ₹ 2.5 per equity share (250% dividend ratio) of ₹ 1/- each for FY 2021-22. The dividend payout ratio was 58% of PAT as compared to 77% in FY 2020-21.

## HUMAN RESOURCES

With the onset of pandemic, your Company's people focus during the last two years has been around being always available to them and assuring any kind of support (medical, financial or grievances). Multiple initiatives that were launched in FY 2020-21 during the first wave, continued into FY 2021-22 with renewed vigour.

Dedicated COVID helpline and Suraksha Portal/App was launched to enable employees to reach out for any assistance including free online doctor consultation on a daily time slot and facilitating medicines and hospital bed. A dedicated team was allocated to primarily address these areas. Suraksha portal also provided facility of uploading health e-card. All employee were mandated to enter their daily temperature and SPO2 reading in this portal, which was proactively monitored by the Central HR team. Loans of up to ₹ 20 Lacs were provided to employees needing financial assistance. Additionally, insurance cover was provided covering all employees including third-party. Your Company

also undertook to vaccinate all employees and their dependents.

To drive employee engagement, your Company annually organises an event called as play sports involving several indoor and outdoor sporting activities held over a week. This year, because of COVID, this event was held virtually whereby games were played through online modes.

On the automation bit, your Company rolled out SAP Success Factors, an HRMS platform, which allows employees to view their profile, update the leave and any other information. It helped automate field staff expenses and thus brought more efficiency.

Your Company's sustained efforts to ensure welfare and development of employees have ensured lower attrition, which stood at 8% for on-roll employees in FY 2021-22. As on March 31, 2022, over ~75% of its employees had a service period exceeding 5 years and ~35% over 15 years. Your Company is strongly focussed on bringing more diversity in the organisation with several conducive policies for them. As on March, 31, 2022, 50% of the Company's Board comprised women members. It is also amongst the few companies having larger women representation at manufacturing units. Women representation at factories is 30% and at corporate function is 22%.

## INFORMATION TECHNOLOGY

Jyothy Labs continues to make significant strides in terms of deploying IT to bring more efficiency and strengthen its competitiveness. Apart from the HR related IT initiatives, your Company has made several investments in embracing advanced technologies and automating operations.

Sales Force Automation involving order management is one area where your Company has made maximum efforts. Key initiatives undertaken in these areas in FY 2021-22 include:

- **Upgrading Distributor Management System (DMS):** DMS was launched in the previous year to facilitate order tracking and inventory management. Several new features were added to it to enhance its capabilities and thereby reliability of distributions. The upgrade is currently being piloted in Kerala and will be subsequently launched across pan-India plants.
- **Continuous Replenishment System (CRS):** CRS has been one of the major launches during the pandemic to enable direct ordering from distributors. It has significantly contributed towards reducing pipeline stock with distributors and thus ensure sustained availability of your Company's products. In FY 2021-22, CRS was successfully implemented



across all depots, including at the modern trade service providers (MSPs) end who manage modern trade distributions. With this, 100% of the distributor orders are now being channelled through this system.

- **Electronic Data Interchange (EDI):** EDI has been launched to automate ordering from modern trade retailers by integrating with their system. This has eliminated the need for manual transfer of bills or purchase orders. Your Company has currently integrated with a few retailers and is in process of onboarding others.
- **Rural Sales Force Automation:** In line with its rural expansion strategy, your Company is actively exploring the direct sales model whereby vans and mopeds are used for selling products. This is being facilitated by empowering the team with a mobile platform to book sales.

The year also witnessed your Company progress in its journey towards transitioning to Industry 4.0 and smart factory through implementing Industrial Internet of Things (IoT) technology it helped ensure better control over quality and costs and higher productivity through automation. In FY 2021-22, with IoT implementation, the Guwahati plant successfully became a smart factory and the intent is to cover all plants.

Automation of inter depot transfer (IDT) is another area where your Company has worked on. IDT is a necessity involving transfer of goods from one depot to another depending on demand, and this involved multiple processes and costs. The automation has expedited process and also reduced costs.

Given the rising importance of analytics, your Company continues to invest in it towards making improved decisions and drive point of sale. Analytics is now being

used across various areas including analysis of financials, inventory ageing, secondary freight, manpower efficiency and outlets management among others.

Further, your Company launched a scheme portal to automate the entire process of scheme management. This was earlier done manually and involved multiple processes and granularity. With this, the trade marketing teams are able to better manage schemes.

## RISK AND MITIGATION

Jyothy Labs takes proactive steps to identify, avoid, and mitigate risks to its business. Your Company considers proactive and responsive risk mitigation as a core function of its corporate governance.

Your Company has devised a risk analysis and mitigation framework that relies on continuous and in-depth monitoring of the environmental factors, both internal and external, that impact the business. The Board dispenses with the responsibilities of framing of the risk mitigation framework, overseeing its implementation, and continually updating it while the responsibilities to implement it lie with its senior leadership. This framework is reviewed on a half-yearly basis by Risk Management Committee headed by Mr. Nilesh Mehta, Independent Director.

Your Company's approach to risk mitigation is driven by collection and management of data through technological means as well as through active stakeholder engagement. It is based on decision-making that treats business continuity and safety of its people as top priority. Your Company ensures that its risk mitigation strategy is aligned to its core values and its business objectives.

## Risks Faced by Jyothy Labs

### Type of Risk Facing Jyothy Labs

#### ECONOMIC RISK

Brought on by factors such as uncertainty in the global economic environment, economic slowdown caused in response to unfavourable external or internal factors

### Mitigation Strategy in Brief

Your Company continuously and actively monitors the external environment for indications of untoward changes that may prove unfavourable for the business. Its strategy to diversify its product portfolio and lead with product-specific strategy to drive sales in target markets helps to mitigate this risk to an extent. It helps to contain the impact on overall profitability by letting growth in other categories compensate for the potential impact on a particular category. During FY 2021-22, your Company optimised its value chain for greater efficiencies by adopting technology to further digital transformation within the organisation. It also improved retail penetration.

**Type of Risk Facing Jyothy Labs**
**Mitigation Strategy in Brief**
**COMPLIANCE RISK**

Non-compliance to regulations set by the authorities may lead to cancellation of licence to operate the business

Your Company has a well-structured time-tested system in place that fulfils its need to meet all compliances well in time to avoid fines and penalty. Your Company ensures to abide by all statutory rules and regulations set by the authorities, national as well as local. It tracks the compliances through a centralised compliance tool and any exceptions or non-compliances are highlighted and are addressed proactively.

**SUPPLY CHAIN RISK**

Any hampering of global or local supply chains directly curtails the ability of the business to produce and market its goods, directly affecting its revenue generation

Your Company maintains and supports a strong network of channel partners that help it maintain continuous supply and distribution of raw materials and products respectively. Your Company also conducts in-depth and in-house research into materials management, to innovate substitutes for raw materials that may see their supply hampered in the event of supply chain issues. Your Company has been investing in organisation-wide digital transformation and has made strong progress over the past two years of COVID-19 pandemic, helping to realise efficiencies.

**COMPETITION RISK**

Steady growth in competition (internal and external) may impact margins and profitability

Your Company continues to invest valuable resources towards research and development of innovative solutions and new products as well as brand and marketing. This helps to enrich the customer value proposition of the business and inspires consumer loyalty. Together, these support business sustainability efforts. Your Company's efforts are geared to enable it to perform well with respect to market factors populated by a variety of competitors, both new and established ones.

**HUMAN RESOURCE RISK**

Lack of relevant talent and high attrition may affect your Company's ability to operate smoothly

Your Company values its human resources – their career growth, health and safety above all. Its talent management initiatives include sustained efforts at training, upskilling, and a conducive work environment. These are facilitated by well-researched, empathetic, and inclusive human resource policies that aim to encourage and support diversity, equity, and inclusion. Nearly 30% of the workforce at Jyothy Labs' manufacturing plants comprises women. Your Company encourages its teams with a wide variety of facilities and perks. During FY 2021-22, it took steps to ensure its people's safety by adhering to COVID-19 protocols and their security by providing support to the victims of the pandemic as well as by facilitating hybrid work to the extent possible.

## COVID-19 IMPACT

Jyothy Labs has faced a slew of challenges arisen from the impact of the COVID-19 pandemic that hit the Indian shores in February 2020.

The challenges range from global supply chain disruptions leading to unprecedented rise in prices of raw materials such as LABSA and palm oil and packing material to health risks posed to your Company's workforce, as well as a dampening of consumer demand and change in consumer behaviour. The challenges have continued well into the second year of the pandemic with the rise of newer variants of the virus such as Delta, Omicron, and more, contributing to the persistent uncertainty about general health and economic condition.

Your Company's response to these challenges is marked by its agility in decision-making and its strong commitment to its key stakeholders, in particular its people. Your Company took decisions rapidly to prepare for contingencies such as supply chain crises while honing its technological edge in the form of state-of-the-art manufacturing plants that enable it to customise its processes and products as well as packaging.

### Impact on Operations

COVID-19 has affected a fundamental shift in consumer behaviour, affecting the way in which the overall FMCG sector operates. Your Company did its best to align itself to the changing times, resulting in success which is reflected in the increase in market share and stability of sales.

- **Growth of hygiene and healthcare category:** Consumers favour products that help to enable and improve overall hygiene, leading to growth of the category. Your Company proactively increased its focus towards this category and is poised to capture a more sustainable growth.

- **Spotlight on retail presence:** Lockdowns have had a lasting impact on consumer engagement with brands. It provided brands with an opportunity to prove their commitment to the consumer with thorough planning to ensure availability of their products. Your Company managed to grow its retail presence to 1 million retail outlets which has helped to grow people's trust in the brand.
- **Operational efficiency:** Your Company has undertaken strong measures to ramp up operational efficiency across the Board. It is doing so by embracing technology wherever possible. During the period, your Company has further enhanced automations in ordering activities across all channels and in its manufacturing activities. It continues to invest in a range of industrial IT solutions that add to the existing infrastructure including the tech-driven sales and distribution IT system.

### Focus on People

Your Company's workforce responded in equal measure with dedication and commitment to ensure that its products are consistently well-stocked across categories and geographies, backed by consistent high-quality output and attractive price propositions.

Throughout the COVID-19 period, your Company has taken care to protect the health and safety and security of its people, including its employees and channel partners and vendors across the sales and distribution part of its value chain.

Its policies toward adoption of flexible work have been people-focussed. It has provided extensive support to people who have been affected by the virus while going the extra mile to adhere to all COVID-19 protocols aimed at curbing the transmission of the virus.

Going forward, as the pandemic seems to be receding, your Company remains committed to similar precautions against the virus as and when required.

# 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)

### Mr. K. Ullas Kamath

Joint Managing Director up to January 22, 2022  
(DIN: 00506681)

### 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 with effect from March 28, 2022  
(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](mailto:info@jyothy.com)  
Website: [www.jyothylabs.com](http://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](mailto: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](mailto:rnt.helpdesk@linkintime.co.in)



# Directors' Report

Dear Members,

It is our pleasure to present to you the 31<sup>st</sup> Annual Report of your Company together with the Audited Financial Statements for the Financial Year ended March 31, 2022.

## FINANCIAL PERFORMANCE

Your Company's financial performance on standalone basis for the Financial Year ended March 31, 2022 compared with previous Financial Year is summarised below:

(₹ in Lacs)

| Financial Results   | Financial Year ended<br>March 31 2022 | Financial Year ended<br>March 31 2021 |
|---|---------------------------------------|---------------------------------------|
| <b>Revenue from Operations</b>                                      | <b>2,16,626.57</b>                    | <b>1,88,499.87</b>                    |
| <b>Earnings before interest, tax, depreciation and amortization</b> | <b>24,945.78</b>                      | <b>31,673.20</b>                      |
| Finance Cost  | 668.66                                | 1,172.38                              |
| Other Income  | 1,895.80                              | 1,981.57                              |
| Depreciation on Tangible Assets                                     | 3,061.83                              | 3,098.43                              |
| Amortization of Intangible Assets                                   | 3,132.96                              | 3,134.68                              |
| Depreciation of right of use assets                                 | 1,657.38                              | 1,557.79                              |
| <b>Profit before exceptional item and tax</b>                       | <b>18,320.75</b>                      | <b>24,691.49</b>                      |
| Exceptional items   | Nil                                   | 2,350.41                              |
| <b>Profit before tax</b>  | <b>18,320.75</b>                      | <b>22,341.08</b>                      |
| Provision for tax   |                                       |                                       |
| - Current tax   | 3,207.00                              | 3,742.00                              |
| - Deferred Tax Charge/ (Credit)                                     | (499.16)                              | (427.10)                              |
| <b>Profit after tax</b>   | <b>15,612.91</b>                      | <b>19,026.18</b>                      |
| Earning Per Share (Basic) (In ₹)                                    | 4.25                                  | 5.18                                  |
| Earning Per Share (Diluted) (In ₹)                                  | 4.25                                  | 5.18                                  |
| Dividend Per Share of face value of ₹ 1/- (In ₹)                    | 2.50                                  | 4.00                                  |

The abovementioned financial performance highlights are an abstract of the Financial Statements of your Company for the Financial Year 2021-22. The detailed Financial Statements of your Company forms part of this Annual Report and are also uploaded on the website of your Company i.e. [www.jyothylabs.com](http://www.jyothylabs.com).

## PERFORMANCE HIGHLIGHTS

The Revenue from operations on standalone basis of your Company for the Financial Year 2021-22 was up by 14.92% and stood at ₹ 2,16,626.57 Lacs compared to ₹ 1,88,499.87 Lacs in the previous financial year. The net profit for the financial year 2021-22 amounted to ₹ 15,612.91 Lacs.

The consolidated revenue from operations of your Company for the financial year under review stood at ₹ 2,19,648.88 Lacs as against ₹ 1,90,912.02 Lacs in the previous year, reporting a growth of 15.05%. The consolidated profit after tax for the financial year under review stood at ₹ 15,913.03 Lacs against ₹ 19,065.15 Lacs in the previous financial year.

## IMPACT OF COVID-19 PANDEMIC

As the COVID-19 pandemic continues and sudden spread of second wave of Corona Virus all over India, the Government of various States including the Central Government had issued various norms and directives. Also, there were partial or complete Lock-down enforced

by various State Government(s) depending upon the situation in the respective States during the first half of the Financial Year 2021-22. Further to curb the spread of the COVID-19, the Government in many States had declared closure of departmental stores, schools, colleges, malls, theaters, etc. Since the overall economy was hit because of the sudden outbreak of COVID – 19, it impacted the overall business of your Company, in the First half of the Financial Year.

However, in the second half of the Financial Year 2021-22 the Government relaxed some restrictions as there were reduction in the number of COVID cases and in turn, the impact of COVID-19 reduced on the overall business of your Company. Further, in accordance with the Government policies, your Company has also started getting back to normal and physical presence of Employees at offices/factories has been allowed.

### **DIVIDEND**

Your Board is pleased to recommend for your consideration, a dividend of ₹ 2.50 (Rupees Two and Fifty Paise only) per equity share of ₹ 1/- each for the financial year 2021-22. The aforesaid dividend will involve a total payout of ₹ 9,180.22 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 10, 2022 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 ₹ 4/- (Rupees Four only) per equity share of ₹ 1/- each for the Financial Year 2020-21. The aforesaid dividend involved a total payout of ₹ 14,688.35 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 SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 has allowed the companies to provide web-link of 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.jyothylabs.com/investor/management-policies-notice/#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**

The Authorised Share Capital of your Company is ₹ 2,72,30,00,000/- consisting of: (a) 2,72,00,00,000 Equity Shares of the Face Value of ₹ 1/- each and (b) 30,000,

11% Cumulative Redeemable Preference Shares of the Face Value of ₹ 100/- each. The paid-up Equity Share Capital of your Company as on March 31, 2022 stood at ₹ 36,72,08,644/- consisting of 36,72,08,644 Equity Shares of the Face Value of ₹ 1/- each. Further, as on March 31, 2022, 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) Rules, 2014 and no debentures were redeemed during the Financial Year 2021-22.

### ANNUAL RETURN

Pursuant to Section 134 (3) (a) of the Act, the draft annual return for Financial Year 2021-22 prepared in accordance with Section 92(3) of the Act is made available on the website of the Company i.e. <https://www.jyothylabs.com/investor/annual-report-2/#annual-report>

### NUMBER OF MEETINGS OF THE BOARD

Your Company's Board of Directors met 5 (five) times during the financial year ended March 31, 2022 in accordance with the provisions of the Act and the Rules made thereunder. Except for the Board and the Committee Meetings held on March 28, 2022, which was held physically, all the other Board and Committee Meetings during Financial Year 2021-22 were held 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.

The meetings were held on May 18, 2021, July 29, 2021, November 2, 2021, January 21, 2022 and March 28, 2022. Also, during the financial year 2021-22, 1 (one) Circular Resolution pursuant to Section 175 of the Act, was passed on December 13, 2021.

### 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, 2022, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2022, 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, 2022 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 2020-21 was carried out by the Board of Directors and the Nomination, Remuneration and Compensation Committee at their respective meetings held on May 18, 2021. 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 17, 2021. 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.jyothylabs.com/investor/management-policies-notices/#Management-Policies>

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under consideration Mr. K Ullas Kamath ceased to be the Joint Managing Director, member of the Board of Directors and its Committees thereof with effect from the closing hours of January 22, 2022.

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. 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. 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 accordance with the provisions of Section 152 of the Act, Ms. M. R. Deepthi, Whole Time Director (DIN – 01746698) 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 17, 2021.

### **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.jyothylabs.com/investor/management-policies-notices/#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 26<sup>th</sup> Annual General Meeting held on July 11, 2017, M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No.101248W/W-100022) were appointed as the Statutory Auditors of your Company to hold office for a term of 5 years commencing from the conclusion of 26<sup>th</sup> Annual General Meeting till the conclusion of 31<sup>st</sup> Annual General Meeting subject to ratification by Members in each Annual General Meeting. However, 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. The re-appointment of the existing Statutory Auditors is due in the ensuing Annual General Meeting. Accordingly, the Audit Committee and the Board of Directors of your Company during their respective meetings held on May 24, 2022 have considered and approved the re-appointment of M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No.101248W/W-100022) as the Statutory Auditors of your Company, for further period of 5 years i.e. from the conclusion of the 31<sup>st</sup> Annual General Meeting until the conclusion of the 36<sup>th</sup> Annual General Meeting of your Company to be held in the year 2027. The item for re-appointment of M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No.101248W/W-100022) as the Statutory Auditors for second term of 5 years has been included in the Notice of the ensuing Annual General Meeting for consideration and approval of Members.

M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No.101248W/W-100022) have given their consent for the proposed re-appointment as Statutory Auditors of your Company from the conclusion of the ensuing Annual General Meeting till the conclusion of 36<sup>th</sup> Annual General Meeting of your Company to be held in the year 2027. They have further confirmed that the said re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Act and that they are not disqualified for re-appointment.

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, Mumbai as the Secretarial Auditors of your Company to carry out Secretarial Audit for the financial year 2022-23. Your Company has obtained Secretarial Audit Report for the Financial Year 2021-22 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 the SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019, M/s. Rathi & Associates, Practicing Company Secretaries have also issued to your Company Annual Secretarial Compliance Report for the financial year 2021-22 confirming compliance of all laws, SEBI Regulations and circulars/guidelines issued thereunder, applicable to your Company. The Annual Secretarial Compliance Report dated May 24, 2022 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, 2022.

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 of your Company, 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 31<sup>st</sup> 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, 2021, 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 18, 2021. The Cost Audit Report for the financial year ended March 31, 2022 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.jyothy labs.com/investor/management-policies-notices/#Management-Policies>

Attention of Members is also drawn to Note 33 to the financial statements for the year ended March 31, 2022 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 2021-22 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 at its meeting held on July 29, 2021 appointed Mr. Nilesh B. Mehta, Independent Director of your Company as the Chairman of the Risk Management Committee with effect from July 29, 2021. Mr. K. Ullas Kamath has ceased to be the Director of your Company with effect from the closing hours of January 22, 2022 and accordingly has also ceased to be the member/chairperson of the Risk Management Committee with effect from the closing hours of January 22, 2022.

Accordingly, the Risk Management Committee comprises of the following Directors/Executives of your Company as Members of the Committee as on March 31, 2022:

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 2021-22 i.e. on September 21, 2021 and March 3, 2022. 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 2021-22 was required to spend an amount of ₹ 410.15 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 2021-22 has spent an aggregate amount of ₹ 274.82 Lacs towards the CSR activities mentioned in the Annual Action Plan of the Company for the financial year 2021-22, approved by the Board of Directors. Further, after setting off the excess amount of ₹ 9.67 Lacs spent in the financial year 2020-21, the balance unspent CSR amount for the Financial Year 2021-22 works out to ₹ 125.66 Lacs.

Accordingly, pursuant to the provisions of Section 135(6) of the Act and based on the recommendation of the CSR Committee, the Board of Directors of your Company approved opening of a special account in the name and style of "**Jyothy Labs Limited – Unspent Corporate Social Responsibility Account 2021-22**" and transferred the balance unspent amount of ₹ 126 Lacs, which is in excess of the balance unspent amount of ₹ 125.66 Lacs, to the aforesaid Bank Account on April 27, 2022.

Further, your Company has received request from existing projects supported by your Company for CSR funding to their on-going projects. Accordingly, the unspent amount will be utilized during the mandatory period of 3 years from the date of transfer.

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 2021-22 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 by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated January 22, 2021 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.jyothy labs.com/investor/management-policies-notice/#Management-Policies>

The Annual action plan for the financial year 2022-23 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 24, 2022 has also been uploaded on your Company's website at the link:

<https://www.jyothylabs.com/wp-content/uploads/2022/05/CSR-Annual-Action-Plan-2022-23.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>

No Company has become or ceased to be your Company's subsidiary, joint venture or associate company during the financial year 2021-22, except cessation of its step-down subsidiaries as per the information provided herein below:

Based on the Joint Petition filed by the Subsidiary of your Company viz. Jyothy Fabricare Services Limited, (JFSL) [the Transferee Company] along with JFSL's Wholly Owned Subsidiary viz. Four Seasons Drycleaning Company Private Limited (Second Transferor Company), the Hon'ble National Company Law Tribunal, Mumbai Bench have sanctioned the Scheme of Amalgamation between Four Seasons Drycleaning Company Private Limited (Second Transferor Company) with JFSL (the Transferee Company) vide their order dated February 16, 2021. Further during the year under review, the Hon'ble bench of National Company Law Tribunal, Bengaluru had also allowed the Scheme of Amalgamation of Snoways Laundrers & Drycleaners Private Limited (First Transferor Company) and Four Seasons Drycleaning Company Private Limited (Second Transferor Company) with JFSL (the Transferee Company) and had granted their final order on December 8, 2021.

### **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, 2022.

### **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 Advisors Pvt. Ltd. Chartered Accountants 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 Report.

### **BUSINESS RESPONSIBILITY REPORT**

As per the requirements of Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Reports are applicable to top 500 listed companies based on market capitalization. Further, SEBI vide its notification dated December 26, 2019, notified the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019 and has extended the applicability to top 1000 listed companies based on market capitalization.

Your Company being one of the top 500 listed companies is required to report on Business Responsibility. Accordingly, the report on Business Responsibility forms an integral part of this 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 Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 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](mailto: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 ensure compliance of all applicable laws through 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 notified by the Ministry of Corporate Affairs on September 7, 2016 and subsequently amended vide notification dated February 28, 2017, 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, 19,918 shares of 480 members of your Company were transferred to Demat Account of IEPF Authority on October 7, 2021. 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](http://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 2013-14 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 2013-14 onwards on its website i.e. [www.jyothy.com](http://www.jyothy.com) and on website of the Ministry of Corporate Affairs i.e. [www.mca.gov.in](http://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 final dividend amount pertaining to the financial year 2014-15 will be transferred to IEPF during the Financial Year 2022-23.

## **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 state-of-the-art facilities at all of its manufacturing locations spread across India. Furthermore, six manufacturing plants of your Company situated at Roorkee, Wayanad, Jammu, Pithampur, Puducherry and Baddi 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, 2022 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 on December 21, 2020 filed an application before the Registrar, 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). During the year under review, vide order dated October 04, 2021 the NCLT admitted the petition in terms of Section 7 of the Code.

In view of fact that Abhiraami Chemicals Limited does not have any operation since the Financial Year 2015-16 and

has zero revenue from operations since the year 2015-16, the Committee of Creditors (CoC) vide its meeting held on November 26, 2021 recommended and approved liquidation of the Abhiraami Chemicals Limited and resolution professional has been appointed as liquidator. The Liquidator has filed the application for liquidation of Abhiraami Chemicals Limited under Section 33 of the Code with NCLT, Chennai on March 01, 2022 and the matter is pending before the NCLT, Chennai.

### 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 24, 2022

**ANNEXURE - A**
**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.



## ANNEXURE - B

**SALIENT FEATURES OF NOMINATION AND  
REMUNERATION/ COMPENSATION POLICY**

The Board 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.
- 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.

#### **(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.
  - 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.

## ANNEXURE C

## 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 31<sup>ST</sup> MARCH, 2022

To

The Members

**JYOTHY LABS LIMITED**

Ujala House, Ram Krishna Mandir Road,

Kondivita, Andheri (East),

Mumbai – 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 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022, 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 Debt Securities) Regulations, 2008;
- b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- 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:

- a. Legal Metrology Act, 2009
- b. Legal Metrology (Packaged Commodities) Rules, 2011
- c. Environment (Protection) Act, 1986
- d. Hazardous Wastes (Management and Handling) Rules, 1989
- e. Insecticides Act, 1968
- f. 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 1<sup>st</sup> October, 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, there were no other actions having a major bearing on the Company's affairs during the period under report.

For **RATHI & ASSOCIATES**  
COMPANY SECRETARIES

sd/-  
**HIMANSHU S. KAMDAR**  
PARTNER  
M. NO.: FCS 5171  
C.P. NO.: 3030  
UDIN: F005171D000374421

**Place:** Mumbai  
**Date:** May 24, 2022

**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 31<sup>st</sup> March, 2021.
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.



**ANNEXURE- II**

To  
The Members  
**JYOTHY LABS LIMITED**  
Ujala House, Ram Krishna Mandir Road,  
Kondivita, Andheri (East), Mumbai – 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: F005171D000374421

**Place:** Mumbai  
**Date:** May 24, 2022

## ANNEXURE – D

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

(Pursuant to Section 186 of the Companies Act, 2013)

**Amount Outstanding as at March 31, 2022**

| <b>Particulars</b>                   | <b>(₹ in Lacs)</b> |
|--------------------------------------|--------------------|
| Loans given                          | Nil                |
| Guarantee Given (Financial exposure) | 10,142.82          |
| Investment (Current and Non-Current) | 14,223.91          |

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

**Place:** Mumbai  
**Date:** May 24, 2022

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

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

**ANNEXURE - E**
**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 24, 2022

## ANNEXURE – F

### 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:

- i. Installed roof top solar panels at Pithampur plant. The installed capacity of the project is 500Kw. The Company is in the process of implementing another 2400Kw solar plants through 6 factories in FY23
- ii. Installed Rooftop Solar Daylight System at our Silvassa plant. This is a high reflective sheet that reflects 98% of all visible light, which ensures lesser variation in light intensity and with low heat transfer. Natural sunlight allows color to be seen as they are and light dispersal over a wide-angle by radial lens film technology.

**(B) Technology absorption-**

- We have installed an in-house designed and fabricated fully automatic Dishwash Round packing line at our Uttarakhand plant. This ensures no human touch of the product
- Commissioned state of art manufacturing facility for Dish wash and Detergent Bar production at Karaikal with 45000 TPA capacity, replacing the current 20-year-old line.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

| Particulars               | (₹ in Lacs) |          |
|---------------------------|-------------|----------|
|                           | 2021-22     | 2020-21  |
| Foreign exchange earnings | 4,527.97    | 3,456.02 |
| Foreign exchange outgo    | 3,232.90    | 3,421.28 |

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

Jyothy Labs Limited (the Company) has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is uploaded on the Company's website [www.jyothylabs.com](http://www.jyothylabs.com).

The Company has undertaken projects in promoting education including employment enhancing vocational skills, Eradicating of hunger and Promoting health care including preventive health care as a part of its CSR Initiative for the financial year 2021-22. The activities and funding are monitored internally by CSR Committee of the Company. The Company has identified the following fields of operation for spending of expenditure towards CSR:

- i) eradicating hunger, poverty and malnutrition, promoting preventive health care including sanitation and more particularly contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- viii) contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and  
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- x) rural development projects;
- xi) slum area development;
- xii) disaster management, including relief, rehabilitation and reconstruction activities;
- xiii) such other projects as may be specified by the Central Government from time to time.



## 2. Composition of CSR Committee

| SI. 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   | Three (3) i.e. on May 18, 2021; November 2, 2021; and March 28, 2022 | 3  |
| 2.     | Mr. R. Lakshminarayanan | Independent Director as Member     |  | 3  |
| 3.     | Ms. M. R. Jyothy        | Managing Director as Member        |  | 3  |

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:

<https://www.jyothyabs.com/investor/announcements/>

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. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any-

(₹ in Lacs)

| SI. No | Financial Year | Amount available for set-off from preceding financial years | Amount required to be setoff for the financial year, if any |
|--------|----------------|---|---|
| 1.     | 2020-21        | 9.67  | 9.67  |
|        | <b>Total</b>   | <b>9.67</b>   | <b>9.67</b>   |

6. **Average net profit of the Company as per Section 135(5): - ₹20,507.33 Lacs**

7. (a) Two percent of average net profit of the Company as per section 135 (5):- ₹ **410.15 Lacs**
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:- **Nil**
- (c) Amount required to be set off for the financial year, if any:- ₹ **9.67 Lacs**
- (d) Total CSR obligation for the financial year (7a+7b-7c) :- ₹ **400.48 Lacs**

8. (a) Details of CSR spent or Unspent for the financial year.

(₹ in Lacs)

| Total Amount Spent for the Financial Year. | Total Amount transferred to Unspent CSR Account as per Sec 135(6) |                  | Amount Unspent |        |                  |
|--|---|------------------|----------------|--------|------------------|
|  | Amount  | Date of Transfer | Name of fund   | Amount | Date of Transfer |
| 274.82                                     | 126.00  | 27-04-2022       | -              | Nil    | NA               |

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(₹ in Lacs)

| (1)<br>Sl. No. | (2)<br>Name of the Project.                             | (3)<br>Item from the list of activities in Schedule VII to the Act. | (4)<br>Local area (Yes/No). | (5)<br>Location of the project. |              | (6)<br>Project duration | (7)<br>Amount allocated for the project | (8)<br>Amount spent in the current financial Year | (9)<br>Amount transferred to Unspent CSR Account for the project as per Section 135 (6) | (10)<br>Mode of Implementation - Direct (Yes/No). | (11)<br>Mode of Implementation - Through Implementing Agency |                         |
|----------------|---|---|-----------------------------|---------------------------------|--------------|-------------------------|---|---|---|---|--|-------------------------|
|                |   |   |                             | State                           | District     |                         |   |   |   |   | Name   | CSR Registration number |
| 1.             | Construction of Sanitorium /Health – Medical facilities | Promoting health care including preventive health care              | Yes                         | Maharashtra                     | Mumbai       | 3 year                  | 126.00                                  | 100.00  | 126.00  | No  | Kutchhi Bhanu-shali Seva Samaj Trust                         | CSR00004385             |
| 2.             | Construction of Library Building                        | Promoting education   | No                          | Odisha                          | Bhubaneswar  |                         |   | 100.00  |   | No  | Kalinga Institute of Social Science                          | CSR00000319             |
| 3              | Children education                                      | Promoting education   | Yes                         | Kerala                          | Kandanassery |                         |   | 33.50   |   | No  | The Academy of Magical Sciences                              | CSR00003855             |
| <b>Total</b>   |   |   |                             |                                 |              |                         |   | <b>233.50</b>                                     | <b>126.00</b>   |   |  |                         |

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(₹ in Lacs)

| Sl. No       | Name of the Project                    | Item from the list of activities in schedule VII to the Act | Local area (Yes/No) | Location of the project   |              | Amount spent for the project | Mode of implementation Direct (Yes/No) | Mode of Implementation - Through Implementing Agency |                         |
|--------------|--|---|---------------------|---------------------------|--------------|------------------------------|--|--|-------------------------|
|              |  |   |                     | State                     | District     |                              |  | Name   | CSR Registration number |
| 1            | Groceries for blind federation         | Eradicating of hunger                                       | Yes                 | Kerala                    | Kandanassery | 3.14                         | Yes                                    | -  | -                       |
| 2            | Food provided to flood Affected people |   | Yes                 | Tamil Nadu                | Puducherry   | 0.17                         | Yes                                    | -  | -                       |
| 3.           | Health & Covid                         | Promoting health care including preventive health care      | Yes                 | Various States, Districts |              | 38.01                        | Yes                                    | -  | -                       |
| <b>Total</b> |  |   |                     |                           |              | <b>41.32</b>                 |  |  |                         |

- (d) Amount spent in Administrative Overheads- **Nil**
- (e) Amount spent on Impact Assessment, if applicable- **Not Applicable**
- (f) Total amount spent for the Financial Year- **274.82 Lacs**  
(8b+8c+8d+8e)
- (g) Excess amount for Set off, if any- **Nil**

9. (a) Details of Unspent CSR amount for the preceding three financial years-

| SI. No | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. |                |                  | Amount remaining to be spent in succeeding financial years. (in ₹) |
|--------|---------------------------|--|--|--|----------------|------------------|--|
|        |                           |  |  | Name of the Fund   | Amount (in ₹). | Date of transfer |  |
| 1.     | NOT APPLICABLE            |  |  |  |                |                  |  |
|        | <b>TOTAL</b>              | -  | -  | -  | -              | -                | -  |

- (b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **Not Applicable**

| (1) SI. No. | (2) Project ID. | (3) Name of the Project. | (4) Financial Year in which the project was commenced. | (5) Project duration. | (6) Total amount allocated for the project (in ₹). | (7) Amount spent on the project in the reporting Financial Year (in ₹). | (8) Cumulative amount spent at the end of reporting Financial Year. (in ₹) | (9) Status of the project - Completed /Ongoing. |
|-------------|-----------------|--------------------------|--|-----------------------|--|---|--|---|
| 1.          | NOT APPLICABLE  |                          |  |                       |  |   |  |   |
|             | <b>TOTAL</b>    |                          |  |                       |  |   |  |   |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created acquired through CSR spent in the financial year (**asset-wise details**).- **Not Applicable**

- (a) Date of creation or acquisition of the capital asset(s).- **N.A.**
- (b) Amount of CSR spent for creation or acquisition of capital Asset- **N.A.**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- **N.A.**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).- **N.A.**

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).- **The Company has undertaken on-going project for the Financial Year 2021-22 and the funds are disbursed to the implementing agencies as and when it is required by them. Pursuant to the provisions of Section 135(6) of the Companies Act, 2013, the Company opened a special account in the name and style of "Jyothy Labs Limited – Unspent Corporate Social Responsibility Account 2021-22" and transferred ₹126.00 Lacs, which is in excess of the balance unspent amount of ₹ 125.66 Lacs, to the aforesaid bank account on April 27, 2022.**

**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)

**Place:** Mumbai

**Date:** May 24, 2022

## ANNEXURE H

**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 2021-22 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  |
|------------------------|-----|---|---------------------------------------|------------------------------------|--------------------|-------------------------------------|--|
| Ms. M. R. JYOTHY       | 44  | B.Com, MBA from Wellingker's 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                         | 18 years           | 3,28,55,700                         | -  |
| Mr. SANJAY AGARWAL     | 46  | Chartered Accountant, Cost Accountant, EDP - Wharton Business School, USA and A.M.P., Harvard Business School, USA  | Chief Financial Officer               | 18-04-2018                         | 22 years           | 3,11,47,644                         | Adani Capital – Executive Director   |
| Mr. KANDALA ANIL SARMA | 43  | PGDBM from Management Development Institute – Gurgaon & B.E (Electrical Electronics) from Birla Institute of Technology   | Sales Head                            | 04-07-2019                         | 21 years           | 2,79,28,872                         | Britannia Industries Limited as National Sales Manager – Dairy Business & Country Manager – Nepal & Bangladesh |
| Mr. ANANTH RAO T       | 48  | Bachelors of Business Management and Intermediate level -Institute of Chartered Accountants of India  | Head – Operations & Commercial        | 24-12-2003                         | 18 years           | 1,64,56,410                         | -  |
| Mr. S SOMA-SUNDARAM    | 52  | B. Sc.  | VP - SUPPLY SOURCING & MANUFACTURING# | 17-08-2012                         | 27 years           | 1,48,73,836                         | Kumar Organic Products Limited Vice President - Operation  |

# Ceased to be the employee of the Company w.e.f. April 19, 2022.

**B. Employed for part of the financial year 2021-22 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             |
|--------------------|-----|---|--------------------------|------------------------------------|--------------------|-------------------------------------|---------------------------------|
| Mr. K.ULLAS KAMATH | 59  | M.Com., F.C.A., A.C.S., L.L.B., A.M.P. – Wharton Business School and Harvard Business School, U.S.A, Masters in Global Management (M.Sc.) from London School of Economics | Joint Managing Director* | 26-03-1997                         | 36 years           | 6,49,74,694                         | Practicing Chartered Accountant |

\* Mr. K Ullas Kamath ceased to be the Joint Managing Director and member of the Board & its Committee, with effect from the closing hours of January 22, 2022.



**Note:**

1. All appointments are contractual and terminable by notice on either side.
2. None of the employees mentioned above are related to any director of the Company except: a) Mr. T. Ananth Rao and Ms. M. R. Jyothy, who are related to each other, being spouse and b) Ms. M. R. Jyothy and Ms. M. R. Deepthi, who are related to each other being sisters.
3. 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 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 are as under:

| Sl. No. | Name of Director/ Chief Financial Officer/ Company Secretary | Designation                      | Remuneration Current Year (Amt in ₹) | % increase/ decrease in Remuneration in the financial year 2021-22 | Ratio of remuneration of each Director/ CFO/ CS/ to median remuneration of employees |
|---------|--|----------------------------------|--------------------------------------|--|--|
| 1       | Mr. R. Lakshminarayanan                                      | Chairman & Independent Director  | 18,75,000                            | 5.63%  | 5 : 1  |
| 2       | Ms. M. R. Jyothy   | Managing Director                | 3,28,55,700                          | 10.72%   | 82 : 1   |
| 3       | Mr. K. Ullas Kamath  | Joint Managing Director*         | 6,49,74,694                          | -17.79%  | 163 : 1  |
| 4       | Ms. M. R. Deepthi  | Whole Time Director              | 81,05,700                            | 10.58%   | 20 : 1   |
| 5       | Mr. Nilesh B. Mehta  | Independent Director             | 19,25,000                            | 8.45%  | 5 : 1  |
| 6       | Ms. Bhumika Batra  | Independent Director             | 17,00,000                            | 6.25%  | 4 : 1  |
| 7       | Mr. Aditya Sapru#  | Independent Director             | 50,000                               | -  | 0.13:1   |
| 8       | Mr. Shreyas Trivedi  | Head – Legal & Company Secretary | 98,40,964                            | 23.97%   | 25 : 1   |
| 9       | Mr. Sanjay Agarwal   | Chief Financial Officer          | 3,11,52,644                          | 27.79%   | 78 : 1   |

\* Mr. K Ullas Kamath ceased to be the Joint Managing Director, with effect from the closing hours of January 22, 2022.

# Mr. Aditya Sapru appointed as an Independent Director of the Company with effect from March 28, 2022.

- (ii) In the financial year, there was an increase of 7.97 % in the median remuneration of employees;
- (iii) There were 2,593 permanent employees on the rolls of Company as on March 31, 2022;
- (iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 was 7.82 % whereas the managerial remuneration for the same financial year decreased by 0.7%
- (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 Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

|     |  |   |
|-----|--|---|
| 1.  | Corporate Identity Number (CIN)  | L24240MH1992PLC128651   |
| 2.  | Name of the Company  | JYOTHY LABS LIMITED   |
| 3.  | Registered address   | 'Ujala House', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059   |
| 4.  | Website  | <a href="http://www.jyothy.com">www.jyothy.com</a>  |
| 5.  | Email id   | <a href="mailto:secretarial@jyothy.com">secretarial@jyothy.com</a>  |
| 6.  | Financial year reported  | 2021-22 (for the Financial Year ended March 31, 2022)   |
| 7.  | Sector(s) that the Company is engaged in (industrial activity code-wise)                         | 20211 – Mosquito liquid Vaporiser, Mosquito Repellent and Toilet Cleaner;<br>20212 – Hand Sanitizer<br>20231 – Soaps, Dish wash bar, Dish wash liquid, Dish Wash Gel and Floor Cleaner,<br>20233 – Detergents, Fabric Whitener, Detergent Liquid and Fabric Stiffener;<br>20235 – Tooth Paste;<br>20237 – Body soap (Toilet Soap), Deo, Talcum powder, Face wash, Hand Wash and After Shave;<br>20238 – Agarbatti; and<br>46499 – Dish wash Scrubber and Wipe EXO-VEG CLEANER” i.e. EXO Bioh Fresh  |
| 8.  | List three key products / services that the Company manufactures/ provides (as in balance sheet) | 1. Fabricare (Detergents, Detergent Bar and Fabric Whitener)<br>2. Dishwash (Dishwash Bar and Liquid)<br>3. Household Insecticides (Mosquito repellent coil and liquid vapouriser)  |
| 9.  | Total number of locations where business activity is undertaken by the Company                   |   |
|     | i) International locations   | The Company has undertaken business activity in 22 international locations. Out of them, 5 major locations include Nepal, Bhutan, Malaysia, Saudi Arabia and Dubai.   |
|     | ii) National locations   | <b>Registered Office:</b><br>'Ujala House', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059<br><br><b>Zonal Offices:</b><br><b>West Zone</b><br>43, Shivshakti Industrial Estate,<br>Andheri Kurla Road,<br>Marol, Andheri (East), Mumbai – 400 059<br><br><b>East Zone</b><br>"POONAM BUILDING"<br>5/2, Russel Street, Flat No 3A & 3B, West Bengal, Kolkata - 700 071<br><br><b>North Zone</b><br>304-305, 3rd Floor, K.M Trade Tower,<br>Sector-14, Kaushambi,<br>Near Radisson Blue Hotel,<br>Ghaziabad, Uttar Pradesh-201010<br><br><b>South Zone</b><br>#N-903, Rear Wing, Manipal Center, Dickenson Road, Bangalore -560042<br><br>For details of manufacturing plant/ locations, please refer Corporate Governance report forming part of the Annual Report 2021-22. |
| 10. | Markets served by the Company - Local / State / National / International                         | National and International  |

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

₹ in Lacs

|    |  |   |
|----|--|---|
| 1. | Paid up Capital of the Company<br>(As on March 31, 2022)   | ₹ 3,672.09<br>(36,72,08,644 Equity shares of ₹ 1/- each)                      |
| 2. | Total Turnover<br>(For the financial year 2021-22)   | ₹ 2,16,626.57 (Standalone)  |
| 3. | Total Profit after Tax<br>(For the financial year 2021-22)                                       | ₹ 15,612.91 (Standalone)  |
| 4. | Total spending on Corporate Social Responsibility (CSR)<br>as percentage of profit after tax (%) | 1.76% (₹ 274.82 Lacs)   |
| 5. | List of activities in which expenditure in four above was incurred                               | Please refer Annual Report on CSR Activities annexed to the Directors' Report |

**SECTION C: OTHER DETAILS**

|    |  |  |
|----|--|--|
| 1. | Does the Company have any Subsidiary Company / Companies?  | Yes  |
| 2. | Does the subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).   | Yes, the subsidiary companies are engaged in BR initiatives as per their current size and scale of operations.   |
| 3. | Does any other entity / entities (e.g. suppliers, distributors etc.), that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%] | No entity participates in the BR initiatives of the Company. However, the Company encourages its suppliers, distributors, etc. to adopt BR initiatives and follow good business practices. |

**SECTION D: BR INFORMATION**

|           |  |  |
|-----------|--|--|
| <b>1.</b> | <b>Details of Director / Directors responsible for BR</b>  |  |
|           | <b>a) Details of the Director / Directors responsible for the implementation of the BR policy / policies</b> |  |
|           | DIN  | 00571828   |
|           | Name   | Ms. M. R. Jyothy   |
|           | Designation  | Managing Director  |
|           | <b>b) Details of the BR head</b>   |  |
|           | DIN  | 00571828   |
|           | Name   | Ms. M. R. Jyothy   |
|           | Designation  | Managing Director  |
|           | Telephone No.  | 022-66892800   |
|           | E-mail ID  | <a href="mailto:secretarial@jyothy.com">secretarial@jyothy.com</a> |

**2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)**

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs adopted nine areas of Business Responsibility, viz.:

|             |    |  |
|-------------|----|--|
| Principle 1 | P1 | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability   |
| Principle 2 | P2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle                                    |
| Principle 3 | P3 | Businesses should promote the well-being of all employees  |
| Principle 4 | P4 | Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised |

|             |    |  |
|-------------|----|--|
| Principle 5 | P5 | Businesses should respect and promote human rights   |
| Principle 6 | P6 | Businesses should respect, protect and make efforts to restore the environment                             |
| Principle 7 | P7 | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner |
| Principle 8 | P8 | Businesses should support inclusive growth and equitable development                                       |
| Principle 9 | P9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner   |

**(a) Details of Compliance:**

|     |  | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|--|--|----|----|----|----|----|----|----|----|
| 1.  | Do you have a policy/ policies for.  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 2.  | Has the policy been formulated in consultation with the relevant stakeholders?[Refer Note 1]   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 3.  | Does the policy conform to national / international standards? If yes, specify? (50 words)   | The policies conform to the nine principles of National Voluntary Guidelines (NVGs) for Business Responsibility Report |    |    |    |    |    |    |    |    |
| 4.  | Has the policy been approved by the Board? If yes, has it been signed by the MD / Owner / CEO appropriate Board Director? [Refer Note 2]                                   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 5.  | Does the Company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy? [Refer Note 3]                                  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 6.  | Indicate the link to view the policy online. [Refer Note 4]  | Please refer Note 4 given below  |    |    |    |    |    |    |    |    |
| 7.  | Has the policy been formally communicated to all relevant internal and external stakeholders?  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 8.  | Does the Company have in-house structure to implement its policy / policies?   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 9.  | Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies? [Refer Note 5] | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 10. | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? [Refer Note 6]                                  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |

**Notes**

- All the policies are formulated with detailed analysis and benchmarking across industry. The policies are in compliance with all applicable laws.
- As per the Company's practice, all the mandatory policies under the 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 policy.
- All the policies have a policy owner and the respective policy owners are responsible for implementation of the policy.
- Except Code of Conduct and Corporate Social Responsibility Policy, all other policy documents being in-house and internal documents of the Company are uploaded on the intranet and are accessible to all the employees of the Company and thus are not available on the website of the Company. The Code of Conduct and Corporate Social Responsibility Policy can be accessed on the following links: [www.jyothylabs.com](http://www.jyothylabs.com).
- Any grievance relating to any of the policy can be escalated to the policy owner/ Top Management of the Company.
- Implementation of policies is evaluated as a part of internal governance by policy owners.

**(b) If answer to question at Sr. No. 1 against any principle, is 'No', please explain why? (Tick up to two options)**

|    |   | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|----|---|----|----|----|----|----|----|----|----|----|
| 1. | The Company has not understood the Principles   |    |    |    |    |    |    |    |    |    |
| 2. | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles |    |    |    |    |    |    |    |    |    |
| 3. | The Company does not have financial or manpower resources available for the task  |    |    |    |    |    |    |    |    |    |
| 4. | It is planned to be done within next six months   |    |    |    |    |    |    |    |    |    |
| 5. | It is planned to be done within next one year   |    |    |    |    |    |    |    |    |    |
| 6. | Any other reason (please specify)   |    |    |    |    |    |    |    |    |    |

Not  
Applicable

**3. Governance related to BR**

|    |   |  |
|----|---|--|
| 1. | Indicate the frequency with which the Board of Directors, Committee of the Board or the CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year | The Managing Director assesses the BR performance of the Company on quarterly basis.   |
| 2. | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing the report? How frequently it is published?   | The Business Responsibility Report is published annually by the Company as a part of its Annual Report. The links for Business Responsibility Report are available on : <a href="http://www.jyothylabs.com">www.jyothylabs.com</a> |

**Principle 1: Ethics, Transparency and Accountability**

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

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|----|---|--|
| 1. | Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?                | The Policy relating to Ethics, anti-bribery and anti-corruption at present covers the Company its employees, Suppliers, Contractors and other Stakeholders. The policy includes a Code of Conduct prescribed by the Company for all its employees including the Directors. The policy does not extend to the Group/ Joint Venture etc. However, the Company encourages parties associated with its value chain like vendors, contractors, etc. to follow the principles envisaged in the policy. |
| 2. | How many stakeholder complaints were received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so. | During the financial year 2021-22, no substantial consumer complaints were received. All the product quality feedback / queries were attended & resolved well within the time frame.   |



**Principle 2: Product Lifecycle Sustainability**

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

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|----|--|--|
| 1. | List three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities | <p><b>Exo Dish Wash Bar / Round</b></p> <p>Exo Dish Wash Bar is an anti-bacterial dish wash that offers ultra-clean dish-washing and superior hygiene. First in its category, Exo Dish Wash Bar is a pioneering product that incorporates Goodness of Ginger and Power of 'Cyclozan'. The round shape of the bar reinforces the concept of superior design to minimize product wastages thereby affording high economy of use.</p> <p>Ginger has a known legacy of medicinal and anti-bacterial properties. The Company have independently ascertained the germ kill properties of ginger extract which also gets incorporated within the Exo Dishwash bar thereby delivering the goodness and germ kill efficacies of ginger.</p> <p>In addition – Exo has Cyclozan, an efficacious anti-bacterial agent possessing broad spectrum anti-bacterial efficacies. This ensures that food poisoning and other pathogens resulting from food putrefaction are effectively killed affording a superior level of both cleaning and hygiene.</p> <p><b>Ujala Liquid Detergent</b></p> <p>The Company have successfully ensured the commercial launch of Ujala Liquid Detergent in marketplace. The liquid detergents offer a novel cleaning value proposition to the consumers in the Indian market largely dominated by powder users.</p> <p>Ujala Liquid Detergent has been proven to offer an instantaneous dirt dissolution but also possesses very high germ kill efficacies whilst ensuring a superior cleaning performance of fabrics. The Company have seen an opportunity to transform washing habits of consumers to adopt liquid detergent solutions which while ensuring good cleaning is also gentle to clothes.</p> <p><b>Margo Original Neem – Toilet Soap</b></p> <p>In India, Neem and skin care have had a strong association for generations. And if there is one brand that is the very essence of Neem, that's Margo. In fact, Margo has been a family heritage since 1920. Infused with the beneficial properties of 100% Neem Oil and Vitamin E, Margo Original Neem is just the soap for those looking for healthy and germ-free skin.</p> <p>Continuing the innovation in formulation processes the Company has re-engineered soap noodles through an effective fat charge combination of various oils. These were done without impacting the overall Margo soap sensorials as well as the claim of providing the goodness of 1000 neem leaves. Such a technology shift ensures that we are cost competitive in reacting to market raw material abundance and price pressures without diluting our original value proposition to consumers.</p> |
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| 2. | For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional)  | <p>Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?</p> <p>The Company has undertaken several initiatives for optimal use of resources which include, raw material, packaging material and process modifications.</p> <p>Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p> <p>Through continuous focus on improvement in product formulation, design and processes employed the Company has delivered its goal of achieving optimal consumption of water and power. In case of Maxo coil, we have demonstrated an efficient coil premix manufacture using lesser amounts of water. This translates to an approximately 18% lesser water usage in coil production. Also, this effort shall lead to lesser power consumption through reduced drying times and better productivity in our plants thereby reducing overall conversion cost for coil manufacture.</p> <p>Overall, in almost all product categories the Company has focused on effective cost re-engineering to mitigate the effect of disproportionate hike in input prices. Efforts have led to usage of optimized ingredient levels in formulations thereby, helping in reducing environmental load.</p> |
| 3. | Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so  | <p>The Company has implemented various sustainable supply chain practices and initiatives whilst ensuring timely and cost-effective deliveries for necessary resources.</p> <p>The use of completely natural surfactants in both personal care and household care is being currently explored as effective substitutes for fossil-based surfactants. The use of gluconate salts in liquid detergents as sequestrants in place of the conventional phosphonates or EDTA, both of which aren't environmentally friendly reflects company's commitment to use environment friendly and benign materials.</p>  |
| 4. | Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what initiatives were taken to improve their capacity and capability of local and small vendors? | <p>It has always been the priority of the Company to identify and develop alternative local suppliers of raw materials, packaging materials, and various other services. There are multiple vendors for most of our widely used raw materials and endeavor is to identify many more. A specific case in point is our usage of a swellable gelling polymer from a local Indian company for manufacture of hand sanitizer gels during the pandemic instead of importing such swellable polymers. Primary alcohol ethoxylate non-ionic surfactant and poly-(acrylic acid) which were imported earlier have been replaced by local supplier source and is being used commercially.</p> <p>The Company takes steps for capacity building of local and small vendors. The Company's contractors who supply labour services for plant operations employ workmen from nearby communities. This workforce is educated and provided training in various operational aspects of the job at factory which also includes strong exposure to occupational health and safety</p>  |

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| 5. | Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Also provide details thereof, in about 50 words or so | <p>Yes, the Company has mechanisms in place to recycle products and waste generated. 100% of product manufactured including waste are consumed in the manufacturing process. Any defect material which might arise during processes are reworked fully.</p> <p>The company is constantly engaged in innovating and improving its products packaging which include multilayered and monolayer plastic, laminates etc. Further, the Company has also taken an initiative to improve the environmental impact and is committed in making the world a better place. Together, with Company's partners, the Company is working towards innovative solutions to help address the challenge of plastic waste.</p> <p>The important initiative taken by the Central Government under provisions of the Environment (Protection) Act, 1986 for the purpose of protecting and improving the quality of the environment and preventing, controlling, and abating environmental pollution is by notifying the rules through framing the Plastic Waste Management Rules, 2016 ("Rules"). These rules makes every Waste Generator, Local Body, Gram Panchayat, Manufacturer, Importers and Producers responsible for plastic generated and for the treatment thereto.</p> <p>As a socially responsible organization, the Company has always supported such policies that strive to reduce, reuse, recycle and recover plastic. In the same light, the Company has initiated to get it self-registered under Brand Owner as Extended Producer Responsibility. The Company has partnered with several vendors who shall collect, segregate, and safely dispose of plastic waste on the Company's behalf to the waste disposal facility for which application is already made with the Central Pollution Control Board.</p> |
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### Principle 3: Employee Wellbeing

Businesses should promote the wellbeing of all employees

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| 1. | Total number of employees as on March 31, 2022.   | The Company believes that employees play a pivotal role and are the key to the success of the organization. The Company provides a work environment that is free from any form of discrimination among employees. As on March 31, 2022, the Company has total 2,593 permanent employees of which 458 are women employees and 1 employee is having disabilities. |
| 2. | Total number of employees hired on temporary / contractual / casual basis as on March 31, 2022.                               |   |
| 3. | Total number of permanent women employees   |   |
| 4. | Total number of permanent employees with disabilities   |   |
| 5. | Do you have an employee association that is recognized by the Management?   | The Company during the year under review has hired 5,078 employees on temporary/ contractual/ casual basis.   |
| 6. | What percentage of your permanent employees are members of this recognised employee association?                              | At present there is a management recognized employee association which has approximately 7.64% of the permanent employees as its member.  |
| 7. | Please indicate the number of complaints relating to the last financial year and pending, as on the end of the financial year | The Company has not received any complaints relating to child labour, forced labour, involuntary labour, sexual harassment during the FY 2021-22 and hence pendency of same does not arise.   |
| 8. | What percentage of your under-mentioned employees that were given safety and skill up-gradation training in the last year?    | 89.5% of the employees were imparted safety and skill up-gradation training. The Company conducts from time to time training programs at all its factory units, zonal offices and registered office.  |

### Principle 4: Stakeholder Engagement

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

|    |   |   |
|----|---|---|
| 1. | Has the Company mapped its internal and external stakeholders? Yes / No   | Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement process. Key categories are:<br>1) Customers;<br>2) Shareholders/Investors;<br>3) Partners (Suppliers / Vendors / Landlords);<br>4) Employees;<br>5) Regulatory Bodies;<br>6) Industry forums, etc.  |
| 2. | Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?                               | Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders. All its beneficiaries through the social development projects implemented by the above mentioned organisations are centered around the marginalised, economically weak and disadvantaged sections of the society, especially the girl child, underprivileged women and persons with disabilities. The Company's community initiatives are being implemented in both rural and urban areas.<br><br>Besides the direct project implementation through these organizations, the Company with the support of its employees also contributes funds to several other non-profit organizations. |
| 3. | Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? | The Company's initiatives in the areas of Corporate Social Responsibility are targeted to bring meaningful difference in the lives of its associated stakeholders in thrust areas like healthcare, infrastructure support, disaster management, environment sustainability, conservation of natural resources and promoting education. Several initiatives towards healthcare, education, sanitation, safe drinking water, conservation of natural resources, eradicating of hunger, integrated rural development, creation of sustainable livelihood, women empowerment, disaster management, etc. have been taken by the Company.   |

### Principle 5: Human Rights

Businesses should respect and promote human rights

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|----|--|--|
| 1. | Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? | The Company values and respects the human rights and always remains committed for its protection. The Company's Code of Business Conduct, policy on sexual harassment at workplace and the human resource practices cover most of these aspects. The Company encourages all its contractors, group companies, joint ventures and suppliers to adopt good practices in this regard. |
| 2. | How many stakeholder complaints were received in the past financial year and what percent was satisfactorily resolved by the Management?                 | No stakeholder complaint pertaining to human rights was received in the financial year 2021-22.  |

**Principle 6: Environmental Management**

Businesses should respect, protect and make efforts to restore the environment

|    |  |   |
|----|--|---|
| 1. | Does the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?                                      | The Company has more focus towards Environmental Sustainability and it strives hard for preservation of the environment by striking a balance between economic growth and ecology. The Company's plants have state-of-the-art facilities and six of its plants are ISO 9001-2015 certified. The Subsidiaries, Joint ventures and other third party/ vendors are encouraged to adopt the similar practices that are followed by the Company. The Company is committed towards maintaining and improving Safety, Health and Environment of its Employees, other agencies associated with the Company and its operational surroundings. The Company has already introduced "Safety Health & Environment Policy" called as SHE Policy which ensure Safety & Health through line management responsibility and by involving all level of employees through consultation, communication, training and by adopting latest hazard identification risk assessment & control methods. The Company has also developed Visitor Safety Security procedure, Entry regulation at factory with safety communication by audio system (in Regional languages Hindi,Kannada,Malyalam, Tamil, Telgu) to ensure at all levels. The Company is compliant with all the legal requirements and strive to make continuous improvements in the work place environment as well. In this year, our one more units has acquired ISO 14001:2015 Environmental Management System certification. Now we have ISO 14001:2015 certification at Uttarachal Roorkee, Pondicherry & Karaikal units. During covid-19 pandemic situation & till date on going , the Company has ensured all Health Safety & Environment protocol by implementing Safety guidelines, policies , procedures etc. with complete adherence everywhere at all the Company locations. Also Company has organised the vaccination camp as well as the online medical help LINE at the Company's premises. |
| 2. | Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming and others? If yes, please give hyperlink for webpage etc. | The Company undertakes various initiatives for environmental protection, safety and health of both the employees and other living creatures in the vicinity. The Company tries to address the global environmental issues, such as climate change, global warming, etc. by installing various RO and other effluent treatment plants & sewage treatment plants and ambient air monitoring environmental management system at its plants situated at various locations. The Company frames a plant layout with an emphasis on Environment, Safety and Health concerns. The Company has adopted an initiative called greenery on earth under which various trees are planted at the plant locations to tackle with the issue of carbon footprint. The Company also celebrates World Environment Day, National Safety Day/Week and World Health Day and various new Environment Health & Safety initiatives are undertaken on these occasions. Every year, the Company has circulated the communication "Mann ki Baat" addressed by Top Management to all employees of the Company for ensuring safety and health of both the employees and associated stakeholders in the vicinity.   |
| 3. | Does the Company identify and assess potential environmental risks? Y / N  | Yes, the Company has Environmental Impact assessment studies mechanism in place to identify and assess existing and potential environmental risks across its operations.  |
| 4. | Project(s) related to Clean Development Mechanism  | Currently, the Company has taken various project to establish Environment Management system at units related to achieve Clean Development Mechanism.  |



|    |   |  |
|----|---|--|
| 5. | Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to webpage and others. | Yes, the Company continuously takes multiple initiatives towards energy efficiency and use of renewable energy at its site. The Company has adopted a robust waste management system which ensures reduction of waste by minimizing waste at source and recycles waste materials. Other initiatives of the Company include installation of RO and other effluent treatment plants and ambient air monitoring system, replacement of tube light with LED and plantation of trees at various plant locations. The company has taken Green initiatives such as Rain water harvesting, Solar projects proposal (Implementation at Pithampur now proposal at Roorkee & Guwahati Margo units), Effluent treatment plants , sewage treatment plants, Waste minimization techniques by using 3R method Reduce, Recycle & Reuse. The Company also maintained the Environment management system at units. One of our unit has recognized for corporate social responsibility in water rich initiatives by "Swachhata award". |
| 6. | Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?                              | Emissions / wastes generated by the Company are within permissible limits. The Company regularly submits reports on emission levels to CPCB/SPCB.  |
| 7. | Number of show cause / legal notices received from CPCB / SPCB, which are pending (i.e. not resolved to satisfaction) as on the end of the financial year                 | There were no show cause/ legal notices from CPCB/ SPCB pending to be replied as on the end of the Financial Year i.e. March 31, 2022.   |

### Principle 7: Policy Advocacy

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

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|----|--|---|
| 1. | Does the Company represent in any trade and chambers/ association? If yes, name only those major ones that the Company deals with.                     | The Company is inter alia a member of the following business associations:<br><ul style="list-style-type: none"> <li>- Federation of Indian Chambers of Commerce and Industry (FICCI)</li> <li>- Confederation of Indian Industry (CII)</li> <li>- Basic Chemicals, Cosmetics &amp; Dyes Export Promotion Council (CHEMEXCIL)</li> <li>- The Advertising Standards Council of India (ASCI)</li> <li>- Home Insect Control Association (HICA)</li> </ul> |
| 2. | Has the Company advocated / lobbied through the above associations for the advancement or improvement of public good? If yes, specify the broad areas. | The Company takes note of the public policies that maximize the ability of individuals and companies to innovate, increase job creation, benefit the daily lives of people and strengthen the Country's economy.  |

**Principle 8: Inclusive Growth**

Businesses should support inclusive growth and equitable development

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|----|---|---|
| 1. | Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide details thereof.         | Yes, the Company considers social development as an important aspect of its operations. It has aligned its thrust areas in line with the requirements of Schedule VII of the Companies Act, 2013, as amended from time to time. To oversee implementation of various initiatives, the Company has formed a Board Level Committee called Corporate Social Responsibility Committee. The Company has adopted a policy on Corporate Social Responsibility to streamline its efforts towards Corporate Social Responsibility and support inclusive growth and equitable development.<br><br>Based on the recommendation of the Corporate Social Responsibility Committee, the Board of Directors of the Company approved the annual action plan for the financial year 2022-23. |
| 2. | Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?              | The projects are mostly undertaken through in-house teams and occasionally in co-ordination with external agencies like NGOs and Trusts or through contribution to relief funds eligible under Corporate Social Responsibility.   |
| 3. | Has the Company done any impact assessment for its initiative?  | The provisions of Impact assessment as prescribed under the Companies Act, 2013 is not applicable to the Company. However, internally impact assessment is conducted on regular basis and is reviewed from time to time. Based on these impact assessments, the Company decides upon appropriate intervention to be undertaken.   |
| 4. | What is the Company's direct contribution to community development projects (Amount in INR and the details of the projects undertaken)?                       | The Company has spent an amount of ₹ 274.82 Lacs in various CSR activities during the financial year 2021-22. The details of the amount spent and areas covered are given in the Annual Report on Corporate Social Responsibility annexed to and forming part of the Directors' Report.   |
| 5. | Has the Company taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in around 50 words. | All the Company's social development programmes are implemented based on the needs within the community. Its programmes on education, sanitation, skill development, disaster management, conservation of resources and more have ensured involvement and sustained participation from the community members. They are involved for better implementation of the projects in their respective areas. The Company's social initiative continuously focuses on benefiting both individual and the community at large.   |

**Principle 9: Value for Customers**

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

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| 1. | What percentage of customer complaints / consumer cases is pending, as on the end of the financial year? | The Company believes in providing a high quality products to its customers at an affordable price after taking into consideration the needs of the customers. The Company has in place an established feedback system to deal with the customer feedback and complaints. All the customers concerns are taken up and resolved immediately to the satisfaction of the consumer. As on the end of financial year 2021-22, there were no complaints remaining unresolved. |
|----|--|--|

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| 2. | Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).  | The Company displays all the declarations on the product label as mandated under the applicable laws to ensure full compliance and other additional information, on case to case basis.  |
| 3. | Cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on the end of the financial year. If yes, provide details thereof, in about 50 words or so. | The Company never indulges in any anti-competitive behavior and understands that consumers are the most important stakeholder for the Company. There are no cases filed against the Company in relation to unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years.   |
| 4. | Did the Company carry out any consumer survey / consumer satisfaction trends?  | The Company values its Consumer's voice and a dedicated team of employees are actively engaged to assess the product related consumer satisfaction levels and trends. The Company engages external independent agencies, who carry out surveys on various satisfaction and trends parameters for and on behalf of the Company. |

# 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 just not 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 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 SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. 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, 2022, 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 Mr. K. Ullas Kamath as the Joint Managing Director was till January 22, 2022 and accordingly Mr. Kamath had requested your Company to not consider his re-appointment as the Joint Managing Director for any further term and accordingly he ceased to be the Joint Managing Director, member of the Board of Directors and its Committees thereof with effect from the closing hours of January 22, 2022.

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, 2022, the Board of Directors of your Company met five (5) times and the gap between the meetings did not exceed 120 days. The meetings were held on May 18, 2021, July 29, 2021, November 2, 2021, January 21, 2022 and March 28, 2022. Except for the Board and the Committee meetings held on March 28, 2022, which was held physically, all the Board and the Committee meetings during the financial year 2021-22, were held 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. There was 100% attendance of all your Directors in all the Board and the Committee meetings held during the financial year 2021-22. Also, during the financial year 2021-22, 1 (one) Circular Resolution pursuant to Section 175 of the Companies Act, 2013 was passed on December 13, 2021.

The last Annual General Meeting (AGM) of your Company was held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) on Friday, July 30, 2021 in compliance with the provisions of General Circular no. 02/ 2021 dated January 13, 2021 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/2021/11 dated January 15, 2021 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, 2022 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 | -                  | 5                      | Yes      | 2                             | 1                                   | 1        |
| Ms. M. R. Jyothy        | Promoter Group and Managing Director          | 95,37,874          | 5                      | Yes      | 1                             | -                                   | -        |
| Mr. K. Ullas Kamath#    | Promoter Group and Joint Managing Director    | 29,02,760          | 4                      | Yes      | 6                             | 4                                   | 1        |
| Ms. M. R. Deepthi       | Promoter Group and Whole Time Director        | 1,03,61,770        | 5                      | Yes      | -                             | -                                   | -        |
| Mr. Nilesh B. Mehta     | Independent Non-executive Director            | -                  | 5                      | Yes      | 11                            | -                                   | 1        |
| Ms. Bhumika Batra       | Independent Non-executive Director            | -                  | 5                      | Yes      | 11                            | 6                                   | 3        |
| Mr. Aditya Sapru\$      | Independent Non-executive Director            | -                  | 1                      | N.A.     | 5                             | 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.

# Mr. K. Ullas Kamath ceased to be the Joint Managing Director of your Company from the closing hours of January 22, 2022.

\$ Mr. Aditya Sapru has been appointed as an Independent Director of your Company with effect from March 28, 2022.



**As per the requirement of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 below are the names of the other listed companies and corresponding category of directorship held by the above Directors as on March 31, 2022:**

| 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<br>b) NXTDIGITAL Limited<br>c) Sharp India Limited<br>d) Finolex Industries Limited<br>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, 2022.

As on March 31, 2022, 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.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. The Company Secretary of your Company acts as the Secretary to the Audit Committee.

#### Composition, Meetings and Attendance

During the year under review i.e. April 1, 2021 to March 31, 2022, 5 (five) meetings of the Audit Committee were held on May 18, 2021, July 29, 2021, November 2, 2021, January 21, 2022 and March 28, 2022. The composition of the Committee and attendance of each Committee Member during 2021-22 is as under:

| Sr. No. | Name of the Members     | Position | No. of meetings attended |
|---------|-------------------------|----------|--------------------------|
| 1       | Mr. Nilesh B. Mehta     | Chairman | 5                        |
| 2       | Mr. R. Lakshminarayanan | Member   | 5                        |
| 3       | Ms. Bhumika Batra       | Member   | 5                        |

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 act as the Company Secretary of the Committee. Further, representatives of the Internal Auditors and the Statutory Auditors were invitees to the Audit Committee Meeting.

#### 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:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the

Company;

- Approval of payment to the Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing with the management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013,
  - Changes, if any, in accounting policies and practices and reasons for the same,
  - Major accounting entries involving estimates based on the exercise of judgment by management,
  - Significant adjustments made in the financial statements arising out of audit findings,

- 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 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, 2022 the Nomination, Remuneration and Compensation Committee of your Company comprises of three (3) Members and is constituted in accordance with Section 178 and other provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The Committee met 5 (five) times during the financial year ended March 31, 2022 i.e. on May 18, 2021, July 29, 2021, November 2, 2021, January 21, 2022 and March 28, 2022. The attendance of the members at these meetings was as under:

| Sr. No. | Name of Members         | Position | No. of Meetings attended |
|---------|-------------------------|----------|--------------------------|
| 1       | Mr. Nilesh B. Mehta     | Chairman | 5                        |
| 2       | Mr. R. Lakshminarayanan | Member   | 5                        |
| 3       | Ms. Bhumika Batra       | Member   | 5                        |

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 act as the Company 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;
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) Regulations, 2014 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, 2022:

##### Executive Directors

(Amount in ₹)

| Name                | Salary including Benefits & Perquisites | Provident Fund | Super-annuation | Commission payable | Stock Options | Gratuity  | Leave encashment | Total       |
|---------------------|---|----------------|-----------------|--------------------|---------------|-----------|------------------|-------------|
| Ms. M. R. Jyothy    | 3,24,95,700                             | 3,60,000       | -               | -                  | -             | -         | -                | 3,28,55,700 |
| Mr. K. Ullas Kamath | 2,42,74,194                             | 29,12,903      | 24,27,419       | 2,83,60,177*       | -             | 20,00,000 | 50,00,000        | 6,49,74,694 |
| Ms. M. R. Deepthi   | 77,45,700                               | 3,60,000       | -               | -                  | -             | -         | -                | 81,05,700   |

\*Commission paid/payable to Mr. K. Ullas Kamath is up to January, 2022

For further details, please refer to Note No. 33 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 11, 2017 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, 2017 up to March 31, 2022.

Your Company at its 30<sup>th</sup> Annual General Meeting held on July 30, 2021 obtained approval of members by way of Special Resolution, for payment of remuneration to Independent Directors/ Non-Executive Directors of your Company by way of commission for a further period of 5 years commencing from 1 April, 2022, collectively up to 1% of the net profits of your Company every year, computed in the manner referred to in Section 198 of the Companies Act, 2013,

in such proportion/ manner as may be determined by the Board of Directors of your Company and in compliance with the provisions of Section 197 of the Companies Act, 2013 and Regulation 17(6) of the Listing Regulations.

Details of sitting fees & commission paid to the Independent Directors during the year 2021-22 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. Bhumika Batra       | 5,00,000         | 12,00,000      | -                  |
| 4       | Mr. Aditya Sapru        | 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 three (3) members as stated below. During the financial year ended March 31, 2022, this Committee had 4 meetings which were held on May 18, 2021, July 29, 2021, November 2, 2021 and January 21, 2022 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 17 complaints from shareholders and all of them were disposed off to the satisfaction of the shareholders. As on March 31, 2022, 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 3 (three) times during the financial year ended March 31, 2022 i.e. on May 18, 2021, November 2, 2021 and March 28, 2022.

| Sr. No. | Name of the Members     | Position | No. of Meetings Attended |
|---------|-------------------------|----------|--------------------------|
| 1       | Mr. Nilesh B. Mehta     | Chairman | 3                        |
| 2       | Mr. R. Lakshminarayanan | Member   | 3                        |
| 3       | Ms. M. R. Jyothy        | Member   | 3                        |

On January 22, 2021, the Ministry of Corporate Affairs notified the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and to bring the CSR Policy of your Company in line with those Amendments, the Board of Directors of your Company approved the corresponding amendments in the CSR Policy of your Company on May 18, 2021. The said amended CSR Policy is uploaded on the website of your Company, which can be accessed at the web link –

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

**The terms of reference of the Corporate Social Responsibility Committee broadly includes the following:**

- 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;
- 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**

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, your Company was required to constitute Risk Management Committee w.e.f. April 1, 2019.

On July 29, 2021 the Board of Directors of your Company appointed Mr. Nilesh B. Mehta, Independent Director of your Company as the Chairman of the Risk Management Committee, in order to comply the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021. Further, Mr. K Ullas Kamath also ceased to be the member of the Risk Management Committee with effect from the closing hours of January 22, 2022. Accordingly, the Risk Management Committee as on March 31, 2022 comprises of Mr. Nilesh B. Mehta, Independent Director as Chairman and Ms. M. R. Jyothy, Managing Director, Ms. M. R. Deepthi, Whole Time Director, Mr. T. Ananth Rao, Head – Operations & Commercial and Mr. Ravi Razdan, Head – Systems & HR as Members.

During the financial year under review, the Risk Management Committee met 2 (two) times i.e. on September 21, 2021 and March 3, 2022.

| <b>Sr. No.</b> | <b>Name of the Members</b> | <b>No. of Meetings Attended</b> |
|----------------|----------------------------|---------------------------------|
| 1.             | Mr. Nilesh B. Mehta        | 2                               |
| 2.             | Ms. M. R. Jyothy           | 2                               |
| 3.             | Ms. M. R. Deepthi          | 2                               |
| 4.             | Mr. K. Ullas Kamath        | 1                               |
| 5.             | Mr. T. Ananth Rao          | 2                               |
| 6.             | Mr. Ravi Razdan            | 2                               |

Mr. Shreyas Trivedi, Head- Legal & Company Secretary of your Company act as the Company 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, 2022, 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  |
|---------------------------|--------------------------------|-----------------|---|
| 2021-30 <sup>th</sup> AGM | July 30, 2021                  | 11:30 a.m.      | 1. 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 <sup>th</sup> AGM | August 7, 2020                 | 12:00 noon      | 1. 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.  |
| 2019-28 <sup>th</sup> AGM | July 23, 2019                  | 11.00 a.m.      | 1. Appointment of Ms. M. R. Jyothy (DIN: 00571828) as the Managing Director of the Company for a period of 5 years commencing from April 1, 2020 up to March 31, 2025 (both days inclusive).<br>2. Appointment of Ms. M. R. Deepthi (DIN: 01746698) as the Whole-time Director of the Company for a period of 5 years commencing from April 1, 2020 up to March 31, 2025 (both days inclusive). |

Except for AGM held on July 23, 2019, which was held at M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20 K. Dubhash Marg, Kala Ghoda, Mumbai – 400001, all the other AGMs were convened through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).

All resolutions at the 28<sup>th</sup> Annual General Meetings were passed through e-voting and physical ballots cast at the respective AGM. All resolutions at the 29<sup>th</sup> and 30<sup>th</sup> Annual General Meeting were passed electronically through remote e-voting and e-voting at the time of the AGM.

### Postal Ballot

From the end of the financial year ended March 31, 2022 and upto the date of this report, 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         |
|         | <b>Total</b>  | <b>551</b>                           | <b>314,838,184</b>  |
| b.      | Less: Invalid Postal Ballot forms                             | 0                                    | 0                   |
| c.      | <b>Net valid remote e-Voting confirmations</b>                | <b>551</b>                           | <b>314,838,184</b>  |
| (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 appear 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.jyothylabs.com](http://www.jyothylabs.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.**

Apart from the aforesaid Special Resolution, there is no other Special Resolution proposed to be passed through Postal Ballot. Further, during the financial year ended March 31, 2022 no special resolution was 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](http://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. 2/2022 dated May 5, 2022, the 31<sup>st</sup> Annual General Meeting of your Company will be held through Video Conferencing (VC) or any other mode of audio-visual means (OAVM) on Monday, July 25, 2022 at 11:30 a.m.
- b) **The Financial year covered by this Annual Report:** April 1, 2021 to March 31, 2022.
- c) **Book Closure Dates:** From July 5, 2022 to July 15, 2022 (both days inclusive).
- d) **Dividend Payment Date:** On or after July 30, 2022, 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 2022-23 have been paid to both the stock exchanges. Following table indicates your Company's stock exchange codes.



| Name and Address of Stock Exchange  | Stock Code   |
|---|--------------|
| BSE Limited (BSE),<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001   | 532926       |
| National Stock Exchange of India Limited (NSE)<br>Exchange Plaza, Plot No. C/1, G Block,<br>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: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

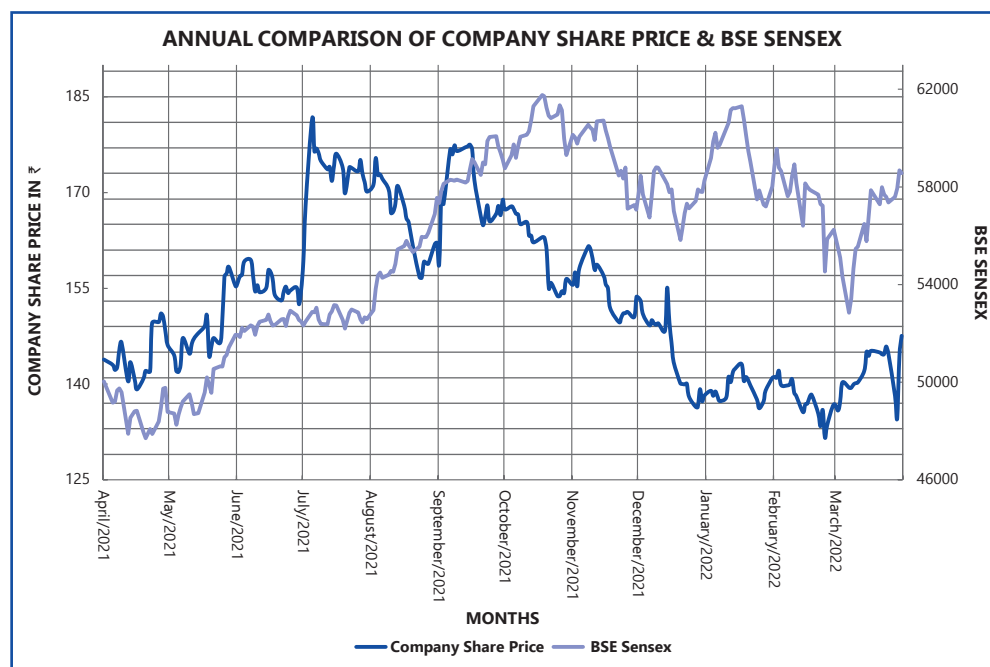
**g) Share Transfer System:**

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 Bombay Stock Exchange (BSE) and the National Stock Exchange of India Limited (NSE) from April 1, 2021 to March 31, 2022 are given below:

| Month            | BSE Market Price (₹) |        | NSE Market Price (₹) |        |
|------------------|----------------------|--------|----------------------|--------|
|                  | High                 | Low    | High                 | Low    |
| April – 2021     | 157.00               | 136.50 | 156.80               | 136.45 |
| May – 2021       | 160.20               | 137.90 | 160.55               | 141.25 |
| June – 2021      | 163.90               | 150.90 | 163.90               | 151.00 |
| July – 2021      | 187.20               | 157.00 | 187.30               | 156.80 |
| August – 2021    | 178.45               | 153.20 | 178.90               | 153.50 |
| September – 2021 | 182.80               | 158.10 | 182.95               | 158.30 |
| October – 2021   | 170.65               | 151.40 | 170.60               | 151.50 |
| November – 2021  | 164.40               | 145.20 | 163.60               | 144.55 |
| December – 2021  | 156.65               | 135.25 | 156.60               | 135.00 |
| January – 2022   | 145.00               | 133.00 | 145.25               | 133.70 |
| February – 2022  | 144.05               | 130.00 | 144.00               | 130.15 |
| March - 2022     | 149.50               | 133.55 | 149.90               | 133.55 |

**i) Share Price (₹) in comparison with BSE Sensex:**

**j) Shareholding Pattern as on March 31, 2022:**

Shareholding pattern of your Company's equity shares in broad categories as on March 31, 2022 are given below:

| Sr. No. | Category of Shareholder                 | As on 31.03.2022       |              |
|---------|---|------------------------|--------------|
|         |   | Total Number of Shares | %            |
| 1       | Promoter and Promoter's Group           | 230934645              | 62.89        |
|         | <b>Sub-total - 1</b>                    | <b>230934645</b>       | <b>62.89</b> |
| 2       | Institutions                            |                        |              |
| a.      | Mutual Funds                            | 57251615               | 15.59        |
| b.      | Alternate Investment Funds              | 4449307                | 1.21         |
| c.      | Venture Capital Funds                   | 0                      | -            |
| d.      | Foreign Portfolio Investor              | 39978439               | 10.89        |
| e.      | Financial Institutions/ Banks           | 2249                   | 0.00         |
| f.      | Insurance Companies                     | 4717907                | 1.28         |
| g.      | Foreign Bank                            | 0                      | -            |
|         | <b>Sub-Total - 2</b>                    | <b>106399517</b>       | <b>28.97</b> |
| 3       | Central Government/ State Government(s) | 840                    | 0.00         |
|         | <b>Sub-Total - 3</b>                    | <b>840</b>             | <b>0.00</b>  |
| 4       | Non-institutions                        |                        |              |
| a.      | Individuals & HUF                       | 26063088               | 7.09         |

| Sr. No. | Category of Shareholder          | As on 31.03.2022       |               |
|---------|----------------------------------|------------------------|---------------|
|         |                                  | Total Number of Shares | %             |
| b.      | NBFC Registered with RBI         | 22000                  | 0.01          |
| c.      | IEPF                             | 401350                 | 0.11          |
| d.      | Trusts                           | 850                    | 0.00          |
| e.      | Non Resident Indians (Non Repat) | 377458                 | 0.10          |
| f.      | Non Resident Indians (Repat)     | 1052521                | 0.29          |
| g.      | Foreign Nationals                | 50                     | 0.00          |
| h.      | Clearing Members                 | 286036                 | 0.08          |
| i.      | Bodies Corporates                | 1670289                | 0.46          |
|         | <b>Sub-Total - 4</b>             | <b>29873642</b>        | <b>8.14</b>   |
|         | <b>Total</b>                     | <b>367208644</b>       | <b>100.00</b> |

## k) Distribution of Shareholding as on March 31, 2022:

| Sr. No       | Slab of shareholding      |         | Shareholders  |               | Shares Value     |               |
|--------------|---------------------------|---------|---------------|---------------|------------------|---------------|
|              | No. of Equity shares held |         | Number        | In %          | Face Value (₹)   | In %          |
|              | From                      | To      |               |               |                  |               |
| 1.           | 1                         | 500     | 141840        | 95.14         | 12577327         | 3.43          |
| 2.           | 501                       | 1000    | 4087          | 2.74          | 3166409          | 0.86          |
| 3.           | 1001                      | 2000    | 1625          | 1.09          | 2449532          | 0.67          |
| 4.           | 2001                      | 3000    | 531           | 0.36          | 1361168          | 0.37          |
| 5.           | 3001                      | 4000    | 242           | 0.16          | 881379           | 0.24          |
| 6.           | 4001                      | 5000    | 203           | 0.14          | 959384           | 0.26          |
| 7.           | 5001                      | 10000   | 285           | 0.19          | 2075524          | 0.57          |
| 8.           | 10001                     | & Above | 269           | 0.18          | 343737921        | 93.60         |
| <b>Total</b> |                           |         | <b>149082</b> | <b>100.00</b> | <b>367208644</b> | <b>100.00</b> |

## l) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on March 31, 2022:

| Sr. No. | Shareholder's Name  | No. of Shares | % of Shareholding |
|---------|---|---------------|-------------------|
| 1       | Franklin India Smaller Companies Fund                         | 24228765      | 6.60              |
| 2       | ICICI Prudential Value Discovery Fund                         | 16498086      | 4.49              |
| 3       | Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund | 8797709       | 2.40              |
| 4       | Nalanda India Equity Fund Limited                             | 8621439       | 2.35              |
| 5       | Pari Washington India Master Fund, Ltd.                       | 6120778       | 1.67              |
| 6       | Emblem FII  | 6089056       | 1.66              |
| 7       | Mirae Asset Midcap Fund                                       | 6058533       | 1.65              |
| 8       | ICICI Lombard General Insurance Company Ltd.                  | 4317907       | 1.18              |
| 9       | Pari Washington Investment Fund                               | 4130774       | 1.12              |
| 10      | Aberdeen Standard SICAV I - Asian Smaller Companies Fund      | 4002037       | 1.09              |

m) **Suspension of securities from trading:** As on March 31, 2022, 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.

- n) **Dematerialization of shares and Liquidity:** As on March 31, 2022, 99.71% 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.
- o) **Outstanding GDRs/ADRs/Warrants or any convertible instruments:** During the year 2021-22, your Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.
- p) **Plant Locations:** Manufacturing Plants of your Company are situated at the following locations:-
1. Bishnupur (Ujala Unit), Light House More, Bishnupur, Bankura, West Bengal- 722122;
  2. Guwahati Unit - I & Unit - II, E.P.I.P. Complex, Amingaon, Guwahati, Assam – 781031;
  3. Guwahati Unit – III, Plot No. 50, Brahmaputra Industrial Park, Gouripur, North Guwahati, Kamrup, Assam – 781031;
  4. Guwahati Unit – IV, Plot No. 109, Brahmaputra Industrial Park, Gouripur, North Guwahati, Kamarup, Assam-781031;
  5. Guwahati Unit – V, Jagati Mini Industrial Estate, Sila Sinduri Ghopa, Kamalpur, Chowkigate, Changsari, Kamrup, Assam – 781101;
  6. Guwahati Detergent Unit, Paschim Boragaon, N.H-37, Guwahati, Assam – 781033;
  7. Jammu Unit, Lane 2, Phase II, Sidco Industrial Complex, Bari Brahamana, Samba, Jammu & Kashmir -181133;
  8. Kandanassery (Ujala Unit), Kandanassery, Via - Ariyannur, Thrissur, Kerala – 680102;
  9. Karaikal Unit, 131 Peralam Main Road, Thirunallar Post, Karaikal Pondicherry-609607;
  10. Mehboobnagar – Telangana, Shed No.25/26, Ida, Kothur, Ranga Reddy, Telangana- 509228;
  11. Pithampur (Maxo and Exo Unit), Plot No.201, Sector I, Pithampur Madhya, Dhar, Madhya Pradesh - 454775;
  12. Pondicherry - Floor Shine Unit, R.S. No.12/1&2, Thethampakkam Village, Suthukeny Post, Pondicherry – 605502;
  13. Pondicherry Detergent Unit And Exo, R.S. No.15, Thethampakkam Village, Suthukeny Post Pondicherry- 605502;
  14. Pondicherry Ujala Unit And Pondi-Personal Care Unit, 12/1 & 2, Thethampakkam Village, Suthukeny, Post Pondicherry-605502;
  15. Pondicherry Exo and Maxo LV Unit, R.S. No.15, Thethampakkam Village, Suthukeny, Post, Pondicherry-605502;
  16. Silvassa Unit – II, Survey No. 369/1/1/1, Rakholi-Sayli Road, Sayli Village, Behind Siyaram Silk Mills, Silvassa, Dadra & Nagar Haveli-396230;
  17. Silvassa Engineering Division (Eds), Survey No 910/7/1 Dokmardi, Silvassa, Dadra & Nagar Haveli-396230;
  18. Uttaranchal - Unit-I (Personal Care And Ujala Division), Plot No. 6,7 & 8 Bearing Khasara Nos 361,366 & 370, Kie Industrial Estate, Village Mundiyaiki, Roorkee, Haridwar, Uttarakhand - 247670;
  19. Uttaranchal II - Detergent And Dish Wash Division, Plot No.18,19,20 & 21, Bearing Khasara Nos 366 & 367, Kie Industrial Estate, Village Mundiyaiki, Roorkee, Haridwar, Uttarakhand – 247670;
  20. Wayanad (Detergent), Mp IV/101 B, Kolagappara Po, Sulthan Bathery, Wayanad, Kerala-673591;
  21. Uttaranchal LV Device Unit, Plot No. 6,7 & 8 Bearing Khasara Nos 361,363, 366, 369 & 370, Kie Industrial Estate, Village Mundiyaiki, Gurukul Narsan, Haridwar, Uttarakhand - 247670.
  22. Kalingamalai Crisp & Shine Unit, R.S. No. 63 & 68 (63/8, 63/9, 63/12, 63/13, 63/15 & 68/5), Kalingamalai Village, PakkiriPalayam Panchayat, Vazhudavour Post, Pin - 605 502, Villupuram District, Villupuram, Tamilnadu -605 502
- q) **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](mailto: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](mailto: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

- 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.jyothylabs.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.
- 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.
- 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.
- 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.
- 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.
- Your Company has laid down procedures to inform Board members about the risk assessment and minimization procedures.
- 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.jyothylabs.com/investor/management-policies-notice/#Management-Policies>
- 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.jyothylabs.com/investor/management-policies-notice/#Management-Policies>
- 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.
- 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.
- Your Company has paid a total consolidated fees of ₹ 121.94 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.
- During the financial year under review, your Company has advanced a loan of ₹ 550 Lacs to Jyothy Fabricare Services Limited in which Mr. K. Ullas Kamath, the then Joint Managing Director of your Company was interested and the entire amount of said loan of ₹ 550 Lacs has been repaid by Jyothy Fabricare Services Limited as on March 31, 2022.  
Further, 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.

## 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 PART C OF SCHEDULE V OF THE LISTING REGULATIONS**

M/s. Rathi & Associates, Company Secretaries has issued certificate dated May 24, 2022 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, 2022. 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, 2021 to March 31, 2022)        | Nil |
| Number of complaints disposed off during the financial year (i.e. from April 1, 2021 to March 31, 2022) | Nil |
| Number of complaints pending as on end of the financial year (i.e. as on March 31, 2022)                | Nil |

### **CODE OF CONDUCT**

The Board has adopted the Code of Conduct for all its Directors and Senior Management Personnel which has been displayed on your Company's websites [www.jyothylabs.com](http://www.jyothylabs.com). All Board members and senior management personnel have affirmed compliance with the code of conduct on annual basis. A declaration to this effect as required under the Listing Regulations regarding compliance of 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 Schedule V (c) of the Listing Regulations.

**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 24, 2022

**CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE PURSUANT TO CLAUSE 10(i) OF  
PART C OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015 REGARDING NO DISQUALIFICATION OF DIRECTORS**

May 24, 2022

To,  
The Members of  
**Jyothy Labs Limited**  
Ujala House, Ram Krishna Mandir Road,  
Kondivita, Andheri (East),  
Mumbai – 400059, Maharashtra

**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 at Ujala House, Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 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 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, 2022 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 Ramchandran              | 00571828 |
| 2.      | Mr. Ramakrishnan Lakshmi Narayanan  | 00238887 |
| 3.      | Mr. Kasaragod Ullas Kamath*         | 00506681 |
| 4.      | Ms. Deepthi Moothedath Ramachandran | 01746698 |
| 5.      | Mr. Nilesh Bansilal Mehta           | 00199071 |
| 6.      | Ms. Bhumika Batra                   | 03502004 |
| 7.      | Mr. Aditya Sapru #                  | 00501437 |

\*Mr. Kasaragod Ullas Kamath ceased to be the Director w.e.f. January 22, 2022

# Mr. Aditya Sapru was appointed as the Director w.e.f. March 28, 2022.

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: F005171D000374155

## **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, 2022.

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

|                           |                     |                      |
|---------------------------|---------------------|----------------------|
|                           | sd/-                | sd/-                 |
|                           | <b>M. R. Jyothy</b> | <b>M. R. Deepthi</b> |
| <b>Place:</b> Mumbai      | Managing Director   | Whole Time Director  |
| <b>Date:</b> May 24, 2022 | (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, 2022 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 Jyothy Labs Limited**

|                           |                     |                         |
|---------------------------|---------------------|-------------------------|
|                           | sd/-                | sd/-                    |
|                           | <b>M. R. Jyothy</b> | <b>Sanjay Agarwal</b>   |
| <b>Place:</b> Mumbai      | Managing Director   | Chief Financial Officer |
| <b>Date:</b> May 24, 2022 | (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 having its Registered Office situated at Ujala House, Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059 (**'the Company'**), for the financial year ended March 31, 2022, 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 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 & ASSOCIATES**  
COMPANY SECRETARIES

sd/-

**HIMANSHU S. KAMDAR**  
PARTNER

M. NO.: FCS 5171

C.P. NO.: 3030

UDIN: F005171D000374188

**Place:** Mumbai

**Date:** May 24, 2022

# 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 31 March 2022, 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 31 March 2022, and its profit and other comprehensive loss, 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### KEY AUDIT MATTERS

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><b>Revenue Recognition</b></p> <p>Refer note 2.2(d) of accounting policies and notes 21 and 44 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/stakeholder 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"> <li>Assessed the Company's accounting policies relating to revenue recognition by comparing them with the applicable accounting standards.</li> <li>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 (by involving our IT specialists) over recognition of revenue.</li> <li>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.</li> <li>Assessed appropriateness of non-standard manual journal entries that affect reported revenue of the Company.</li> </ul> |



| The key audit matter   | How the matter was addressed in our audit   |
|--|---|
| <p><b>Impairment assessment of investment in subsidiaries</b></p> <p>Refer note 2.2(o) of accounting policies and note 4 of standalone financial statements.</p> <p>Investment in subsidiaries are assessed for impairment when triggers are identified.</p> <p>The recoverable amount, being higher of the value in use and fair value less costs of disposal, is compared with the carrying value to identify any impairment. Value in use is usually derived from discounted future cash flows. The discounted cash flow model uses several assumptions. These include estimates of future sales volumes, prices, operational and selling costs, terminal value growth rates, and the weighted average cost of capital.</p> <p>Considering the inherent uncertainty and judgment involved and the significance of the value of these investments, impairment assessment of investments in subsidiaries has been considered as a key audit matter.</p> | <p>Our audit procedures in respect of assessment of impairment of investments in subsidiaries included the following-</p> <ul style="list-style-type: none"> <li>• Obtained understanding of the process and tested the design and operating effectiveness of key controls over impairment assessment including approval of forecasts and valuation models used.</li> <li>• Assessed the valuation methodology used by the Company (by involving our valuation specialists) and tested the mathematical accuracy of the impairment models.</li> <li>• Evaluated the assumptions used including discount rates and terminal growth rates by involving our valuation specialists.</li> <li>• Compared the inputs with the historical growth trends, evaluated the forecast used in prior year models to its actual performance of the business, agreed current forecast to the board of directors / management approved plans as well as our own assessment based on our knowledge of the entity.</li> <li>• Challenged business assumptions used such as sales growth and costs.</li> <li>• Performed sensitivity analysis of key assumptions. This includes revenue growth rates, forecasted cash flows, costs and the discount rates applied in the valuation models.</li> </ul> |

## 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 Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## 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.

## 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 as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 Auditor's) 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 31 March 2022 on its financial position in its standalone financial statements - Refer Note 35 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 its knowledge and belief, as disclosed in the note 47 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 its knowledge and belief, as disclosed in the note 47 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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.
- 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 Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 14B to the 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.

- (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

Mumbai  
May 24, 2022

Membership No: 111410  
UDIN-22111410AJMMLA2629

# Annexure A

## TO THE INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

(Referred to in 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, property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(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 lease 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   | 14 -15 years                                   | Ownership transfer pending (undisputed)   |
| Building                | 658.1                          | Associated Industries Consumer Products Private Limited | No   | 14 -15 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 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 on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company. The Company has not been sanctioned any working capital limits from any financial institutions.

- (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 provided any security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in a Firm, provided guarantees

to a company and granted unsecured loans to a company, a firm and other parties, in respect of which the requisite information is as below. The Company has not made any investments in companies, limited liability partnership or any other parties or provided guarantees on behalf of firms, limited liability partnership or any other parties or granted loans, secured or unsecured to any limited liability partnership.

- (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, or stood guarantee to any other entity as below:

| Particulars                                  | Rs in Lacs |       |
|--|------------|-------|
|  | Guarantees | Loans |
| Aggregate amount during the year             |            |       |
| - Subsidiaries*                              | 3,000      | 550   |
| - Others                                     | -          | 20    |
| Balance outstanding as at balance sheet date |            |       |
| - Subsidiaries*                              | 10,142.82  | -     |
| - Others                                     | -          | -     |

\*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, guarantees provided and the terms and conditions of the grant of loans 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 provided any security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made, loans and guarantees given by the Company, in our opinion



the provisions of Section 185 and 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 any 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 Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and 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 Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) 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  |
| The Central Excise Act, 1944                        | Excise            | 1999-00    | 10  | -                            | -                          | -            |
|   |                   | 2007-17    | 1,421   | -                            | -                          | 206          |
|   |                   | 2011-16    | -   | 2,618                        | -                          | -            |
|   |                   | 2013-14    | -   | -                            | 5                          | -            |
| The Central Sales Tax Act, 1956 and Value Added Tax | Sales Tax and VAT | 1999-00    | 9   | -                            | -                          | 2            |
|   |                   | 2000-18    | 3,289   | -                            | -                          | 722          |
|   |                   | 2006-17    | -   | 769                          | -                          | 323          |
|   |                   | 2001-15    | -   | -                            | 1,649                      | 836          |
| Goods and Service Tax Act                           | GST               | 2017-21    | -   | 2,235                        | -                          | -            |
| The Income Tax Act, 1961                            | Income Tax        | AY 2010-11 | -   | 1,000                        | -                          | 500          |
|   |                   | AY 2011-12 | 279   | -                            | -                          | -            |
|   |                   | AY 2012-13 | 52  | 758                          | 326                        | 160          |
|   |                   | AY 2013-14 | -   | -                            | 188                        | 28           |
|   |                   | AY 2014-15 | -   | -                            | 93                         | -            |
|   |                   | AY 2018-19 | 7   | -                            | -                          | -            |
| <b>Grand Total</b>                                  |                   |            | <b>5,067</b>                                    | <b>7,380</b>                 | <b>2,261</b>               | <b>2,777</b> |

- (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) and clause 3(xvi)(b) of the Order are not applicable.

(b) 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.

(c) 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) (a) 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 other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Sreeja Marar**

Partner

Mumbai  
May 24, 2022

Membership No: 111410  
UDIN-22111410AJMMLA2629

# Annexure B

## to the Independent Auditors' report on the standalone financial statements of Jyothy Labs Limited for the year ended 31 March 2022

### **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 COMPANIES ACT, 2013**

(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 standalone financial statements of Jyothy Labs Limited ("the Company") as of 31 March 2022 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 standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone 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 RESPONSIBILITY 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 standalone 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 Companies Act, 2013 (hereinafter referred to as "the Act").

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone 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 standalone financial statements were established and maintained and whether 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone financial statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial controls with reference to standalone 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 standalone 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 STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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

Mumbai  
May 24, 2022

Membership No: 111410  
UDIN-22111410AJMMLA2629

# Standalone Balance Sheet

as at March 31, 2022

₹ in Lacs

| Particulars  | Note | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------|------------------------|------------------------|
| <b>Assets</b>  |      |                        |                        |
| <b>Non-current assets</b>  |      |                        |                        |
| Property, plant and equipment  | 3a   | 27,157.20              | 27,653.59              |
| Capital work in progress   | 3b   | 744.31                 | 1,002.00               |
| Right-of-use assets  | 3c   | 3,683.44               | 4,308.62               |
| Goodwill   | 3d   | 10,287.69              | 10,287.69              |
| Other intangible assets  | 3d   | 385.18                 | 3,470.79               |
| <b>Financial assets</b>  |      |                        |                        |
| Investment in subsidiaries   | 4    | 14,223.91              | 14,135.22              |
| Other financial assets   | 7    | 1,462.55               | 860.98                 |
| Deferred tax assets (net)  | 8    | 10,541.97              | 10,036.13              |
| Non-current tax assets (net)   | 9    | 1,031.62               | 992.11                 |
| Other non-current assets   | 10   | 5,129.14               | 5,677.64               |
|  |      | <b>74,647.01</b>       | <b>78,424.77</b>       |
| <b>Current assets</b>  |      |                        |                        |
| Inventories  | 11   | 29,444.90              | 27,659.59              |
| <b>Financial assets</b>  |      |                        |                        |
| Trade receivables  | 5    | 13,639.70              | 8,725.03               |
| Cash and cash equivalents  | 12a  | 7,321.58               | 6,974.91               |
| Bank balances other than cash and cash equivalents                                     | 12b  | 13,291.36              | 12,108.38              |
| Loans  | 6    | -                      | 2,866.72               |
| Other financial assets   | 7    | 510.35                 | 312.78                 |
| Other current assets   | 10   | 5,830.07               | 5,300.40               |
| Asset held for sale  | 3e   | 348.18                 | -                      |
|  |      | <b>70,386.14</b>       | <b>63,947.81</b>       |
| <b>Total assets</b>  |      | <b>145,033.15</b>      | <b>142,372.58</b>      |
| <b>Equity and liabilities</b>  |      |                        |                        |
| <b>Equity</b>  |      |                        |                        |
| Equity share capital   | 13   | 3,672.09               | 3,672.09               |
| Other equity   | 14   | 90,618.08              | 89,705.96              |
| <b>Total equity</b>  |      | <b>94,290.17</b>       | <b>93,378.05</b>       |
| <b>Non-current liabilities</b>   |      |                        |                        |
| <b>Financial liabilities</b>   |      |                        |                        |
| Lease Liabilities  | 34   | 2,198.87               | 2,726.35               |
| Provisions   | 19   | 6,481.23               | 5,864.63               |
| Other non-current liabilities  | 18   | 701.09                 | 228.97                 |
|  |      | <b>9,381.19</b>        | <b>8,819.95</b>        |
| <b>Financial liabilities</b>   |      |                        |                        |
| Borrowings   | 15   | 2,510.85               | 5,019.53               |
| Lease Liabilities  | 34   | 1,807.75               | 1,787.92               |
| Trade payables   | 16   |                        |                        |
| Total outstanding dues of micro enterprises and small enterprises                      |      | 5,893.32               | 4,484.61               |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |      | 17,471.90              | 14,542.96              |
| Other financial liabilities  | 17   | 2,881.17               | 2,743.57               |
| Other current liabilities  | 18   | 9,060.40               | 9,514.55               |
| Provisions   | 19   | 1,250.19               | 1,679.83               |
| Current tax liabilities (net)  | 20   | 486.21                 | 401.61                 |
|  |      | <b>41,361.79</b>       | <b>40,174.58</b>       |
| <b>Total liabilities</b>   |      | <b>50,742.98</b>       | <b>48,994.53</b>       |
| <b>Total equity and liabilities</b>  |      | <b>145,033.15</b>      | <b>142,372.58</b>      |
| 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 24, 2022

 Mumbai  
 May 24, 2022



# Standalone Statement of Profit and Loss

for the year ended March 31, 2022

₹ in Lacs

| Particulars   | Note | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---|------|-----------------------------|-----------------------------|
| <b>Income</b>   |      |                             |                             |
| Revenue from operations   | 21   | 216,626.57                  | 188,499.87                  |
| Other income  | 22   | 1,895.80                    | 1,981.57                    |
| <b>Total income (I)</b>   |      | <b>218,522.37</b>           | <b>190,481.44</b>           |
| <b>Expenses</b>   |      |                             |                             |
| Cost of raw material and components consumed  | 23   | 109,228.70                  | 79,736.00                   |
| Purchase of Stock in Trade  |      | 19,016.48                   | 23,428.97                   |
| Changes in inventories of finished goods, stock in trade and work-in-progress                             | 24   | (308.99)                    | (2,733.04)                  |
| Employee benefits expense   | 25   | 23,534.61                   | 22,085.41                   |
| Finance costs   | 26   | 668.66                      | 1,172.38                    |
| Depreciation and amortisation expense   | 27   | 7,852.17                    | 7,790.90                    |
| Other expenses  | 28   | 40,209.99                   | 34,309.33                   |
| <b>Total expense (II)</b>   |      | <b>200,201.62</b>           | <b>165,789.95</b>           |
| <b>Profit before exceptional item and tax (I-II)</b>  |      | <b>18,320.75</b>            | <b>24,691.49</b>            |
| Exceptional item  | 48   | -                           | 2,350.41                    |
| <b>Profit before tax</b>  |      | <b>18,320.75</b>            | <b>22,341.08</b>            |
| Income tax  | 29   |                             |                             |
| Current tax   |      | 3,207.00                    | 3,742.00                    |
| Deferred tax (credit)/charge  |      | (499.16)                    | (427.10)                    |
| <b>Total Income tax</b>   |      | <b>2,707.84</b>             | <b>3,314.90</b>             |
| <b>Profit for the year attributable to equity shareholders (A)</b>  |      | <b>15,612.91</b>            | <b>19,026.18</b>            |
| <b>Other comprehensive income</b>   |      |                             |                             |
| <b>Items that will not be reclassified to profit or loss</b>  |      |                             |                             |
| Re-measurement gains/(losses) of post employment benefit obligation                                       |      | (19.12)                     | 37.10                       |
| <b>Income tax relative to items that will not be reclassified to profit or loss</b>                       |      |                             |                             |
| Re-measurement gains/(losses) of post employment benefit obligation                                       | 29   | 6.68                        | (12.96)                     |
| <b>Other comprehensive income/(loss) for the year net of tax, attributable to equity shareholders (B)</b> |      | <b>(12.44)</b>              | <b>24.14</b>                |
| <b>Total comprehensive income for the year net of tax, attributable to equity shareholders (A+B)</b>      |      | <b>15,600.47</b>            | <b>19,050.32</b>            |
| <b>EARNINGS PER SHARE (EPS)</b>   | 38   |                             |                             |
| Basic (Rs)  |      | 4.25                        | 5.18                        |
| Diluted (Rs)  |      | 4.25                        | 5.18                        |
| Nominal value per share (Rs)  |      | 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 24, 2022

Mumbai  
May 24, 2022

# Standalone Statement of Changes in Equity

as at March 31, 2022

₹ in Lacs

## A. EQUITY SHARE CAPITAL

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>Equity shares of ₹ 1 each issued, subscribed and fully paid</b> |                        |                        |
| At the beginning of the period                                     | 3,672.09               | 3,672.09               |
| Issue of share capital   | -                      | -                      |
| At the end of the period   | <b>3,672.09</b>        | <b>3,672.09</b>        |

For further details, Refer Note 13

## B. OTHER EQUITY

| Particulars   | Retained earnings | Capital reserves | Securities premium | General reserves | Total            |
|---|-------------------|------------------|--------------------|------------------|------------------|
| <b>As at April 1, 2020</b>  | <b>13,170.42</b>  | <b>6,514.46</b>  | <b>50,510.09</b>   | <b>460.67</b>    | <b>70,655.64</b> |
| Profit for the year   | 19,026.18         | -                | -                  | -                | 19,026.18        |
| Other comprehensive income -Re-measurement gains/(losses) of post employment benefit obligation | 24.14             | -                | -                  | -                | 24.14            |
| <b>Total comprehensive income</b>   | <b>19,050.32</b>  | -                | -                  | -                | <b>19,050.32</b> |
| <b>As at March 31, 2021</b>   | <b>32,220.74</b>  | <b>6,514.46</b>  | <b>50,510.09</b>   | <b>460.67</b>    | <b>89,705.96</b> |
| Profit for the year   | 15,612.91         | -                | -                  | -                | 15,612.91        |
| Other comprehensive income -Re-measurement gains/(losses) of post employment benefit obligation | (12.44)           | -                | -                  | -                | (12.44)          |
| <b>Total comprehensive income</b>   | <b>15,600.47</b>  | -                | -                  | -                | <b>15,600.47</b> |
| Cash Dividends (Note 14(B))   | (14,688.35)       | -                | -                  | -                | (14,688.35)      |
| <b>As at March 31, 2022</b>   | <b>33,132.86</b>  | <b>6,514.46</b>  | <b>50,510.09</b>   | <b>460.67</b>    | <b>90,618.08</b> |

### 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.

For further details, Refer Note 14

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

Mumbai

May 24, 2022

**M.R. Deepthi**

Whole Time Director

DIN: 01746698

**Sanjay Agarwal**

Chief Financial Officer

 Mumbai  
May 24, 2022

# Standalone Statement of Cash Flows

for the year ended March 31, 2022

₹ in Lacs

| Particulars  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| <b>A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:</b>                 |                             |                             |
| <b>Profit before tax</b>   | 18,320.75                   | 22,341.08                   |
| <b>Adjustments to reconcile profit before tax to net cash flows :</b>            |                             |                             |
| Depreciation and impairment of property, plant and equipment                     | 3,061.83                    | 3,098.43                    |
| Depreciation of right-of-use assets  | 1,657.38                    | 1,557.79                    |
| Amortisation and impairment of intangible assets                                 | 3,132.96                    | 3,134.68                    |
| Exceptional item (Note 48)   | -                           | 2,350.41                    |
| Lease rent income  | (17.23)                     | (10.51)                     |
| Loss on sale of fixed assets   | 16.90                       | 35.71                       |
| Written off investments  | -                           | 2.59                        |
| Finance costs  | 668.66                      | 1,172.38                    |
| Interest income  | (563.25)                    | (479.41)                    |
| Share of loss from investment in partnership firm                                | 55.09                       | 53.75                       |
| Unrealised Foreign exchange fluctuation loss/(gain) (net)                        | (12.52)                     | 9.87                        |
| Investment subsidy income  | (198.56)                    | (73.76)                     |
| <b>Operating profit before working capital changes</b>                           | <b>26,122.01</b>            | <b>33,193.01</b>            |
| <b>Movements in working capital :</b>  |                             |                             |
| Decrease/(increase) in trade receivables   | (4,902.16)                  | 3,221.28                    |
| Decrease/(increase) in other financial assets                                    | (731.99)                    | 135.02                      |
| Decrease/(increase) in inventories   | (1,785.31)                  | (5,400.83)                  |
| Decrease/(increase) in other assets  | (159.03)                    | 1,777.94                    |
| Increase/(decrease) in trade payables  | 4,337.65                    | 6,348.45                    |
| Increase/(decrease) in other financial liabilities                               | 141.44                      | 692.57                      |
| Increase/(decrease) in other liabilities   | 216.53                      | 4,200.51                    |
| Increase/(decrease) in provisions  | 167.84                      | 47.29                       |
| <b>Cash generated from operations</b>  | <b>23,406.98</b>            | <b>44,215.24</b>            |
| Taxes paid (net)   | (3,161.91)                  | (3,386.52)                  |
| <b>Net cash generated from operating activities (A)</b>                          | <b>20,245.07</b>            | <b>40,828.72</b>            |
| <b>B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:</b>                 |                             |                             |
| Purchase of fixed assets including capital work-in-progress and capital advances | (2,568.71)                  | (2,497.31)                  |
| Proceeds from sale of fixed assets   | 12.40                       | 18.67                       |
| (Investment in)/maturity proceeds from fixed deposit (net)                       | (1,147.16)                  | (10,473.66)                 |
| Loan given to subsidiary and partnership firm                                    | (570.00)                    | (2,695.00)                  |
| Repayment of loan from subsidiary and partnership firm                           | 3,624.50                    | 554.06                      |
| Investment in partnership firm.  | (125.00)                    | (35.00)                     |
| Interest income received   | 249.89                      | 197.07                      |
| Lease rent income  | 17.23                       | 10.51                       |
| <b>Net cash used in investing activities (B)</b>                                 | <b>(506.85)</b>             | <b>(14,920.66)</b>          |

# Standalone Statement of Cash Flows (Contd.)

for the year ended March 31, 2022

₹ in Lacs

| Particulars   | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| <b>C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:</b>    |                             |                             |
| Finance cost paid   | (251.88)                    | (819.13)                    |
| Repayment of short-term borrowings                                  | (22,126.74)                 | (31,569.02)                 |
| Proceeds from short-term borrowings                                 | 19,626.74                   | 14,585.08                   |
| Payment of lease liabilities  | (1,951.32)                  | (1,816.23)                  |
| Dividend paid   | (14,688.35)                 | -                           |
| <b>Net cash used in financing activities (C)</b>                    | <b>(19,391.55)</b>          | <b>(19,619.30)</b>          |
| D. Net Increase in cash and cash equivalents (A+B+C)                | 346.67                      | 6,288.76                    |
| E. Cash and cash equivalents at the beginning of the year           | 6,974.91                    | 686.15                      |
| <b>F. Cash and cash equivalents at the end of the year</b>          | <b>7,321.58</b>             | <b>6,974.91</b>             |
| <b>G. Components of cash and cash equivalents</b>                   |                             |                             |
| Cash in hand  | 5.37                        | 9.30                        |
| Balance with scheduled banks - Current account                      | 7,316.21                    | 6,965.61                    |
| <b>Cash and cash equivalents considered for cash flow statement</b> | <b>7,321.58</b>             | <b>6,974.91</b>             |

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<br>31 March 2021 | Cash flow (Net)   | As at<br>31 March 2022 |
|--------------------------------------|------------------------|-------------------|------------------------|
| Current Borrowings * (Refer Note 15) | 5,000.00               | (2,500.00)        | 2,500.00               |
| <b>Total</b>                         | <b>5,000.00</b>        | <b>(2,500.00)</b> | <b>2,500.00</b>        |

\* This is excluding accrued interest.

Summary of significant accounting policies

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 24, 2022

Note 2

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 24, 2022

**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, 2022

## 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 24, 2022

## 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, 2022

### 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, 2022

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 fair value 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 is recognised when control of the goods has transferred to the customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, incentives and rebates. Accumulated experience is used to estimate and provide for trade discounts, incentives and rebates. No element of financing is deemed present as the sales are made with short credit terms.

#### 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.

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.

# Notes

## to the Standalone Financial Statements for the year ended March 31, 2022

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.

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:

# Notes

## to the Standalone Financial Statements for the year ended March 31, 2022

- 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.

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.

# Notes

## to the Standalone Financial Statements for the year ended March 31, 2022

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.

### 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).

# Notes

## to the Standalone Financial Statements for the year ended March 31, 2022

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.

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 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. 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.,

# Notes

## to the Standalone Financial Statements for the year ended March 31, 2022

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.

### l. 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.



# Notes

## to the Standalone Financial Statements for the year ended March 31, 2022

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 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

# Notes

## to the Standalone Financial Statements for the year ended March 31, 2022

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.

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

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

## n. Retirement and other employee benefits (Continued)

### 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, 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.

#### 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.

#### 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.

# Notes

## to the Standalone Financial Statements for the year ended March 31, 2022

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

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.

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.

# Notes

## to the Standalone Financial Statements for the year ended March 31, 2022

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.

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.

# Notes

## to the Standalone Financial Statements for the year ended March 31, 2022

### 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 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.



# Notes

## to the Standalone Financial Statements for the year ended March 31, 2022

### 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.

## 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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual

# Notes

## to the Standalone Financial Statements for the year ended March 31, 2022

Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

### **Ind AS 106 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ 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 |
|------------------------------------|-----------------|------------------|---------------------|-----------------|-----------------------|-------------------|---------------|-----------------------|
| <b>Cost</b>                        |                 |                  |                     |                 |                       |                   |               |                       |
| <b>As at April 1, 2020</b>         | <b>4,584.18</b> | <b>13,897.51</b> | <b>16,374.99</b>    | <b>1,707.20</b> | <b>640.10</b>         | <b>826.94</b>     | <b>729.18</b> | <b>38,760.10</b>      |
| Additions                          | -               | 1,323.77         | 1,960.22            | 294.16          | 122.99                | 93.62             | 12.77         | 3,807.53              |
| Disposals                          | -               | 7.56             | 225.15              | 34.56           | 2.73                  | 9.90              | 12.45         | 292.35                |
| <b>As at March 31, 2021</b>        | <b>4,584.18</b> | <b>15,213.72</b> | <b>18,110.06</b>    | <b>1,966.80</b> | <b>760.36</b>         | <b>910.66</b>     | <b>729.50</b> | <b>42,275.28</b>      |
| Additions                          | 42.66           | 693.40           | 1,796.08            | 199.65          | 23.70                 | 158.35            | 6.94          | 2,920.78              |
| Disposals/ Reclassifications       | 33.23           | 475.47           | 703.79              | 69.17           | 1.40                  | 8.13              | 14.78         | 1,305.97              |
| <b>As at March 31, 2022</b>        | <b>4,593.61</b> | <b>15,431.65</b> | <b>19,202.35</b>    | <b>2,097.28</b> | <b>782.66</b>         | <b>1,060.88</b>   | <b>721.66</b> | <b>43,890.09</b>      |
| <b>Depreciation and impairment</b> |                 |                  |                     |                 |                       |                   |               |                       |
| <b>As at April 1, 2020</b>         | -               | <b>2,930.67</b>  | <b>6,744.19</b>     | <b>785.55</b>   | <b>317.84</b>         | <b>565.60</b>     | <b>417.38</b> | <b>11,761.23</b>      |
| Depreciation charge for the year   | -               | 742.56           | 1,719.57            | 373.62          | 64.18                 | 122.65            | 75.85         | 3,098.43              |
| Disposals                          | -               | 1.36             | 177.84              | 34.20           | 2.61                  | 9.51              | 12.45         | 237.97                |
| <b>As at March 31, 2021</b>        | -               | <b>3,671.87</b>  | <b>8,285.92</b>     | <b>1,124.97</b> | <b>379.41</b>         | <b>678.74</b>     | <b>480.78</b> | <b>14,621.69</b>      |
| Depreciation charge for the year   | -               | 673.21           | 1,865.05            | 246.60          | 64.59                 | 136.11            | 76.27         | 3,061.83              |
| Disposals/ Reclassifications       | -               | 182.65           | 678.76              | 65.24           | 1.22                  | 8.00              | 14.76         | 950.63                |
| <b>As at March 31, 2022</b>        | -               | <b>4,162.43</b>  | <b>9,472.21</b>     | <b>1,306.33</b> | <b>442.78</b>         | <b>806.85</b>     | <b>542.29</b> | <b>16,732.89</b>      |
| <b>Net book value</b>              |                 |                  |                     |                 |                       |                   |               |                       |
| <b>As at March 31, 2022</b>        | <b>4,593.61</b> | <b>11,269.22</b> | <b>9,730.14</b>     | <b>790.95</b>   | <b>339.88</b>         | <b>254.03</b>     | <b>179.37</b> | <b>27,157.20</b>      |
| <b>As at March 31, 2021</b>        | <b>4,584.18</b> | <b>11,541.85</b> | <b>9,824.14</b>     | <b>841.83</b>   | <b>380.95</b>         | <b>231.92</b>     | <b>248.72</b> | <b>27,653.59</b>      |

# Includes ₹ 374.31 Lacs (2021 - ₹ 374.31 Lacs) represented by unquoted fully paid shares at cost in various co-operative societies.

- The Company has not capitalised any borrowing cost in the current and previous year.
- Refer note 15 for details of property, plant and equipment pledged as security for loans obtained.
- Refer note 34 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.

| Sr no | Particulars  | Remarks                         |
|-------|--|---------------------------------|
| a.    | Relevant line item in the Balance sheet (i.e., PP&E, investment property, Non-current asset held for sale or others) | 1.Property, plant and equipment |
| b.    | Description of item of property  | Freehold land and building      |
| c.    | Gross carrying value   | ₹ 691.33 Lacs                   |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 3A PROPERTY, PLANT AND EQUIPMENT (CONTD.)

| Sr no | Particulars   | Remarks   |
|-------|---|---|
| d.    | Title deeds held in the name of   | Associated Industries Consumers Products Pvt Ltd (AICPPL) |
| e.    | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | No  |
| f.    | Property held since which date  | September 07, 2007  |
| g.    | Reason for not being held in the name of the company (also indicate if in dispute)                                  | Ownership transfer pending                                |

## NOTE 3 B CAPITAL WORK IN PROGRESS (CWIP)

| Particulars                 | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-----------------------------|------------------------|------------------------|
| Opening Balance             | 1,002.00               | 2,374.27               |
| Additions during the year   | 2,663.09               | 2,435.26               |
| Capitalised during the year | 2,920.78               | 3,807.53               |
| <b>Closing Balance</b>      | <b>744.31</b>          | <b>1,002.00</b>        |

### 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 |                 |
| <b>As at March 2022</b>         |                                |               |              |                   |                 |
| Projects in progress            | 744.31                         | -             | -            | -                 | 744.31          |
| Projects temporarily suspended* | -                              | -             | -            | -                 | -               |
| <b>Total</b>                    | <b>744.31</b>                  | <b>-</b>      | <b>-</b>     | <b>-</b>          | <b>744.31</b>   |
| <b>As at March 2021</b>         |                                |               |              |                   |                 |
| Projects in progress            | 649.85                         | 308.14        | 13.81        | 30.20             | 1,002.00        |
| Projects temporarily suspended* | -                              | -             | -            | -                 | -               |
| <b>Total</b>                    | <b>649.85</b>                  | <b>308.14</b> | <b>13.81</b> | <b>30.20</b>      | <b>1,002.00</b> |

\*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 35A.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 3 C RIGHT-OF-USE ASSETS

| Particulars                        | Leasehold Land | Building        | Total           |
|------------------------------------|----------------|-----------------|-----------------|
| <b>Cost</b>                        |                |                 |                 |
| <b>As at April 01, 2020</b>        | <b>250.02</b>  | <b>5,843.84</b> | <b>6,093.86</b> |
| Additions                          | -              | 1,748.07        | 1,748.07        |
| Disposals                          | -              | 407.09          | 407.09          |
| <b>As at March 31, 2021</b>        | <b>250.02</b>  | <b>7,184.82</b> | <b>7,434.84</b> |
| Additions                          | -              | 1,247.23        | 1,247.23        |
| Disposals/ Reclassifications       | 24.50          | 192.89          | 217.39          |
| <b>As at March 31, 2022</b>        | <b>225.52</b>  | <b>8,239.16</b> | <b>8,464.68</b> |
| <b>Depreciation and impairment</b> |                |                 |                 |
| <b>As at April 01, 2020</b>        | <b>18.72</b>   | <b>1,549.71</b> | <b>1,568.43</b> |
| Depreciation charge for the year   | 3.75           | 1,554.04        | 1,557.79        |
| Disposals                          | -              | -               | -               |
| <b>As at March 31, 2021</b>        | <b>22.47</b>   | <b>3,103.75</b> | <b>3,126.22</b> |
| Depreciation charge for the year   | 3.75           | 1,653.63        | 1,657.38        |
| Disposals/ Reclassifications       | 2.36           | -               | 2.36            |
| <b>As at March 31, 2022</b>        | <b>23.86</b>   | <b>4,757.38</b> | <b>4,781.24</b> |
| <b>Net book value</b>              |                |                 |                 |
| <b>As at March 31, 2022</b>        | <b>201.66</b>  | <b>3,481.78</b> | <b>3,683.44</b> |
| <b>As at March 31, 2021</b>        | <b>227.55</b>  | <b>4,081.07</b> | <b>4,308.62</b> |

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 3 D INTANGIBLE ASSETS

| Particulars                        | Other intangible assets |                  |                             |                        | Total Other intangible assets |
|------------------------------------|-------------------------|------------------|-----------------------------|------------------------|-------------------------------|
|                                    | Goodwill                | Brands           | Trademarks and Copyrights @ | Softwares and Licences |                               |
| <b>Cost</b>                        |                         |                  |                             |                        |                               |
| <b>As at April 1, 2020</b>         | <b>10,287.69</b>        | <b>21,256.20</b> | <b>85.48</b>                | <b>881.81</b>          | <b>22,223.49</b>              |
| Additions                          | -                       | -                | -                           | 6.61                   | 6.61                          |
| Disposals                          | -                       | -                | -                           | -                      | -                             |
| <b>As at March 31, 2021</b>        | <b>10,287.69</b>        | <b>21,256.20</b> | <b>85.48</b>                | <b>888.42</b>          | <b>22,230.10</b>              |
| Additions                          | -                       | -                | -                           | 47.35                  | 47.35                         |
| Disposals                          | -                       | -                | -                           | 3.84                   | 3.84                          |
| <b>As at March 31, 2022</b>        | <b>10,287.69</b>        | <b>21,256.20</b> | <b>85.48</b>                | <b>931.93</b>          | <b>22,273.61</b>              |
| <b>Amortisation and impairment</b> |                         |                  |                             |                        |                               |
| <b>As at April 1, 2020</b>         | <b>-</b>                | <b>15,183.00</b> | <b>83.21</b>                | <b>358.42</b>          | <b>15,624.63</b>              |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 3 D INTANGIBLE ASSETS (CONTD.)

| Particulars                      | Other intangible assets |                  |                             |                        | Total Other intangible assets |
|----------------------------------|-------------------------|------------------|-----------------------------|------------------------|-------------------------------|
|                                  | Goodwill                | Brands           | Trademarks and Copyrights @ | Softwares and Licences |                               |
| Amortisation charge for the year | -                       | 3,036.60         | -                           | 98.08                  | 3,134.68                      |
| Disposals                        | -                       | -                | -                           | -                      | -                             |
| <b>As at March 31, 2021</b>      | <b>-</b>                | <b>18,219.60</b> | <b>83.21</b>                | <b>456.50</b>          | <b>18,759.31</b>              |
| Amortisation charge for the year | -                       | 3,036.60         | 2.27                        | 94.09                  | 3,132.96                      |
| Disposals                        | -                       | -                | -                           | 3.84                   | 3.84                          |
| <b>As at March 31, 2022</b>      | <b>-</b>                | <b>21,256.20</b> | <b>85.48</b>                | <b>546.75</b>          | <b>21,888.43</b>              |
| Net book value                   |                         |                  |                             |                        |                               |
| <b>As at March 31, 2022</b>      | <b>10,287.69</b>        | <b>-</b>         | <b>-</b>                    | <b>385.18</b>          | <b>385.18</b>                 |
| <b>As at March 31, 2021</b>      | <b>10,287.69</b>        | <b>3,036.60</b>  | <b>2.27</b>                 | <b>431.92</b>          | <b>3,470.79</b>               |

@ Includes trademarks and copyrights of ₹81.22 Lacs (2021 - ₹81.22 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, 2022.

Goodwill of Rs 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 Rs 250.10 Lacs relates to the acquisition of Fabric Care segment and has been entirely allocated to this reportable segment.

Following key assumptions were considered while performing impairment testing :-

|   |                            |
|---|----------------------------|
| Terminal value growth rate -                                | 5% (2021 - 5%)             |
| Growth rate -   | 1% - 15% (2021 - 1% - 15%) |
| Weighted Average Cost of Capital % (WACC) (Discount rate) - | 13% (2021 - 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, 2022

₹ in Lacs

## NOTE 3 E ASSETS HELD FOR SALE

Refer Note 2.2 (s) for accounting policy on Assets Held for Sale

| Particulars    | As at         | As at         |
|----------------|---------------|---------------|
|                | 31 March 2022 | 31 March 2021 |
| Freehold land  | 33.23         | -             |
| Leasehold land | 22.14         | -             |
| Buildings      | 292.81        | -             |
| <b>Total</b>   | <b>348.18</b> | <b>-</b>      |

During the year, the company 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 4 INVESTMENT IN SUBSIDIARIES

| Particulars  | NON CURRENT            |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Unquoted (fully paid)</b>   |                        |                        |
| Investment in subsidiaries (at cost)   |                        |                        |
| Jyothy Fabricare Services Limited @  |                        |                        |
| 17,300,000 (2021 - 17,300,000 equity shares of ₹10 (2021 - ₹10) each fully paid up                           | 13,569.00              | 13,550.23              |
| 3,300,000 (2021 - 3,300,000) compulsory convertible preference shares of ₹10 (2021 - ₹10) each fully paid up | -                      | -                      |
| Jyothy Kallol Bangladesh Limited ^   |                        |                        |
| 8,485,431 (2021 - 8,485,431) equity shares of BDT 10 (2021 - BDT 10) each fully paid up                      | 580.47                 | 580.47                 |
| M/s JFSL - JLL (JV) - Partnership Firm (Note 37)   | 74.44                  | 4.52                   |
|  | <b>14,223.91</b>       | <b>14,135.22</b>       |
| Aggregate value of unquoted investments  | 14,223.91              | 14,135.22              |

@ Jyothy Fabricare Services Limited is incorporated in India. the company is holding 84.18% equity shares as at March 31, 2022 (2021 - 84.18%)

^ Jyothy Kallol Bangladesh Limited is incorporated in Bangladesh. The company is holding 75% equity shares as at March 31, 2022 (2021 - 75%)

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 5 TRADE RECEIVABLES (UNSECURED)

| Particulars  | CURRENT                |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| (i) Undisputed Trade Receivables – considered good                                 | 13,639.70              | 8,725.03               |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -                      | -                      |
| (iii) Undisputed Trade Receivables – credit impaired                               | 956.50                 | 956.50                 |
| (iv) Disputed Trade Receivables – considered good                                  | -                      | -                      |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -                      | -                      |
| (vi) Disputed Trade Receivables – credit impaired                                  | 217.84                 | 217.84                 |
| Less: Loss allowance   | (1,174.34)             | (1,174.34)             |
|  | <b>13,639.70</b>       | <b>8,725.03</b>        |

### AGEING OF TRADE RECEIVABLE AS AT MARCH 31, 2022

| Particulars  | Not Due         | Less than 6 Months | 6 Months - 1 Year | 1-2 Year | 2-3 Year | More than 3 Year | March 22         |
|--|-----------------|--------------------|-------------------|----------|----------|------------------|------------------|
| (i) Undisputed Trade Receivables – considered good                                 | 1,205.95        | 12,433.75          | -                 | -        | -        | -                | 13,639.70        |
| (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     | 940.68           | 956.50           |
| (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   | -               | (8.09)             | (7.21)            | (0.01)   | (101.65) | (1,057.38)       | (1,174.34)       |
| <b>Total</b>   | <b>1,205.95</b> | <b>12,433.75</b>   | <b>-</b>          | <b>-</b> | <b>-</b> | <b>-</b>         | <b>13,639.70</b> |

### AGEING OF TRADE RECEIVABLE AS AT MARCH 31, 2021

| Particulars  | Not Due  | Less than 6 Months | 6 Months - 1 Year | 1-2 Year | 2-3 Year | More than 3 Year | March 21 |
|--|----------|--------------------|-------------------|----------|----------|------------------|----------|
| (i) Undisputed Trade Receivables – considered good                                 | 1,079.19 | 7,645.84           | -                 | -        | -        | -                | 8,725.03 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -        | -                  | -                 | -        | -        | -                | -        |
| (iii) Undisputed Trade Receivables – credit impaired                               | -        | 18.89              | 9.14              | 9.09     | 6.65     | 912.73           | 956.50   |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 5 TRADE RECEIVABLES (UNSECURED) (CONTD.)

AGEING OF TRADE RECEIVABLE AS AT MARCH 31, 2021 (CONTD.)

| Particulars   | Not Due         | Less than 6 Months | 6 Months - 1 Year | 1-2 Year | 2-3 Year | More than 3 Year | March 21        |
|---|-----------------|--------------------|-------------------|----------|----------|------------------|-----------------|
| (iv) Disputed Trade Receivables – considered good                               | -               | -                  | -                 | -        | -        | -                | -               |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | -               | -                  | -                 | -        | -        | -                | -               |
| (vi) Disputed Trade Receivables – credit impaired                               | -               | -                  | -                 | 101.13   | 99.61    | 17.10            | 217.84          |
| Less: Loss allowance  | -               | (18.89)            | (9.14)            | (110.22) | (106.26) | (929.83)         | (1,174.34)      |
| <b>Total</b>  | <b>1,079.19</b> | <b>7,645.84</b>    | <b>-</b>          | <b>-</b> | <b>-</b> | <b>-</b>         | <b>8,725.03</b> |

The above balance of trade receivable includes balance receivable from related party. (Refer note 33)

Trade receivable are non interest bearing and are generally on advance term or for a credit term of 15-60 days.

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 33.

The company's exposure to credit and currency risk, and loss allowance related to trade receivables are disclosed in note 42.

## NOTE 6 LOANS (UNSECURED)

| Particulars               | CURRENT             |                     |
|---------------------------|---------------------|---------------------|
|                           | As at 31 March 2022 | As at 31 March 2021 |
| Loan to related parties * |                     |                     |
| Loan to JFSL- JLL(JV)     | -                   | 411.73              |
| Loan to JFSL              | -                   | 2,454.99            |
|                           | <b>-</b>            | <b>2,866.72</b>     |

LOAN/ADVANCES TO SPECIFIED PERSONS.

| Type of Borrower                  | Amount of loan or advance in the nature of loan outstanding as on March 31, 2022 | Percentage to the total loans and advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding as on Mar 31, 2021 | Percentage to the total loans and advances in the nature of loans |
|-----------------------------------|--|---|--|---|
| <b>Subsidiaries</b>               |  |   |  |   |
| M/S JFSL-JLL (JV)                 | -  | -   | 411.73   | 14.36%  |
| Jyothy Fabricare Services Limited | -  | -   | 2,454.99   | 85.64%  |
| <b>Total</b>                      | <b>-</b>   | <b>-</b>  | <b>2,866.72</b>  | <b>100.00%</b>  |

\*The Company has given loan @ 12% and 6% interest rate per annum to JFSL-JLL(JV) and JFSL respectively (Note 33)

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 7 OTHER FINANCIAL ASSETS

| Particulars  | NON CURRENT            |                        | CURRENT                |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Security deposit considered good   | 856.51                 | 820.79                 | -                      | -                      |
| Fixed deposit with Banks having remaining maturity of more than 12 months (Note 12(b)) | 71.24                  | 40.19                  | -                      | -                      |
| Investment Subsidy Receivable  | 534.80                 | -                      | 369.14                 | 248.28                 |
| Staff Loans  | -                      | -                      | 141.21                 | 64.50                  |
|  | <b>1,462.55</b>        | <b>860.98</b>          | <b>510.35</b>          | <b>312.78</b>          |

### Break up of financial assets carried at amortised cost

| Particulars   | NON CURRENT            |                        | CURRENT                |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | As at<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Investment in subsidiaries (at cost) (Note 4)                           | 14,223.91              | 14,135.22              | -                      | -                      |
| Trade receivables (Note 5)  | -                      | -                      | 13,639.70              | 8,725.03               |
| Loans (Note 6)  | -                      | -                      | -                      | 2,866.72               |
| Other financial assets (Note 7)   | 1,462.55               | 860.98                 | 510.35                 | 312.78                 |
| Cash and cash equivalent and other bank balances (Note 12(a) and 12(b)) | -                      | -                      | 20,612.94              | 19,083.29              |
| <b>Total financial assets carried at amortised cost</b>                 | <b>15,686.46</b>       | <b>14,996.20</b>       | <b>34,762.99</b>       | <b>30,987.82</b>       |

The Company's exposure to credit and currency risk, and loss allowance related to other financial assets are disclosed in Note 42.

## NOTE 8 DEFERRED TAX ASSETS (NET)

| Particulars                      | CURRENT                |                        |
|----------------------------------|------------------------|------------------------|
|                                  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>a) Deferred tax liability</b> |                        |                        |
| Depreciation                     | 6,249.24               | 7,253.86               |
| Right-of-use assets              | 1,287.14               | 1,505.60               |
|                                  | <b>7,536.38</b>        | <b>8,759.46</b>        |
| <b>b) Deferred tax assets</b>    |                        |                        |
| Provision for gratuity           | 1,727.40               | 1,575.91               |
| Provision for leave encashment   | 595.71                 | 551.17                 |
| Provision for doubtful debts     | 410.36                 | 410.36                 |
| Other provisions                 | 378.55                 | 509.26                 |
| Differential tax rate            | 1,493.69               | 1,493.69               |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 8 DEFERRED TAX ASSETS (NET) (CONTD.)

| Particulars                    | CURRENT                |                        |
|--------------------------------|------------------------|------------------------|
|                                | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Lease liability                | 1,399.80               | 1,577.47               |
| Tax credit (MAT)               | 12,072.84              | 12,677.73              |
|                                | <b>18,078.35</b>       | <b>18,795.59</b>       |
| <b>Net deferred tax assets</b> | <b>10,541.97</b>       | <b>10,036.13</b>       |

## NOTE 9 NON-CURRENT TAX ASSETS (NET)

| Particulars  | CURRENT                |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Advance income tax (net of provisions of ₹28,410.90 Lacs (2021 - ₹24,675.84 Lacs)) | 1,031.62               | 992.11                 |
|  | <b>1,031.62</b>        | <b>992.11</b>          |

## NOTE 10 OTHER ASSETS

| Particulars  | NON CURRENT            |                        | CURRENT                |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Capital Advances   | 50.61                  | 192.34                 | -                      | -                      |
| Advance to suppliers                                     | -                      | -                      | 1,340.80               | 1,175.98               |
| Balance with government authorities and protest payments | 5,078.53               | 5,485.30               | 3,761.33               | 3,421.02               |
| Prepaid Expenses   | -                      | -                      | 624.40                 | 534.68                 |
| Other receivables  | -                      | -                      | 103.54                 | 168.72                 |
|  | <b>5,129.14</b>        | <b>5,677.64</b>        | <b>5,830.07</b>        | <b>5,300.40</b>        |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 11 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

| Particulars   | CURRENT                |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Raw and packing materials   | 8,448.26               | 6,998.50               |
| Work in progress  | 1,598.84               | 1,813.34               |
| Finished goods  | 16,283.69              | 15,034.91              |
| Stock in trade (including goods in transit ₹24.22 Lacs (2021 - ₹144.17 Lacs)) | 2,422.06               | 3,147.35               |
| Stores and spare parts  | 692.05                 | 665.49                 |
|   | <b>29,444.90</b>       | <b>27,659.59</b>       |

Inventories are net of provision of ₹782.69 Lacs (2021 - Rs 956.65 Lacs) on account of damage and slow moving inventories. Inventories are pledged as securities for borrowing (Refer Note 15)

## NOTE 12 CASH AND BANK BALANCES

| Particulars   | NON CURRENT            |                        | CURRENT                |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | As at<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>(a) Cash and cash equivalents</b>  |                        |                        |                        |                        |
| Cash in hand  | -                      | -                      | 5.37                   | 9.30                   |
| Balance with banks - Current account  | -                      | -                      | 7,316.21               | 6,965.61               |
|   | -                      | -                      | <b>7,321.58</b>        | <b>6,974.91</b>        |
| <b>(b) Bank balances other than cash and cash equivalents</b>                         |                        |                        |                        |                        |
| Unclaimed dividend accounts   | -                      | -                      | 240.68                 | 214.45                 |
| Deposits with original maturity for more than 3 months and maturing within 12 months* | -                      | -                      | 13,050.68              | 11,893.93              |
| Deposits with original and remaining maturity for more than 12 months*                | 71.24                  | 40.19                  | -                      | -                      |
| Amount disclosed under 'other financial assets' (Note 7)                              | (71.24)                | (40.19)                | -                      | -                      |
|   | -                      | -                      | <b>13,291.36</b>       | <b>12,108.38</b>       |
|   | -                      | -                      | <b>20,612.94</b>       | <b>19,083.29</b>       |

\* Includes deposits provided as securities against bank guarantees and letter of credits - ₹440.21 Lacs (2021 - ₹488.08 Lacs)



# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 13 SHARE CAPITAL

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>AUTHORISED CAPITAL</b>  |                        |                        |
| 2,720,000,000 (2021 - 2,720,000,000) equity shares of Re 1 (2021 - Re.1) each      | 27,200.00              | 27,200.00              |
| 30,000 (2021 - 30,000) 11% cumulative preference shares of ₹100 (2021 - ₹100) each | 30.00                  | 30.00                  |
|  | <b>27,230.00</b>       | <b>27,230.00</b>       |

### Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Re.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.

#### a) Reconciliation of the shares outstanding and at the end of the reporting period

| Particulars   | As at 31 March 2022 |                 | As at 31 March 2021 |                 |
|---|---------------------|-----------------|---------------------|-----------------|
|   | No.                 | Amount          | No.                 | Amount          |
| <b>ISSUED EQUITY CAPITAL</b>  |                     |                 |                     |                 |
| <b>Equity shares of Re.1 each issued, subscribed and fully paid</b> |                     |                 |                     |                 |
| 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                                | <b>367,208,644</b>  | <b>3,672.09</b> | <b>367,208,644</b>  | <b>3,672.09</b> |

#### b) Details of shareholders holding more than 5% shares in the Company

| Particulars                           | As at 31 March 2022 |                        | As at 31 March 2021 |                        |
|---------------------------------------|---------------------|------------------------|---------------------|------------------------|
|                                       | No.                 | % Holding in the class | No.                 | % Holding in the class |
| Equity shares of Re.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.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 13 SHARE CAPITAL (CONTD.)

- 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 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Equity shares allotted as fully paid bonus shares by capitalization of securities premium (FY 2018 - 2019) | 181,794,087         | 181,794,087         |
|  | <b>181,794,087</b>  | <b>181,794,087</b>  |

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.

- d) **Disclosures of shareholding of promoters**

| 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                                 | % of total shares | No of shares                                 | % 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%                        |

| Promoter Name    | Share held by promoters as at March 31, 2021 |                   | Share held by promoters as at March 31, 2020 |                   | % change during current year |
|------------------|--|-------------------|--|-------------------|------------------------------|
|                  | No of shares                                 | % of total shares | No of shares                                 | % of total shares |                              |
| M P Ramachandran | 1,436.41                                     | 39.12%            | 1436.41                                      | 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%                        |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 13 SHARE CAPITAL (CONTD.)

### d) Disclosures of shareholding of promoters (CONTD.)

| Promoter Name             | Share held by promoters as at March 31, 2021 |                   | Share held by promoters as at March 31, 2020 |                   | % change during current year |
|---------------------------|--|-------------------|--|-------------------|------------------------------|
|                           | No of shares                                 | % of total shares | No of shares                                 | % of total shares |                              |
| 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%                        |

## NOTE 14 OTHER EQUITY

### A. Other Equity consist of following :

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>Retained earnings</b>   |                        |                        |
| Balance, beginning of the year   | 32,220.74              | 13,170.42              |
| Profit for the year  | 15,612.91              | 19,026.18              |
| Other Comprehensive Income - Re-measurement gains/(losses) of post employment benefit obligation | (12.44)                | 24.14                  |
| Cash dividend (Note 14(B))   | (14,688.35)            | -                      |
| Net surplus in the statement of profit and loss  | 33,132.86              | 32,220.74              |
| <b>Other Reserves</b>  |                        |                        |
| Capital Reserve  |                        |                        |
| Balance, beginning of the year   | 6,514.46               | 6,514.46               |
| Balance, end of the year   | 6,514.46               | 6,514.46               |
| <b>Securities premium</b>  |                        |                        |
| Balance, beginning of the year   | 50,510.09              | 50,510.09              |
| Balance, end of the year   | 50,510.09              | 50,510.09              |
| <b>General reserves</b>  |                        |                        |
| Balance, beginning of the year   | 460.67                 | 460.67                 |
| Balance, end of the year   | 460.67                 | 460.67                 |
|  | <b>90,618.08</b>       | <b>89,705.96</b>       |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 14 OTHER EQUITY (CONTD.)

### B. Distribution made and Proposed

| Particulars  | As at            |                  |
|--|------------------|------------------|
|  | 31 March 2022    | 31 March 2021    |
| <b>Cash dividend on equity shares declared and paid :</b>                              |                  |                  |
| Final dividend for the year ended March 31, 2021 ₹4 per share (2020 ₹Nil per share)    | 14,688.35        | -                |
|  | <b>14,688.35</b> | <b>-</b>         |
| <b>Proposed dividends on equity shares :</b>   |                  |                  |
| Final dividend for the year ended March 31, 2022 ₹ 2.5 per share, (2021 ₹4 per share)* | 9,180.22         | 14,688.35        |
|  | <b>9,180.22</b>  | <b>14,688.35</b> |

\* The Board of Directors has recommended final dividend of ₹ 2.5 (2021 - ₹4) per equity share of face value Re 1 each for the financial year ended March 31, 2022 at their meeting held on May 24, 2022, The same is subject to approval of the shareholders at the ensuing Annual General Meeting.

## NOTE 15 BORROWINGS

| Particulars                                  | CURRENT                |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Term Loan from Bank (Secured) (Note a below) | 2,510.85               | 5,019.53               |
|  | <b>2,510.85</b>        | <b>5,019.53</b>        |

### Note :

- a. The Company had taken secured term loan of ₹10,000 Lacs at interest which are linked to external bench mark plus spread. The interest rate are in range of 4.00% - 8.00% p.a. payable monthly. These loans are repayable in multiple half yearly instalments every year till February, 2023. The terms of the Loan also has quarterly call/put option. These loans are 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 statement of current assets filed by the company with the banks are in agreement with the books of accounts.

## NOTE 16 TRADE PAYABLES

| Particulars  | CURRENT                |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Total outstanding dues of micro enterprises and small enterprises (refer note 36 for details of dues to micro and small enterprises) | 5,893.32               | 4,484.61               |
| Total outstanding dues of creditors other than micro enterprises and small enterprises   | 17,471.90              | 14,542.96              |
|  | <b>23,365.22</b>       | <b>19,027.57</b>       |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 16 TRADE PAYABLES (CONTD.)

Ageing of trade payable as at March 31, 2022

| Particulars         | Not Due          | Less than 1 year | 1-2 years    | 2-3 years | More than 3 years | Mar 22 Total     |
|---------------------|------------------|------------------|--------------|-----------|-------------------|------------------|
| MSME                | 2,801.70         | 3,079.72         | 11.90        | -         | -                 | 5,893.32         |
| Others              | 8,595.53         | 8,862.28         | 14.09        | -         | -                 | 17,471.90        |
| Disputed Due-MSME   | -                | -                | -            | -         | -                 | -                |
| Disputed Due-Others | -                | -                | -            | -         | -                 | -                |
| <b>Total</b>        | <b>11,397.23</b> | <b>11,942.00</b> | <b>25.99</b> | <b>-</b>  | <b>-</b>          | <b>23,365.22</b> |

Ageing of trade payable as at March 31, 2021

| Particulars         | Not Due          | Less than 1 year | 1-2 years    | 2-3 years   | More than 3 years | Mar 21 Total     |
|---------------------|------------------|------------------|--------------|-------------|-------------------|------------------|
| MSME                | 2,383.91         | 2,096.62         | 4.08         | -           | -                 | 4,484.61         |
| Others              | 8,449.16         | 6,034.11         | 43.13        | 9.79        | 6.77              | 14,542.96        |
| Disputed Due-MSME   | -                | -                | -            | -           | -                 | -                |
| Disputed Due-Others | -                | -                | -            | -           | -                 | -                |
| <b>Total</b>        | <b>10,833.07</b> | <b>8,130.73</b>  | <b>47.21</b> | <b>9.79</b> | <b>6.77</b>       | <b>19,027.57</b> |

## NOTE 17 OTHER FINANCIAL LIABILITIES

| Particulars                               | CURRENT             |                     |
|---|---------------------|---------------------|
|   | As at 31 March 2022 | As at 31 March 2021 |
| Financial guarantee liabilities           | 75.66               | 105.73              |
| Security deposits                         | 97.10               | 56.10               |
| Payable to Employees *                    | 2,467.73            | 2,212.29            |
| Unclaimed dividend **                     | 240.68              | 214.45              |
| Deferred payment liability (unsecured)*** | -                   | 155.00              |
|   | <b>2,881.17</b>     | <b>2,743.57</b>     |

\* Payable to employees includes balance payable to related party (Refer Note 33).

\*\* There are no amounts payable / due to be credited to Investor Education and Protection Fund.

\*\*\*Deferred payment liability represent amount payable under the memorandum of understanding (MOU) entered into with the party for transfer of 'technology for certain products. These are due for payment as per the Agreement.

For explanation on the Companies liquidity risk management processes, refer Note 42

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.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## Break up of financial liabilities carried at amortised cost

| Particulars   | NON CURRENT            |                        | CURRENT                |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | As at<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Borrowings (Note 15)  | -                      | -                      | 2,510.85               | 5,019.53               |
| Trade payables (Note 16)  | -                      | -                      | 23,365.22              | 19,027.57              |
| Lease Liabilities (Note 34)                                     | 2,198.87               | 2,726.35               | 1,807.75               | 1,787.92               |
| Other financial liabilities (Note 17)                           | -                      | -                      | 2,881.17               | 2,743.57               |
| <b>Total of financial liabilities carried at amortised cost</b> | <b>2,198.87</b>        | <b>2,726.35</b>        | <b>30,564.99</b>       | <b>28,578.59</b>       |

## NOTE 18 OTHER LIABILITIES

| Particulars                        | NON CURRENT            |                        | CURRENT                |                        |
|------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                    | As at<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Statutory dues                     | -                      | -                      | 1,636.03               | 1,404.12               |
| Deferred investment subsidy (a)    | 701.09                 | 228.97                 | 148.64                 | 73.76                  |
| Advances from customers and others | -                      | -                      | 2,505.62               | 3,422.26               |
| Contractual Obligation             | -                      | -                      | 4,770.11               | 4,614.41               |
|                                    | <b>701.09</b>          | <b>228.97</b>          | <b>9,060.40</b>        | <b>9,514.55</b>        |

- (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.

## NOTE 19 PROVISIONS

| Particulars                            | NON CURRENT            |                        | CURRENT                |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Provision for employee benefits</b> |                        |                        |                        |                        |
| Provision for leave encashment         | 1,537.89               | 1,354.81               | 166.87                 | 222.48                 |
| Provision for gratuity (Note 30(i))    | 4,943.34               | 4,509.82               | -                      | -                      |
|  | <b>6,481.23</b>        | <b>5,864.63</b>        | <b>166.87</b>          | <b>222.48</b>          |
| Other provisions #                     |                        |                        |                        |                        |
| Provision for litigation*              | -                      | -                      | 1,083.32               | 1,457.35               |
|  | <b>6,481.23</b>        | <b>5,864.63</b>        | <b>1,250.19</b>        | <b>1,679.83</b>        |

\* Provision for litigation pertain to various disputed indirect tax matters, timing of outflow is not determinable and will be based on outcome of ongoing litigation.



# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 19 PROVISIONS (CONTD.)

| #Movement in other provisions              | CURRENT                |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Balance as at 1 <sup>st</sup> April        | 1,457.35               | 2,066.13               |
| Arising during the year                    | -                      | -                      |
| Reversal during the year                   | (374.03)               | (608.78)               |
| <b>Balance as at 31<sup>st</sup> March</b> | <b>1,083.32</b>        | <b>1,457.35</b>        |

## NOTE 20 CURRENT TAX LIABILITIES (NET)

| Particulars   | CURRENT                |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Provision for income tax (net of advance tax of ₹7,465.76 Lacs (2021 - ₹8,085.36 Lacs)) | 486.21                 | 401.61                 |
|   | <b>486.21</b>          | <b>401.61</b>          |

## NOTE 21 REVENUE FROM OPERATIONS

| Particulars                     | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---------------------------------|-----------------------------|-----------------------------|
| Sale of goods (Note 44)         | 216,487.59                  | 188,386.09                  |
|                                 | <b>216,487.59</b>           | <b>188,386.09</b>           |
| <b>Other operating revenues</b> |                             |                             |
| Sale of scrap                   | 138.98                      | 113.78                      |
|                                 | <b>138.98</b>               | <b>113.78</b>               |
|                                 | <b>216,626.57</b>           | <b>188,499.87</b>           |

## NOTE 22 OTHER INCOME

| Particulars                                      | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| Lease rent income (Note 34)                      | 17.23                       | 10.51                       |
| Foreign exchange fluctuation gain (net)          | 16.09                       | -                           |
| Investment subsidy income                        | 198.56                      | 73.76                       |
| Interest on fixed deposit                        | 203.04                      | 109.02                      |
| Interest on loan given to partnership firm       | 50.00                       | 60.72                       |
| Interest on loan given to Subsidiary             | 158.65                      | 64.66                       |
| Interest on capital invested in partnership firm | 0.62                        | 3.01                        |
| Interest others                                  | 150.94                      | 242.00                      |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 22 OTHER INCOME (CONTD.)

| Particulars                         | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-------------------------------------|-----------------------------|-----------------------------|
| Budgetary support benefit under GST | 1,069.00                    | 1,354.06                    |
| Export incentives                   | 31.15                       | 63.83                       |
| Miscellaneous income                | 0.52                        | -                           |
|                                     | <b>1,895.80</b>             | <b>1,981.57</b>             |

## NOTE 23 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

| Particulars                            | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| Inventory at the beginning of the year | 6,998.50                    | 4,485.21                    |
| Add: Purchases                         | 110,678.46                  | 82,249.29                   |
|  | <b>117,676.96</b>           | <b>86,734.50</b>            |
| Less: Inventory at the end of the year | 8,448.26                    | 6,998.50                    |
|  | <b>109,228.70</b>           | <b>79,736.00</b>            |

## NOTE 24 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

| Particulars              | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--------------------------|-----------------------------|-----------------------------|
| <b>Closing inventory</b> |                             |                             |
| Finished goods           | 16,283.69                   | 15,034.91                   |
| Traded goods             | 2,422.06                    | 3,147.35                    |
| Work in progress         | 1,598.84                    | 1,813.34                    |
| <b>Sub Total (A)</b>     | <b>20,304.59</b>            | <b>19,995.60</b>            |
| <b>Opening inventory</b> |                             |                             |
| Finished goods           | 15,034.91                   | 13,570.50                   |
| Traded goods             | 3,147.35                    | 2,288.86                    |
| Work in progress         | 1,813.34                    | 1,403.20                    |
| <b>Sub Total (B)</b>     | <b>19,995.60</b>            | <b>17,262.56</b>            |
| <b>Total (A-B)</b>       | <b>(308.99)</b>             | <b>(2,733.04)</b>           |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 25 EMPLOYEE BENEFITS EXPENSE

| Particulars   | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| Salaries, wages and bonus   | 19,036.25                   | 17,165.55                   |
| Contribution to provident and other funds (Note 30(ii) and 30(iii)) | 1,293.78                    | 1,122.85                    |
| Gratuity (Note 30(i))   | 656.51                      | 599.77                      |
| Staff welfare expenses  | 406.44                      | 356.06                      |
| Directors' remuneration (Note 33)                                   | 928.75                      | 1,084.40                    |
| Field staff incentives  | 1,212.88                    | 1,756.78                    |
|   | <b>23,534.61</b>            | <b>22,085.41</b>            |

## NOTE 26 FINANCE COST

| Particulars                         | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-------------------------------------|-----------------------------|-----------------------------|
| Interest on bank overdraft and loan | 239.16                      | 735.13                      |
| Interest on lease liability         | 425.47                      | 436.10                      |
| Other borrowing cost                | 4.03                        | 1.15                        |
|                                     | <b>668.66</b>               | <b>1,172.38</b>             |

## NOTE 27 DEPRECIATION AND AMORTIZATION EXPENSE

| Particulars                         | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-------------------------------------|-----------------------------|-----------------------------|
| Depreciation on tangible assets     | 3,061.83                    | 3,098.43                    |
| Amortization of intangible assets   | 3,132.96                    | 3,134.68                    |
| Depreciation of right of use assets | 1,657.38                    | 1,557.79                    |
|                                     | <b>7,852.17</b>             | <b>7,790.90</b>             |

## NOTE 28 OTHER EXPENSES

| Particulars             | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-------------------------|-----------------------------|-----------------------------|
| Power and fuel expenses | 2,728.06                    | 2,655.33                    |
| Rent (Note 34)          | 146.82                      | 156.61                      |
| Insurance               | 347.95                      | 352.47                      |
| Repairs and maintenance |                             |                             |
| - Building              | 36.20                       | 30.23                       |
| - Plant and machinery   | 265.91                      | 278.78                      |
| - Others                | 220.39                      | 208.71                      |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 28 OTHER EXPENSES (CONTD.)

| Particulars   | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| Consumption of stores and spares                      | 574.37                      | 519.97                      |
| Printing and stationery                               | 34.12                       | 41.56                       |
| Communication costs                                   | 156.12                      | 185.50                      |
| Legal and professional fees (Note 31(A))              | 773.54                      | 726.30                      |
| Rates and taxes                                       | 94.11                       | 230.85                      |
| Directors' sitting fees (Note 33(e))                  | 19.50                       | 15.50                       |
| Vehicle maintenance                                   | 181.27                      | 157.47                      |
| Loss on fixed assets discarded / sold                 | 16.90                       | 35.71                       |
| Conversion charges                                    | 209.21                      | 157.70                      |
| Advertisement and sales promotion                     | 15,991.22                   | 12,283.91                   |
| Freight, handling and forwarding charges              | 14,031.10                   | 12,493.47                   |
| Field staff expenses                                  | 1,462.33                    | 1,096.19                    |
| Travelling and conveyance                             | 165.56                      | 76.12                       |
| Royalty   | 368.11                      | 332.62                      |
| Corporate social responsibility expenses (Note 31(B)) | 400.82                      | 395.79                      |
| Share of loss in partnership firm                     | 55.09                       | 53.75                       |
| Donation and contribution                             | 5.84                        | 406.73                      |
| Miscellaneous expenses                                | 1,925.45                    | 1,418.06                    |
|   | <b>40,209.99</b>            | <b>34,309.33</b>            |

## NOTE 29 INCOME TAX

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are :

| Particulars  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| <b>a. Profit or loss</b>   |                             |                             |
| <b>Income tax expenses</b>   |                             |                             |
| <b>Current tax</b>   |                             |                             |
| Current period   | 3,207.00                    | 3,742.00                    |
|  | <b>3,207.00</b>             | <b>3,742.00</b>             |
| <b>Deferred tax</b>  |                             |                             |
| Relating to origination and reversal of temporary differences            | (499.16)                    | (427.10)                    |
|  | <b>2,707.84</b>             | <b>3,314.90</b>             |
| <b>b. OCI</b>  |                             |                             |
| <b>Deferred tax related to items recognised in OCI during the year :</b> |                             |                             |
| Net loss/(gain) on remeasurements of defined benefit plans               | 6.68                        | (12.96)                     |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 29 INCOME TAX (CONTD.)

| Particulars   | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
|   | 6.68                        | (12.96)                     |
| <b>c. Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate</b> |                             |                             |
| Accounting profit before tax  | 18,320.75                   | 22,341.08                   |
| Tax rate  | 34.94%                      | 34.94%                      |
| Tax at statutory rate   | 6,402.00                    | 7,806.87                    |
| Tax impact :- Profit exempt from tax  | (5,111.60)                  | (4,859.99)                  |
| Corporate social responsibility expenditure disallowed  | 99.27                       | 103.36                      |
| Differential tax rate   | -                           | (958.65)                    |
| DTL on Goodwill   | -                           | 501.64                      |
| MAT credit utilised/lapsed  | 1,068.80                    | 823.08                      |
| Others  | 249.37                      | (101.41)                    |
| <b>Adjusted tax expense</b>   | <b>2,707.84</b>             | <b>3,314.90</b>             |
| <b>Tax expense</b>  | <b>2,707.84</b>             | <b>3,314.90</b>             |
| <b>d. Deferred tax Assets and Liabilities</b>   |                             |                             |
| Deferred tax assets   | 10,541.97                   | 10,036.13                   |
| <b>Net deferred tax assets and (liabilities)</b>  | <b>10,541.97</b>            | <b>10,036.13</b>            |

### e. Movement in Deferred tax Assets and Liabilities

| Movement during the year ended<br>31 March 2021 | As at<br>31 March 2020 | Credit/<br>(charge) in the<br>Statement of<br>Profit and Loss | Credit/(charge)<br>in Other<br>Comprehensive<br>Income | As at<br>31 March 2021 |
|---|------------------------|---|--|------------------------|
| <b>Deferred tax assets/(liability)</b>          |                        |   |  |                        |
| Depreciation                                    | (8,027.97)             | 774.11  | -  | (7,253.86)             |
| Right-of-use assets                             | (1,500.54)             | (5.06)  | -  | (1,505.60)             |
| Provision for gratuity                          | 1,435.03               | 153.84  | (12.96)  | 1,575.91               |
| Provision for leave encashment                  | 475.76                 | 75.41   | -  | 551.17                 |
| Provision for doubtful debts                    | 410.36                 | -   | -  | 410.36                 |
| Provision for doubtful advances                 | 172.92                 | (172.92)  | -  | -                      |
| Other provisions                                | 721.99                 | (212.73)  | -  | 509.26                 |
| Differential tax rate                           | 535.04                 | 958.65  | -  | 1,493.69               |
| Lease liability                                 | 1,602.50               | (25.03)   | -  | 1,577.47               |
| Tax credit (MAT) (net)                          | 13,796.90              | (1,119.17)  | -  | 12,677.73              |
| <b>Total</b>                                    | <b>9,621.99</b>        | <b>427.10</b>   | <b>(12.96)</b>   | <b>10,036.13</b>       |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 29 INCOME TAX (CONTD.)

| Movement during the year ended 31 March 2022 | As at 31 March 2021 | Credit/(charge) in the Statement of Profit and Loss | Credit/(charge) in Other Comprehensive Income | As at 31 March 2022 |
|--|---------------------|---|---|---------------------|
| <b>Deferred tax assets/(liability)</b>       |                     |   |   |                     |
| Depreciation                                 | (7,253.86)          | 1,004.62  | -   | (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           |
| <b>Total</b>                                 | <b>10,036.13</b>    | <b>499.16</b>                                       | <b>6.68</b>                                   | <b>10,541.97</b>    |

## NOTE 30(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   | 31 March 2022<br>Gratuity<br>Funded | 31 March 2021<br>Gratuity<br>Funded |
|---|-------------------------------------|-------------------------------------|
| <b>(A) Summary of the Actuarial Assumptions</b>   |                                     |                                     |
| Mortality   | IALM (2012-14) Ult.                 | IALM (2012-14) Ult.                 |
| Discount rate   | 6.85%                               | 6.40%                               |
| Rate of increase in compensation  | 8.00%                               | 8.00%                               |
| Withdrawal rates  | 8.00%                               | 9.00%                               |
| Rate of return (expected) on plan assets  | 6.83% - 7.02%                       | 6.84%                               |
| 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>(B) Changes in present value of obligations (PVO)</b>  |                                     |                                     |
| PVO at beginning of period  | 4,624.26                            | 4,225.47                            |



# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 30(I) GRATUITY (CONTD.)

| Particulars   | 31 March 2022<br>Gratuity<br>Funded | 31 March 2021<br>Gratuity<br>Funded |
|---|-------------------------------------|-------------------------------------|
| Interest cost   | 295.74                              | 278.68                              |
| Current Service Cost  | 368.08                              | 328.27                              |
| Benefits Paid   | (254.63)                            | (158.84)                            |
| Actuarial changes arising from changes in demographic assumptions   | 11.19                               | -                                   |
| Re-measurement changes arising from changes in financial assumptions  | (141.42)                            | 58.61                               |
| Experience adjustments  | 132.47                              | (107.93)                            |
| PVO at end of period  | 5,035.69                            | 4,624.26                            |
| <b>(C) Changes in fair value of plan assets</b>   |                                     |                                     |
| Fair value of plan assets at the beginning of period  | 114.44                              | 118.82                              |
| Investment Income   | 7.31                                | 7.84                                |
| Benefit paid  | (12.52)                             | -                                   |
| Return on plan assets   | (16.88)                             | (12.22)                             |
| Fair value of plan assets at end of period  | 92.35                               | 114.44                              |
| <b>(D) Expenses recognised in the statement of profit and loss</b>  |                                     |                                     |
| Current service cost  | 368.08                              | 328.27                              |
| Net Interest cost on the Net Defined Benefit Liability/(Asset)  | 288.43                              | 270.84                              |
| Other Adjustments   | -                                   | 0.66                                |
| Expense recognised in the statement of profit and loss  | 656.51                              | 599.77                              |
| <b>(E) Remeasurement gains/(losses) in other comprehensive income</b>   |                                     |                                     |
| Return on plan assets   | 16.88                               | 12.22                               |
| Actuarial changes arising from changes in demographic assumptions   | 11.19                               | -                                   |
| Re-measurement changes arising from changes in financial assumptions  | (141.42)                            | 58.61                               |
| Experience adjustments  | 132.47                              | (107.93)                            |
| Total amount recognised in OCI  | 19.12                               | (37.10)                             |
| <b>(F) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:</b> |                                     |                                     |
| Investment with Insurer   | 100%                                | 100%                                |
| <b>(G) Net Assets/(Liabilities) recognised in the balance sheet</b>   |                                     |                                     |
| PVO at end of period  | (5,035.69)                          | (4,624.26)                          |
| Fair value of plan assets at end of period  | 92.35                               | 114.44                              |
| Funded status (deficit in fair value of plan assets over PVO)   | (4,943.34)                          | (4,509.82)                          |
| Net assets/(Liability) recognised in the balance sheet  | (4,943.34)                          | (4,509.82)                          |

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.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 30(I) GRATUITY (CONTD.)

### (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<br>31 March 2022 | As at<br>31 March 2021 |
|-----------------------------------|------------------------|------------------------|
| Defined benefit obligation (Base) | 5,035.69               | 4,624.26               |

| Particulars                                    | As at<br>31 March 2022 |          | As at<br>31 March 2021 |          |
|--|------------------------|----------|------------------------|----------|
|  | Decrease               | Increase | Decrease               | Increase |
| Discount Rate (-/+ 1%)                         | 5,437.30               | 4,679.90 | 4,937.73               | 4,343.06 |
| (% change compared to base due to sensitivity) | 8.00%                  | -7.10%   | 7.00%                  | -6.30%   |
| Salary Growth Rate (-/+ 1%)                    | 4,713.30               | 5,384.43 | 4,362.69               | 4,907.46 |
| (% change compared to base due to sensitivity) | -6.40%                 | 6.90%    | -5.90%                 | 6.30%    |
| Attrition Rate (-/+ 50% of attrition rates)    | 5,117.42               | 4,979.40 | 4,738.25               | 4,545.28 |
| (% change compared to base due to sensitivity) | 1.60%                  | -1.10%   | 2.30%                  | -1.60%   |
| Mortality Rate (-/+ 10% of mortality rates)    | 5,036.01               | 5,035.38 | 4,624.70               | 4,623.81 |
| (% change compared to base due to sensitivity) | 0.00%                  | 0.00%    | 0.00%                  | 0.00%    |

### (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.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 30(I) GRATUITY (CONTD.)

### b) Maturity Profile of Defined Benefit Obligation

|   |          |
|---|----------|
| Weighted average duration (based on discounted cash flows)          | 8 years  |
| Expected cash flows over the next (valued on undiscounted basis) :- | ₹        |
| 1 year  | 503.14   |
| 2 to 5 years  | 1,933.67 |
| 6 to 10 years   | 2,577.54 |
| More than 10 years  | 4,223.21 |

### c) The Company expects to contribute ₹Nil (2021 - ₹Nil) to gratuity fund .

## NOTE 30(II) SUPERANNUATION

The Company Contributed ₹37.39 Lacs and ₹41.25 Lacs to the superannuation plan during the years ended March 31, 2022 and March 31, 2021, respectively and same has been recognized in the Statement of Profit and Loss under the head employee benefit expense.

## NOTE 30(III) PROVIDENT FUND AND OTHER FUNDS

The Company Contributed ₹1256.38 Lacs and ₹1081.60 Lacs to the employee provident fund and other funds during the years ended March 31, 2022 and March 31, 2021, respectively and same has been recognized in the Statement of Profit and Loss under the head employee benefit expense.

## NOTE 31

### A) Payment to auditors (excluding GST)

| Particulars                         | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-------------------------------------|-----------------------------|-----------------------------|
| <b>As Auditors</b>                  |                             |                             |
| Audit fee                           | 48.00                       | 40.00                       |
| Tax audit fees and certification    | 7.78                        | 7.06                        |
| Limited review of quarterly results | 48.00                       | 48.00                       |
| <b>Reimbursement of expenses</b>    | 3.80                        | 3.19                        |
|                                     | <b>107.58</b>               | <b>98.25</b>                |

### 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<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| (i) Amount required to be spent by the company during the year | 410.15                      | 386.12                      |
| (ii) Amount of expenditure incurred                            | 274.82                      | 395.79                      |
| (iii) Shortfall/(Excess) at the end of the year                | 135.33                      | (9.67)                      |
| (iv) Total of previous years shortfall/(Excess)                | (9.67)                      | -                           |
| (v) Reason for shortfall*                                      | 125.66                      | Not applicable              |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 31

**B) Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII is as given below: (Contd.)**

| Particulars  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| <b>(vi) Nature of CSR activities.</b>                  |                             |                             |
| Promoting health care including preventive health care | 138.01                      | -                           |
| Promoting Education                                    | 133.50                      | 96.59                       |
| Rural/slum area development                            | -                           | 113.68                      |
| Imparting Skill Development Training                   | -                           | 72.40                       |
| Contribution to Prime Minister Relief Fund             | -                           | 100.00                      |
| Others   | 3.31                        | 13.12                       |

*\*Unspent amount of ₹125.66 Lacs has been deposited in separate account earmarked as "Unspent Corporate Social Responsibility Account 2021-22" as on April 27, 2022*

## NOTE 32 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 33 RELATED PARTY DISCLOSURES

**a) Parties where control exists/Significant influence exists :**

### Subsidiaries

Jyothy Fabricare Services Limited

Jyothy Kallol Bangladesh Limited

Four Seasons Drycleaning Company Private Limited Merged with subsidiary Jyothy Fabricare Services Limited (Appointment date April 01, 2019)

Snoways Launderers & Drycleaners Private Limited Merged with subsidiary Jyothy Fabricare Services Limited (Appointment date April 01, 2019)

### Partnership firm

M/S JFSL-JLL (JV)

**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 w.e.f. March 28, 2022

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 33 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<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| <b>Subsidiaries</b>  |                             |                             |
| Jyothy Fabricare Services Limited                              |                             |                             |
| Reimbursement of expenses                                      | 27.66                       | 25.17                       |
| Sale of Finished goods (net of sales return)                   | 2.60                        | 1.95                        |
| Purchases (net of purchases return)                            | 0.10                        | 15.19                       |
| Corporate Guarantees given for borrowings                      | 3,000.00                    | 10,000.00                   |
| Corporate Guarantees withdrawal for borrowings                 | -                           | 6,000.00                    |
| Interest on loan given   | 158.65                      | 64.66                       |
| Loan given   | 550.00                      | 2,400.00                    |
| Repayment of Loan  | 3,147.77                    | -                           |
| Jyothy Kallol Bangladesh Limited                               |                             |                             |
| Sales of raw materials and packing material and finished goods | 92.80                       | 66.91                       |
| <b>Partnership Firm</b>  |                             |                             |
| M/S JFSL-JLL (JV)  |                             |                             |
| Share of (Profit)/loss   | 55.08                       | 53.75                       |
| Interest on partner capital                                    | 0.62                        | 3.01                        |
| Interest on loan given   | 50.00                       | 60.72                       |
| Loan given   | 20.00                       | 295.00                      |
| Repayment of Loan  | 476.73                      | 554.06                      |
| Investment/(Withdrawal) of capital                             | 125.00                      | 35.00                       |
| Corporate guarantee withdrawal during the year                 | -                           | 1,250.00                    |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 33 RELATED PARTY DISCLOSURES (CONTD.)

| Particulars   | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| <b>Key management personnel</b>                     |                             |                             |
| <b>Remuneration*</b>                                |                             |                             |
| K. Ullas Kamath                                     | 271.87                      | 336.00                      |
| M.R. Jyothy   | 328.56                      | 296.75                      |
| M.R. Deepthi  | 81.06                       | 73.30                       |
| Sanjay Agarwal                                      | 311.48                      | 243.78                      |
| Shreyas Trivedi                                     | 98.36                       | 79.38                       |
| <b>Dividend</b>                                     |                             |                             |
| K. Ullas Kamath                                     | 116.11                      | -                           |
| M.R. Jyothy   | 381.51                      | -                           |
| M.R. Deepthi  | 414.47                      | -                           |
| <b>Contribution to Superannuation fund</b>          |                             |                             |
| K. Ullas Kamath                                     | 24.27                       | 30.00                       |
| <b>Gratuity</b>                                     |                             |                             |
| K. Ullas Kamath                                     | 20.00                       | -                           |
| <b>Leave Encashment</b>                             |                             |                             |
| K. Ullas Kamath                                     | 50.00                       | -                           |
| <b>Fee for attending board / committee meetings</b> |                             |                             |
| Nilesh B. Mehta                                     | 7.25                        | 5.75                        |
| R. Lakshminarayanan                                 | 6.75                        | 5.75                        |
| Bhumika Batra                                       | 5.00                        | 4.00                        |
| Aditya Sapru  | 0.50                        | -                           |
| <b>Commission</b>                                   |                             |                             |
| K. Ullas Kamath                                     | 283.60                      | 424.32                      |
| Nilesh B. Mehta                                     | 12.00                       | 12.00                       |
| R. Lakshminarayanan                                 | 12.00                       | 12.00                       |
| Bhumika Batra                                       | 12.00                       | 12.00                       |
| <b>Relative of Key Management Personnel</b>         |                             |                             |
| <b>Remuneration*</b>                                |                             |                             |
| M.P. Sidharthan                                     | 24.00                       | 24.00                       |
| Ravi Razdan   | 99.08                       | 74.73                       |
| Ananth Rao T  | 164.56                      | 109.13                      |
| <b>Dividend</b>                                     |                             |                             |
| M.P. Ramachandran                                   | 5,745.63                    | -                           |
| M. G. Santhakumari                                  | 289.44                      | -                           |
| M.P. Sidharthan                                     | 417.22                      | -                           |
| M.P. Divakaran                                      | 578.87                      | -                           |
| <b>Purchase of Land and Building</b>                |                             |                             |
| M.P. Sidharthan                                     | 41.00                       | -                           |



# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 33 RELATED PARTY DISCLOSURES (CONTD.)

| Particulars   | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| <b>Entities where Key Management Personnel and their relatives have significant influence</b>   |                             |                             |
| <b>Rent expenses</b>  |                             |                             |
| Quilon Trading Co.  | 1.20                        | 1.20                        |
| <b>Dividend</b>   |                             |                             |
| M.P. Divakaran - H.U.F.   | 152.32                      | -                           |
| M.P. Sidharthan - H.U.F.  | 105.60                      | -                           |
| Jaya Trust  | 174.00                      | -                           |
| Sahyadri Agencies Ltd.  | 580.00                      | -                           |
| <b>Rent received</b>  |                             |                             |
| Sahyadri Bio Labs Private Limited   | 6.53                        | -                           |
| <i>*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.</i> |                             |                             |

### f) Related party balances outstanding

| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>Subsidiaries</b>   |                        |                        |
| Jyothy Fabricare Services Limited   |                        |                        |
| Loan given  | -                      | 2,454.99               |
| Corporate guarantees given  | 10,142.82              | 6,674.75               |
| Jyothy Kallol Bangladesh Limited  |                        |                        |
| Receivables   | 34.66                  | 31.79                  |
| <b>Partnership firm</b>   |                        |                        |
| M/S JFSL-JLL (JV)   |                        |                        |
| Loan given  | -                      | 411.73                 |
| <b>Key Management Personnel :</b>   |                        |                        |
| <b>Commission</b>   |                        |                        |
| K. Ullas Kamath   | 283.60                 | 424.32                 |
| Nilesh B. Mehta   | 12.00                  | 12.00                  |
| R. Lakshminarayanan   | 12.00                  | 12.00                  |
| Bhumika Batra   | 12.00                  | 12.00                  |
| <b>Entities where Key Management Personnel and their relatives have significant influence</b> |                        |                        |
| <b>Payables</b>   |                        |                        |
| 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.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 34 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

### b Carrying amounts of lease liabilities and the movement during the period

| Particulars                 | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-----------------------------|------------------------|------------------------|
| <b>As at April 1, 2021</b>  | 4,514.27               | 4,585.92               |
| Additions                   | 1,247.23               | 1,748.07               |
| Deletions                   | (192.89)               | (407.09)               |
| Accretion of interest*      | 389.33                 | 403.60                 |
| Payments                    | (1,951.32)             | (1,816.23)             |
| <b>As at March 31, 2022</b> | <b>4,006.62</b>        | <b>4,514.27</b>        |
| Current                     | 1,807.75               | 1,787.92               |
| Non current                 | 2,198.87               | 2,726.35               |

\*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  | 1,807.75        |
| 1 to 2 years  | 1,271.53        |
| 2 to 3 years  | 764.31          |
| 3 to 4 years  | 520.14          |
| 4 to 5 years  | 84.00           |
| More than 5 years                                       | 136.69          |
| <b>Total undiscounted lease liabilities</b>             | <b>4,584.42</b> |

### c Total cash outflow

The Company has a total cash outflow (including short term and low value assets) for leases of ₹ 2,098.14 Lacs in 2021-22 (2020-21 - ₹1,972.84 Lacs). The Company also had non cash additions to right to use assets and lease liabilities of ₹ 1,054.34 Lacs in 2021-22 (2020-21 - ₹1,340.98 Lacs).

### d Lease commitments for leases accounted as short term lease and low value assets.

The company is committed to short term lease of ₹146.62 Lacs (2021 - ₹155.91 Lacs) and lower value assets Rs 0.20 Lacs (2021 - ₹0.70 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, 2022 was ₹17.23 Lacs (2021 - ₹10.51 Lacs).

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 35 COMMITMENTS AND CONTINGENCIES

### A) Capital Commitments (Net of Advances)

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 25.20                  | 232.44                 |
| Other Commitments (Refer note 34d)   | 146.62                 | 156.61                 |
|  | <b>171.82</b>          | <b>389.05</b>          |

### 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<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| (I) Tax matters   |                        |                        |
| (a) Disputed sales tax demands – matters under appeal                 | 1,435.90               | 1,431.19               |
| (b) Disputed GST demands – matters under appeal                       | 2,235.17               | -                      |
| (c) Disputed excise duty and service tax demand - matter under appeal | 2,216.31               | 3,100.24               |
| (d) Disputed income tax demand - matter under appeal *                | 278.87                 | 278.87                 |
| (ii) Amount outstanding in respect of financial guarantees            | 10,158.69              | 6,688.92               |

\* 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 36 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSMED')

The disclosure pursuant to the said Act is as under :

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Principal and interest amount remaining unpaid   | 5,893.32               | 4,484.61               |
| 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, 2022

₹ in Lacs

## NOTE 37 DETAILS OF INVESTMENTS IN PARTNERSHIP FIRM

| Particulars                       | Share of partner in profits (%) |                        |
|-----------------------------------|---------------------------------|------------------------|
|                                   | As at<br>31 March 2022          | As at<br>31 March 2021 |
| <b>Name of Partner</b>            |                                 |                        |
| Jyothy Fabricare Services Limited | 75.00%                          | 75.00%                 |
| Jyothy Labs Limited               | 25.00%                          | 25.00%                 |
| Total capital of the firm         | 297.75                          | 18.08                  |

## NOTE 38 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<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| Net Profit for calculation of basic and diluted EPS                    | 15,612.91                   | 19,026.18                   |
| Weighted average number of shares for calculation of basic/Diluted EPS | 367,208,644                 | 367,208,644                 |
| Basic/Diluted EPS (₹)  | 4.25                        | 5.18                        |

The Company does not have any potentially dilutive equity shares and therefore basic and dilutive EPS are the same.

## NOTE 39 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

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 39 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

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.

### 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 be 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, 2022

₹ in Lacs

## NOTE 40 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<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Financial Assets              |                        |                        |                        |                        |
| Investment                    | 14,223.91              | 14,135.22              | 14,223.91              | 14,135.22              |
| Loans                         | -                      | 2,866.72               | -                      | 2,866.72               |
| <b>Total</b>                  | <b>14,223.91</b>       | <b>17,001.94</b>       | <b>14,223.91</b>       | <b>17,001.94</b>       |
| Financial Liabilities         |                        |                        |                        |                        |
| Borrowings                    | 2,510.85               | 5,019.53               | 2,510.85               | 5,019.53               |
| Financial guarantee contracts | 75.66                  | 105.73                 | 75.66                  | 105.73                 |
| <b>Total</b>                  | <b>2,586.51</b>        | <b>5,125.26</b>        | <b>2,586.51</b>        | <b>5,125.26</b>        |

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 41 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) |
| <b>Fair value of financial assets/Liabilities disclosed</b> |                   |        |   |   |   |
| Investment *  | March 31, 2022    | -      | -   | -                                       | -   |
| Financial guarantee   | March 31, 2022    | 75.66  | -   | -                                       | 75.66                                     |
| Investment *  | March 31, 2021    | -      | -   | -                                       | -   |
| Financial guarantee   | March 31, 2021    | 105.73 | -   | -                                       | 105.73                                    |

\* Fair value measured by using discounted cash flow (DCF) method



# Notes

## to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

### NOTE 41 FAIR VALUES HIERARCHY (CONTD.)

There have been no transfers between Level 1 and Level 2 during the period.

Significant unobservable inputs used in level 3 fair values:

| As at March 31, 2022 | Significant unobservable inputs | Sensitivity of input to fair value measurement                                    |
|----------------------|---------------------------------|---|
| Financial guarantee  | Risk premium 0.75%              | 0.25% increase and decrease will increase and decrease fair value by ₹81.00 Lacs. |

### NOTE 42 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.

#### 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, 2022 and March 31, 2021. 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            |
|---|------------------|-----------------|-------------------|------------------|
| <b>As at March 31, 2022</b>                 |                  |                 |                   |                  |
| Borrowings and Other financial liabilities* | 5,392.02         | -               | -                 | 5,392.02         |
| Lease liabilities                           | 1,807.75         | 2,198.87        | -                 | 4,006.62         |
| Trade and other payables                    | 23,365.22        | -               | -                 | 23,365.22        |
|   | <b>30,564.99</b> | <b>2,198.87</b> | -                 | <b>32,763.86</b> |
| <b>As at March 31, 2021</b>                 |                  |                 |                   |                  |
| Borrowings and Other financial liabilities* | 7,763.10         | -               | -                 | 7,763.10         |
| Lease liabilities                           | 1,787.92         | 2,726.35        | -                 | 4,514.27         |
| Trade and other payables                    | 19,027.57        | -               | -                 | 19,027.57        |
|   | <b>28,578.59</b> | <b>2,726.35</b> | -                 | <b>31,304.94</b> |

\* 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 15), the same has been presented as current borrowing in the financial statements.

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 42 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

### 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.

#### 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<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Balance as at 1st April                 | 1,174.34               | 1,174.34               |
| Provision no longer required write back | -                      | -                      |
| <b>Balance as at 31st March</b>         | <b>1,174.34</b>        | <b>1,174.34</b>        |

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. (refer note 5)

#### 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, 2022 and March 31, 2021 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, 2022

₹ in Lacs

## NOTE 43 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<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Borrowings  | 2,510.85               | 5,019.53               |
| Less: Cash and cash equivalents, other bank balances (Note 12(a) and 12(b)) | (20,612.94)            | (19,083.29)            |
| Net debt (A)  | (18,102.09)            | (14,063.76)            |
| Equity  | 94,290.17              | 93,378.05              |
| Capital and Net Debt (B)  | 76,188.08              | 79,314.29              |
| 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, 2022 and March 31, 2021

## NOTE 44 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<br>March 31, 2022 | Year ended<br>March 31, 2022 |
|--|------------------------------|------------------------------|
| Gross Sales  | 263,128.00                   | 230,335.83                   |
| Less : Scheme, discounts, rebates, price adjustments and returns | (46,640.41)                  | (41,949.74)                  |
| <b>Net Sales</b>   | <b>216,487.59</b>            | <b>188,386.09</b>            |

### b. Disaggregation of revenue-Segment wise

| Particulars                | Year ended<br>March 31, 2022 | Year ended<br>March 31, 2022 |
|----------------------------|------------------------------|------------------------------|
| (a) Fabric Care            | 81,385.00                    | 66,572.49                    |
| (b) Dishwashing            | 79,779.87                    | 69,948.50                    |
| (c) Household Insecticides | 26,521.42                    | 25,801.56                    |
| (d) Personal Care          | 23,385.50                    | 21,745.86                    |
| (e) Others                 | 5,415.80                     | 4,317.68                     |
|                            | <b>216,487.59</b>            | <b>188,386.09</b>            |

Revenue from one customer which contributed more than 10% of company's total revenue amounted to ₹24,725.57 Lacs (2021 - ₹20,641.90 Lacs) arising from sales in various segments

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 45

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

## NOTE 46

Details of Investments made are disclosed under Note 4 and details of corporate guarantees given to banks on behalf of other body corporates are disclosed under Note 35(B).

## NOTE 47 ADDITIONAL REGULATORY INFORMATION

### (a) Relationship with struck off company

The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956

### (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 company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

### (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.

# Notes

## to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

### NOTE 47 ADDITIONAL REGULATORY INFORMATION (CONTD.)

#### (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<br>31 March<br>2022 | As at<br>31 March<br>2021 | % Variance | Reason for Variance for<br>+ / (-) 25% variation   |
|-------------------------------------|--------------------------------------|--|---------------------------|---------------------------|------------|--|
| a. Current Ratio                    | Current Assets                       | Current Liabilities                            | 1.70                      | 1.59                      | 6.9%       |  |
| b. Debt Equity Ratio                | Total Debt                           | Shareholder's Equity                           | 0.03                      | 0.05                      | -50.5%     | The company has repaid Term loan of ₹2,500 Lacs, hence debt reduced.   |
| c. Debt service coverage ratio      | Earning available for debt service   | Debt Service                                   | 5.53                      | 6.04                      | -8.4%      |  |
| d. Return on Equity                 | Net profits after taxes.             | Average Shareholder's equity                   | 16.64%                    | 22.69%                    | -26.7%     | Return on equity declined due to reduction in profits on account of increase in raw material and packing material prices.                  |
| e. Inventory turnover ratio         | Cost of goods sold                   | Average Inventory                              | 4.48                      | 4.02                      | 11.36%     |  |
| f. Trade receivables turnover ratio | Net Sales                            | Closing Debtors                                | 15.88                     | 21.60                     | -26.49%    | The variance is due to lower institutional customer business in the last year due to COVID, which has been normalised in the current year. |
| g. Trade payables turnover ratio    | Net Purchases                        | Closing Trade Payable                          | 5.55                      | 5.55                      | -0.06%     |  |
| h. Net capital turnover ratio       | Net Sales                            | Working Capital                                | 7.46                      | 7.93                      | -5.87%     |  |
| i. Net profit ratio                 | Net profits after taxes.             | Net Sales                                      | 7.21%                     | 10.09%                    | -28.59%    | Net profit declined due to reduction in profits on account of increase in raw material and packing material prices.                        |
| j. Return on capital employed       | Earning before Interest and taxes    | Capital Employed                               | 22.05%                    | 27.78%                    | -20.64%    |  |
| k. Return on investment             | Income generated from invested funds | Average invested funds in treasury investments | NA                        | NA                        | NA         | There is no income on investments  |

# Notes

to the Standalone Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 48 EXCEPTIONAL ITEM

The Company had set up its manufacturing units in Guwahati and Jammu to avail certain fiscal benefits. One of the benefits as per the Notification no. 32/99-CE dated July 8, 1999 availed by the Company included excise duty refunds wherein the Company was entitled to hundred percent refund of excise duty to the extent of duty paid through Personal Ledger Account ('PLA'). Subsequently, the Government issued notifications no.17/2008-CE and 19/2008-CE dated March 27, 2008 restricting the refund to a maximum percentage specified in the notification based on value added method. The said notification was challenged by the Company and the matter was ruled in the favour of the Company by the High Court of Guwahati and the High court of Jammu and Kashmir in earlier years. Accordingly, the amount due from the government based on the earlier Notification no 32/99-CE was accrued in the respective years in the books of account. This was Subsequently challenged and the matter was ruled in favour of the revenue authorities by the Honorable Supreme Court thereby restricting the refund to the specified percentage. The review petition filed by the Company was rejected by the Honorable Supreme Court during the quarter ended March 31, 2021. Accordingly, the Company has charged off ₹2,350.41 Lacs recognized as excise duty refund receivable in the previous years as an exceptional item.

## NOTE 49

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.

## NOTE 50

Previous year figures have been regrouped / reclassified , where necessary, to conform to this year classification.

| Particulars                               | Note no. | Amount as per previous period financials | Adjustments | Revised amount for previous year |
|---|----------|--|-------------|----------------------------------|
| <b>Balance sheet</b>                      |          |  |             |                                  |
| Other financial liabilities - Non Current | 17       | 2,726.35                                 | (2,726.35)  | -                                |
| Other financial liabilities - Current     | 17       | 4,531.49                                 | (1,787.92)  | 2,743.57                         |
| Loans - Non Current                       |          | 820.79                                   | (820.79)    | -                                |
| Other financial assets - Non Current      | 7        | 40.19                                    | 820.79      | 860.98                           |

## Signatures to Notes 1 to 50

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 24, 2022

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 24, 2022

**M.R. Deepthi**  
Whole Time Director  
DIN: 01746698

**Sanjay Agarwal**  
Chief Financial Officer



# 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 subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, 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 reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, 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 31 March 2022, of its consolidated profit and other comprehensive loss, 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 reports of the other auditors 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 MATTERS

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><b>Revenue Recognition</b></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/stakeholder 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"> <li>Assessed the Group's accounting policies relating to revenue recognition by comparing them with the applicable accounting standards.</li> <li>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 (by involving our IT specialists) over recognition of revenue.</li> <li>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.</li> <li>Assessed appropriateness of non-standard manual journal entries that affect reported revenue of the Group.</li> </ul> |

## 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 Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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. If, based on the work we have performed and based on the audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## 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 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 entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits 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 and such other entities included in the consolidated financial statements of which we are the independent auditors 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 MATTERS

- (a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹1,322 Lacs as at 31 March 2022, total revenues (before consolidation adjustments) of ₹424 Lacs and net cash flows (before consolidation adjustments) amounting to ₹77 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have 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 these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

One of the subsidiaries 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

have been audited other auditors 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 auditors 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 reports of the other auditors.

## 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 reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, 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 reports of the other auditors

- 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 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 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 its subsidiary companies incorporated in India 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 Auditor's) 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 reports of the other auditors on separate financial statements of the subsidiaries as noted in the "Other Matters" paragraph:
- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 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 2022
- c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022.
- d) (i) The Management has represented 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 Company or its subsidiary companies incorporated in India 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 or its subsidiary companies incorporated in India ("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 its knowledge and belief, as disclosed in the note 46 to the consolidated financial statements, no funds have been received by the Company or its subsidiary companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its subsidiary companies incorporated in India shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever

- by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.
- 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 Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 13B to the 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.

- 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 and based on the reports of the statutory auditors of such subsidiary companies, incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies incorporated in India 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 and its subsidiary companies incorporated in India, 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

Mumbai  
May 24, 2022

Membership No: 111410  
UDIN-22111410AJMOSO3922



# Annexure A

## TO THE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in our report of even date)

- (i) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

| 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 Fabricare Services Limited | U17120MH2008PLC180246 | Subsidiary                                 | i(c), ix(d), xvii and xix  |

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Sreeja Marar**

Partner

Membership No: 111410

UDIN-22111410AJMOSO3922

Mumbai

May 24, 2022

# Annexure B

to the Independent Auditors' report on the Consolidated financial statements of Jyothy Labs Limited for the year ended 31 March 2022

## 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 COMPANIES ACT, 2013

(Referred to in paragraph 2A(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 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and a company incorporated in India under the Companies Act, 2013 which is its subsidiary company as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies 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 RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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

Mumbai

May 24, 2022

Membership No: 111410

UDIN-22111410AJMOSO3922

# Consolidated Balance Sheet

as at March 31, 2022

₹ in Lacs

| Particulars  | Note | As at             |                   |
|--|------|-------------------|-------------------|
|  |      | 31 March 2022     | 31 March 2021     |
| <b>Assets</b>  |      |                   |                   |
| <b>Non-current assets</b>  |      |                   |                   |
| Property, plant and equipment  | 4a   | 29,049.96         | 30,866.30         |
| Capital work in progress   | 4b   | 758.98            | 1,011.13          |
| Right of use assets  | 4c   | 4,107.36          | 4,704.00          |
| Goodwill   | 4d   | 78,633.19         | 78,633.19         |
| Other Intangible assets  | 4d   | 392.95            | 471.46            |
| Financial assets   |      |                   |                   |
| Other financial assets   | 5    | 1,622.56          | 1,032.89          |
| Deferred tax assets (net)  | 6    | 9,065.13          | 9,622.82          |
| Non current tax assets (net)   | 7    | 1,104.60          | 1,100.43          |
| Other non-current assets   | 8    | 5,129.14          | 5,677.64          |
|  |      | <b>129,863.87</b> | <b>133,119.86</b> |
| <b>Current assets</b>  |      |                   |                   |
| Inventories  | 9    | 29,722.62         | 27,863.98         |
| Financial assets   |      |                   |                   |
| Trade receivables  | 11   | 14,308.39         | 9,434.84          |
| Cash and cash equivalents  | 10a  | 7,601.66          | 7,185.77          |
| Bank balances other than cash and cash equivalents                                     | 10b  | 13,518.40         | 12,197.36         |
| Other financial assets   | 5    | 621.59            | 378.91            |
| Other current assets   | 8    | 5,961.22          | 5,418.66          |
| Asset held for sale  | 4e   | 680.36            | -                 |
|  |      | <b>72,414.24</b>  | <b>62,479.52</b>  |
| <b>Total assets</b>  |      | <b>202,278.11</b> | <b>195,599.38</b> |
| <b>Equity and liabilities</b>  |      |                   |                   |
| <b>Equity</b>  |      |                   |                   |
| Equity Share Capital   | 12   | 3,672.09          | 3,672.09          |
| Other Equity   | 13   | 140,684.45        | 139,183.29        |
| <b>Equity attributable to equity holders of the parent</b>                             |      | <b>144,356.54</b> | <b>142,855.38</b> |
| Non-controlling interests  |      | (4,065.09)        | (3,784.58)        |
| <b>Total equity</b>  |      | <b>140,291.45</b> | <b>139,070.80</b> |
| <b>Non-current liabilities</b>   |      |                   |                   |
| Financial liabilities  |      |                   |                   |
| Lease Liabilities  | 33   | 2,448.90          | 2,918.08          |
| Provisions   | 16   | 6,763.71          | 6,109.14          |
| Other non-current liabilities  | 17   | 701.09            | 228.97            |
|  |      | <b>9,913.70</b>   | <b>9,256.19</b>   |
| <b>Current liabilities</b>   |      |                   |                   |
| Financial Liabilities  |      |                   |                   |
| Borrowings   | 14   | 12,653.69         | 11,694.28         |
| Lease Liabilities  | 33   | 2,021.50          | 2,038.73          |
| Trade payables   | 19   |                   |                   |
| Total outstanding dues of micro enterprises and small enterprises                      |      | 5,934.57          | 4,503.52          |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |      | 17,706.90         | 14,694.76         |
| Other financial liabilities  | 15   | 2,849.51          | 2,696.06          |
| Other current liabilities  | 17   | 9,160.03          | 9,554.81          |
| Provisions   | 16   | 1,260.55          | 1,688.62          |
| Current tax liabilities (net)  | 18   | 486.21            | 401.61            |
|  |      | <b>52,072.96</b>  | <b>47,272.39</b>  |
| <b>Total liabilities</b>   |      | <b>61,986.66</b>  | <b>56,528.58</b>  |
| <b>Total equity and liabilities</b>  |      | <b>202,278.11</b> | <b>195,599.38</b> |
| 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 24, 2022

 Mumbai  
 May 24, 2022

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

₹ in Lacs

| Particulars   | Note | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---|------|-----------------------------|-----------------------------|
| <b>Income</b>   |      |                             |                             |
| Revenue from operations   | 20   | 219,648.88                  | 190,912.02                  |
| Other income  | 21   | 1,866.91                    | 1,845.17                    |
| <b>Total income (I)</b>   |      | <b>221,515.79</b>           | <b>192,757.19</b>           |
| <b>Expenses</b>   |      |                             |                             |
| Cost of raw material and components consumed  | 22   | 109,599.61                  | 80,264.53                   |
| Purchase of Stock in Trade  |      | 19,029.36                   | 23,463.87                   |
| Changes in inventories of finished goods, stock in trade and work-in-progress       | 23   | (331.82)                    | (2,689.34)                  |
| Employee benefits expense   | 24   | 24,744.95                   | 23,249.64                   |
| Finance costs   | 25   | 1,180.56                    | 1,923.41                    |
| Depreciation and amortisation expense   | 26   | 5,816.72                    | 5,558.81                    |
| Other expenses  | 27   | 41,784.27                   | 35,172.54                   |
| <b>Total expense (II)</b>   |      | <b>201,823.65</b>           | <b>166,943.46</b>           |
| <b>Profit before exceptional item and tax (I-II)</b>                                |      | <b>19,692.14</b>            | <b>25,813.73</b>            |
| Exceptional item  |      | -                           | 2,350.41                    |
| <b>Profit before tax</b>  |      | <b>19,692.14</b>            | <b>23,463.32</b>            |
| Income tax  | 28   |                             |                             |
| Current tax   |      | 3,214.74                    | 3,764.16                    |
| Deferred tax (credit)/charge  |      | 564.37                      | 634.01                      |
| <b>Total Income tax</b>   |      | <b>3,779.11</b>             | <b>4,398.17</b>             |
| <b>Profit for the year (A)</b>  |      | <b>15,913.03</b>            | <b>19,065.15</b>            |
| <b>Other comprehensive income</b>   |      |                             |                             |
| <b>Items that will be reclassified to profit or loss</b>                            |      |                             |                             |
| Foreign Currency Translation Reserve  |      | 27.08                       | (9.74)                      |
|   |      | <b>27.08</b>                | <b>(9.74)</b>               |
| <b>Items that will not be reclassified to profit or loss</b>                        |      |                             |                             |
| Re-measurement gains/(losses) of post employment benefit obligation                 |      | (37.79)                     | 76.76                       |
| <b>Income tax relative to items that will not be reclassified to profit or loss</b> |      |                             |                             |
| Re-measurement gains/(losses) of post employment benefit obligation                 | 28   | 6.68                        | (12.96)                     |
|   |      | <b>(31.11)</b>              | <b>63.80</b>                |
| <b>Other comprehensive income/(loss) for the year net of tax (B)</b>                |      | <b>(4.03)</b>               | <b>54.06</b>                |
| <b>Total comprehensive income for the year net of tax (A+B)</b>                     |      | <b>15,909.00</b>            | <b>19,119.21</b>            |
| Non controlling interest  |      | (280.51)                    | (872.36)                    |
| <b>Total Comprehensive income attributable to equity holders of the parent</b>      |      | <b>16,189.51</b>            | <b>19,991.57</b>            |
| <b>Profit for the year</b>  |      | <b>15,913.03</b>            | <b>19,065.15</b>            |
| Attributable to :   |      |                             |                             |
| Equity holders of the parent  |      | 16,197.35                   | 19,944.96                   |
| Non-controlling interests   |      | (284.32)                    | (879.81)                    |
| <b>Total comprehensive income</b>   |      | <b>15,909.00</b>            | <b>19,119.21</b>            |
| Attributable to :   |      |                             |                             |
| Equity holders of the parent  |      | 16,189.51                   | 19,991.57                   |
| Non-controlling interests   |      | (280.51)                    | (872.36)                    |
| <b>EARNINGS PER SHARE (EPS)</b>   | 32   |                             |                             |
| Basic (Rs)  |      | 4.41                        | 5.43                        |
| Diluted (Rs)  |      | 4.41                        | 5.43                        |
| Nominal value per share (Rs)  |      | 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

**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 24, 2022

Mumbai  
May 24, 2022

# Consolidated Statement of Changes in Equity

as at March 31, 2022

₹ in Lacs

## A. EQUITY SHARE CAPITAL

| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>Equity shares of Re 1 each issued, subscribed and fully paid</b> |                        |                        |
| At the beginning of the period                                      | 3,672.09               | 3,672.09               |
| Issue of share capital  | -                      | -                      |
| <b>At the end of the period</b>                                     | <b>3,672.09</b>        | <b>3,672.09</b>        |

For further details, Refer Note 12

## B. OTHER EQUITY

| Particulars  | Attributable to equity holders of the parent |   |                    |                       |                     | Total             | Non<br>Controlling<br>Interest | Total<br>Equity   |
|--|--|---|--------------------|-----------------------|---------------------|-------------------|--------------------------------|-------------------|
|  | Retained<br>Earnings                         | Foreign<br>Currency<br>Translation<br>Reserve | Capital<br>Reserve | Securities<br>premium | General<br>reserves |                   |                                |                   |
| <b>As at April 1, 2020</b>   | <b>62,849.63</b>                             | <b>40.21</b>                                  | <b>5,480.32</b>    | <b>50,407.48</b>      | <b>414.08</b>       | <b>119,191.72</b> | <b>(2,912.22)</b>              | <b>116,279.50</b> |
| Profit for the year  | 19,944.96                                    | -   | -                  | -                     | -                   | 19,944.96         | (879.81)                       | 19,065.15         |
| <b>Other Comprehensive Income</b>  |  |   |                    |                       |                     |                   |                                |                   |
| Re-measurement gains/<br>(losses) of post employment<br>benefit obligation | 56.35  | -   | -                  | -                     | -                   | 56.35             | 7.45                           | 63.80             |
| Foreign Currency Translation Reserve                                       | -  | (9.74)  | -                  | -                     | -                   | (9.74)            | -                              | (9.74)            |
| <b>Total comprehensive income</b>  | <b>20,001.31</b>                             | <b>(9.74)</b>                                 | <b>-</b>           | <b>-</b>              | <b>-</b>            | <b>19,991.57</b>  | <b>(872.36)</b>                | <b>19,119.21</b>  |
| Transaction with owners<br>recorded directly in equity                     |  |   |                    |                       |                     |                   |                                |                   |
| Contribution by and<br>distribution to owners                              |  |   |                    |                       |                     |                   |                                |                   |
| Cash dividends (Note 13(B))  | -  | -   | -                  | -                     | -                   | -                 | -                              | -                 |
| <b>As at March 31, 2021</b>  | <b>82,850.94</b>                             | <b>30.47</b>                                  | <b>5,480.32</b>    | <b>50,407.48</b>      | <b>414.08</b>       | <b>139,183.29</b> | <b>(3,784.58)</b>              | <b>135,398.71</b> |
| Profit for the year  | 16,197.35                                    | -   | -                  | -                     | -                   | 16,197.35         | (284.32)                       | 15,913.03         |
| <b>Other Comprehensive Income</b>  |  |   |                    |                       |                     |                   |                                |                   |
| Re-measurement gains/<br>(losses) of post employment<br>benefit obligation | (34.92)                                      | -   | -                  | -                     | -                   | (34.92)           | 3.81                           | (31.11)           |
| Foreign Currency Translation Reserve                                       | -  | 27.08   | -                  | -                     | -                   | 27.08             | -                              | 27.08             |
| <b>Total comprehensive income</b>  | <b>16,162.43</b>                             | <b>27.08</b>                                  | <b>-</b>           | <b>-</b>              | <b>-</b>            | <b>16,189.51</b>  | <b>(280.51)</b>                | <b>15,909.00</b>  |
| Transfer from general reserves   | -  | -   | -                  | -                     | -                   | -                 | -                              | -                 |
| Transaction with owners<br>recorded directly in equity                     |  |   |                    |                       |                     |                   |                                |                   |
| Contribution by and<br>distribution to owners                              |  |   |                    |                       |                     |                   |                                |                   |
| Cash dividends (Note 13(B))  | (14,688.35)                                  | -   | -                  | -                     | -                   | (14,688.35)       | -                              | (14,688.35)       |
| <b>As at March 31, 2022</b>  | <b>84,325.02</b>                             | <b>57.55</b>                                  | <b>5,480.32</b>    | <b>50,407.48</b>      | <b>414.08</b>       | <b>140,684.45</b> | <b>(4,065.09)</b>              | <b>136,619.36</b> |



**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.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Sreeja Marar**  
Partner  
Membership No: 111410

Mumbai  
May 24, 2022

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 24, 2022

**M.R. Deepthi**  
Whole Time Director  
DIN: 01746698

**Sanjay Agarwal**  
Chief Financial Officer

# Consolidated Statement of Cash Flows

for the year ended March 31, 2022

₹ in Lacs

| Particulars  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| <b>A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:</b>                 |                             |                             |
| Profit before tax  | 19,692.14                   | 23,463.32                   |
| <b>Adjustments to reconcile profit before tax to net cash flows :</b>            |                             |                             |
| Depreciation and amortisation expense  | 3,904.17                    | 3,649.44                    |
| Depreciation of right-of-use assets  | 1,912.55                    | 1,909.37                    |
| Exceptional item (Note 49)   | -                           | 2,350.41                    |
| Loss on fixed assets discarded /sold   | (135.50)                    | 32.97                       |
| Written off investments  | -                           | 2.59                        |
| Finance costs  | 1,180.56                    | 1,923.41                    |
| Interest income  | (357.62)                    | (317.24)                    |
| Unrealised foreign exchange fluctuation gain (net)                               | (12.52)                     | 9.87                        |
| Provision for doubtful debts written back (net of written off)                   | (4.24)                      | (6.09)                      |
| Investment subsidy income  | (198.56)                    | (73.76)                     |
| Lease rent income  | (6.72)                      | -                           |
| <b>Operating profit before working capital changes</b>                           | <b>25,974.26</b>            | <b>32,944.29</b>            |
| Movements in working capital :-  |                             |                             |
| Increase/ (decrease) in trade payables   | 4,443.19                    | 6,222.58                    |
| Increase / (decrease) in provisions  | 215.79                      | 35.37                       |
| Increase/ (decrease) in other liabilities  | 275.90                      | 4,205.38                    |
| Increase/ (decrease) in other financial liabilities                              | 143.15                      | 677.87                      |
| Decrease / (increase) in trade receivables                                       | (4,856.79)                  | 2,799.79                    |
| Decrease / (increase) in inventories   | (1,858.64)                  | (5,357.20)                  |
| Decrease / (increase) in other financial assets                                  | (810.88)                    | 98.45                       |
| Decrease / (increase) in other assets  | (135.79)                    | 1,863.16                    |
| <b>Cash generated from operations</b>  | <b>23,390.19</b>            | <b>43,489.69</b>            |
| Taxes paid (net)   | (3,134.31)                  | (3,274.07)                  |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES ( A )</b>                           | <b>20,255.88</b>            | <b>40,215.62</b>            |
| <b>B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:</b>                 |                             |                             |
| Purchase of fixed assets including capital work-in-progress and capital advances | (2,605.27)                  | (2,589.99)                  |
| Proceeds from sale of fixed assets   | 466.82                      | 25.15                       |
| Maturity proceeds from / (Investment in) fixed deposit (net)                     | (1,316.28)                  | (10,483.89)                 |
| Interest income received   | 276.71                      | 136.75                      |
| Lease rent income  | 6.72                        | -                           |
| <b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES ( B )</b>                 | <b>(3,171.30)</b>           | <b>(12,911.98)</b>          |
| <b>C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:</b>                 |                             |                             |
| Interest and finance charges paid  | (737.16)                    | (2,805.43)                  |
| Payment of lease liabilities   | (2,243.18)                  | (2,117.81)                  |
| Proceeds from borrowings   | 23,126.74                   | 23,085.08                   |

# Consolidated Statement of Cash Flows (CONTD.)

for the year ended March 31, 2022

₹ in Lacs

| Particulars   | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| Repayment of borrowings   | (22,126.74)                 | (39,771.45)                 |
| Dividend paid   | (14,688.35)                 | -                           |
| <b>NET CASH USED IN FINANCING ACTIVITIES ( C )</b>                  | <b>(16,668.69)</b>          | <b>(21,609.60)</b>          |
| D. Net increase / (decrease) in cash and cash equivalents (A+B+C)   | 415.89                      | 5,694.03                    |
| E. Cash and cash equivalents at the beginning of the year           | 7,185.77                    | 1,491.74                    |
| <b>F. Cash and cash equivalents at the end of the year</b>          | <b>7,601.66</b>             | <b>7,185.77</b>             |
| <b>G. Components of cash and cash equivalents</b>                   |                             |                             |
| Cash in hand  | 48.52                       | 41.92                       |
| Balance with scheduled banks - Current account                      | 7,553.14                    | 7,143.85                    |
| - Deposit account   | -                           | -                           |
| <b>Cash and cash equivalents (Note 13a)</b>                         | <b>7,601.66</b>             | <b>7,185.77</b>             |
| <b>Cash and cash equivalents considered for cash flow statement</b> | <b>7,601.66</b>             | <b>7,185.77</b>             |

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<br>31 March 2021 | Cash flow (Net) | As at<br>31 March 2022 |
|--|------------------------|-----------------|------------------------|
| Non Current Borrowings (Refer Note 16) | -                      | -               | -                      |
| Current Borrowings * (Refer Note 16)   | 11,500.00              | 1,000.00        | 12,484.25              |
| <b>Total</b>                           | <b>11,500.00</b>       | <b>1,000.00</b> | <b>12,484.25</b>       |

\* 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 24, 2022

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 24, 2022

**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, 2022

## 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 24, 2022.

## 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,

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

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.

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 31 March.

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 |                     |
|--|--------------------------|-------------------------------|---------------------|
|  |                          | As at 31 March 2022           | As at 31 March 2021 |
| <b>(a) Direct Subsidiaries</b>                             |                          |                               |                     |
| 1. Jyothy Fabricare Services Limited                       | India                    | 84.18                         | 84.18               |
| 2. Jyothy Kallol Bangladesh Limited                        | Bangladesh               | 75.00                         | 75.00               |
| <b>(b) Indirect Subsidiaries *</b>                         |                          |                               |                     |
| 3. Snoways Laundrers and Drycleaners Pvt.Ltd (Note 45)     | India                    | -                             | 84.18               |
| 4. Four Seasons Dry Cleaning Co. Private Limited (Note 45) | India                    | -                             | 84.18               |
| 5. JFSL-JLL(JV) - partnership firm                         | India                    | 88.14                         | 88.14               |

\* Effective holding % of Company directly and indirectly through its subsidiaries.

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

### 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
- 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.



# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

### 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 2.2p) 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 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 fair value of the consideration received or receivable, taking into account contractually defined terms

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

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.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

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 is recognised when control of the goods has transferred to the customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, incentives and rebates. Accumulated experience is used to estimate and provide for trade discounts, incentives and rebates. No element of financing is deemed present as the sales are made with short credit terms.

### 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 by reference to the stage of 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

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

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.

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.

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

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 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.

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:

| <b>Category</b>                           | <b>Estimated useful life (in years)</b> |
|---|---|
| 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                    | 5 - 10                                  |
| Leasehold Improvements (Outlets on Lease) | 3                                       |
| 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

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

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.

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 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.

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

### 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
- 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 1 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.

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. Variable lease payments that do not depend on an index

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

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.

### 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



# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

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 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.

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

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 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.

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

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.

### 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, 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.

#### 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:

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

- 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.

### 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.

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

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.

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.

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

### 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 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.

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

### s. **Non current 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 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.

### 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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

#### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.



# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

### **Ind AS 106 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 4A PROPERTY, PLANT AND EQUIPMENT

| Particulars                        | Freehold land @ | Building # @     | Plant and machinery | Dies and moulds | Furniture and fixture | Leasehold Improvements | Office equipments | Vehicle       | Total tangible assets |
|------------------------------------|-----------------|------------------|---------------------|-----------------|-----------------------|------------------------|-------------------|---------------|-----------------------|
| <b>Cost</b>                        |                 |                  |                     |                 |                       |                        |                   |               |                       |
| <b>As at April 1, 2020</b>         | <b>4,551.14</b> | <b>15,673.23</b> | <b>18,924.64</b>    | <b>1,707.06</b> | <b>806.03</b>         | <b>150.77</b>          | <b>1,006.81</b>   | <b>811.61</b> | <b>43,631.29</b>      |
| Additions                          | -               | 1,323.77         | 2,025.74            | 294.16          | 123.34                | 20.33                  | 99.84             | 12.77         | 3,899.95              |
| Disposals                          | -               | 7.56             | 225.46              | 34.56           | 2.81                  | 3.68                   | 12.83             | 27.76         | 314.66                |
| <b>As at March 31, 2021</b>        | <b>4,551.14</b> | <b>16,989.44</b> | <b>20,724.92</b>    | <b>1,966.66</b> | <b>926.56</b>         | <b>167.42</b>          | <b>1,093.82</b>   | <b>796.62</b> | <b>47,216.58</b>      |
| Additions                          | 42.66           | 693.40           | 1,801.75            | 199.65          | 23.71                 | 1.87                   | 165.89            | 6.94          | 2,935.87              |
| Disposals/Reclassifications        | 462.89          | 708.35           | 847.41              | 69.17           | 27.59                 | 44.60                  | 30.52             | 18.83         | 2,209.36              |
| <b>As at March 31, 2022</b>        | <b>4,130.91</b> | <b>16,974.49</b> | <b>21,679.26</b>    | <b>2,097.14</b> | <b>922.68</b>         | <b>124.69</b>          | <b>1,229.19</b>   | <b>784.73</b> | <b>47,943.09</b>      |
| <b>Depreciation and impairment</b> |                 |                  |                     |                 |                       |                        |                   |               |                       |
| <b>As at April 1, 2020</b>         | <b>-</b>        | <b>3,140.29</b>  | <b>7,475.20</b>     | <b>785.55</b>   | <b>438.83</b>         | <b>79.25</b>           | <b>697.71</b>     | <b>478.06</b> | <b>13,094.89</b>      |
| Depreciation charge for the year   | -               | 731.93           | 2,067.76            | 373.62          | 80.78                 | 33.41                  | 144.68            | 79.75         | 3,511.93              |
| Disposals                          | -               | 1.36             | 178.01              | 34.20           | 2.67                  | 0.83                   | 11.71             | 27.76         | 256.54                |
| <b>As at March 31, 2021</b>        | <b>-</b>        | <b>3,870.86</b>  | <b>9,364.95</b>     | <b>1,124.97</b> | <b>516.94</b>         | <b>111.83</b>          | <b>830.68</b>     | <b>530.05</b> | <b>16,350.28</b>      |
| Depreciation charge for the year   | -               | 1,127.89         | 2,073.16            | 246.60          | 71.15                 | 27.82                  | 151.52            | 80.17         | 3,778.31              |
| Disposals/Reclassifications        | -               | 253.51           | 801.34              | 65.24           | 25.18                 | 41.63                  | 29.77             | 18.79         | 1,235.46              |
| <b>As at March 31, 2022</b>        | <b>-</b>        | <b>4,745.24</b>  | <b>10,636.77</b>    | <b>1,306.33</b> | <b>562.91</b>         | <b>98.02</b>           | <b>952.43</b>     | <b>591.43</b> | <b>18,893.13</b>      |
| <b>Net book value</b>              |                 |                  |                     |                 |                       |                        |                   |               |                       |
| <b>As at March 31, 2022</b>        | <b>4,130.91</b> | <b>12,229.25</b> | <b>11,042.49</b>    | <b>790.81</b>   | <b>359.77</b>         | <b>26.67</b>           | <b>276.76</b>     | <b>193.30</b> | <b>29,049.96</b>      |
| <b>As at March 31, 2021</b>        | <b>4,551.14</b> | <b>13,118.58</b> | <b>11,359.97</b>    | <b>841.69</b>   | <b>409.62</b>         | <b>55.59</b>           | <b>263.14</b>     | <b>266.57</b> | <b>30,866.30</b>      |

# Includes ₹ 374.31 Lacs (2021 - ₹374.31 Lacs) represented by unquoted fully paid shares at cost in various co-operative societies.

- The Company has not capitalised any borrowing cost in the 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 ₹1,011.98 (Gross block) (2021: ₹ 884.21). These are held in the name of the entities which have been merged with the Group in earlier years.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 4A PROPERTY, PLANT AND EQUIPMENT (CONTD.)

| 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 (Rs 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  | 07-09-07                       | Ownership transfer pending   |
| 2     | Right-of-use assets  | Leasehold land                  | 17.71                             | Akash Cleaners Private Limited                            | No  | 01-04-11                       | Ownership transfer pending   |
| 3     | Property, plant and equipment  | Building                        | 40.77                             | Akash Cleaners Private Limited                            | No  | 01-04-11                       | Ownership transfer pending   |
| 4     | Property, plant and equipment  | Freehold land                   | 108.19                            | Fab clean & care Private Limited                          | No  | 08-06-11                       | Ownership transfer pending   |
| 5     | Property, plant and equipment  | Building                        | 25.00                             | Fab clean & care Private Limited                          | No  | 08-06-11                       | Ownership transfer pending   |
| 6     | Property, plant and equipment  | Building                        | 1.54                              | Fab clean & care Private Limited                          | No  | 08-06-11                       | Ownership transfer pending   |
| 7     | Property, plant and equipment  | Freehold Land                   | 127.44                            | Snoways Laundrers & Drycleaners Private Limited           | No  | 01-04-19                       | Ownership transfer pending   |

## NOTE 4 B CAPITAL WORK IN PROGRESS

| Particulars                 | Amount          |
|-----------------------------|-----------------|
| <b>As at April 1, 2020</b>  | <b>2,449.56</b> |
| Additions                   | 2,473.80        |
| Capitalised during the year | (3,912.23)      |
| <b>As at March 31, 2021</b> | <b>1,011.13</b> |
| Additions                   | 2,810.42        |
| Capitalised during the year | (3,062.57)      |
| <b>As at March 31, 2022</b> | <b>758.98</b>   |

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 4B CAPITAL WORK IN PROGRESS (CONTD.)

### 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 |                 |
| <b>As at March 2022</b>         |                                |               |              |                   |                 |
| Projects in progress            | 758.98                         | -             | -            | -                 | 758.98          |
| Projects temporarily suspended* | -                              | -             | -            | -                 | -               |
| <b>Total</b>                    | <b>758.98</b>                  | <b>-</b>      | <b>-</b>     | <b>-</b>          | <b>758.98</b>   |
| <b>As at March 2021</b>         |                                |               |              |                   |                 |
| Projects in progress            | 658.98                         | 308.14        | 13.81        | 30.20             | 1,011.13        |
| Projects temporarily suspended* | -                              | -             | -            | -                 | -               |
| <b>Total</b>                    | <b>658.98</b>                  | <b>308.14</b> | <b>13.81</b> | <b>30.20</b>      | <b>1,011.13</b> |

\*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 4 C RIGHT-OF-USE ASSETS

| Particulars                        | Leasehold Land | Building        | Total           |
|------------------------------------|----------------|-----------------|-----------------|
| <b>Cost</b>                        |                |                 |                 |
| <b>As at April 01, 2020</b>        | <b>267.71</b>  | <b>6,853.04</b> | <b>7,120.75</b> |
| Additions                          | -              | 1,862.15        | 1,862.15        |
| Disposals                          | -              | (407.09)        | (407.09)        |
| <b>As at March 31, 2021</b>        | <b>267.71</b>  | <b>8,308.10</b> | <b>8,575.81</b> |
| Additions                          | -              | 1,546.58        | 1,546.58        |
| Disposals/ Reclassifications       | (42.20)        | (192.89)        | (235.09)        |
| <b>As at March 31, 2022</b>        | <b>225.51</b>  | <b>9,661.79</b> | <b>9,887.30</b> |
| <b>Depreciation and impairment</b> |                |                 |                 |
| <b>As at April 01, 2020</b>        | <b>20.15</b>   | <b>1,942.29</b> | <b>1,962.44</b> |
| Depreciation charge for the year   | 4.06           | 1,905.31        | 1,909.37        |
| <b>As at March 31, 2021</b>        | <b>24.21</b>   | <b>3,847.60</b> | <b>3,871.81</b> |
| Depreciation charge for the year   | 4.05           | 1,908.50        | 1,912.55        |
| Disposals/ Reclassifications       | (4.42)         | -               | (4.42)          |
| <b>As at March 31, 2022</b>        | <b>23.84</b>   | <b>5,756.10</b> | <b>5,779.94</b> |
| <b>Net book value</b>              |                |                 |                 |
| <b>As at March 31, 2022</b>        | <b>201.67</b>  | <b>3,905.69</b> | <b>4,107.36</b> |
| As at March 31, 2021               | 243.50         | 4,460.50        | 4,704.00        |

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 4 D INTANGIBLE ASSETS

| Particulars                        | Other intangible assets |                              |                        | Total Other intangible assets |
|------------------------------------|-------------------------|------------------------------|------------------------|-------------------------------|
|                                    | Goodwill                | Trademarks and Copyrights \$ | Softwares and Licences |                               |
| <b>Cost</b>                        |                         |                              |                        |                               |
| <b>As at April 1, 2020</b>         | <b>78,633.19</b>        | <b>104.77</b>                | <b>1,012.64</b>        | <b>1,117.41</b>               |
| Additions                          | -                       | -                            | 18.95                  | 18.95                         |
| <b>As at March 31, 2021</b>        | <b>78,633.19</b>        | <b>104.77</b>                | <b>1,031.59</b>        | <b>1,136.36</b>               |
| Additions                          | -                       | -                            | 47.35                  | 47.35                         |
| Disposals                          | -                       | -                            | 3.84                   | 3.84                          |
| <b>As at March 31, 2022</b>        | <b>78,633.19</b>        | <b>104.77</b>                | <b>1,075.10</b>        | <b>1,179.87</b>               |
| <b>Amortisation and impairment</b> |                         |                              |                        |                               |
| <b>As at April 1, 2020</b>         | <b>-</b>                | <b>103.45</b>                | <b>423.94</b>          | <b>527.39</b>                 |
| Amortisation charge for the year   | -                       | -                            | 137.51                 | 137.51                        |
| <b>As at March 31, 2021</b>        | <b>-</b>                | <b>103.45</b>                | <b>561.45</b>          | <b>664.90</b>                 |
| Amortisation charge for the year   | -                       | 2.27                         | 123.59                 | 125.86                        |
| Disposals                          | -                       | -                            | 3.84                   | 3.84                          |
| <b>As at March 31, 2022</b>        | <b>-</b>                | <b>105.72</b>                | <b>681.20</b>          | <b>786.92</b>                 |
| Net book value                     |                         |                              |                        |                               |
| <b>As at March 31, 2022</b>        | <b>78,633.19</b>        | <b>(0.95)</b>                | <b>393.90</b>          | <b>392.95</b>                 |
| <b>As at March 31, 2021</b>        | <b>78,633.19</b>        | <b>1.32</b>                  | <b>470.14</b>          | <b>471.46</b>                 |

\$ Includes trademarks and copyrights of ₹ 81.22 (2021: ₹ 81.22) pending for registration in the name of the Company and ₹ 20.23 (2021: ₹ 20.23) pending for registration in the name of the Jyothy Fabricare Services Limited.

### IMPAIRMENT

Goodwill is tested for impairment annually as at March 31st. No impairment charges were identified as at March 31, 2022.

- 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 ₹ 250.10 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% (2021: 5%)

Growth rate: 1% - 15% (2021: 1% - 15%)

Weighted Average Cost of Capital % (WACC) (Discount rate): 13% (2021: 13%)

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 4 D INTANGIBLE ASSETS (CONTD.)

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.

- B) Goodwill of Rs 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% (2021: 5%)

Growth rate: 26% - 43% (2021: 20% - 128%)

Weighted Average Cost of Capital % (WACC) (Discount rate): 16.17% (2021: 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 4 E ASSETS HELD FOR SALE

Refer Note 2.2 (s) for accounting policy on Assets Held for Sale

| Particulars    | As at         | As at         |
|----------------|---------------|---------------|
|                | 31 March 2022 | 31 March 2021 |
| Freehold land  | 187.75        | -             |
| Leasehold land | 37.78         | -             |
| Buildings      | 454.83        | -             |
| <b>Total</b>   | <b>680.36</b> | <b>-</b>      |

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.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 5 OTHER FINANCIAL ASSETS

| Particulars  | NON CURRENT            |                        | CURRENT                |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Fixed deposit with Banks having remaining maturity of more than 12 months (Note 10b) | 73.57                  | 52.10                  | -                      | -                      |
| Security Deposits considered good  | 1,014.19               | 980.79                 | 75.84                  | 66.13                  |
| Investment Subsidy Receivable  | 534.80                 | -                      | 369.14                 | 248.28                 |
| Staff Loans  | -                      | -                      | 141.21                 | 64.50                  |
| Other receivables  | -                      | 5.25                   | 35.40                  | -                      |
| Less: Loss allowance   | -                      | (5.25)                 | -                      | -                      |
|  | <b>1,622.56</b>        | <b>1,032.89</b>        | <b>621.59</b>          | <b>378.91</b>          |

The Group exposure to credit and currency risk, and loss allowance related to other financial assets are disclose in note 41.

## NOTE 6 DEFERRED TAX ASSETS (NET)

| Particulars                          | Non current            |                        |
|--------------------------------------|------------------------|------------------------|
|                                      | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>a) Deferred tax liability</b>     |                        |                        |
| Depreciation                         | 7,754.99               | 7,699.99               |
| Right-of-use assets                  | 1,287.14               | 1,509.36               |
|                                      | <b>9,042.13</b>        | <b>9,209.35</b>        |
| <b>b) Deferred tax assets</b>        |                        |                        |
| Provision for gratuity               | 1,727.40               | 1,576.50               |
| Provision for leave encashment       | 595.71                 | 551.17                 |
| Provision for doubtful debts/advance | 410.36                 | 410.36                 |
| Other provisions                     | 378.56                 | 509.26                 |
| Differential tax rate                | 1,493.69               | 1,493.69               |
| Lease liability                      | 1,399.80               | 1,583.54               |
| Tax credit (MAT)                     | 12,101.74              | 12,707.65              |
|                                      | <b>18,107.26</b>       | <b>18,832.17</b>       |
| <b>Net deferred tax assets</b>       | <b>9,065.13</b>        | <b>9,622.82</b>        |



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 7 NON-CURRENT TAX ASSETS (NET)

| Particulars  | Non current            |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Advance income tax (net of provisions of ₹28,417.84 Lacs (2021 - ₹24,675.84 Lacs)) | 1,104.60               | 1,100.43               |
|  | <b>1,104.60</b>        | <b>1,100.43</b>        |

## NOTE 8 OTHER ASSETS

| Particulars  | NON CURRENT            |                        | CURRENT                |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Capital Advances   | 50.61                  | 192.34                 | -                      | -                      |
| Advance to suppliers*                                    | -                      | -                      | 1,372.36               | 1,205.77               |
| Balance with government authorities and protest payments | 5,078.53               | 5,485.30               | 3,826.15               | 3,479.92               |
| Prepaid Expenses   | -                      | -                      | 656.69                 | 576.29                 |
| Other receivables  | -                      | -                      | 106.19                 | 169.67                 |
| Less: Loss allowance                                     | -                      | -                      | (0.17)                 | (12.99)                |
|  | <b>5,129.14</b>        | <b>5,677.64</b>        | <b>5,961.22</b>        | <b>5,418.66</b>        |

\* Advances to suppliers amounting to ₹ 0.17 Lacs (2021: ₹12.99 Lacs) is considered doubtful and fully provided for.

## NOTE 9 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

| Particulars   | CURRENT                |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Raw and packing materials   | 8,619.72               | 7,116.71               |
| Work in progress  | 1,611.95               | 1,813.34               |
| Finished goods  | 16,306.41              | 15,038.61              |
| Stock in trade (including goods in transit ₹24.22 Lacs (2021 - ₹144.17 Lacs)) | 2,434.09               | 3,168.68               |
| Stores and spare parts  | 750.45                 | 726.64                 |
|   | <b>29,722.62</b>       | <b>27,863.98</b>       |

Inventories are net of provision of ₹782.69 Lacs (2021 - Rs 956.65 Lacs) on account of damage and slow moving inventories. Inventories are pledged as securities for borrowing (Refer Note 14)

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 10 CASH AND BANK BALANCES

| Particulars   | NON CURRENT            |                        | CURRENT                |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | As at<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>a) Cash and cash equivalents</b>   |                        |                        |                        |                        |
| Cash in hand  | -                      | -                      | 48.52                  | 41.92                  |
| Balance with banks  |                        |                        |                        |                        |
| - Current account   | -                      | -                      | 7,553.14               | 7,143.85               |
|   | -                      | -                      | 7,601.66               | 7,185.77               |
| <b>(b) Bank balances other than cash and cash equivalents</b>                         |                        |                        |                        |                        |
| Unclaimed dividend accounts   | -                      | -                      | 240.68                 | 214.45                 |
| Deposits with original maturity for more than 3 months and maturing within 12 months* | -                      | -                      | 13,277.72              | 11,982.91              |
| Deposits with original and remaining maturity for more than 12 months*                | 73.57                  | 52.10                  | -                      | -                      |
| Amount disclosed under 'other financial assets' (Note 5)                              | (73.57)                | (52.10)                | -                      | -                      |
|   | -                      | -                      | <b>13,518.40</b>       | <b>12,197.36</b>       |
|   | -                      | -                      | <b>21,120.06</b>       | <b>19,383.13</b>       |

\* Includes deposits provided as securities against bank guarantees and letter of credits - ₹440.21 Lacs (2021 - ₹488.08 Lacs)

## NOTE 11 TRADE RECEIVABLES (UNSECURED)

| Particulars  | CURRENT                |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| (i) Undisputed Trade Receivables – considered good   | 14,275.98              | 9,402.43               |
| (iii) Undisputed Trade Receivables – credit impaired | 965.69                 | 967.78                 |
| (iv) Disputed Trade Receivables – considered good    | 32.41                  | 32.41                  |
| (vi) Disputed Trade Receivables – credit impaired    | 217.84                 | 217.84                 |
| Less: Loss allowance                                 | (1,183.53)             | (1,185.62)             |
|  | <b>14,308.39</b>       | <b>9,434.84</b>        |

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.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 11 TRADE RECEIVABLES (UNSECURED) (CONTD.)

### Ageing Schedule

| Particulars  | Not Due         | Less than 6 Months | 6 Months - 1 Year | 1-2 Year | 2-3 Year | More than 3 Year | Total            |
|--|-----------------|--------------------|-------------------|----------|----------|------------------|------------------|
| <b>March 22</b>  |                 |                    |                   |          |          |                  |                  |
| (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)       |
| <b>Total</b>   | <b>1,205.95</b> | <b>12,470.38</b>   | <b>599.65</b>     | <b>-</b> | <b>-</b> | <b>32.41</b>     | <b>14,308.39</b> |
| <b>March 21</b>  |                 |                    |                   |          |          |                  |                  |
| (i) Undisputed Trade Receivables – considered good                                 | 1,079.18        | 7,653.48           | 669.77            | -        | -        | -                | 9,402.43         |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -               | -                  | -                 | -        | -        | -                | -                |
| (iii) Undisputed Trade Receivables – credit impaired                               | -               | 24.11              | 11.76             | 10.18    | 8.69     | 913.04           | 967.78           |
| (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   | 99.60    | 17.10            | 217.84           |
| Less: Loss allowance   | -               | (24.11)            | (11.76)           | (111.32) | (108.29) | (930.14)         | (1,185.62)       |
| <b>Total</b>   | <b>1,079.18</b> | <b>7,653.48</b>    | <b>669.77</b>     | <b>-</b> | <b>-</b> | <b>32.41</b>     | <b>9,434.84</b>  |

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## Breakup of financial assets carried at amortised cost

| Particulars  | NON CURRENT            |                        | CURRENT                |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Trade receivable (Note 11)   | -                      | -                      | 14,308.39              | 9,434.84               |
| Other financial assets (Note 5)                                    | 1,622.56               | 1,032.89               | 621.59                 | 378.91                 |
| Cash and cash equivalents and other bank balances (Note 10a & 10b) | -                      | -                      | 21,120.06              | 19,383.13              |
| <b>Total financial assets carried at amortised cost</b>            | <b>1,622.56</b>        | <b>1,032.89</b>        | <b>36,050.04</b>       | <b>29,196.88</b>       |

## NOTE 12 SHARE CAPITAL

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>AUTHORISED CAPITAL</b>  |                        |                        |
| 2,720,000,000 (2021 - 2,720,000,000) equity shares of Re 1 (2021 - Re.1) each      | 27,200.00              | 27,200.00              |
| 30,000 (2021 - 30,000) 11% cumulative preference shares of ₹100 (2021 - ₹100) each | 30.00                  | 30.00                  |
|  | <b>27,230.00</b>       | <b>27,230.00</b>       |

### Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of 1 Re 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 and at the end of the reporting period

| Particulars   | As at 31 March 2022 |                 | As at 31 March 2021 |                 |
|---|---------------------|-----------------|---------------------|-----------------|
|   | No.                 | Amount          | No.                 | Amount          |
| <b>ISSUED EQUITY CAPITAL</b>  |                     |                 |                     |                 |
| <b>Equity shares of Re.1 each issued, subscribed and fully paid</b> |                     |                 |                     |                 |
| 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                                | <b>367,208,644</b>  | <b>3,672.09</b> | <b>367,208,644</b>  | <b>3,672.09</b> |

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 12 SHARE CAPITAL(CONTD.)

### b) Details of shareholders holding more than 5% shares in the Company

| Particulars                           | As at 31 March 2022 |                        | As at 31 March 2021 |                        |
|---------------------------------------|---------------------|------------------------|---------------------|------------------------|
|                                       | No.                 | % Holding in the class | No.                 | % Holding in the class |
| Equity shares of Re.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 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Equity shares allotted as fully paid bonus shares by capitalization of securities premium (FY 2018 - 2019) | 181,794,087         | 181,794,087         |
|  | <b>181,794,087</b>  | <b>181,794,087</b>  |

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.

### d) Disclosures of shareholding of promoters

| Particulars               | 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                                 | % of total shares | No of shares                                 | % 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, 2022

₹ in Lacs

## NOTE 12 SHARE CAPITAL (CONTD.)

| Particulars               | Share held by promoters<br>as at March 31, 2021 |                      | Share held by promoters<br>as at March 31, 2020 |                      | % change<br>during<br>current<br>year |
|---------------------------|---|----------------------|---|----------------------|---------------------------------------|
|                           | No of<br>shares                                 | % of total<br>shares | No of<br>shares                                 | % of total<br>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%                                 |

## NOTE 13 OTHER EQUITY

### A. Other Equity consist of following :

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>Retained earnings</b>   |                        |                        |
| Balance, beginning of the year                                       | 82,850.94              | 62,849.63              |
| Profit for the year  | 16,197.35              | 19,944.96              |
| Other Comprehensive Income -   |                        |                        |
| Re-measurement gains/ (losses) of post employment benefit obligation | (34.92)                | 56.35                  |
| Less : Appropriations  |                        |                        |
| Cash dividend (Note 13(B))   | (14,688.35)            | -                      |
| <b>Net surplus in the consolidated statement of profit and loss</b>  | <b>84,325.02</b>       | <b>82,850.94</b>       |
| <b>Other Reserves</b>  |                        |                        |
| <b>Foreign Currency Translation Reserve</b>                          |                        |                        |
| Balance, beginning of the year                                       | 30.47                  | 40.21                  |
| Add: Addition during the year  | 27.08                  | (9.74)                 |
| <b>Balance, end of the year</b>                                      | <b>57.55</b>           | <b>30.47</b>           |
| <b>Capital Reserve</b>   |                        |                        |
| Balance, beginning of the year                                       | 5,480.32               | 5,480.32               |
| <b>Balance, end of the year</b>                                      | <b>5,480.32</b>        | <b>5,480.32</b>        |
| <b>Securities premium</b>  |                        |                        |
| Balance, beginning of the year                                       | 50,407.48              | 50,407.48              |

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 13 OTHER EQUITY (CONTD.)

| Particulars                     | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---------------------------------|------------------------|------------------------|
| <b>Balance, end of the year</b> | <b>50,407.48</b>       | <b>50,407.48</b>       |
| <b>General reserves</b>         |                        |                        |
| Balance, beginning of the year  | 414.08                 | 414.08                 |
| <b>Balance, end of the year</b> | <b>414.08</b>          | <b>414.08</b>          |
|                                 | <b>140,684.45</b>      | <b>139,183.29</b>      |

### B. Distribution made and Proposed

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>Cash dividend on equity shares declared and paid :</b>                              |                        |                        |
| Final dividend for the year ended March 31, 2021 ₹4 per share (2020 ₹Nil per share)    | 14,688.35              | -                      |
|  | <b>14,688.35</b>       | <b>-</b>               |
| <b>Proposed dividends on equity shares :</b>   |                        |                        |
| Final dividend for the year ended March 31, 2022 ₹ 2.5 per share, (2021 ₹4 per share)* | 9,180.22               | 14,688.35              |
|  | <b>9,180.22</b>        | <b>14,688.35</b>       |

\* The Board of Directors has recommended final dividend of ₹ 2.50 per equity share of face value Re. 1 each for the financial year ended March 31, 2022 at their meeting held on May 24, 2022. The same is subject to approval of the shareholders at the ensuing Annual General Meeting.

## NOTE 14 BORROWINGS

| Particulars                                     | CURRENT                |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Term Loan from Bank (Secured ) (Note (a) below) | 2,510.85               | 5,019.53               |
| Term Loan from Bank (Secured ) (Note (b) below) | 7,642.35               | 6,674.75               |
| Term Loan from Bank (Secured ) (Note (c) below) | 2,500.49               | -                      |
|   | <b>12,653.69</b>       | <b>11,694.28</b>       |

### Details of loan:

- a) The Company had taken secured term loan of ₹ 10,000 Lacs at interest which are linked to external bench mark plus spread. The interest rate are in range of 4.00%-8.00% p.a. payable monthly. These loans are repayable in multiple half yearly instalments every year till February, 2023. The terms of the Loan also has quarterly call / put option. These loans are 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.



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 14 BORROWINGS (CONTD.)

- b) The term loan from bank consists of ₹ 7,642.35 Lacs (2021: ₹ 6,674.75 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 3 years in May, 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.
- c) 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 OTHER FINANCIAL LIABILITIES

| Particulars                               | CURRENT                |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Security deposits                         | 104.10                 | 58.80                  |
| Unclaimed dividend *                      | 240.68                 | 214.45                 |
| Creditors for capital goods               | 16.33                  | 32.26                  |
| Deferred Payment Liability (Unsecured) ** | -                      | 155.00                 |
| Payable Others - Employees                | 2,488.40               | 2,235.55               |
|   | <b>2,849.51</b>        | <b>2,696.06</b>        |

\* There are no amounts payable / due to be credited to Investor Education and Protection Fund.

\*\*Deferred payment liability represent amount payable under the memorandum of understanding (MOU) entered into with the party for transfer of technology for certain products. These are due for payment as per the Agreement.

## NOTE 16 PROVISIONS

| Particulars                            | NON CURRENT            |                        | CURRENT                |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Provision for employee benefits</b> |                        |                        |                        |                        |
| Provision for leave encashment         | 1,624.18               | 1,441.90               | 177.23                 | 231.27                 |
| Provision for gratuity (Note 29)       | 5,139.53               | 4,667.24               | -                      | -                      |
|  | <b>6,763.71</b>        | <b>6,109.14</b>        | <b>177.23</b>          | <b>231.27</b>          |
| <b>Other provisions #</b>              |                        |                        |                        |                        |
| Provision for litigation*              | -                      | -                      | 1,083.32               | 1,457.35               |
|  | -                      | -                      | <b>1,083.32</b>        | <b>1,457.35</b>        |
|  | <b>6,763.71</b>        | <b>6,109.14</b>        | <b>1,260.55</b>        | <b>1,688.62</b>        |

\* Provision for litigation pertain to various disputed indirect tax matters, timing of outflow is not determinable and will be based on outcome of ongoing litigation.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 16 PROVISIONS (CONTD.)

### # Movement in other Provisions

| Particulars                                | CURRENT                |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Balance as at 1 <sup>st</sup> April        | 1,457.35               | 2,066.13               |
| Reversal during the year                   | (374.03)               | (608.78)               |
| <b>Balance as at 31<sup>st</sup> March</b> | <b>1,083.32</b>        | <b>1,457.35</b>        |

## NOTE 17 OTHER LIABILITIES

| Particulars                              | NON CURRENT            |                        | CURRENT                |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Statutory Dues                           | -                      | -                      | 1,680.94               | 1,444.38               |
| Deferred Investment Subsidy <sup>^</sup> | 701.09                 | 228.97                 | 148.64                 | 73.76                  |
| Advances from customers and others       | -                      | -                      | 2,560.34               | 3,422.26               |
| Contractual Obligation                   | -                      | -                      | 4,770.11               | 4,614.41               |
|  | <b>701.09</b>          | <b>228.97</b>          | <b>9,160.03</b>        | <b>9,554.81</b>        |

<sup>^</sup> 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<br>31 March 2022 | As at<br>31 March 2021 |
| Provision for income tax (net of advance tax of ₹7,465.76 Lacs (2021 - ₹8,085.36 Lacs)) | 486.21                 | 401.61                 |
|   | <b>486.21</b>          | <b>401.61</b>          |

## NOTE 19 TRADE PAYABLES

| Particulars  | CURRENT                |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2022 | As at<br>31 March 2021 |
| Total outstanding dues of micro enterprises and small enterprises (refer note 34 for details of dues to micro enterprises and small enterprises) | 5,934.57               | 4,503.52               |
| Total outstanding dues of creditors other than micro enterprises and small enterprises   | 17,706.90              | 14,694.76              |
|  | <b>23,641.47</b>       | <b>19,198.28</b>       |

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 19 TRADE PAYABLES (CONTD.)

### Ageing Schedule

| Particulars         | Not Due          | Less than 6 Months | 6 Months - 1 Year | 1-2 Year     | More than 3 Year | March 21         |
|---------------------|------------------|--------------------|-------------------|--------------|------------------|------------------|
| <b>March 22</b>     |                  |                    |                   |              |                  |                  |
| 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        |
| Disputed Due-MSME   | -                | -                  | -                 | -            | -                | -                |
| Disputed Due-Others | -                | -                  | -                 | -            | -                | -                |
| <b>Total</b>        | <b>11,424.85</b> | <b>12,186.83</b>   | <b>28.06</b>      | <b>1.56</b>  | <b>0.17</b>      | <b>23,641.47</b> |
| <b>March 21</b>     |                  |                    |                   |              |                  |                  |
| MSME                | 2,387.61         | 2,111.38           | 4.26              | 0.18         | 0.09             | 4,503.52         |
| Others              | 8,461.11         | 6,165.47           | 47.38             | 12.57        | 8.23             | 14,694.76        |
| Disputed Due-MSME   | -                | -                  | -                 | -            | -                | -                |
| Disputed Due-Others | -                | -                  | -                 | -            | -                | -                |
| <b>Total</b>        | <b>10,848.72</b> | <b>8,276.85</b>    | <b>51.64</b>      | <b>12.75</b> | <b>8.32</b>      | <b>19,198.28</b> |

### Breakup of financial liabilities carried at amortised cost

| Particulars  | CURRENT             |                     |
|--|---------------------|---------------------|
|  | As at 31 March 2022 | As at 31 March 2021 |
| Borrowing (Note 14)  | 12,653.69           | 11,694.28           |
| Trade payable (Note 19)                                      | 23,641.47           | 19,198.28           |
| Other financial liabilities (Note 15)                        | 2,849.51            | 2,696.06            |
| <b>Total financial liabilities carried at amortised cost</b> | <b>39,144.67</b>    | <b>33,588.62</b>    |

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, 2022

₹ in Lacs

## NOTE 20 REVENUE FROM OPERATIONS

| Particulars                     | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---------------------------------|-----------------------------|-----------------------------|
| Sale of goods (Note 44)         | 216,828.37                  | 188,794.74                  |
| Sale of Services                | 2,681.53                    | 2,003.50                    |
|                                 | <b>219,509.90</b>           | <b>190,798.24</b>           |
| <b>Other operating revenues</b> |                             |                             |
| Sale of scrap                   | 138.98                      | 113.78                      |
|                                 | <b>138.98</b>               | <b>113.78</b>               |
|                                 | <b>219,648.88</b>           | <b>190,912.02</b>           |

## NOTE 21 OTHER INCOME

| Particulars  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| Lease rent income (Note 33A)                           | 6.72                        | -                           |
| Foreign exchange fluctuation gain (net)                | 16.69                       | -                           |
| Provision for doubtful debts written back              | 4.24                        | 11.70                       |
| Profit on sale of fixed assets                         | 152.40                      | -                           |
| Investment subsidy income                              | 198.56                      | 73.76                       |
| Interest on fixed deposit                              | 210.76                      | 121.20                      |
| Interest on Income tax refund                          | 30.02                       | 20.69                       |
| Interest on Others                                     | 146.86                      | 196.04                      |
| Budgetary support benefit under Goods and Services Tax | 1,069.00                    | 1,354.06                    |
| Export incentives                                      | 31.15                       | 63.83                       |
| Miscellaneous income                                   | 0.51                        | 3.89                        |
|  | <b>1,866.91</b>             | <b>1,845.17</b>             |

## NOTE 22 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

| Particulars                            | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| Inventory at the beginning of the year | 7,116.71                    | 4,607.16                    |
| Add: Purchases                         | 111,102.62                  | 82,774.08                   |
|  | <b>118,219.33</b>           | <b>87,381.24</b>            |
| Less: Inventory at the end of the year | 8,619.72                    | 7,116.71                    |
|  | <b>109,599.61</b>           | <b>80,264.53</b>            |

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 23 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

| Particulars              | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--------------------------|-----------------------------|-----------------------------|
| <b>Closing inventory</b> |                             |                             |
| 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                    |
| <b>Sub-total (A)</b>     | <b>20,352.45</b>            | <b>20,020.63</b>            |
| <b>Opening inventory</b> |                             |                             |
| Finished goods           | 15,038.61                   | 13,633.42                   |
| Traded goods             | 3,168.68                    | 2,294.67                    |
| Work in progress         | 1,813.34                    | 1,403.20                    |
| <b>Sub-total (B)</b>     | <b>20,020.63</b>            | <b>17,331.29</b>            |
| <b>Total (A-B)</b>       | <b>(331.82)</b>             | <b>(2,689.34)</b>           |

## NOTE 24 EMPLOYEE BENEFITS EXPENSE

| Particulars  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| Salaries, wages and bonus                                    | 20,133.93                   | 18,222.33                   |
| Contribution to provident and other funds (Note 29 II & III) | 1,347.08                    | 1,178.02                    |
| Gratuity (Note 29 I)   | 686.60                      | 634.15                      |
| Staff welfare expenses                                       | 435.71                      | 373.96                      |
| Directors' remuneration (Note 35(b))                         | 928.75                      | 1,084.40                    |
| Field staff incentives                                       | 1,212.88                    | 1,756.78                    |
|  | <b>24,744.95</b>            | <b>23,249.64</b>            |

## NOTE 25 FINANCE COST

| Particulars   | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| Interest on term loan and bank overdraft            | 692.35                      | 1,359.36                    |
| Redemption premium / Interest accrued on debentures | -                           | 36.91                       |
| Interest on lease liability                         | 484.01                      | 508.59                      |
| Other borrowing cost                                | 4.20                        | 18.55                       |
|   | <b>1,180.56</b>             | <b>1,923.41</b>             |

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 26 DEPRECIATION AND AMORTIZATION EXPENSE

| Particulars                         | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|-------------------------------------|-----------------------------|-----------------------------|
| Depreciation on tangible assets     | 3,778.31                    | 3,511.93                    |
| Amortization of intangible assets   | 125.86                      | 137.51                      |
| Depreciation of right of use assets | 1,912.55                    | 1,909.37                    |
|                                     | <b>5,816.72</b>             | <b>5,558.81</b>             |

## NOTE 27 OTHER EXPENSES

| Particulars  | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| Power and fuel expenses                            | 2,891.36                    | 2,782.11                    |
| Rent* (Note 33A)                                   | 257.43                      | 224.15                      |
| Insurance  | 349.62                      | 353.80                      |
| Repairs and maintenance                            |                             |                             |
| - Building   | 36.20                       | 30.23                       |
| - Plant and machinery                              | 283.97                      | 313.05                      |
| - Others   | 229.68                      | 214.51                      |
| Consumption of stores and spares                   | 574.37                      | 519.97                      |
| Printing and stationery                            | 45.23                       | 52.09                       |
| Communication costs                                | 182.03                      | 216.77                      |
| Legal and professional fees (Note 30)              | 812.33                      | 766.57                      |
| Rates and taxes                                    | 121.86                      | 250.59                      |
| Directors' sitting fees (Note 35(b))               | 19.50                       | 15.50                       |
| Vehicle maintenance                                | 251.51                      | 201.12                      |
| Donation and contribution                          | 5.84                        | 406.73                      |
| Loss on fixed assets discarded / sold              | 16.90                       | 32.97                       |
| Conversion charges                                 | 209.21                      | 157.70                      |
| Advertisement and Sales Promotion                  | 16,107.15                   | 12,361.78                   |
| Freight, handling and forwarding charges           | 14,097.28                   | 12,554.82                   |
| Field staff expenses                               | 1,462.33                    | 1,096.19                    |
| Travelling and conveyance                          | 193.09                      | 86.52                       |
| Royalty  | 368.11                      | 332.62                      |
| Corporate social responsibility expenses (Note 31) | 400.82                      | 395.79                      |
| Bad Debts written off                              | -                           | 5.61                        |
| Miscellaneous expenses                             | 2,868.45                    | 1,801.35                    |
|  | <b>41,784.27</b>            | <b>35,172.54</b>            |

\*Current year expense pertains to short-term lease and low value assets

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 28 INCOME TAX

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are :

| Particulars   | Year ended<br>31 March 2022 | Year ended<br>31 March 2021 |
|---|-----------------------------|-----------------------------|
| <b>a. Profit or loss</b>  |                             |                             |
| <b>Income tax expenses</b>  |                             |                             |
| <b>Current tax</b>  |                             |                             |
| Current period  | 3,214.74                    | 3,764.16                    |
|   | <b>3,214.74</b>             | <b>3,764.16</b>             |
| <b>Deferred tax</b>   |                             |                             |
| Relating to origination and reversal of temporary differences   | 564.37                      | 634.01                      |
|   | <b>3,779.11</b>             | <b>4,398.17</b>             |
| <b>b. OCI</b>   |                             |                             |
| <b>Deferred tax related to items recognised in OCI during the year :</b>                              |                             |                             |
| Net loss/(gain) on remeasurements of defined benefit plans  | 6.68                        | (12.96)                     |
|   | <b>6.68</b>                 | <b>(12.96)</b>              |
| <b>c. Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate</b> |                             |                             |
| Accounting profit before tax  | 19,692.14                   | 23,463.32                   |
| Tax rate  | 34.944%                     | 34.944%                     |
| Tax at statutory rate   | 6,881.22                    | 8,199.02                    |
| Tax impact : - Profit exempt from tax   | (5,111.60)                  | (4,859.99)                  |
| Corporate social responsibility expenditure disallowed  | 99.27                       | 103.36                      |
| Differential tax rate   | -                           | (958.65)                    |
| Unrecognised deferred tax asset on loss of subsidiaries   | 371.94                      | 675.22                      |
| DTL on Goodwill   | -                           | 501.64                      |
| Mat credit utilised / lapse   | 1,068.80                    | 823.08                      |
| Others  | 469.48                      | (85.51)                     |
| <b>Adjusted tax expense</b>   | <b>3,779.11</b>             | <b>4,398.17</b>             |
| <b>Tax expense</b>  | <b>3,779.11</b>             | <b>4,398.17</b>             |

### d. Movement in Deferred tax Assets and Liabilities

| Movement during the year ended<br>March 31, 2022 | Opening<br>Balance | Credit /<br>(charge) in the<br>Consolidated<br>Statement of<br>Profit and Loss | Credit/(charge)<br>in Other<br>Comprehensive<br>Income | Closing Balance |
|--|--------------------|--|--|-----------------|
| Depreciation                                     | (7,699.99)         | (55.00)  | -  | (7,754.99)      |
| Right-of-use assets                              | (1,509.36)         | 222.22   | -  | (1,287.14)      |



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 28 INCOME TAX (CONTD.)

| Movement during the year ended March 31, 2022 | Opening Balance | Credit / (charge) in the Consolidated Statement of Profit and Loss | Credit/(charge) in Other Comprehensive Income | Closing Balance |
|---|-----------------|--|---|-----------------|
| 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       |
|   | <b>9,622.82</b> | <b>(564.37)</b>  | <b>6.68</b>                                   | <b>9,065.13</b> |

| Movement during the year ended March 31, 2021 | Opening Balance  | Credit / (charge) in the Consolidated Statement of Profit and Loss | Credit/(charge) in Other Comprehensive Income | Closing Balance |
|---|------------------|--|---|-----------------|
| Depreciation                                  | (7,530.11)       | (169.88)   | -   | (7,699.99)      |
| Right-of-use assets                           | (1,500.54)       | (8.82)   | -   | (1,509.36)      |
| Provision for gratuity                        | 1,482.41         | 107.05   | (12.96)                                       | 1,576.50        |
| Provision for leave encashment                | 505.12           | 46.05  | -   | 551.17          |
| Provision for doubtful debts                  | 413.29           | (2.93)   | -   | 410.36          |
| Provision for doubtful advances               | 176.57           | (176.57)   | -   | -               |
| Other provisions                              | 786.19           | (276.93)   | -   | 509.26          |
| Differential tax rate                         | 535.04           | 958.65   | -   | 1,493.69        |
| Lease liability                               | 1,602.50         | (18.96)  | -   | 1,583.54        |
| Tax credit (MAT) (net)                        | 13,799.32        | (1,091.67)   | -   | 12,707.65       |
| <b>Total</b>                                  | <b>10,269.79</b> | <b>(634.01)</b>  | <b>(12.96)</b>                                | <b>9,622.82</b> |

### e. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of losses in other subsidiaries as they cannot be used to offset taxable profits elsewhere in the group and there is no reasonable certainty of recoverability in the near future.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 28 INCOME TAX (CONTD.)

f. These unrecognised deferred tax assets of these subsidiaries as at the reporting dates are as given below:-

| Particulars            | As at 31 March 2022 |          | As at 31 March 2021 |          |
|------------------------|---------------------|----------|---------------------|----------|
|                        | Gross Amount        | Tax      | Gross Amount        | Tax      |
| Accumulated Tax Losses | 14,987.39           | 3,898.34 | 16,239.63           | 4,222.31 |

| Particulars   | As at 31 March 2022 |                         |                               | Gross amount     | As at 31 March 2021     |                               |
|---|---------------------|-------------------------|-------------------------------|------------------|-------------------------|-------------------------------|
|   | Gross amount        | Unrecognised Tax effect | Expiry Date (Assessment Year) |                  | Unrecognised Tax effect | Expiry Date (Assessment Year) |
| Brought forward losses (allowed to carry forward for specific period )  | 1,701.24            | 442.32                  | 2023-24                       | 2,163.40         | 562.49                  | 2022-23                       |
| Brought forward losses (allowed to carry forward for specific period )  | 1,040.96            | 270.65                  | 2024-25                       | 1,701.24         | 442.32                  | 2023-24                       |
| Brought forward losses (allowed to carry forward for specific period )  | 1,164.74            | 302.83                  | 2025-26                       | 1,040.96         | 270.65                  | 2024-25                       |
| Brought forward losses (allowed to carry forward for specific period )  | 1,362.42            | 354.23                  | 2026-27                       | 1,164.74         | 302.83                  | 2025-26                       |
| Brought forward losses (allowed to carry forward for specific period )  | 1,527.60            | 397.18                  | 2027-28                       | 1,362.42         | 354.23                  | 2026-27                       |
| Brought forward losses (allowed to carry forward for specific period )  | 1,446.42            | 376.07                  | 2028-29                       | 1,527.60         | 397.18                  | 2027-28                       |
| Brought forward losses (allowed to carry forward for specific period )  | 1,426.51            | 370.89                  | 2029-30                       | 1,446.42         | 376.07                  | 2028-29                       |
| Brought forward losses (allowed to carry forward for specific period )  | 801.98              | 210.13                  | 2030-31                       | 1,426.51         | 370.89                  | 2029-30                       |
| Unabsorbed depreciation (allowed to carry forward for infinite period ) | 4,515.52            | 1,174.04                | NA                            | 4,406.34         | 1,145.65                | NA                            |
|   | <b>14,987.39</b>    | <b>3,898.34</b>         |                               | <b>16,239.63</b> | <b>4,222.31</b>         |                               |

Further, as at 31st March 2022, there was no recognised deferred tax liability (2021: ₹Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries. The Group has determined that undistributed profits of the subsidiaries will not be distributed in the foreseeable future.

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

₹ 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, 2022<br>Gratuity<br>Funded                           | March 31, 2021<br>Gratuity<br>Funded         |
|--|--|--|
|  | Funded, except for certain subsidiaries where it is non funded |  |
| <b>(A) Summary of the actuarial assumptions</b>  |  |  |
| Mortality  | Indian Assured Lives Mortality (2006-08) Ult                   | Indian Assured Lives Mortality (2006-08) Ult |
| Discount rate  | 6.60% - 6.85%  | 5.95%-6.60%                                  |
| Rate of increase in compensation   | 8.00% - 10.00%   | 8% - 10%                                     |
| Withdrawal rates   | 8.00% - 12.00%   | 9% - 15%                                     |
| Rate of return (expected) on plan assets   | 6.83%-7.02%  | 7.27%-7.65%                                  |
| 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>(B) Changes in present value of obligations (PVO)</b>   |  |  |
| PVO at beginning of period   | 4,791.81   | 4,417.81                                     |
| Interest cost  | 306.54   | 290.12                                       |
| Current Service Cost   | 388.03   | 351.15                                       |
| Benefits Paid  | (264.62)   | (177.71)                                     |
| Remeasurement gains/(losses) arising from changes in demographic assumptions   | 1.80   | 6.56   |
| Remeasurement gains/(losses) arising from changes in financial assumptions   | (111.74)   | 32.75  |
| Experience adjustments   | 130.93   | (128.87)                                     |
| PVO at end of period   | 5,242.75   | 4,791.81                                     |
| <b>(C) Changes in fair value of plan assets</b>  |  |  |
| Fair value of plan assets at the beginning of period   | 124.57   | 128.93                                       |
| Investment Income  | 7.97   | 8.44   |
| Benefit paid   | (12.52)  | -  |
| Return on plan assets  | (16.80)  | (12.80)                                      |
| Fair value of plan assets at end of period   | 103.22   | 124.57                                       |
| <b>(D) Expenses recognised in the consolidated statement of profit and loss</b>  |  |  |
| Current service cost   | 388.03   | 351.15                                       |
| Net Interest cost on the Net Defined Benefit Liability / (Asset)   | 298.57   | 281.68                                       |
| Benefits paid directly paid by the group   | -  | 1.32   |

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 29(I) GRATUITY (CONTD.)

| Particulars   | March 31, 2022<br>Gratuity<br>Funded | March 31, 2021<br>Gratuity<br>Funded |
|---|--------------------------------------|--------------------------------------|
| Expense recognised in the consolidated statement of profit and loss   | 686.60                               | 634.15                               |
| <b>(E) Remeasurement gains/(losses) in other comprehensive income</b>   |                                      |                                      |
| Return on plan assets   | 16.80                                | 12.80                                |
| Remeasurement gains/(losses) arising from changes in demographic assumptions  | 1.80                                 | 6.56                                 |
| Remeasurement gains/(losses) arising from changes in financial assumptions  | (111.74)                             | 32.75                                |
| Experience adjustments  | 130.93                               | (128.87)                             |
| Total amount recognised in OCI  | 37.79                                | (76.76)                              |
| <b>(F) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:</b> |                                      |                                      |
| Investment with insurer   | 100.00%                              | 100.00%                              |
| <b>(G) Net assets/(liabilities) recognised in the balance sheet</b>   |                                      |                                      |
| PVO at end of period  | (5,242.75)                           | (4,791.81)                           |
| Fair value of plan assets at end of period  | 103.22                               | 124.57                               |
| Funded status (deficit in fair value of plan assets over PVO)   | (5,139.53)                           | (4,667.24)                           |
| Net asset / (liability) recognised in the balance sheet   | (5,139.53)                           | (4,667.24)                           |

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                       | March 31, 2022 | March 31, 2021 |
|-----------------------------------|----------------|----------------|
| Defined Benefit Obligation (Base) | 5,242.75       | 4,791.81       |

| Particulars                                    | As at 31 March 2022 |          | As at 31 March 2021 |          |
|--|---------------------|----------|---------------------|----------|
|  | Decrease            | Increase | Decrease            | Increase |
| Discount Rate (-/+ 1%)                         | 5,659.90            | 4,873.15 | 5,120.07            | 4,497.68 |
| (% change compared to base due to sensitivity) | 7.96%               | -7.05%   | 6.85%               | -6.14%   |
| Salary Growth Rate (-/+ 1%)                    | 4,906.84            | 5,606.26 | 4,517.37            | 5,089.43 |
| (% change compared to base due to sensitivity) | -6.41%              | 6.93%    | -5.73%              | 6.21%    |
| Attrition Rate (-/+ 50% of attrition rates)    | 5,347.02            | 5,174.38 | 4,914.29            | 4,707.57 |

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 29(I) GRATUITY (CONTD.)

| Particulars                                    | As at 31 March 2022 |          | As at 31 March 2021 |          |
|--|---------------------|----------|---------------------|----------|
|  | Decrease            | Increase | Decrease            | Increase |
| (% change compared to base due to sensitivity) | 1.99%               | -1.30%   | 2.56%               | -1.76%   |
| Mortality Rate (-/+ 10% of mortality rates)    | 5,243.11            | 5,242.37 | 4,792.27            | 4,791.33 |
| (% change compared to base due to sensitivity) | 0.01%               | -0.01%   | 0.01%               | -0.01%   |

### (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 cash flows)                 | 8 years       |
| <b>Expected cash flows over the next (valued on undiscounted basis) :-</b> | <b>Amount</b> |
| 1 year   | 525.06        |
| 2 to 5 years   | 2026.19       |
| 6 to 10 years  | 2675.52       |
| More than 10 years   | 4371.92       |

#### c) The Company expects to contribute ₹Nil (2021 - ₹Nil) to gratuity fund .

## NOTE 29(II) SUPERANNUATION

The Group contributed ₹37.39 Lacs and ₹41.25 Lacs to the superannuation plan during the years ended March 31, 2022 and March 31, 2021 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 ₹1,309.69 Lacs and ₹1,136.77 Lacs to the employee provident fund during the years ended March 31, 2022 and March 31, 2021, respectively and same has been recognized in the consolidated statement of profit and loss under the head Employee benefit expense.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 30 PAYMENT TO AUDITORS (EXCLUDING GST)

| Particulars                         | April 1, 2021 to<br>March 31, 2022 | April 1, 2020 to<br>March 31, 2021 |
|-------------------------------------|------------------------------------|------------------------------------|
| <b>As Auditors</b>                  |                                    |                                    |
| Audit fee                           | 58.00                              | 49.00                              |
| Tax audit fees and certification    | 11.78                              | 10.06                              |
| Limited review of quarterly results | 48.00                              | 48.00                              |
| <b>Reimbursement of expenses</b>    | 4.16                               | 3.65                               |
|                                     | <b>121.94</b>                      | <b>110.71</b>                      |

## 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, 2021 to<br>March 31, 2022 | April 1, 2020 to<br>March 31, 2021 |
|--|------------------------------------|------------------------------------|
| (i) Amount required to be spent by the company during the year | 410.15                             | 386.12                             |
| (ii) Amount of expenditure incurred                            | 274.82                             | 395.79                             |
| (iii) Shortfall/(Excess) at the end of the year                | 135.33                             | (9.67)                             |
| (iv) Total of previous years shortfall/(Excess)                | (9.67)                             | -                                  |
| (v) Reason for shortfall*                                      | 125.66                             | Not applicable                     |
| <b>(vi) Nature of CSR activities.</b>                          |                                    |                                    |
| Promoting health care including preventive health care         | 138.01                             | -                                  |
| Promoting Education  | 133.50                             | 96.59                              |
| Rural/slum area development                                    | -                                  | 113.68                             |
| Imparting Skill Development Training                           | -                                  | 72.40                              |
| Contribution to Prime Minister Relief Fund                     | -                                  | 100.00                             |
| Others   | 3.31                               | 13.12                              |

\*Unspent amount of ₹125.66 Lacs has been deposited in separate account earmarked as "Unspent Corporate Social Responsibility Account 2021-22" as on April 27, 2022

## 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:

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 32 EARNING PER SHARE (CONTD.)

| Particulars  | April 1, 2021 to<br>March 31, 2022 | April 1, 2020 to<br>March 31, 2021 |
|--|------------------------------------|------------------------------------|
| Net Profit for calculation of basic and diluted EPS                    | 16,197.35                          | 19,944.96                          |
| Weighted average number of shares for calculation of basic/Diluted EPS | 367,208,644                        | 367,208,644                        |
| Basic/Diluted EPS (₹)  | 4.41                               | 5.43                               |

The Group does not have any potentially dilutive equity shares and therefore basic and dilutive EPS are the same.

## NOTE 33 COMMITMENTS AND CONTINGENCIES

### A) Leases

#### (i) In case of assets taken on lease

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

#### (ii) Carrying amounts of lease liabilities and the movement during the period

| Particulars             | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------|------------------------|------------------------|
| <b>Opening Balance</b>  | 4,956.81               | 5,250.78               |
| Net Additions           | 1,546.58               | 1,862.15               |
| Deletions               | (192.89)               | (407.09)               |
| Accretion of interest * | 437.22                 | 368.77                 |
| Payments                | (2,243.18)             | (2,117.80)             |
| Rent Concessions        | (34.12)                | -                      |
| <b>Closing Balance</b>  | <b>4,470.42</b>        | <b>4,956.81</b>        |
| Non current             | 2,448.90               | 2,918.08               |
| Current                 | 2,021.50               | 2,038.73               |

\*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  | 2,021.50        |
| 1 to 2 years  | 1,402.47        |
| 2 to 3 years  | 828.61          |
| 3 to 4 years  | 573.58          |
| 4 to 5 years  | 140.12          |
| More than 5 years                                       | 158.41          |
| <b>Total undiscounted lease liabilities</b>             | <b>5,124.69</b> |



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 33 COMMITMENTS AND CONTINGENCIES (CONTD.)

### (iii) Total cash outflow

The Group has a total cash outflow (including short term lease and low value assets) for leases of ₹ 2,500.61 Lacs (2021: ₹2,341.95 Lacs). The Group also had non cash additions to right to use assets and lease liabilities of ₹ 1,361.16 Lacs (2021: ₹ 1,455.06 Lacs).

### (iv) Lease commitments for leases accounted as short term lease and low value assets.

The Group is committed to short term lease of ₹ 189.17 Lacs (2021: ₹ 154.26 Lacs) and lower value assets ₹ 0.20 Lacs (2021: ₹ 0.70 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, 2022 was ₹6.72 Lacs (2021: ₹Nil). There is no escalation clause in the lease agreement and the lease is cancellable. There are no restrictions imposed by lease arrangements.

### B) Capital commitments (net of advances)

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 25.20                  | 232.44                 |
| Other commitments (Refer Note 33A (iv))  | 189.17                 | 154.26                 |
|  | <b>214.37</b>          | <b>386.70</b>          |

### C) Contingent liabilities

| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| 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   | 1,435.90               | 1,431.19               |
| (b) Disputed GST demands – matters under appeal   | 2,235.17               | -                      |
| (c) Disputed excise duty and service tax demand - matter under appeal   | 2,217.42               | 3,101.35               |
| (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.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 34 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSMED')

The disclosure pursuant to the said Act is as under :

| Particulars  | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| Principal and interest amount remaining unpaid   | 5,934.57               | 4,503.52               |
| Interest paid by the Group 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.

## 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 w.e.f. March 28, 2022 |

#### Relative of Key Management Personnel

|                   |                   |
|-------------------|-------------------|
| M.P. Ramachandran | Chairman Emeritus |
| M.G.Santhakumari  |                   |
| Ananth Rao T      |                   |
| Ravi Razdan       |                   |
| M.P. Sidharthan   |                   |
| M.P. Divakaran    |                   |

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 35 RELATED PARTY DISCLOSURES (CONTD.)

### Enterprises significantly influenced by Key Management Personnel or their relatives

Quilon Trading Co.

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

### b) Transactions with related parties during the year

| Particulars   | April 1, 2021 to<br>March 31, 2022 | April 1, 2020 to<br>March 31, 2021 |
|---|------------------------------------|------------------------------------|
| <b>Key management personnel</b>                     |                                    |                                    |
| <b>Remuneration*</b>                                |                                    |                                    |
| K. Ullas Kamath                                     | 271.87                             | 336.00                             |
| M R Jyothy  | 328.56                             | 296.75                             |
| M R Deepthi   | 81.06                              | 73.30                              |
| Sanjay Agarwal                                      | 311.48                             | 243.78                             |
| Shreyas Trivedi                                     | 98.36                              | 79.38                              |
| <b>Dividend</b>                                     |                                    |                                    |
| K. Ullas Kamath                                     | 116.11                             | -                                  |
| M R Jyothy  | 381.51                             | -                                  |
| M R Deepthi   | 414.47                             | -                                  |
| <b>Contribution to Superannuation fund</b>          |                                    |                                    |
| K. Ullas Kamath                                     | 24.27                              | 30.00                              |
| <b>Gratuity</b>                                     |                                    |                                    |
| K. Ullas Kamath                                     | 20.00                              | -                                  |
| <b>Leave Encashment</b>                             |                                    |                                    |
| K. Ullas Kamath                                     | 50.00                              | -                                  |
| <b>Commission</b>                                   |                                    |                                    |
| K. Ullas Kamath                                     | 283.60                             | 424.32                             |
| Nilesh B. Mehta                                     | 12.00                              | 12.00                              |
| R. Lakshminarayanan                                 | 12.00                              | 12.00                              |
| Bhumika Batra                                       | 12.00                              | 12.00                              |
| <b>Fee for attending board / committee meetings</b> |                                    |                                    |
| Nilesh B. Mehta                                     | 7.25                               | 5.75                               |

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 35 RELATED PARTY DISCLOSURES (CONTD.)

| Particulars  | April 1, 2021 to<br>March 31, 2022 | April 1, 2020 to<br>March 31, 2021 |
|--|------------------------------------|------------------------------------|
| R. Lakshminarayanan  | 6.75                               | 5.75                               |
| Bhumika Batra  | 5.00                               | 4.00                               |
| Aditya Sapru   | 0.50                               | -                                  |
| <b>Relative of Key Management Personnel</b>  |                                    |                                    |
| <b>Remuneration*</b>   |                                    |                                    |
| Ananth Rao T   | 164.56                             | 109.13                             |
| Ravi Razdan  | 99.08                              | 74.73                              |
| M P Sidharthan   | 24.00                              | 24.00                              |
| <b>Dividend</b>  |                                    |                                    |
| M.P. Ramachandran  | 5,745.63                           | -                                  |
| M. G. Santhakumari   | 289.44                             | -                                  |
| M.P. Sidharthan  | 417.22                             | -                                  |
| M.P. Divakaran   | 578.87                             | -                                  |
| <b>Purchase of Land and Building</b>   |                                    |                                    |
| M.P. Sidharthan  | 41.00                              | -                                  |
| <b>Enterprises significantly influenced by Key Management Personnel or their relatives</b> |                                    |                                    |
| <b>Rent Expense</b>  |                                    |                                    |
| Quilon Trading Company   | 1.20                               | 1.20                               |
| <b>Rent received</b>   |                                    |                                    |
| Sahyadri Bio Labs Private Limited  | 6.53                               | -                                  |
| <b>Dividend</b>  |                                    |                                    |
| M.P. Divakaran - H.U.F.  | 152.32                             | -                                  |
| M.P. Sidharthan - H.U.F.   | 105.60                             | -                                  |
| Jaya Trust   | 174.00                             | -                                  |
| Sahyadri Agencies Ltd.   | 580.00                             | -                                  |
| <b>Sale of finished goods</b>  |                                    |                                    |
| Kallol Trading Corporation   | 415.37                             | 434.62                             |

\* 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.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 35 RELATED PARTY DISCLOSURES (CONTD.)

### c) Related party balances

| Particulars   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| <b>Amounts receivable</b>   |                        |                        |
| Enterprises under common control  |                        |                        |
| Kallol Trading Corporation  | 53.99                  | 195.94                 |
| <b>Amounts payable</b>  |                        |                        |
| Enterprises significantly influenced by Key Management Personnel or their relatives |                        |                        |
| Quilon Trading Company  | 0.10                   | 0.10                   |
| <b>Key Management Personnel</b>   |                        |                        |
| K. Ullas Kamath   | 283.60                 | 424.32                 |
| Nilesh B. Mehta   | 12.00                  | 12.00                  |
| R. Lakshminarayanan   | 12.00                  | 12.00                  |
| Bhumika Batra   | 12.00                  | 12.00                  |

## NOTE 36

### INFORMATION REQUIRED FOR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013

| Particulars                           | 31-Mar-22  |                   |   |                  |   |               |   |                  |
|---------------------------------------|--|-------------------|---|------------------|---|---------------|---|------------------|
|                                       | Net Assets, i.e.<br>Total Asset minus<br>Total Liabilities |                   | Share in<br>profit and loss               |                  | Share in<br>other comprehensive<br>income                   |               | Share in<br>total comprehensive<br>income                   |                  |
|                                       | As % of<br>Consolidated<br>net assets                      | Amount            | As % of<br>Consolidated<br>profit or loss | Amount           | As % of<br>Consolidated<br>other<br>comprehensive<br>income | Amount        | As % of<br>Consolidated<br>total<br>comprehensive<br>income | Amount           |
| <b>Parent</b>                         |  |                   |   |                  |   |               |   |                  |
| Jyothy Labs Limited                   | 96.69%   | 139,579.59        | 110.73%                                   | 17,621.18        | 308.68%   | (12.44)       | 110.68%   | 17,608.74        |
| <b>Subsidiaries</b>                   |  |                   |   |                  |   |               |   |                  |
| <b>Indian</b>                         |  |                   |   |                  |   |               |   |                  |
| Jyothy Fabricare<br>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<br>(Partnership Firm) | 0.21%  | 297.75            | -1.22%                                    | (194.21)         | -   | -             | -1.22%  | (194.21)         |
| <b>Foreign</b>                        |  |                   |   |                  |   |               |   |                  |
| Jyothy Kallol<br>Bangladesh Limited   | 0.65%  | 942.86            | 0.14%                                     | 22.63            | -839.95%  | 33.85         | 0.36%   | 56.48            |
| <b>Non controlling<br/>interest</b>   |  |                   |   |                  |   |               |   |                  |
|                                       | 2.82%  | 4,065.09          | -1.76%                                    | (280.51)         | 94.54%  | (3.81)        | -1.79%  | (284.32)         |
| <b>GRAND TOTAL</b>                    | <b>100.00%</b>   | <b>144,356.54</b> | <b>100.00%</b>                            | <b>15,913.03</b> | <b>100.00%</b>  | <b>(4.03)</b> | <b>100.00%</b>  | <b>15,909.00</b> |

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 36

### INFORMATION REQUIRED FOR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013 (CONTD.)

| Particulars                                      | Net Assets, i.e. Total Asset minus Total Liabilities |                   | 31-Mar-21<br>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           |
|  |  |                   |                                       |                  |   |              |   |                  |
| <b>Parent</b>                                    |  |                   |                                       |                  |   |              |   |                  |
| Jyothy Labs Limited                              | 95.75%   | 136,783.89        | 110.45%                               | 21,057.02        | 44.65%  | 24.14        | 110.26%   | 21,081.16        |
| <b>Subsidiaries</b>                              |  |                   |                                       |                  |   |              |   |                  |
| <b>Indian</b>                                    |  |                   |                                       |                  |   |              |   |                  |
| Jyothy Fabricare Services Limited                | 0.76%  | 1,090.35          | -4.92%                                | (938.27)         | 55.09%  | 29.78        | -4.75%  | (908.49)         |
| Snoways Laundrers & Drycleaners Private Limited  | 0.12%  | 168.16            | -0.04%                                | (7.27)           | -   | -            | -0.04%  | (7.27)           |
| Four Seasons Drycleaning Company Private Limited | 0.09%  | 133.54            | 0.04%                                 | 7.54             | -   | -            | 0.04%   | 7.54             |
| M/s JFSL JLL JV (Partnership Firm)               | 0.01%  | 18.09             | -1.13%                                | (215.01)         | -   | -            | -1.12%  | (215.01)         |
| <b>Foreign</b>                                   |  |                   |                                       |                  |   |              |   |                  |
| Jyothy Kallol Bangladesh Limited                 | 0.61%  | 876.77            | 0.21%                                 | 40.95            | -13.52%   | (7.31)       | 0.18%   | 33.64            |
| <b>Non controlling interest</b>                  | 2.65%  | 3,784.58          | -4.61%                                | (879.81)         | 13.78%  | 7.45         | -4.56%  | (872.36)         |
| <b>GRAND TOTAL</b>                               | <b>100.00%</b>                                       | <b>142,855.38</b> | <b>100.00%</b>                        | <b>19,065.15</b> | <b>100.00%</b>                                  | <b>54.06</b> | <b>100.00%</b>                                  | <b>19,119.21</b> |

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.

## 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.

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

### NOTE 37 SEGMENT REPORTING (CONTD.)

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, 2022

| Particulars                         | Fabric care      | Dish-washing     | House-hold insect-icides | Personal care    | Laundry services | Other products  | Total Operating segments | Adjustments and eliminations | Total segments    |
|-------------------------------------|------------------|------------------|--------------------------|------------------|------------------|-----------------|--------------------------|------------------------------|-------------------|
| <b>Revenue</b>                      |                  |                  |                          |                  |                  |                 |                          |                              |                   |
| 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        |
| <b>Total revenue from operation</b> | <b>81,704.97</b> | <b>79,779.87</b> | <b>26,521.42</b>         | <b>23,385.51</b> | <b>2,702.34</b>  | <b>5,554.77</b> | <b>219,648.88</b>        | <b>-</b>                     | <b>219,648.88</b> |
| <b>Income/(Expenses)</b>            |                  |                  |                          |                  |                  |                 |                          |                              |                   |
| 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)        |
| <b>Segment profit</b>               | <b>12,358.90</b> | <b>9,285.00</b>  | <b>(791.27)</b>          | <b>3,559.37</b>  | <b>(869.73)</b>  | <b>(324.47)</b> | <b>23,217.80</b>         | <b>(3,525.66)</b>            | <b>19,692.14</b>  |
| <b>Total assets</b>                 | <b>30,854.69</b> | <b>25,231.55</b> | <b>13,108.00</b>         | <b>7,664.17</b>  | <b>10,900.43</b> | <b>2,144.49</b> | <b>89,903.33</b>         | <b>112,374.78</b>            | <b>202,278.11</b> |
| <b>Total liabilities</b>            | <b>16,373.64</b> | <b>15,803.21</b> | <b>6,810.87</b>          | <b>4,422.52</b>  | <b>1,173.60</b>  | <b>950.00</b>   | <b>45,533.84</b>         | <b>16,452.82</b>             | <b>61,986.66</b>  |
| Capital expenditure                 | 363.41           | 977.22           | 305.72                   | 109.79           | 35.84            | 38.78           | 1,830.76                 | 774.51                       | 2,605.27          |



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 37 SEGMENT REPORTING (CONTD.)

Year ended March 31, 2021

| Particulars                         | Fabric care      | Dish-washing     | Household insecticides | Personal care    | Laundry services  | Other products  | Total Operating segments | Adjustments and eliminations | Total segments    |
|-------------------------------------|------------------|------------------|------------------------|------------------|-------------------|-----------------|--------------------------|------------------------------|-------------------|
| <b>Revenue</b>                      |                  |                  |                        |                  |                   |                 |                          |                              |                   |
| External revenue                    | 66,938.06        | 69,948.50        | 25,801.56              | 21,745.86        | 2,046.37          | 4,431.67        | 190,912.02               | -                            | 190,912.02        |
| <b>Total revenue from operation</b> | <b>66,938.06</b> | <b>69,948.50</b> | <b>25,801.56</b>       | <b>21,745.86</b> | <b>2,046.37</b>   | <b>4,431.67</b> | <b>190,912.02</b>        | <b>-</b>                     | <b>190,912.02</b> |
| <b>Income/(Expenses)</b>            |                  |                  |                        |                  |                   |                 |                          |                              |                   |
| Depreciation and amortisation       | (1,117.32)       | (1,049.09)       | (472.15)               | (278.60)         | (954.83)          | (34.35)         | (3,906.34)               | (1,652.47)                   | (5,558.81)        |
| <b>Segment profit</b>               | <b>13,818.47</b> | <b>13,491.44</b> | <b>(736.45)</b>        | <b>4,905.78</b>  | <b>(1,261.23)</b> | <b>(268.49)</b> | <b>29,949.52</b>         | <b>(6,486.20)</b>            | <b>23,463.32</b>  |
| <b>Total assets</b>                 | <b>27,619.08</b> | <b>22,624.74</b> | <b>11,920.00</b>       | <b>8,224.30</b>  | <b>11,756.78</b>  | <b>1,642.30</b> | <b>83,787.20</b>         | <b>111,812.18</b>            | <b>195,599.38</b> |
| <b>Total liabilities</b>            | <b>13,817.44</b> | <b>13,302.67</b> | <b>7,551.46</b>        | <b>4,425.24</b>  | <b>1,014.56</b>   | <b>770.04</b>   | <b>40,881.41</b>         | <b>15,647.17</b>             | <b>56,528.58</b>  |
| Capital expenditure                 | 951.28           | 1,193.82         | 265.16                 | 51.93            | 92.61             | 63.97           | 2,618.77                 | (28.78)                      | 2,589.99          |

Reconciliations to amount reflected in the consolidated financial statements :

| Particulars                        | April 1, 2021 to March 31, 2022 | April 1, 2020 to March 31, 2021 |
|------------------------------------|---------------------------------|---------------------------------|
| <b>A) Reconciliation of profit</b> |                                 |                                 |
| Segment profit                     | 23,217.80                       | 29,949.52                       |
| Other Income (Note 21)             | 387.64                          | 337.93                          |
| Other unallocable income           | 410.27                          | 153.18                          |
| Finance cost (Note 25)             | (1,180.56)                      | (1,923.41)                      |
| Exceptional Item                   | -                               | (2,350.41)                      |
| Other unallocable expenses         | (3,143.01)                      | (2,703.49)                      |
| <b>Profit before tax</b>           | <b>19,692.14</b>                | <b>23,463.32</b>                |

| Particulars                           | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------------|---------------------|---------------------|
| <b>B) Reconciliations of assets</b>   |                     |                     |
| Segment operating assets              | 89,903.33           | 83,787.20           |
| Other financial assets (Note 5)       | 73.57               | 52.10               |
| Non current tax assets (net) (Note 7) | 1,104.60            | 1,100.43            |
| Deferred tax asset (net) (Note 6)     | 9,065.13            | 9,622.82            |
| Cash and cash equivalent              | 20,765.95           | 19,172.27           |
| Other unallocable assets              | 813.80              | 1,395.99            |
| Tangible and Intangible assets        | 80,551.73           | 80,468.57           |
| <b>Total assets</b>                   | <b>202,278.11</b>   | <b>195,599.38</b>   |

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 37 SEGMENT REPORTING (CONTD.)

| Particulars                              | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--|------------------------|------------------------|
| <b>C) Reconciliations of liabilities</b> |                        |                        |
| Segment operating liabilities            | 45,533.84              | 40,881.41              |
| Borrowings                               | 12,653.69              | 11,694.28              |
| Current tax liabilities (net) (Note 18)  | 486.21                 | 401.61                 |
| Lease Liability                          | 1,284.56               | 1,223.62               |
| Other unallocable liabilities            | 2,028.36               | 2,327.66               |
| <b>Total liabilities</b>                 | <b>61,986.66</b>       | <b>56,528.58</b>       |

| Particulars  | April 1, 2021 to<br>March 31, 2022 | April 1, 2020 to<br>March 31, 2021 |
|--|------------------------------------|------------------------------------|
| <b>Revenue from external customers</b>                               |                                    |                                    |
| India  | 213,496.69                         | 185,695.05                         |
| Outside India  | 6,152.19                           | 5,216.97                           |
| <b>Total revenue as per consolidated statement of profit or loss</b> | <b>219,648.88</b>                  | <b>190,912.02</b>                  |

The revenue information above is based on the location of the customers.

Revenue from one customer amounted to ₹24,725.57 Lacs (2021: ₹20,641.90 Lacs) arising from sales in various segment.

| Particulars                         | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------------------|------------------------|------------------------|
| <b>Non-current operating assets</b> |                        |                        |
| India                               | 112,932.38             | 115,672.06             |
| Outside India                       | 10.06                  | 14.02                  |
| <b>Total</b>                        | <b>112,942.44</b>      | <b>115,686.08</b>      |

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.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 38 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

### 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 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 be 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.

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

### 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            |                        |
|------------------------------|------------------------|------------------------|------------------------|------------------------|
|                              | As at<br>31 March 2022 | As at<br>31 March 2021 | As at<br>31 March 2022 | As at<br>31 March 2021 |
| <b>Financial Liabilities</b> |                        |                        |                        |                        |
| Borrowings                   | 12,653.69              | 11,694.28              | 12,653.69              | 11,694.28              |
| <b>Total</b>                 | <b>12,653.69</b>       | <b>11,694.28</b>       | <b>12,653.69</b>       | <b>11,694.28</b>       |

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.

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 31st March, 2022 and 31st March, 2021. 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.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

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.

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            |
|---|------------------|-----------------|-------------------|------------------|
| <b>As at March 31, 2022</b>                 |                  |                 |                   |                  |
| 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        |
|   | <b>41,166.17</b> | <b>2,448.90</b> | <b>-</b>          | <b>43,615.07</b> |
| <b>As at March 31, 2021</b>                 |                  |                 |                   |                  |
| Borrowings and Other financial liabilities* | 14,390.34        | -               | -                 | 14,390.34        |
| Lease liabilities                           | 2,038.73         | 2,918.08        | -                 | 4,956.81         |
| Trade and other payables                    | 19,198.28        | -               | -                 | 19,198.28        |
|   | <b>35,627.35</b> | <b>2,918.08</b> | <b>-</b>          | <b>38,545.43</b> |

\* 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, 2022

₹ in Lacs

## NOTE 41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (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<br>31 March 2022 | As at<br>31 March 2021 |
|---|------------------------|------------------------|
| Balance as at 1st April                 | (1,185.62)             | (1,185.62)             |
| Provision no longer required write back | 2.09                   | -                      |
| <b>Balance as at 31st March</b>         | <b>(1,183.53)</b>      | <b>(1,185.62)</b>      |

### 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, 2022 and March 31, 2021 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.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 42 CAPITAL MANAGEMENT (CONTD.)

| Particulars  | 31 March 2022     | 31 March 2021     |
|--|-------------------|-------------------|
| Borrowings   | 12,653.69         | 11,694.28         |
| Less: Cash and cash equivalents and other bank balances (Note 10a and 10b) | (21,120.06)       | (19,383.13)       |
| <b>Net debt (A)</b>  | <b>(8,466.37)</b> | <b>(7,688.85)</b> |
| Equity   | 144,356.54        | 142,855.38        |
| <b>Capital and net debt (B)</b>  | <b>135,890.17</b> | <b>135,166.53</b> |
| <b>Gearing ratio (A/B)</b>   | 0%                | 0%                |

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021

## NOTE 43 EXCEPTIONAL ITEM

The Company had set up its manufacturing units in Guwahati and Jammu to avail certain fiscal benefits. One of such benefits as per the Notification no. 32/99-CE dated July 8, 1999 was excise duty refunds wherein the Company was entitled to refund of excise duty equivalent to 100% of the amount of the duty paid through Personal Ledger Account ('PLA'). Subsequently, the Government issued notifications no.17/2008-CE and 19/2008-CE dated March 27, 2008 restricting the refund amount to a maximum percentage specified in the notification based on value added method. The said notification was challenged and the Company received a favourable order from the High Court of Guwahati & Jammu and Kashmir in earlier years. Accordingly, the amount due from the government based on earlier Notification no 32/99-CE was accrued in the respective years books of account. Subsequently, revenue approached the Hon'ble Supreme Court and revenue got the favourable order. The Company had filled review petition against the Hon'ble Supreme Court order and the same application got rejected in the current year. Accordingly, in Q4FY21 the Company has charged off an amount of ₹2,350.41 Lacs pertaining to previous years of excise duty refund as an Exceptional item.

## 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, 2021 to March 31, 2022 | April 1, 2020 to March 31, 2021 |
|--|---------------------------------|---------------------------------|
| Gross Sales  | 263,468.78                      | 230,744.48                      |
| Sale of Services   | 2,681.53                        | 2,003.50                        |
| Less : Scheme, discounts, rebates, price adjustments and returns | (46,640.41)                     | (41,949.74)                     |
| <b>Net Sales</b>   | <b>219,509.90</b>               | <b>190,798.24</b>               |



# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 44 IND AS 115 : REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTD.)

### b. Disaggregation of revenue-segment wise

| Particulars              | April 1, 2021 to<br>March 31, 2022 | April 1, 2020 to<br>March 31, 2021 |
|--------------------------|------------------------------------|------------------------------------|
| A Fabric Care            | 81,704.97                          | 66,938.06                          |
| B Dishwashing            | 79,779.87                          | 69,948.50                          |
| C Household Insecticides | 26,521.42                          | 25,801.56                          |
| D Personal Care          | 23,385.51                          | 21,745.86                          |
| E Laundry Service        | 2,702.34                           | 2,046.37                           |
| F Others                 | 5,415.79                           | 4,317.89                           |
|                          | <b>219,509.90</b>                  | <b>190,798.24</b>                  |

Revenue from one customer which contributed more than 10% of Group's total revenue amounted to ₹24,725.57 Lacs (2021: ₹20,641.90 Lacs) arising from sales in various segments.

## NOTE 45

The Board of Directors of the Company at its meeting held on February 5, 2020 approved the proposed Amalgamation between the wholly owned subsidiaries viz. Snoways Laundrers & Drycleaners Private Limited (First Transferor Company) and Four Seasons Drycleaning Company Private Limited (Second Transferor Company) with its Holding Company viz. Jyothy Fabricare Services Limited (the Transferee Company) along with the Draft Scheme of Amalgamation, subject to approvals of the shareholders, Creditors, National Company Law Tribunal and other statutory authorities. The Board of Directors of the Company approved the appointed date as April 1, 2019 for the purpose of the said Amalgamation also received consent from its shareholders and creditors of the Company for said proposal for Amalgamation. A Joint Petition was filed by the both Transferor Company and the Transferee Company before the National Company Law Tribunal, Bench, at Mumbai and Bangalore for seeking their approval to the said Amalgamation.

During the year, the Hon'ble National Company Law Tribunal, Mumbai Bench have sanctioned the Scheme of Amalgamation between Four Seasons Drycleaning Company Private Limited (Second Transferor Company) with Jyothy Fabricare Services Limited (the Transferee Company) vide their order dated February 16, 2021 and Hon'ble National Company Law Tribunal, Bench, Bangalore sanctioned the Scheme of Amalgamation between Snoways Laundrers & Drycleaners Private Limited (First Transferor Company) with Jyothy Fabricare Services Limited (the Transferee Company) vide their order dated December 8, 2021.

On sanction of this Scheme and on and from the Appointed Date and subject to any corrections and adjustments as may, in the opinion of the Board of Directors, the Company has accounted for the amalgamation in its books, as per the provisions of Accounting principal prescribed under IND AS as notified under Section 133 of the Companies Act, 2013. This is accounted as a common control business combination and hence there is no impact on the consolidated financial statements.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 46 ADDITIONAL REGULATORY INFORMATION

**(a) Relationship with struck off company**

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**(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 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.

# Notes

to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

## NOTE 46 ADDITIONAL REGULATORY INFORMATION (CONTD.)

### (I) Key Ratio

| Particulars                         | Numerator                            | Denominator                                    | As at<br>31 March<br>2022 | As at<br>31 March<br>2021 | % change | Reason for Variance<br>for +/- 25%<br>variation  |
|-------------------------------------|--------------------------------------|--|---------------------------|---------------------------|----------|--|
| a. Current Ratio                    | Current Assets                       | Current Liabilities                            | 1.39                      | 1.32                      | 5%       |  |
| b. Debt Equity Ratio                | Total Debt                           | Shareholder's Equity                           | 0.09                      | 0.08                      | 13%      |  |
| c. Debt service coverage ratio      | Earning available for debt service   | Debt Service                                   | 2.95                      | 4.94                      | -40%     | Net Operating income declined mainly due to increase in raw and packing material prices.   |
| d. Return on Equity                 | Net profits after taxes.             | Average Shareholder's equity                   | 11.08%                    | 14.35%                    | -23%     | Return on equity declined due to reduction in profits on account of increase in raw material and packing material prices.                  |
| e. Inventory turnover ratio         | Cost of goods sold or Sales          | Average Inventory                              | 4.46                      | 4.01                      | 11%      |  |
| f. Trade receivables turnover ratio | Net Sales                            | Trade Receivable Closing Balance               | 15.35                     | 20.23                     | -24%     | The variance is due to lower institutional customer business in the last year due to COVID, which has been normalised in the current year. |
| g. Trade payables turnover ratio    | Purchases                            | Trade Payable Closing Balance                  | 5.50                      | 5.53                      | -1%      |  |
| h. Net capital turnover ratio       | Net Sales                            | Working Capital                                | 10.80                     | 12.55                     | -14%     |  |
| i. Net profit ratio                 | Net profits after taxes              | Net Sales                                      | 7.24%                     | 9.99%                     | -28%     | Net profit declined due to reduction in profits on account of increase in raw material and packing material prices.                        |
| j. Return on capital employed       | Earning before Interest and taxes    | Capital Employed                               | 26.77%                    | 33.65%                    | -20%     |  |
| k. Return on investment             | Income generated from invested funds | Average invested funds in treasury investments | NA                        | NA                        | NA       | There is no income on investments.   |

# Notes

## to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lacs

### 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.

### NOTE 49

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year classification.

| Particulars                               | Note no. | Amount as per previous period financials | Adjustments | Revised amount for previous year |
|---|----------|--|-------------|----------------------------------|
| <b>Balance sheet</b>                      |          |  |             |                                  |
| Other financial liabilities - Non Current |          | 2,918.08                                 | (2,918.08)  | -                                |
| Other financial liabilities - Current     | 15       | 4,734.79                                 | (2,038.73)  | 2,696.06                         |
| Loans - Non Current                       |          | 980.79                                   | (980.79)    | -                                |
| Other financial assets - Non Current      | 5        | 52.10                                    | 980.79      | 1,032.89                         |

### Signatures to Notes 1 to 49

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 24, 2022

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 24, 2022

**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 subsection (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, 2021 to March 31, 2022   | April 1, 2021 to March 31, 2022  |
|         | Local Currency                                 | INR                               | BDT                              |
|         | Exchange rate as on March 31, 2022             | -                                 | 1BDT = 0.88 INR                  |
| 1       | Share Capital                                  | 2,385.00                          | 801.84                           |
| 2       | Reserves & Surplus                             | -9,912.31                         | 140.39                           |
| 3       | Total Assets                                   | 3,728.20                          | 987.22                           |
| 4       | Total Liabilities                              | 11,255.51                         | 44.99                            |
| 5       | Investment (except investment in subsidiaries) | -                                 | -                                |
| 6       | Turnover (Net)                                 | 2,694.19                          | 415.37                           |
| 7       | Profit / (Loss) before taxation                | -1,690.27                         | 46.14                            |
| 8       | Provision for taxation                         | 2.43                              | 7.74                             |
| 9       | Profit / ( Loss) after taxation                | -1,692.70                         | 38.40                            |
| 10      | Proposed / Interim Dividend                    | Nil                               | Nil                              |
| 11      | % of shareholding                              | 86.37%                            | 75.00%                           |

#### NOTE:

- None of the subsidiaries of the Company are yet to commence operations.
- None of the subsidiaries have been liquidated or sold during the year under review except cessation of its step-down subsidiary as per the information provided herein below.

The Hon'ble bench of National Company Law Tribunal, Bengaluru had allowed the Scheme of Amalgamation of Snoways Laundrers & Drycleaners Private Limited (First Transferor Company) and Four Seasons Drycleaning Company Private Limited (Second Transferor Company) with Jyothy Fabricare Services Limited (the Transferee Company) and had granted their final order on December 8, 2021. The Hon'ble National Company Law Tribunal, Mumbai Bench had already sanctioned the Scheme of Amalgamation vide their order dated February 16, 2021. Accordingly, Snoways Laundrers & Drycleaners Private Limited and Four Seasons Drycleaning Company Private Limited amalgamated with Jyothy Fabricare Services Limited with effect from December 8, 2021.

**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 "B": Associates and Joint Ventures**

| Name of Joint Venture   | JFSL – JLL JV<br>(Partnership firm)                    |
|---|--|
| Latest audited Balance Sheet Date   | March 31, 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                                  | 74.44  |
| 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 | 297.75   |
| Loss for the year   | -220.34  |
| i. Considered in Consolidation  | -220.34  |
| ii. Not Considered in Consolidation                                       | -  |

**NOTE:**

1. None of the associates or joint ventures of the Company are yet to commence operations.
2. None of the associates or joint ventures of the Company have been liquidated or sold during the year under review.
3. The Company does not have any associate company.

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 24, 2022



**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](mailto:info@jyothy.com)

Website: [www.jyothylabs.com](http://www.jyothylabs.com)





Jyothy labs

## 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](mailto:secretarial@jyothy.com) Website: [www.jyothylabs.com](http://www.jyothylabs.com)

## Notice

**NOTICE** is hereby given that the 31<sup>st</sup> Annual General Meeting (AGM) of the Members of Jyothy Labs Limited will be held on **Monday, July 25, 2022 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, 2022, comprising of the Audited Standalone Balance Sheet as at March 31, 2022, the Statement of Standalone Profit & Loss and Cash Flow Statement for the Financial Year April 1, 2021 to March 31, 2022 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, 2022, comprising of the Audited Consolidated Balance Sheet as at March 31, 2022, the Statement of Consolidated Profit & Loss and Cash Flow Statement for the Financial Year April 1, 2021 to March 31, 2022 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 2021-22.
3. To appoint a Director in place of Ms. M. R. Deepthi (DIN: 01746698), who retires by rotation and being eligible, offers herself for re-appointment.
4. **To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of sections 139, 141, 142 and other applicable

provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force and based on the recommendation of the Audit Committee of the Company and approval of the Board of Directors of the Company at their respective meetings held on May 24, 2022, the consent of the members of the Company be and is hereby accorded to re-appoint M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as the Statutory Auditors of the Company to hold office for a second term of 5 (five) consecutive years commencing from the conclusion of this Annual General Meeting until the conclusion of the 36<sup>th</sup> Annual General Meeting to be held in the year 2027 at such remuneration plus applicable taxes, out of pocket, travelling and other expenses, on actual basis, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

### SPECIAL BUSINESS:

5. **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, 2023, be paid a remuneration amounting to ₹4,02,500/- (Rupees Four Lacs Two Thousand and Five Hundred 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 is 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.”

**By Order of the Board of Directors**  
For **Jyothy Labs Limited**

Sd/-

**Shreyas Trivedi**

Head – Legal & Company Secretary  
Membership No.: A12739

**Place:** Mumbai

**Date:** May 24, 2022

**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](mailto:secretarial@jyothy.com);

**Website:** [www.jyothy.com](http://www.jyothy.com);

**CIN:** L24240MH1992PLC128651

**NOTES:**

1. The Ministry of Corporate Affairs (MCA) vide its General Circular no. 02/ 2022 dated May 5, 2022 has allowed companies whose Annual General Meeting (AGM) are due in the year 2022, to conduct their AGMs on or before December 31, 2022, 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 31<sup>st</sup> 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 31<sup>st</sup> 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 **Monday, July 25, 2022 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 and Remuneration 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 May 5, 2022 read with MCA General Circulars dated May 5, 2020 and April 13, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 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 2021-22 and Notice convening 31<sup>st</sup> 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 24, 2022.
4. For Members who have not registered their e-mail address and those members who have become the members of the Company after June 24, 2022, being the cut-off date for sending soft copy of the Notice of 31<sup>st</sup> AGM and Annual Report for Financial Year 2021-22, may refer to the Notice of 31<sup>st</sup> AGM and Annual Report available on the Company’s website, on the websites of CDSL, BSE and NSE.
5. Members may also note that the Notice convening the 31<sup>st</sup> AGM and the Annual Report for the financial year 2021-22, in Portable Document Format (PDF), will also be available on the Company’s website [www.jyothy.com](http://www.jyothy.com), website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) and on website of stock exchanges viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). The relevant documents, if any, referred to in the Notice of 31<sup>st</sup> 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 31<sup>st</sup> AGM of the Company.

6. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.
- However, since the 31<sup>st</sup> 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 31<sup>st</sup> 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](mailto:associates.rathi8@gmail.com) with a copy marked to the Company at [secretarial@jyothy.com](mailto:secretarial@jyothy.com).
8. A Statement pursuant to Section 102(1) of the Act relating to the Special Business 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 5, 2022 to Friday, July 15, 2022** (both days inclusive) for the purpose of AGM and determining the names of members eligible for dividend on equity shares for the Financial Year 2021-22.
10. In terms of Section 152 of the Act, Ms. M. R. Deepthi (DIN: 01746698) Whole Time 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 30, 2022, 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 4, 2022; and
- b) Beneficial Owners whose name appears in the list of Beneficial Owners Position list as on the closing hours of July 4, 2022 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](http://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](http://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 2014-15 onwards upto 2020-21 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 2013-14 to 2019-20 lying with the Company as on March 31, 2021 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](http://www.jyothylabs.com)).

In terms of Section 124 of the Act, Final dividend declared for the financial year 2014-15 will be due for transfer to the Investor Education and Protection Fund (IEPF) (established by the Central Government) in September, 2022, 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.

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 2014-15 to 2020-21 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](mailto: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. July 18, 2022.**

#### **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 Circulars dated May 5, 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 31<sup>st</sup> AGM.

The Company has appointed Mr. Himanshu S. Kamdar, Practising Company Secretary (Membership No. FCS 5171), Partner, M/s. Rathi & Associates 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 INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING 31<sup>ST</sup> AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The remote e-voting period begins on **Friday, July 22, 2022 at 9:00 a.m.** and ends on **Sunday, July 24, 2022 at 5:00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, July 18, 2022 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 <b>CDSL</b> | <ol style="list-style-type: none"> <li>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 are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>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 &amp; voting during the meeting. Additionally, there is 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.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>   |
| Individual Shareholders holding securities in demat mode with <b>NSDL</b> | <ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 &amp; voting during the meeting.</li> </ol> |

| Type of shareholders  | Login Method   |
|---|--|
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b> | 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 <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 022-23058542-43. |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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](http://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](http://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:

|  | <b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>  |
|--|---|
| 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"> <li>• 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.</li> </ul>                 |
| 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"> <li>• 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).</li> </ul> |



- (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](http://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](mailto: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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- 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](mailto:associates.rathi8@gmail.com) and to the Company at the email address i.e. [secretarial@jyothy.com](mailto: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.

**A. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE 31<sup>st</sup> 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](mailto: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](mailto: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](mailto:secretarial@jyothy.com) / RTA's email id i.e. [rnt.helpdesk@linkintime.co.in](mailto: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](mailto:secretarial@jyothy.com) / RTA's email id i.e. [rnt.helpdesk@linkintime.co.in](mailto: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](mailto: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, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

The results on voting of resolutions will be declared on or before Wednesday, **July 27, 2022**. The results declared along with the scrutinizer's report will be placed on the website of the Company i.e. [www.jyothy.com](http://www.jyothy.com) and website of CDSL i.e. [www.evotingindia.com](http://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 31<sup>st</sup> 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 ORDINARY/ SPECIAL BUSINESS 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 make Business(es) mentioned under item Nos. 4 and 5 in the accompanying Notice:

#### **Item No. 4:**

Explanatory statement for this item is not mandatory, however, the same has been disclosed pursuant to the requirement of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The first term of present Statutory Auditors of the Company viz. M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), will complete after the conclusion of this Annual General Meeting of the Company. However, as per the provisions of Section 139 of the Act, M/s. B S R & Co. LLP, can be re-appointed as the Statutory Auditors of the Company for a second term of consecutive 5 years, subject to approval of the Board of Directors and Members of the Company at the ensuing Annual General Meeting.

Accordingly, based on the recommendation of the Audit Committee and performance of the Statutory Auditors in their first term of 5 years, the Board approved re-appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company for a second term of 5 consecutive years commencing from the conclusion of the 31<sup>st</sup> Annual General Meeting until the conclusion of the 36<sup>th</sup> Annual General Meeting, subject to approval of the members of the Company at this Annual General Meeting.

The Company has received (a) the Eligibility certificate under Section 141(3) of the Act, and (b) Consent from M/s. B S R & Co. LLP, to act as the Statutory Auditors of the Company for a further term of 5 consecutive years

commencing from the conclusion of the 31<sup>st</sup> Annual General Meeting until the conclusion of the 36<sup>th</sup> Annual General Meeting of the Company.

Accordingly, the Board recommends for approval of the resolution as set out at item no. 4 of the Notice for re-appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company, for the second term of 5 (Five) consecutive years and remuneration as may be mutually agreed between the Board of Directors and Statutory Auditors. Also, in accordance with Section 40 of the Companies (Amendment) Act, 2017, requirement of ratification of Statutory Auditors of the Company every year has been done away with, accordingly their appointment as Statutory Auditors is not subject to ratification at any of the Annual General Meeting(s).

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 Board of Directors at its meeting held on May 24, 2022 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, 2023, at a remuneration amounting to ₹ 4,02,500/- (Rupees Four Lacs Two Thousand and Five Hundred 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 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. 5 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. 5 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. M. R. Deepthi  |
| Date of Birth / Age  | December 13, 1983 (38 years)   |
| DIN  | 01746698   |
| Nationality  | Indian   |
| Date of the first appointment on the Board   | April 1, 2020  |
| Terms and Conditions of Appointment  | 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. Deepthi.  |
| Remuneration proposed to be paid   | As per the Agreement dated March 12, 2020 entered into between the Company and Ms. M. R. Deepthi.  |
| Remuneration last drawn (including sitting fees, if any)                               | ₹ 81,05,700/-  |
| Relationship with other Directors, Manager and Key Managerial Personnel of the Company | Sister of Ms. M. R. Jyothy, Managing Director of the Company.  |
| Qualification(s)   | A Member of the Institute of Company Secretaries of India (ICSI) and the Institute of Cost Accountants of India. She has also completed her Bachelors in Management Studies (BMS) from Chinai College of Commerce affiliated with Mumbai University and Masters in Management Studies (MMS) from S.I.E.S. College, Nerul, Navi Mumbai. |
| Experience and expertise in the specific functional area                               | 16 years in the field of Finance and Secretarial function.   |
| List of Directorship   | 1(One)   |
| Directorship in listed entities  | Jyothy Labs Limited  |
| List of Membership/ Chairmanship of Committees   | 1. Jyothy Labs Limited<br>- Member of Risk Management Committee  |
| Listed entities from which the Director has resigned in the past three years           | Nil  |
| Number of shares held in the Company   | 1,03,61,770  |
| Number of meetings of the Board attended during the Financial Year 2021-22             | 5 of 5   |

**By Order of the Board of Directors**  
For **Jyothy Labs Limited**

Sd/-

**Shreyas Trivedi**

Head – Legal & Company Secretary  
Membership No.: A12739

**Place:** Mumbai

**Date:** May 24, 2022

**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](mailto:secretarial@jyothy.com);

**Website:** [www.jyothy.com](http://www.jyothy.com);

**CIN:** L24240MH1992PLC128651