Jyothy labs

To,

July 3, 2021

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

Scrip Code: JYOTHYLAB

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

Scrip Code: 532926

Dear Sir,

Sub: Submission of Notice convening 30th Annual General Meeting and Annual Report of Jyothy Labs Limited (Formerly known as Jyothy Laboratories Limited) for the Financial Year 2020-21

With reference to the captioned subject and in continuation to our letter dated May 18, 2021, informing the date of the 30th Annual General Meeting, we are enclosing herewith the Notice convening 30th Annual General Meeting and Annual Report of the Company for the Financial Year 2020-21 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

Thanking you,

Yours faithfully,

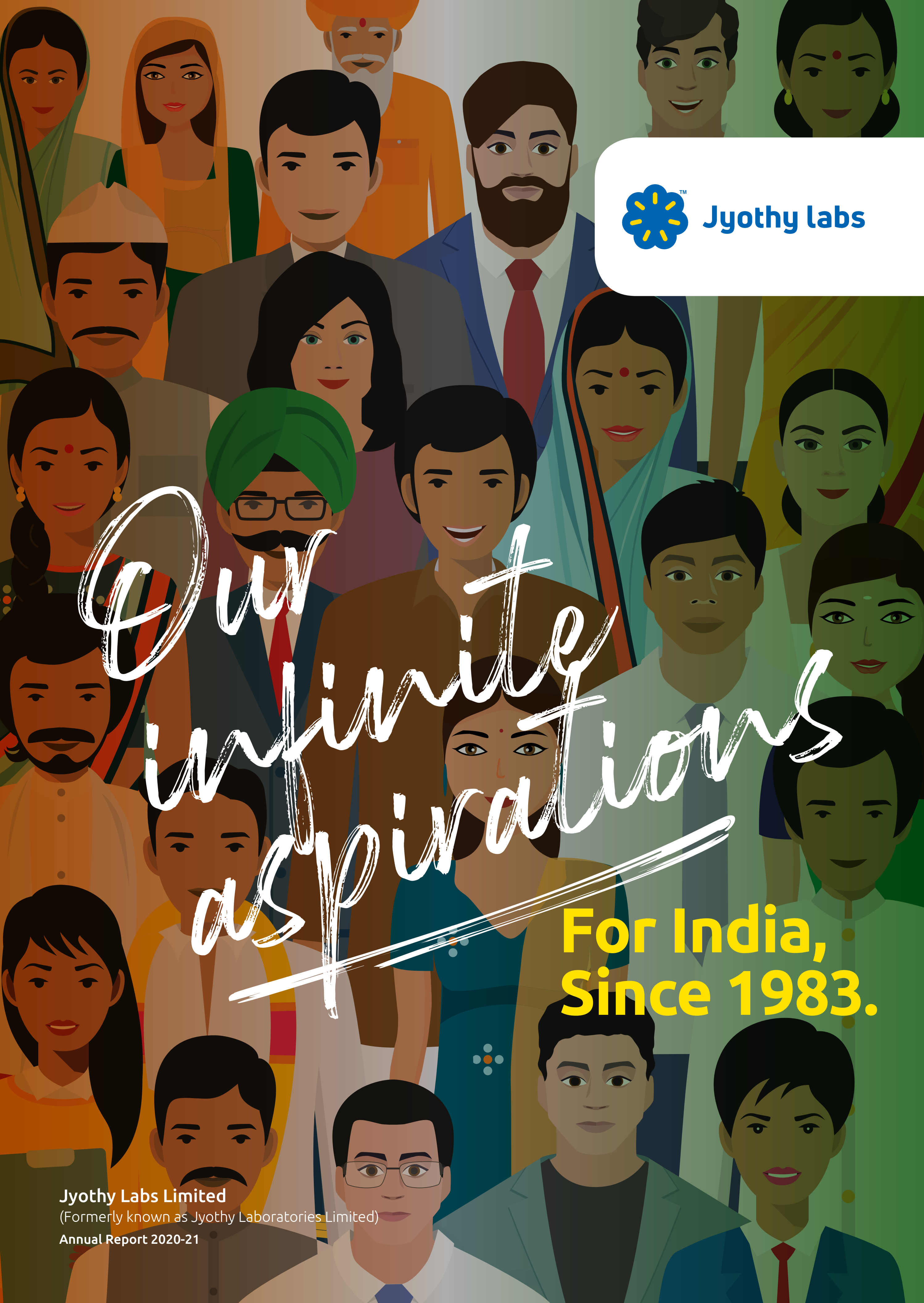
For Jyothy Labs Limited
(Formerly known as Jyothy Laboratories Limited)

JYOTHY LABS LIMITED MUMBAI

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,
Kondivita, Andheri (East), Mumbai 400 059.
Tel: +91 022-6689 2800 | Fax: +91 022-6689 2805
info@jyothy.com | www.jyothylabs.com



Jyothy labs

Our infinite aspirations

For India, Since 1983.

Jyothy Labs Limited
(Formerly known as Jyothy Laboratories Limited)
Annual Report 2020-21

As a nation grows, so does its aspirations. The India growth story and the firing up of its aspirations, supported by a large talent pool, are among the most remarkable developments in the world over the past few decades. At Jyothy Labs, we understand the aspirations of the Indian consumer, we nurture them by providing best-in-class consumer products.

Our infinite aspirations

In 1982, the Government of India launched a pragmatic programme – informally referred to as 'Operation Forward' – for economic progress and support for the private sector, alongside greater efficiency measures for the public sector. In 1983, we embarked on our very own operation forward, its path illuminated by a single word: Ujala.

Our Company, which started out with five saleswomen and made daily life considerably brighter and happier for its consumers, has since then grown its revenue to ₹ 1,900 Crore in FY 2020-21. Jyothy Labs completely embodies the spirit of "Made in India, Make in India, Made for India", with 6,600+ employees (including off-role employees) and innumerable stakeholders, each of whom is a trusted and valued Jyothy family member.

Forward is the only direction we know. Our advance is guided by visionary leadership, empowered by world-class science and technology, and enriched with that vital human connect by our committed workforce. Our strategy, agility, quality, capability, and integrity have all triumphed in the year of the pandemic, translating to numbers that reinforce our understanding of Indian market and execution expertise.

The India we see today has all the tools and knowledge to surge forward and realise its potential independently. We play our role with pride in the crystallising of this new economic order by continuing to launch innovation-led solutions for our country's specific needs. To all who ask what Jyothy Labs fundamentally is, we say:

"Bharat se hain hum, Bharat jaise hum."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A History of Meeting Aspirations with Unique Products

At Jyothy Labs, our history is filled with many moments where we have met the aspirations of a growing India with our unique products across our power brands. Our products, with their superior performance, are not just meeting the everyday needs of our consumers, they are enabling them a healthier, safer, more comfortable and happier lives.

Ujala

- **1983 –** Launch of the iconic Ujala Supreme in Kerala
- **1997 –** Ujala Supreme launched nationally
- **2005 –** Launched post wash Ujala Crisp and Shine which gives form and shape to clothes with its unique PolyFx formula
- **2014 –** Launched Ujala Detergent Powder in Kerala
- **2020 –** Ujala Supreme remains a market leader in the fabric whitener segment since launch with a market share of 82.6%

Maxo

- **2000 –** Launched Maxo, high performing mosquito repellent
- **2003 –** Maxo awarded the 'AAA Brand Performance Award' by the All India Advertisers Association
- **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
- **2018 –** Launched Maxo A-Grade Agarbatti made from 100% natural ingredients to ensure health of consumers
- **2021 –** Launched innovative Liquid Vaporiser Refill bottle that fits all machines

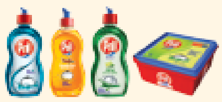
Exo

- **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 and offer superior value
- **2013 –** Exo bar awarded Product of the Year
- **2019 –** Launched next-generation Exo Bactoscrub Ginger that eliminates malodour by 99% due to its ginger-powered antibacterial properties
- **2020 –** Launched Exo Dishwash Super Gel, a thick multi active concentrate that combines power of bar and shine of liquid and has goodness of ginger and power of Cyclozan
- **2021**
  - Launched Exo Bioh Fresh, a 100% organic vegetable and fruit cleaner
  - Launched alcohol-free Exo Disinfectant All Surface Cleaner, that offers 24-hour protection with 99.9% efficacy against the novel coronavirus, various bacteria and fungi, while giving shine to surface

Henko

- **1994 –** Henko detergent launched as a premium offering - Acquired by Jyothy Labs in 2011
- **2014 –** Henko Matic LINTelligent launched and created a revolution

Pril



- **1999 –** Launched Pril as India's first liquid dishwash, positioned as a superior de-greasing formulation in the premium segment - Acquired by Jyothy Labs in 2011
- **2017 –** Launched Pril bar in tamperproof tub
- **2019 –** Launched Pril Tamarind with suspended speckles for better shine and easy grease removal

Margo

- **1920 –** The original neem soap launched over 100 years ago - Acquired by Jyothy Labs in 2011
- **2019 –** Launched Margo Glycerine with the goodness of 1000 neem leaves for deep cleansing and pure glycerine for moisturisation
- **2020 –** Launched India's first neem paste face wash with the goodness of 1000 neem leaves
- **2021 –**
  - Launched Margo Hand Wash, a natural antibacterial hand wash with the goodness of 1000 neem leaves for 99.9% germ protection
  - Launched alcohol-based Margo Hand Sanitizer infused with Neem extracts for 99.9% germ protection

T-Shine

- **2018 –** Launched T-Shine, an organic toilet cleaner
- **2021 –** Launched T-Shine Floor cleaner having 100% organic compounds

A History of Infinite Growth Aspirations

The rising aspirations of Indians are opening unprecedented opportunities. At Jyothy Labs, across our history we have had sharp focus on meeting these aspirations with unique products, and alongside growing sustainably. Each of our product are conceptualised after deep research and with long-term focus. This is evident in our six power brands that have grown over the years and command strong market share. As we move forward, we will continue to have sharp focus on intensifying R&D and launching better products to accelerate our growth further.

1983-87

- Mr. M. P. Ramachandran starts Jyothy Laboratories as a proprietary concern in Kerala
- Ujala launched and sold house-to-house through a team of six sales people in the Trichur and Malappuram districts of Kerala
- Start of print and radio advertisements
- Graduates to a formal distribution system
- Venture out of Kerala into neighbouring Tamil Nadu

1992-94

- Commissioned Chennai factory to make Ujala and Puducherry plant (our first in a backward area utilising government incentives)

2000

- **Revenue –** ₹ 103 Crore
- **PAT –** ₹ 38 Crore

2001

- Growth Capital raised from marquee investors – Actis, Baring Private Equity, and CLSA

2002

- Acquisition of subsidiary, Sri Sai Homecare Private Limited, having a mosquito coil production facility in Hyderabad

2007

- Listing on NSE / BSE

2008

- Shifted registered office to a new building Ujala House at Andheri East, Mumbai

2009

- Foray into service sector through new venture – Jyothy Fabricare Services Limited – to provide premium laundry services at affordable price at consumer doorstep

2010

- **Revenue** – ₹ 594 Crore
- **PAT –** ₹ 74 Crore
- **No. of manufacturing plants:** 14
- **Reach:** 2.2 million outlets pan-India

2011

- Acquired controlling stake in Henkel India Limited

2012

- Tamil Nadu star R Madhavan signed in as brand ambassador for Maxo
- Crossed the milestone of ₹ 1,000 Crore in net sales

2013

- Crossed the milestone of ₹ 100 Crore in net profit

2014

- Bollywood actress Shilpa Shetty signed in as brand ambassador for Exo

2015

- Bollywood star Madhuri Dixit was signed in as brand ambassador for Henko

2017
- SAP implementation in record time for any large organisation
- Several awards won in IT
- Tamil Nadu movie star Suriya becomes brand ambassador for Ujala Crisp & Shine

2019
- Jyothy Labs wins the prestigious IMC Ram Krishna Bajaj National Quality Award under Manufacturing sector
- Bollywood actor Raj Kumar roped in as the brand ambassador to launch the new Maxo Genius Machine

2020
- Launched with record speed multiple products – Exo Bioh Fresh, Exo Disinfectant All Surface Cleaner, Exo Bactoscrub Ginger, Margo Facewash, Margo Natural Antibacterial Handwash and Margo Sanitizer – in response to pandemic but with long-term potential

2021
- **Revenue –** ₹ 1,909 Crore
- **PAT –** ₹ 190.7 Crore
- **No. of manufacturing plants:** 23
- **Sales team:** 2,400+
- **Channel partners:** 7,200+
- **Reach:** 2.8 million outlets pan-India

Market share of key products*:
- **Ujala Fabric Whitener –** 82.6%
- **Ujala IDD (Kerala) –** 20.7%
- **Exo Bar –** 12.5%
- **Pril Liquid –** 17.4%
- **Maxo Coil –** 22.9%
- **Maxo Liquid Vaporiser –** 8.8%

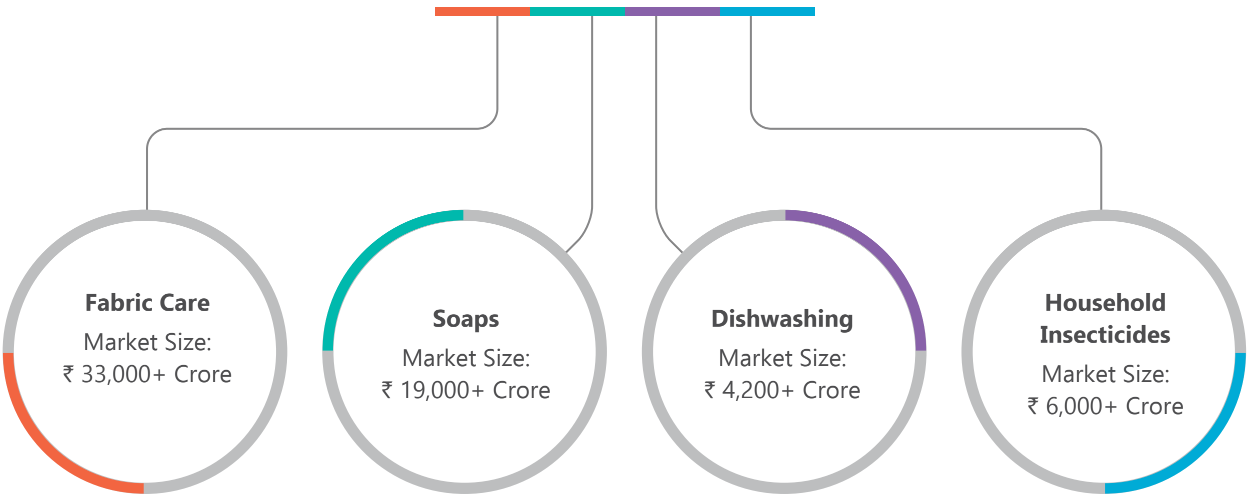
** Source – AC Nielsen (CY - Calendar Year)*

Geared to grow with presence in right areas

We operate in essential and daily hygiene product categories which are large and amongst the fastest growing in the FMCG space. Our robust and innovative portfolio in this segment along with pan-India distributor network provides infinite opportunities for us to grow in line with the Indian consumer evolving needs.

At Jyothy Labs, we aspire to always offer the best innovation-driven products to meet India's fast growing consumer needs.

Our essential and hygiene portfolio and market opportunities



Aspiring to Make India Atmanirbhar

We have always translated into action the concept of national self-reliance and local progress by promoting rural development through our manufacturing operations.

In 2020, the Government at the Centre declared its intention to create 'Atmanirbhar Bharat', meaning a self-reliant India. This concept may have made headlines only in the past year, but it has long been the aim of Jyothy Labs since the beginning of our journey. Recent campaigns such as 'Vocal for Local' have spoken of ideas that form the very core of our organisational philosophy. We believe the consumers deserve the best, and that the best household consumer products can be manufactured within the country in a sustainable manner – ensuring sustainable profits, jobs, and resource management.

Alongside business growth, we have always paid attention to employment generation, especially among rural women. They are the unsung heroes of national progress, investing their entire income in the education of their children and the well-being of their families.

To make Indian villages as much a stakeholder in economic development as the cities, we have ensured that all Jyothy Labs factories are established in rural areas and that families from those areas are employed in our operations after training. Through this, we are creating not only jobs but also a whole new generation of skilled workers who can pass on their knowledge to their next generations, strengthening the fundamentals of the Indian economy.

For the mutual benefit of our business and the community, we continue to add stockists in the rural regions – the year under review saw the addition of 500 Rural Sub-stockists, taking the total number to 5,600.

Our salespersons have their ear to the ground at all times, letting us gather insights about the aspirations of people in rural and semi-rural areas, people whose voices must be heard as clearly as of those in big cities. At the same time, we employ the best of data analytics and other technologies powered by Artificial Intelligence to ensure that our products connect with the discerning urban consumers who have a very wide choice of quality products.

We have proved our resilience during these challenging times, reaping the rewards of close relationships built over the years with all our stakeholders and our investment in the latest smart technology. Blending the strengths of tradition and digitalisation, we are now prepared for the next phase of growth – our opportunities are as limitless as the ambitions of our nation.

Jyothy Labs: Delivering Quality and Value Since 1983

We are finely attuned to the Indian consumers' desire for quality and value. It is our consumers who give us the drive to innovate, letting us into their hearts and minds. It is by listening to them that we have come up with our strongest ideas and translated those into market-disrupting Power Brands.

4 areas where we fulfil aspirations

Our position

No. 1

In fabric whitener (Ujala Supreme) since its launch in 1983

No. 2

In dishwash (bar and liquid) category, by value terms

No. 2

In mosquito repellent coil, by volume

Our presence

2.8 Million
Retail outlets stock our products

0.86 Million
Retailers we reach directly

7,200+
Stockists/Sub-stockists

3.7 Million+
Units of our products sold daily

23
Manufacturing plants across India

2,400+
Sales force

Our Power Brands

Ujala

- Ujala Supreme
- Ujala Crisp & Shine
- Ujala Detergent

82.6%

Market Share - Ujala Fabric Whitener*

Brand story

- The Ujala range is led by Ujala Supreme Fabric Whitener, which has retained its No. 1 position for 38 years, giving Indian consumers brighter whites
- Ujala Crisp & Shine is a premium post-wash product that gives clothes superior form, finish and shine
- Ujala detergent powder with its unique property of Instant Dirt Dissolvers is the leading mid-priced brand in Kerala

Maxo

- Maxo A-Grade Coil
- Maxo A-Grade Machine & Liquid Vaporiser
- Maxo Genius Machine & Liquid Vaporiser
- Maxo A-Grade Agarbatti

22.9%

Market Share - Maxo Coil*

8.8%

Maxo LV MS*

Brand story

- Maxo Coil is India's No. 2 bestseller by volume
- Maxo Genius machine is India's first automatic liquid vaporiser, which has disruptive technology to automatically change modes enabling optimal usage of liquid for longer period and effective protection from mosquitoes
- Maxo Agarbatti is a recent addition to the portfolio that leverages the Indian culture of burning incense at home. It consists of natural ingredients that are known to repel mosquitoes offering complete protection

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

Exo

- Exo Dishwash Bar
- Exo Dishwash Super Gel
- Exo Powder
- Exo Bactoscrub
- Exo Safai Steel Scrubber
- Exo Disinfectant All Surface Cleaner
- Exo Bioh Fresh

12.5%

Market Share - Exo Dishwash Bar*

Brand story

- Exo Dishwash Bar with ginger twist is India's No. 2 brand, by value, in its category. The unique round shape of its container is a disruptive innovation, enabling the consumer to use up every bit of the product without any wastage and it comes with an antibacterial scrubber
- Exo Super Gel is a thick gel that blends the power of a bar with the shine of a liquid, helping consumers wash more utensils with a smaller than usual amount of cleaning liquid, and its unique packaging makes it easy to use and attractive for any modern kitchen
- Exo Bactoscrub is our next-generation utensil scrubber that eliminates malodour by 99%, thanks to it's ginger-powered antibacterial properties
- Two of our newest products in this Power Brand range are Exo Bioh Fresh and Exo Disinfectant All Surface Cleaner. Exo Bioh Fresh is a 100% organic vegetable and fruit cleaning solution launched in Kerala. It meets the consumers need for a gentle yet effective cleaning solution that can guarantee 99.9% germ kill. It gives protection from novel coronavirus that may enter the household riding on the surface of the fresh produce
- Exo Disinfectant All Surface Cleaner is a alcohol-free product with 24-hour germ protection. It's guarantees 99.9% efficacy against the novel coronavirus, various bacteria and fungi. Its alcohol-free feature makes it safe to use in kitchen as it is not inflammable, thus avoiding accidents

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

Pril

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

17.4%

Market Share - Pril Liquid*

Brand story

- The range was expanded with Pril tamarind, that offers superior cleaning through its unique power boosters and Tamarind instils sparkling shine
- Pril 'kraft' is the third variant, whose name is taken from the German word for 'power' or 'force', as this variant has extra-strong molecules to remove the toughest grease and odour from utensils
- The bar and scrubber completes the range for Pril loyalists

Margo

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

Brand story

- This year, Margo is celebrating completion of 100 years, a century of trust and admiration
- The soap comes with the authentic goodness of 1000 neem leaves
- The original version was followed by the glycerine variant made with the goodness of 1000 neem leaves and pure glycerine for added moisturisation during winters
- The newest additions, to the portfolio, Margo Handwash and Margo Hand Sanitizer have catered to the need for a more intense personal hygiene regimen during the pandemic
- Margo Face Wash is India's first neem paste face wash made with the goodness of 1000 neem leaves and Vitamin E for added moisturisation

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

Henko

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

Brand story

- Henko Stain Care is a premium detergent powder that comes with Oxygen Power to remove tough stains and Care enzymes that prevent colours from fading
- Henko Matic LINTelligent is a Detergent powder that comes with Nano Fibre Lock technology that prevents the fabric from fraying. The extensive agitation seen during the wash cycle in the machine and the harsh chemicals used in most detergents causes colour fading and damage to fabric. Henko Matic is specially designed to minimise this effect and keep clothes younger for longer

Message from the Chairman Emeritus

Dear Shareholders,

I experience a deep sense of pride as I address you through this year's Annual Report. In this unprecedented year of challenges, Jyothy Labs has proved itself all over again in so many ways. As the founder of the Company, I feel extremely content at seeing that the next generation of leadership has been able to stand with our consumers and all other stakeholders at all times, and that they have fully reassured our commitment.

Our journey, which began in 1983 with the aim of serving the country through unique products, brought us to an uncharted territory when the lockdown was imposed, and we have crossed that stretch of uncertainty with confident steps. My daughter M. R. Jyothy, who took over as Managing Director from April 1, 2020, and Chairman Shri R. Lakshminarayanan, who took over that role on the same date, have ably steered the organisation to achieve a strong performance all through the financial year.
The new team has exhibited their talent to face any challenges with success.

I would like to reiterate to our esteemed shareholders that the success of Jyothy Labs is not only in the business figures. Our success is in the relationships we have built over the decades that translate to those figures. In all our long years of operation, we have listened closely to everyone with whom our enterprise connects with including the consumers, raw material suppliers, vendors, transporters, dealers, community members, and more. Jyothy Labs is the family of its employees which take care of their smallest needs.

The Jyothy Labs team led by M. R. Jyothy, has looked closely at the evolving needs of consumers – disinfection has been the prime need during the pandemic, which has continued well into the next fiscal and has created products that stand out and make homes safer and healthier, Besides, every effort has been taken to evolve the system, adapting to new challenges to reach every product to the needy in this COVID lockdown environment.

Over the decades, Jyothy Labs have put so much earnest and well-considered effort into strengthening the body of the organisation, earned such goodwill for our ethics, integrity and quality, that have always been above the challenges. In many cases, those challenges are transformed into opportunities.

Jyothy Labs thrives by taking everyone along in the journey to a better life. That has, and always will, remain the guiding principle of Jyothy Labs.

I thank all our valued stakeholders for being with us in our journey and look forward to our continued association as our Company grows with India.

Warm regards,

M. P. Ramachandran

Message from the Chairman

Dear Shareholders,

The fiscal year in which I took over as the Chairman of Jyothy Labs can be described as one of the greatest learning experiences of my career, as it has been for the whole world. As I look back upon the year, and try to grasp the implications of the second wave of the pandemic, it makes me very proud of what we have achieved together, even as I pray for the lives lost and their loved ones.

Our performance has been the result of the careful planning and seamless execution born out of decades of committed team work, and success.

The relevance of the fast-moving consumer goods (FMCG) sector will increase in people's lives, especially as the Indian economy continues to grow. We believe in the Indian Government's goal of 'Atmanirbhar Bharat' and becoming a USD 5 trillion economy within this decade. As a highly trusted and completely homegrown household goods manufacturer, we are always 'vocal for local', and will continue to use our "ear-to-the-ground" insights to lead the market in innovation, technology, and above all, in offering products designed with utmost empathy for the Indian consumer.

One of the hallmarks of Jyothy Labs is that we think not only about the Company's profits, but also the consumer's monetary values. With our focus on operational excellence and cost optimisation, we try and deliver superior value to our consumers and help every rupee they have stretched as far as possible.

The Indian consumer is value-conscious, and as a country (that in 2020, overtook the United Kingdom and France to become the world's 5th largest economy in terms of nominal GDP). Indians will continue to demand better quality products while keeping a keen eye on price points. Jyothy Labs stands to win because quality and pricing are our strong points, complementing the world-class innovation built into our brands.

As an Independent Director since 2012, I have always admired Jyothy Labs commitment to value creation for all stakeholders and its minute attention to design detail, ease of use, and efficacy when coming up with new products. In a more active role since April 2020, I have worked closely with the Company's next-generation leaders and am delighted to share that they are carrying forward the legacy of the Company founder, who wanted to infuse confidence, happiness, and good health into the daily lives of the people of this country.

Everything this Company does and every decision it takes, is based on a blend of the good old human touch and new-age data analytics and predictive models. We strike a balance between tradition and innovation, and the rewards have been consistent.

In the year under review, we have seen the encouraging revival of rural demand, as farm incomes have stabilised in many regions due to the Indian Government's support and state government schemes. Indeed, during the lockdown months, growth in rural demand for FMCG outstripped urban demand as general trade stores remained open when modern trade outlets had to close down. We responded by making our products even more accessible for the rural and semi-urban consumer through smaller, extremely affordable pack sizes.

We are well-positioned to be a core part of the India growth story, whose chapters will continue to be written, despite the setbacks of the second wave of COVID-19. Allow me to thank our valued shareholders and extend our heartfelt gratitude to our Chairman Emeritus, Shri M. P. Ramachandran Sir, for this outstanding organisation that he has built and nurtured.

Stay safe. Stay strong. Let us stay together.

Warm regards,

R. Lakshminarayanan

Message from the Managing Director

This year under review has validated the decades of innovation that Jyothy Labs has put into every detail of each of its products; the Company's philosophy that its employees are family members; the care with which stakeholder relationships have been built and nurtured; the efforts put into digitalisation, especially in sales and supply chain – all of that came together, the pieces fit in perfectly to give us a year where every quarter rewarded our dedication to the Indian consumers.

Dear Shareholders,

Jyothy Labs had started out with the mission of helping the country's people fulfil their aspirations. Indians wanted to take pride in their appearance, to live a healthier life, to have a sparkling home; we understood this quest and brought them best-in-class solutions at prices sensitive to their needs. Our reputation, the trust that we have earned from consumers drove our business growth in a difficult year with the pandemic affecting the country adversely.

During the year, we not only retained our market share in every category and grew the overall business, but we also launched timely new products that enhanced the value proposition of our portfolio and helped us address the heightened consumer concerns about hygiene.

The overnight imposition of the lockdown across the country required us to demonstrate a greater degree of organisational agility to ensure our products reach retail stores. We were able to navigate uncertainties, forge new partnerships with stakeholders, and serve our consumers everywhere, from big city centres to the remote rural areas.

We have gathered insights and acquired knowledge during this unprecedented year; these are rich resources that can greatly help us to plan the next phase of growth.

Business Performance Review

One of the main challenges during the year was logistics. We knew that the demand for our products was strong, and in some product categories, the demand rose exponentially. What we had to ensure was that we were able to reach the shop shelves. In the first quarter of the fiscal year, most of our business came from the kirana stores across the country, as modern trade, i.e. supermarkets and army canteens, remained mostly closed and e-commerce deliveries faced containment zone restrictions. In the subsequent quarters, with further tie-ups with e-commerce partners and modern trade picking up pace alongside the neighbourhood stores, all our sales channels registered growth.

Our consolidated revenue for FY 2020-21 was ₹ 1,909 Crore, up from ₹ 1,711 Crore in FY 2019-20. Gross Margin stood at 47.1% (₹ 899 Crore) from 47.4% (₹ 810 Crore). Profit after Tax was ₹ 190.7 Crore during this year, compared to ₹ 162.6 Crore in the previous year. We are a net debt free Company. The net cash balance as at March 31, 2021 stood at ₹ 76.9 Crore versus net debt of ₹ 254 Crore as at March 31, 2020.

Strong partnerships with stakeholders

Our investment in relationships with our stakeholders forms the backbone of our business success. Our track record of on-time payment to vendors since inception years ensured that raw material supply was never interrupted. To move the products once they were manufactured, we worked on our engagement with logistics service providers to ensure we complete the last-mile delivery.

The strategic locations of our manufacturing units, spread evenly around the country, and similarly distributed depots enabled us to move our stocks quickly to all the key markets, even as we responded to the varied range of notifications and rules applicable in different states during the first quarter of the year. Our supply team and sales team worked together to ensure that Jyothy Labs products were always near consumers. The effort we put into reaching consumers fostered greater trust in the Company.

11.6% ↑

Consolidated Revenue grew to **₹ 1,909 Crore**

25.3% ↑

EBITDA **₹ 314.5 Crore**

17.3% ↑

Net Profit grew to **₹ 190.7 Crore**

Net Debt Free

Segment-wise performance

The dishwash segment saw a surge in demand, as the lockdown compelled people to stay at home and use utensils more frequently. To meet the high demand spike, we completed the construction of our new 3,000 MT per month plant in Pithampur ahead of schedule in a record time of 7 months and utilised it for this segment. This plant currently employs 100 people (25% women) and has been developed with sustainability focus. It has a green zone in vicinity and a solar power capacity is proposed to be added in FY 2021-22.

The products that we launched during the year were essential in a pandemic-hit world; their efficacy and value in consumers' lives will remain even after this crisis has receded.

The fabric care segment saw a drop in overall growth because our post-wash products, which are mainly outdoor wear, including office wear, school uniforms, party wear, lost some traction following most companies taking the approach of work from home. We were able to hold on to the main wash segment despite MT retail and Canteen stores shutting most of its premises. Few of our key detergent brands gained market share in focus markets giving us confidence of our strategic approach in this segment.

The household insecticide category benefited from the public reluctance to risk getting any kind of a disease from mosquito bites, as an infection might require hospitalisation or an outpatient consultation, and people wanted to avoid medical establishments during the pandemic. Our pioneering reputation, built with the Maxo Genius automatic machine that adjusts itself according to mosquito density in the room, remains our calling card in this segment.

The personal care category continued to perform well, as spending on health and hygiene became a priority for people around the country, brand Margo's promise of Clear Skin and Natural Protection owing to its Organic Neem proposition continued to resonate with consumers. In the last quarter of the previous fiscal year, we had launched Margo Sanitizer and Margo Hand Wash, with the twin purpose of completing the range and meeting the sudden increase in demand for these products.

New launches

The products that we launched during the year were essential in a pandemic-hit world; their efficacy and value in consumers' lives will remain even after this crisis has receded.

Leading the list of our unique new launches is the 100% organic vegetable cleaner, Exo Bioh Fresh. Our product was inspired by the consumers' need to wash raw fruits and vegetables thoroughly before being consumed to eliminate any risk of the novel coronavirus entering the household. Therefore, our product helps the consumer combat COVID-19, but its benefit is not limited to that. This organic cleaning solution is highly efficient in washing away the pesticides that are sprayed over most raw produce and that are not removed by plain water. This cleaning solution also removes the waxy layer of polish we find on certain items, ex. apples, that makes the fruit appear shinier but makes them toxic for consumption.

Another disinfectant product was launched during the year, one that is designed to outlive the pandemic, is the Exo Disinfectant All Surface Cleaner. The assurance offered by this product is "Benefits Four, Tension No More" – it disinfects surfaces by killing 99.9% of the virus, bacteria and fungi; gives the surfaces up to 24 hours of active germ protection; provides superb shine on surfaces; and is alcohol-free, therefore poses no fire hazard in the kitchen.

Yet another product in our disinfectants' portfolio is T-Shine Floor Specialist. Launched in FY 2020-21 in Kerala saw its geography expansion in other Southern markets. Complementing the T-Shine Toilet

Specialist, the only 100% organic toilet cleaner in the market, the floor cleaner has a proprietary Instant Dirt Repel Technology that leaves the mop clean every time the floor is wiped and dipped in the bucket of water. The use of this cleaner thus ensures a truly, completely clean floor, also killing 99.9% of all germs.

Envisioning a resilient India, since 1983

In the last 38 years of our existence, we have thought, worked, and served as an Indian keeping our nation and citizens at the forefront. Our single-most important objective since inception was to contribute to nation building by serving the discerning consumer with innovative products that not only fulfils a need but become life changing solutions. We launched a national campaign in May 2020 supporting the 'Vocal for Local' initiative by the Honourable Prime Minister of India. Becoming a part of 'Atmanirbhar Bharat Abhiyan' reflected the founder's vision since 1983, that continues to guide us in our efforts to serve India. The support for the initiative began through BTL activities, followed by Print ads in national dailies showcasing the 'Made in India' and 'Made for India' products from Jyothy Labs. We followed with a TVC that furthermore propelled its strong support for the initiative and strengthened connect with the Indian consumers.

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The way forward

We shall explore every new avenue of reaching consumers in all corners of India. Our Company-wide digitalisation drive continues to give us cost efficiencies, whose benefits we can pass on to consumers through greater investment in research and development.

Tie-ups with e-commerce partners and making our products available on all major e-commerce platforms is a focus area. Ordering household goods online is a habit acquired by Indians during the pandemic, and we believe it shall continue to exist alongside the traditional visits to general trade outlets. Our presence in modern trade, where the large supermarket chains have their own delivery system, enables us to take advantage of a blend of physical and online shopping.

We are very bullish of the Indian economy because of its enormous domestic market size. We shall continue to offer R&D-backed products that know precisely what goes through an Indian consumer's mind and how our people live and work every day.

Lastly, we thank our esteemed Board members and valued shareholders, our employees who deliver a sterling performance every day, our leadership team, our supply chain partners, community work partners, and all other associates of the Jyothy Labs. Our work is guided by the vision of Atmanirbhar Bharat, a phrase that has been coined only recently but an idea with which we were born.

Stay Safe.

Warm regards,

M. R. Jyothy

Q & A with the Joint Managing Director

K. Ullas Kamath

Q: How would you sum up the achievements of Jyothy Labs during FY 2020-21?

A: The test of leadership is always in a crisis, and you do not get a bigger crisis than the COVID-19 pandemic to understand leadership. The nationwide lockdown from March 24, 2020 was an unprecedented historic moment. Ms. Jyothy M R took over as Managing Director of the Company w.e.f. April 1, 2020, that meant for her a rapid evaluation of the situation and agile decision-making and on-ground implementation. How were we going to manage our staff (including off-role employees) of 6,600+ people, vendors, retailers, e-commerce partners? The answer is in the numbers. As our growth figures have shown in every quarter of FY 2020-21, our leadership achieved everything it needed to despite the complete absence of mobility in the first few weeks of the lockdown, except for people in essential roles.

As a manufacturer of household goods, we had most of our products listed as "essential", and we quickly picked up the pace once the government notifications clarified that production and sales of essential goods could resume. Our Margo Sanitizer was launched in a record time of 21 days to cater to market demand; we started our Guwahati plant as early as April 15, 2020; and our new factory in Pithampur was opened on August 1, 2020 amidst lockdown and all of this was orchestrated by the leadership by working remotely from home. While achieving the performance numbers, we also protected all the Company jobs, paid all our vendors, released all the dues to MSMEs ahead of due dates to meet their working capital. Employee safety remained our priority. Necessary protective gear was provided to sales team, daily monitoring of the Spo2 and temperatures were done for all employees, a Jyothy Suraksha Portal was launched to facilitate doctor consultation, medical e cards and health updates. Further, COVID mediclaim was extended to all sales team including off-rolls and those of CFA and distributors. We stood by our stakeholders during the toughest of times, and so we did not face any raw material supply issues once the regular production resumed. We released more than ₹ 100 Crore to our vendors between March 25 and 29, ahead of due dates and still had cash on our balance sheet. That is the business we believe and practice everyday. Our relationship is paramount with all stakeholders.

This year has most decisively proved that Jyothy Labs has a leadership that has an unparalleled understanding of the ground reality. I believe the year has shown us how an Indian Company should be run. It is the government's job to save lives; it is our job, as a corporate entity, to save livelihoods. Both should be managed working hand-in-hand.

Q: How do you see the connection between the Government of India announcing its vision and strategy of 'Atmanirbhar Bharat' and the Jyothy Labs mission to make homegrown Power Brands stand out in the FMCG market?

A: For this, we need to look back at what has been happening in the fast-moving consumer goods (FMCG) sector in this millennium. In the 1990s, most FMCG companies relied on in-house production; in the 2000s, the sector began to see outsourcing manufacturing wherever possible to focus on sales and marketing. The pandemic exposed the weaknesses in the outsourcing model; those companies that had their own factories and handled their own production performed much better than those who were dependent on outsource. Jyothy Labs, on the strength of its in-housing manufacturing capability, recorded an 11.6% consolidated growth in topline during the year. Less than 15% of our production is outsourced; we have in-house research and development and 23 plants. This helped us keep a tight grip on production, sales, and supply, and efficiently manage cash flow.

Meanwhile, on the national stage, the Government of India shifted focus to domestic production of ventilators, PPEs, N95 masks, key raw materials for pharmaceuticals etc., to meet the acute and shortage of these items required for healthcare professionals. Until then, it had been easier to buy at a lower cost from countries such as China. As a result of the renewed focus on domestic manufacturing, all the corporate companies came together and think tanks were organised in Delhi, Kolkata, Bengaluru, and Mumbai, an initiative of Govt. of India with Industry leaders. Outcome of such deliberations were again unprecedented. Soon India became exporters of few health care products. STARTUP INDIA, STAND-UP INDIA, MAKE IN INDIA got new energy to scale up during the pandemic using technology.

Therefore, the pandemic put the spotlight on India's need to be atmanirbhar (self-reliant), which has been the very basis of Jyothy Labs' business strategy. Our wholehearted support for Atmanirbhar Bharat was reflected in our campaigns promoting "Vocal for Local" and "Made in India"; we were already well-positioned for this even before the pandemic.

Q: Which factors do you believe will support the growth of the FMCG sector and how does Jyothy Labs stand to benefit from them?

A: We believe that India will grow, regardless of what happens in the global economy. This country should reach its goal of becoming a USD 5 trillion economy in the next few years, perhaps by 2026. Economic growth will see a rise in FMCG demand, which is already visible as a result of government spending through various channels – direct transfers, social sector, health care, MNREGA, farmer assistance etc. Moreover, around 25-30% of the funds spent on building infrastructure goes into labourers' wages and drives up consumption.

For Jyothy Labs, growing faster than category growth or overall FMCG sector growth would mean gaining percentage of the market share. We can say with pride that in all these years, our market share achieved has never been lost – this is true for all our categories, all our brands. FMCG as a sector has been doing very well, and we believe that we can do better than that.

Q: Who were the Jyothy Labs heroes of the pandemic?

A: Every employee of Jyothy Labs is the true Hero. During the pandemic, everyone brainstormed and came up with new thinkings and ideas, be it digital marketing or targeted campaigns. Our heroes were the factory managers, who got the employees to the factories and maintained production in the most efficient and safe way, despite the many constraints of the pandemic. Our heroes were salespeople who made invaluable contributions, being out in the field and working around the mobility restrictions to distribute Company's products. Those working in procurement and transportation also met the challenge like true warriors.

Q: Given the Jyothy Labs principle of remaining close to people, how much work went into CSR during the year?

A: During this year of the pandemic, when everything was shut during the lockdown, our corporate social responsibility focussed in addition to our regular projects of housing, hygiene, education, etc. to protecting people's income security. We were one of the few who started production as early as mid April 2020, as it was our responsibility to provide essential goods to consumers and in the process, all our employees, vendors, suppliers, stockists, and retailers were able to earn an income. Additionally, as a responsible corporate citizen, we contributed ₹ 5 Crore to few states and the PM CARES Fund for COVID-19 relief work.

Q: What is your outlook for the Company?

A: Our outlook is very positive. In a consumption-driven economy such as India, with its USD 5 trillion goal, the graph for the FMCG sector can only go north. The potential for Jyothy Labs' growth is effectively limitless, as we are present in categories where demand will always exist. We are strengthening our case to capitalise on the opportunities by focussing on five key levers. One, we intensified our distribution network by inducting senior team and adding more sub stockist and launching van coverage initiative to deepen rural presence. Two, we are increasingly spending on marketing and branding to strengthen our brands. New-age digital channels have also been leveraged to connect with more audiences and drive engagement. Three, we are accelerating digital adoption across organisation. During the year, we improved demand planning with the addition of Continuous Replenishment System which was instrumental in reducing pipeline stock with distributors from 22-25 days in FY 2019-20 to 8-10 days in FY 2020-21. Four, we continue to have thrust on innovation. And lastly, being a responsible Company, we are focussing on improving our sustainability performance through product stewardship and reducing plastic consumption. This is also in line with the recent trend of consumers' growing preference for sustainable products and companies.

Our robust balance sheet position and business discipline further add to our competitiveness and provides headroom for making growth investments. During the year, we became net debt free with net cash balance of ₹ 76.9 Crore as on March 31, 2021 as compared to net debt balance of ₹ 254 Crore as on March 31, 2020.

As India looks to revive the spirit of self-reliance, we are set for a transformational journey.

Empowering
Women and Youth

Our business began with women, for women, based on insights gathered from women. We strategically increase their numbers in the workforce, alongside employing the rural youth.

Ours is an organisation not merely oriented towards sales and profits; it is also based on the philosophy of contributing to nation-building through enterprise. Women and the rural youth are two key demographic segments that we look at when expanding our workforce. Their professional advancement enhances rural incomes and has a cascading effect on the rural communities' financial security, education, health, resource management etc.

We take in youth and women from rural areas – these are the places where our plants are located – into our workforce after giving them skill training. In our decisions to hire individuals and appoint vendors, we take into consideration not only the benefits to our top line and bottom line, but also to the potential progress of those who would become our stakeholders. When choosing our distributors, we have often given the chance to those who needed it more rather than to those who could invest more. Many of the women and youth whom we employed in beginner roles in sales are still with us and are doing extremely well. Even for any Jyothy Labs plant that is in a rural/semi-urban area, we give preference to local engineers and locally trained machinery operators. They are given further training by our own engineering team members.

The women in our workforce have had life-changing experiences. When we started out in 1983 with Ujala, we made a very deliberate decision to employ only saleswomen, not salesmen, even though door-to-door selling in rural India had been dominated by men until that point. We had launched a product that was based on insights gathered from women, and they were the best people to take it to the market, we believed. It also gave women a shot at gaining financial independence and making a greater contribution to community welfare. Our first saleswomen now tell us how happy they have been to have been supported by the Jyothy Labs management, and to have been able to educate their children and build their own houses with their income from Jyothy Labs. Later, women who joined our Company in various administrative roles were delighted to note that we have no glass ceiling and that we actively encourage women to aim for leadership positions.

This self-reliance – and the resulting pride and happiness – that we create has brightened our day for nearly four decades now.

Business Model

INPUTS

Financial Capital
- Net worth – ₹ 1,391 Crore

(Based on consolidated financial)

Manufactured Capital
- Manufacturing facilities – 23
- Capex on capacity expansion and upgradation – ₹ 25 Crore

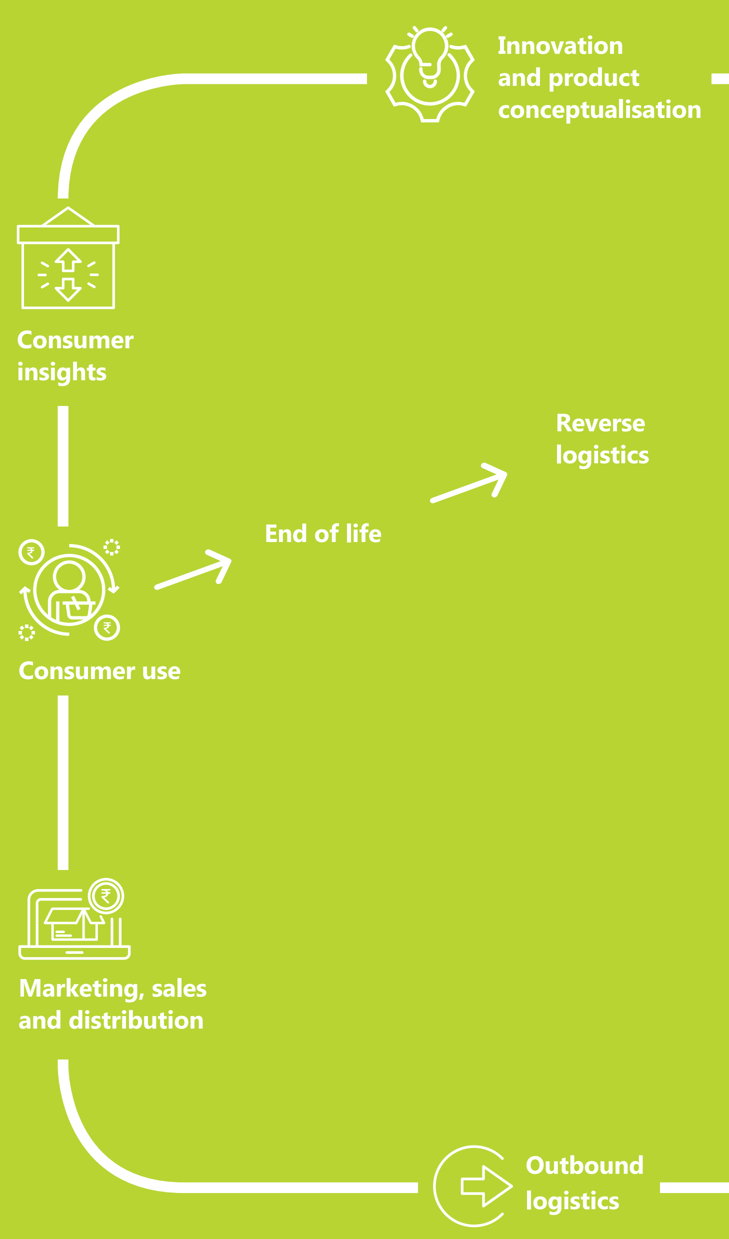
Human Capital
- Empowering people with digital technology
- Digital and skill development training to create future-ready workforce
- Provided protective gear, launched Jyothy Suraksha Portal for medical help and extended mediclaim to ensure employee safety during COVID-19

Intellectual Capital
- Innovation across brands with focus on hygiene portfolio
- Deeper engagement with e-commerce companies for contactless delivery
- Innovative marketing and continuous launch of smaller packaging for rural consumers
- 3 R&D labs (Mumbai HO, Silvassa, Puducherry)

Social and Relationship Capital
- Significant Investment in Brand Building
- Contributed a total of ₹ 5 Crore to COVID-19 fund of central and state governments
- Senior employees of the Company contributed their one day's salary to PM CARES Fund
- Various CSR projects undertaken worth ₹ 3.96 Crore

Natural Capital
- Product profile providing superior health and hygiene.
- Installation of solar panels for electricity generation
- Green belt – 36 acres
- Trees planted – 801 (Big), 2,672 (Small)

VALUE CREATION MODEL



Raw material sourcing and inbound logistics

Manufacturing

OUTPUTS

6
Power brands
which contributes revenue of 88%

SALES OF KEY SEGMENTS

Fabric Care
₹ 669 Crore

Dishwashing
₹ 699 Crore

Household Insecticides
₹ 258 Crore

Personal Care
₹ 217 Crore

Others
₹ 44 Crore

Laundry Services
₹ 21 Crore

OUTCOMES

Financial Capital
- Market capitalisation – ₹ 5,023 Crore
- Total Income – ₹ 1,909 Crore
- EBITDA – ₹ 314.5 crore
- Profit after tax – ₹ 190.7 crore
- Net operating working capital – 15 days
- EPS – ₹ 5.43
- Return on equity (excluding goodwill) – 31.5%
- Dividend payout – 77%
- Strong balance sheet position enabling investment in growth opportunities and countering economic downturn
- Consistent high returns to shareholder contributing to enhanced relationship capital
- Strong and sustainable cash flows

(Based on consolidated financial)

Manufactured Capital
- Use of technology in demand & production planning
- Lowest cost producer
- Commissioned new bar line at plant in Madhya Pradesh

Human Capital
- Extensive employee training conducted
- Glass door rating of 3.5
- Improved employee satisfaction by prioritising their health and safety during pandemic
- High performance culture

Intellectual Capital
- Strong brand helping generate higher revenue and significant market share gain across portfolio
- Expanded addressable market with help of innovations
- Higher growth in rural market and e-commerce business

Social and Relationship Capital
- Ensured safety with focus on natural and organic products, and launching hygiene portfolio during pandemic
- Strengthened reputation as a good corporate citizen
- Delivered value to all stakeholders

Natural Capital
- Environment stewardship by reducing energy and water consumption, and managing waste and plastic

Fulfilling Aspirations of Wealth Creation

Through cost optimisation and prudent management of cash flow and working capital, we keep our balance sheet very strong and steadily create shareholder wealth.

One of the focus areas of our financial management strategy is utilising cash flow to aggressively repay debt, thus achieving a comfortable net debt position. Our 100% cash-and-carry business model eliminates any outstanding receivables in general trade and our prudent investments help us to increase income while securing the capital. This leaves us always with enough cash balance to invest in factory upgrades or new technology adoption, which then leads to a virtuous cycle of cost optimisation and cost efficiency in our operations, leading to further strengthening of the cash position.

Data analysis of stock-keeping units (SKUs) and close interactions with distributors and stockists enable us to track demand, plan production and inventory, and constantly keep our sales strategy on the most profitable path in order to maximise the opportunities available. During the year under review, there was a trend of rural uptake being better than urban uptake. This was because general trade (kirana stores) in both cities and villages continued functioning as essential service providers, whereas modern trade (supermarkets) and Canteen Stores Department outlets (run by the Government of India) in the urban areas were impacted by the closure of commercial centres and the general public unwillingness to shop in enclosed spaces for fear of the COVID-19 infection. We saw a strong demand for small pack sizes in the rural areas, and this accounted for the bulk of our volume growth during the year.

During the pandemic, we paid even greater attention to fiscal prudence, adhered to business hygiene with greater discipline, and meticulously planned all the key financial parameters. Consequently, despite the unprecedented situation, we have delivered an increase in sales volumes, higher EBITDA, increased PAT and, most importantly, improved free cash flows. We also proactively aligned ourselves with our business partner's interests, giving them a higher margin to offset the additional expenditure they incurred on freight and manpower.

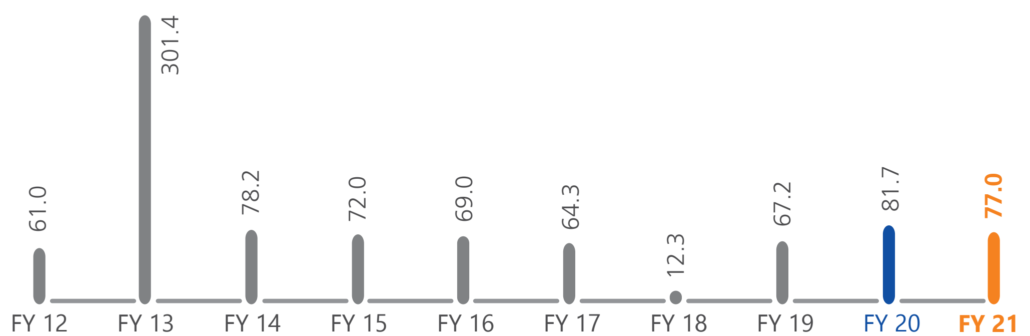
In the first quarter of the year, when supply chain was disrupted, we continued to make proactive payments to all suppliers, thus ensuring that we would get first preference whenever these suppliers shipped their next batch of raw materials following the easing of restrictions. This worked out exactly as we had foreseen.

As for marketing spend, we made our media campaigns more focussed to maintain strict cost discipline while improving our visibility across brands.

Our portfolio agility, financial prudence, and innovative go-to-market strategy were underpinned by the relationships of trust we have built over the years, and we were able to translate this into business success.

10 years of value creation for the shareholders

Dividend payout ratio (%) (including DDT)



Our market share gains in a tough environment is a testimony of successful strategy in distribution, innovation, marketing, technology and leadership.

Market Share		CY19	CY20	Gain
Ujala FW		82.00%	82.60%	↑ 0.60%
Ujala IDD (Kerala)		19.70%	20.70%	↑ 1.00%
Exo Bar		11.30%	12.50%	↑ 1.20%
Pril Liquid		16.10%	17.40%	↑ 1.30%
Maxo Coil		21.20%	22.90%	↑ 1.70%
Maxo LV		8.40%	8.80%	↑ 0.40%

Source - AC Nielsen (calendar year)

Harnessing Technology for Manufacturing Excellence

Our increasingly robotics-driven, AI-powered manufacturing processes have brought in a range of benefits of cost, quality, efficiency, and now safety of human health.

At Jyothy Labs, we produce household goods that offer consumers the best possible quality and innovation at a cost within their reach. This purpose is served by our manufacturing strategy of setting up plants in rural locations, giving us access to low-cost labour and helping us generate jobs; and also by our investment over the past several years in robotics-driven manufacturing, enabled by Artificial Intelligence. Taken together, these have led to some of the lowest-cost manufacturing operations in the FMCG sector, helping us pass on the cost benefit to consumers. Our 23 manufacturing plants, spread out in such a way that aids our faster go-to-market plans.

One of the most important things in our manufacturing process has been the transition to Industry 4.0, at the heart of which is the Industrial Internet of Things (IIoT), a digitalised ecosystem where everything from factory floor activities to warehousing is 'smart'. At our plants, we have achieved better quality, higher speed, and lower costs by using robots for product packaging.

In the previous financial year, we had piloted IIoT technology at one of our plants to collect real-time production data. This data was then analysed and it helped improve Overall Equipment Efficiency (OEE). Transitioning to Industry 4.0 has followed our shift from traditional ERP to the cutting-edge SAP S/4HANA platform under Project Udaan.

As part of our operational efficiency enhancement, we have implemented a freight management system that has led to automated freight movement from factory to depots and from depots to distributors.

Our distributor network is one of our biggest strengths, with a total of 7,200+ stockists and sub-stockists, and more sub-stockists being added to service the growing demand from rural consumers. Our Distributor Management System, helps us gather real-time data on primary and secondary sales and inventory levels. A master database for this DMS is created and updated by bots, under our Robotic Process Automation strategy for repetitive tasks, thereby increasing accuracy and time utilisation.

On the purchase side, we have an online negotiation tool for best purchase practices and implemented VMI (Vendor Managed Inventory) for shippers and bottles. When it comes to moving the finished goods out of the plants and storing them at depots, better performance and better control of logistics are ensured by our VCM (Value Chain Management) portal and our Warehouse Management System at key mother depots.

The efforts towards organisation-wide digitalisation and factory floor automation over these past few years has paid rich dividends during the COVID-19 pandemic, as it enabled us to continue operating our plants – as and when permitted by the state and central authorities – while maintaining physical distancing among people. We shall continue with our strategy of manufacturing excellence achieved through technology and people training, enhancing our production and logistics agility to be able to respond to any challenges and opportunities.

Our presence

23
Plants

32
Depots

4
Zonal office (South, West, North and East), Regional office at Bengaluru and Corporate office at Mumbai

7,200+
Distribution network - Stockists /Sub-stockists

2.8 Million
Retail outlets stock our products

Truckers become part of Jyothy Labs family

One of the primary supply chain concerns during the extended COVID-19 lockdown and reverse migration of the labour force was the unavailability of truck drivers who would transport the finished goods (FG) from the plants to the depots. To ensure that our FG reached the market, we took special care of drivers to come to work. They were given hygiene kits and trained in proper sanitisation, and they were made to feel part of the Jyothy Labs team rather than being unorganised workers who could only be reached through logistics support companies and transporters. As a result of our endeavour, the truckers took ownership of the task of carrying the FG to the market.

Our factory certifications and awards

- Six regional units – Roorkee, Baddi, Pithampur, Jammu, Puducherry, Wayanad – are certified by ISO 9001:2015 Quality Management System by Tata projects
- South regional unit in Karaikal is certified by ISO 14001:2015 Environment Management System by Otabu, IAF, EGAC International certification authorities
- East regional unit in Bishnupur is facilitated by the State Productivity Council of West Bengal; awaiting result declaration
- Uttaranchal Roorkee unit is honoured in the prestigious '7th CII Northern Region Inter-Industry Competition Awards' with Special Recognition in EHS system
- Jammu unit is awarded by GSS Global Safety Summit in the 'Best EHS in FMCG' category


GLOBAL SAFETY SUMMIT 2021
EHS Award (Jammu and Kashmir)
FMCG Sector
has been awarded to
JYOTHY LABS LTD
on 20 March 2021


Otabu
Certificate of Registration
JYOTHY LABS LIMITED
ISO 14001:2015
Environmental Management System


CII
Confederation of Indian Industry
125 Years - Since 1895
Special Recognition Award
This is to acknowledge
Jyothy Labs Ltd,
Roorkee, Uttarakhand
in the
7th CII Northern Region Inter Industry Competition on
Environment, Health and Safety Management- (EHS)
held on 25 - 26 June 2020 virtually over CISCO Platform
Nikhil Sawhney
Chairman – CII Northern Region

COVID-19 management on factory floors

Manufacturing is one area where factory floor employees could not be shifted to the work-from-home model when COVID-19 began spreading across India. At Jyothy Labs, we rigorously implemented the standard operating procedures (SOP) related to infection prevention, as our plants resumed functioning after a very brief break.

We invested in training sessions and created learning material to make employees understand what the SOP was. All preventive arrangements were made at the plants, from thermal screening to area sanitising. Display boards reminded and informed people of COVID-19 protocol. Plant employees had regular interactions with our dedicated in-house COVID-19 safety team to learn about correct ways to avoid the infection both in their professional and personal spaces.

While manufacturing as usual in the middle of a pandemic was a major challenge, we achieved all our goals with the support of our teams, our factory managers and other leaders. Our goods were produced in an uninterrupted manner and reached the consumer without delay. All our employees were fully protected and their physical and mental well-being taken care of. At Jyothy Labs, we once again proved the power of relationships – the entire team performed admirably and made us exceed expectations even during this unprecedented year.

Pithampur plant launch amid COVID-19 pandemic

We are unstoppable in our aspiration to give more to consumers, and to get closer to them. Our new unit in Pithampur, Madhya Pradesh with an installed capacity of 3,000 MT per month, was commissioned in a record time of 7 months – even though the COVID-19 pandemic had taken hold by then. The plant, employing 25 women of the 100 employees, takes forward the Jyothy Labs philosophy of empowering women. Modelled around the aspects of sustainability, we have developed a green belt nearby and propose to instal a solar plant which will help reduce net carbon emissions and energy consumption per unit.

Leveraging the Power of Data

We live in a world today that is increasingly data-driven, and in our operations, too, we leverage data analytics for better insights, product developments, sales, digital campaigns, and e-commerce tie-ups.

As we have been saying in recent years, data is the new fuel for any organisation that wants sustained success. Data helps us understand the consumers' mind, spot and interpret social trends, and therefore understand how new products should be developed and how the existing ones can further gain market share. The power of data has allowed us to create a more productive sales force, enhance operational efficiency at all levels, and strengthen compliance.

Digitalised sales, production, logistics, and compliance

We are particularly proud of how we implemented and utilised sales force automation (SFA) to improve our connection with the market. Armed with handheld devices, our field sales personnel collect a wealth of information on shops visited, business generated, current and past sales, and new leads that could result in sales. The SFA system also acts as a performance incentive tool, since an individual's performance can now be quantified very clearly.

The SFA platform, which we had established much before the COVID-19 pandemic, served a lot of different purposes during the mobility restrictions of the lockdown months. A new order on call feature enables a salesperson to call a retailer within the SFA, in the same way that they would have done when meeting the retailer face-to-face. This helped us to keep the orders coming in even when the field sales personnel were not always able to physically visit retailers.

Other digital initiatives that stood us in good stead included the 'Connect' 3P Suite, which provides daily reports on production, ensures despatch compliance, and captures third-party costing; and the secondary sales portal named 'Aadhaar', which covers all major distributor towns.

Digitalisation has helped us break down the silos of different functions and create a fully connected network of information. Alongside tracking and predicting orders through technology, we have been embedding technology at every step of manufacturing, gathering data from the plants, too. This enables us to quickly match demand with supply, and more efficiently manage inventory, as the entire chain of orders, production, and logistics is available on a dashboard.

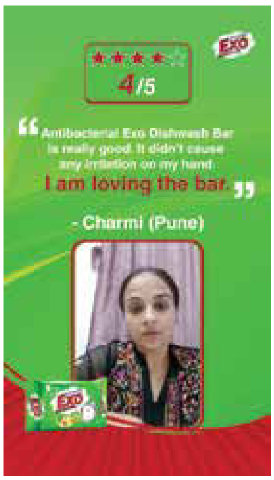
This kind of overarching data analytics capability using micro-soft power BI gives our zonal sales heads better insights into market trends and helps them devise ways to grow in their respective markets. It also helps debottlenecking at the plant level.

Our Compliance Management Software Tool (CMST) is a technology platform that facilitates compliance and ethical governance, and keeps itself updated with regulatory requirements. The Tool has real-time dashboards displaying compliance health and it generates Management Information System reports and graphs. The level of compliance we are able to maintain with the CMST helps us optimise speed and quality.

Digitalised consumers connect

Online communication with our consumers through social networks such as Youtube, Facebook and Instagram is an integral part of our strategy. Our Power Brand campaigns are fronted by celebrities who have an immediate connect with our target consumer segments. During the pandemic-related lockdown and even after the resumption of a degree of normality, we put much greater emphasis on digital communication, as the closure of leisure and entertainment complexes, and the sharp decrease in office commute and business travel meant a corresponding increase in digital content (news and entertainment) consumption. Data from the Department of Telecommunications, Ministry of Communications, showed in the first week alone after the beginning of the lockdown in late March 2020, India's Internet consumption increased by 13%.

We quickly enhanced our digital communication to seize this opportunity of reaching out to more current and potential consumers, especially the urban youth, who could become lifelong consumers of Jyothy Labs products if we capture their imagination and offer the price points they can afford.



E-commerce partnerships

The companies that had the best e-commerce capabilities embedded in their go-to-market strategy were the ones best able to profit from the huge spike in online orders of household items during the lockdown and in the months after that. Some of the shopping habits acquired by Indians during the lockdown are here to stay and we have ramped up our e-commerce partnerships to reach a much wider consumers base that is now regularly surfing online for the best products and price deals.

During the year under review, we have seen an increase in sales from our e-commerce channels, and we entered into new e-commerce partnerships, last-mile delivery partners who were delivering all varieties of items to households. Prior to that, we had undertaken joint brand promotion with retail chains and enhanced our online visibility to nudge consumers towards actively seeking out our products on supermarket shelves. Our premium products were launched in exclusive packaging to catch the eye of the consumer visiting various digital platforms.

Digitalisation has become a part of even kirana store sales, as many small retailers now tie up with delivery aggregators and/or directly accept orders from consumers via WhatsApp. We have been gathering data on all these trends, positioning our products for maximised reach and visibility.

Meeting the Aspirations of Our People

At Jyothy Labs, our growth and performance-driven culture brings out the best in our people, who very willingly go the extra mile to meet Company goals.

Taking care of our people is central to the Jyothy Labs philosophy. Our investments in people – their personal well-being and sense of belonging as well as professional growth and skill development – has perfectly complemented our digital initiatives to make us a highly resilient and agile organisation, as the year under review has proved. At a time when various business sectors had cut the size of their workforce or had cut salaries, or done both, Jyothy Labs did not eliminate any positions and gave increments across the board, and also released full pay for those whose job roles did not allow them to do much during the lockdown. Their sense of belonging enhanced by these developments, every Jyothy Labs employee was more than prepared to give their best – or better than their usual best – as soon as they were able to resume their work roles.

Traditionally, every employee at Jyothy Labs has been considered a family member – the Company goes the extra mile for them; they do the same for the Company. The four pillars of our human resource development are: career growth; learning and competency development; health and safety; and reward and respect. The 'J Connect' employee portal empowers them with speedy access to information and solutions pertaining to a range of administrative matters, including business expense management.

Workforce of the future

Alongside creating digital infrastructure for employees, we also train them in digitalisation to better serve the Company and, by extension, the nation. Even as we introduce more and more technology into our operational processes and manufacturing methods, this does not come at the cost of the human workforce. Cost optimisation through automation and re-engineering is an on-going process; we implement it whenever an opportunity is identified at any of our plants. Simultaneously, we train the plant managers, operators, and other employees to give the skills required for the age of Industry 4.0.

Our new-generation recruits are already familiar with digitalisation; they are quickly able to upgrade their knowledge in this area. As our Company rapidly builds the muscle and agility for the next phase of growth, we are sharpening the focus on identifying the best performers through our Performance Development platform, which helps us derive performance ratings of employees, based on the weighted average method using scores assigned against the respective KRAs, thus making performance management far more organised, data-driven, and transparent.

We are hiring not only for the roles that exist today, but also for the roles that may come into being tomorrow. The hiring criteria have been enhanced to serve future requirements and business strategy. During the year under review, 350+ employees were hired and digitally onboarded.

Our virtual training programmes covered more than 4,500+ people, and we have also had a pilot run for our self-service Learning Management System (LMS) that received an overwhelming response and is now being developed further. The LMS enabled people to self-pace their learning according to their own keenness and comfort, and translate that into improved performance.

Employee productivity is not only meticulously measured, but also visibly rewarded at Jyothy Labs. Our most outstanding employees serve as role models for other employees, encouraging them to strive harder towards personal progress and Company growth.

COVID-19 management through digitalisation and compassion

Adapting to the new normal

The digitalisation at every layer of Jyothy Labs operations kept our internal people management organised amid the external turmoil caused by the onset of COVID-19. The last week of March and much of April 2020 saw us streamlining the operational processes that would help us navigate uncertainties arising from the rapidly changing pandemic situation and the many government directives issued to deal with the crisis. From May 2020, our sales teams were back with their feet on the ground, while zonal and regional office staff continued working from home. The manufacturing team was back at the plant as production of our essential goods resumed.

We facilitated dozens of laptops among Company employees within about 48 hours of starting work from home. Data security was ensured by our standard policy of using a VPN (virtual private network) to route all access through firewalls, giving no one direct access to our servers. All employees, whether using a Company-issued computer or a personal machine, were helped with the installation of the latest anti-virus software. In addition, we continue raising employee awareness on cyber-attacks, so that employees could be guarded against the same.

To resolve connectivity issues for home computers and/or handheld devices, we actively engaged with Internet service providers. Advisories were sent to the staff on safe and correct use of teamwork software such as Zoom, Microsoft Team and Google Meet.

Hospitalisation assistance

Beyond the business continuity, the overriding concern related to the pandemic was human health and hospitalisation facilities. To address this concern, we updated our employee insurance cover to include COVID-19 cover. For employees who did contract the disease and exhausted their insurance cover, additional helping hands was provided along with special medical leave.

Rapid response to a new market opportunity

We set a record by adding a neem extract-infused hand sanitiser to our Margo range of products in just 21 days – this was done, from conceptualisation to market launch, under lockdown circumstances. The extremely rapid response to the soaring demand for hand sanitisers proved our team's commitment and agility and helped us complete this Power Brand range.

Health Check-up Camp organised in association with Apollo Clinic

Awards and Recognitions

M. R. Jyothy, Managing Director, Jyothy Labs Limited, was recognised as the Most Promising Woman Entrepreneur to Watch Out For Economic Times Industry Leaders – West 2020.

ET Industry Leaders
WEST 2020

POWERED BY ET Panache

Honouring Excellence

The recognitions were aimed at boosting the morale and providing an impetus to several businesses and individuals who have continued to prove their mettle, despite the pandemic


YOTTA
INNOVATION HEROES 2020

Presented To
Ravi Razdan
Jyothy Labs Limited

In recognition to the extraordinary efforts in TECHNOLOGY INNOVATION that resulted in creating business value for the organisation.

Rahul Neel Mani
Editor, DynamicCIO

eis2020


VARINDIA
CERTIFICATE OF RECOGNITION
EMINENT CIO's OF INDIA
THIS CERTIFICATE IS PRESENTED TO
RAVI RAZDAN
HEAD- IT & HR, JYOTHY LABS LTD.

Dr. Deepak kumar sahu
Publisher & Editor-in-Chief

EMINENT CIO

S. MOHINI RATNA
Editor

Surging Ahead on the Strength of Innovation

We have retained our pioneer status by developing market-disrupting products based on deep consumer insights and world-class research, and by always making them affordable and widely available.

The core idea of product development at Jyothy Labs is finding out, through lateral thinking and proactive insight gathering, what the unmet consumer needs are and how best to fulfil those needs with products that are based on world-class research and yet hit the right note of domestic affordability. That is how Ujala was born – the Company founder discovered the desire of householders to keep their white clothes always bright white even after several washes, and to be able to do so without putting in the huge effort required by the powder whiteners prevalent at the time. Putting insight and research together, Jyothy Labs created the liquid whitener that has retained its market leader position even after nearly four decades.

What makes us stand out is that we do not tell the consumer what to buy; we sell them what they always wanted but could not articulate. We are the empathetic listeners with the research and development capability to meet the aspirations of a diverse nation. Our clear understanding of the income levels of Indians in various urban and rural consumer segments helps us deliver excellent quality in affordable packages and with the kind of value addition that outsmarts the competition. For instance, during the year under review, when we saw an inclination among rural consumers to explore better products but at price points they could afford, we made smaller pack sizes of our Power Brand products widely available, and these have been received extremely well.

We also create healthier households, focussing on eco-friendly everyday use products. During the pandemic year, identifying people's need to sanitise the raw produce bought from the markets, we launched a 100% organic fruits and vegetable cleaner, a product that kills almost all germs, including the novel coronavirus, and removes the layer of pesticides that usually covers fresh produce. Our research and development (R&D) pipeline is always working on products with market-leading potential; this helps us rapidly launch new products based on new opportunities, as was the case with the Margo neem-based sanitiser.

Jyothy Labs has three advanced in-house R&D facilities, which are constantly engaged in removing what we describe as "everyday pain points" from the consumers' lives. We come up with products that are designed for longevity, both in terms of the use a consumer can get out of them and also the length of time that they are expected to keep winning market share.

IDC Industry Insights Innovation Awards (IDCIIA) 2020

Pithampur new plant

Legacy

of Making Lives Better

At Jyothy Labs, we give consumers products that they never had before, products that have added extraordinary value to their life. We create relationships, not just acquire consumers for profits.

The Jyothy Labs legacy is one that has brightened consumers' lives, given them better rest and better personal care, increased the quality time they can spend with their families, made their homes a healthier, cleaner space, and more – all this has been done through innovation-based design that is derived directly from the consumers' thoughts; we listen to our consumers very closely and understand precisely what it is that they want from their everyday household items.

By eliminating their "pain points", we put them in a happier state of mind. By giving them affordable products developed through cutting-edge research, we bring them experiences that other FMCG companies had not conceived until then.

For instance, Ujala, with its promise of bright whiteness with just four drops in a bucket of water, eliminated the pain of dealing with powder whiteners that required a lot more effort and often did not deliver the desired result.

Over the years, every product we have launched has had USP of being based on a groundbreaking idea.

Until our household insecticide vaporiser Maxo Genius came along, other products in that category of mosquito repellent wasted the liquid insecticide by dispensing it at the same rate all through the night. Our product came with Intellichip that automatically switches mode depending on mosquito infestation time to reduce consumption, thus, helping consumers get more value for their money, as each pack of liquid lasted longer.

Our post-wash product Ujala Crisp & Shine helps consumers retain the original form, texture, and colour of their expensive and formal clothing items. Henko LINTelligent prevents linting, thus keeping the fabric looking fresh for much longer. The star product Exo dishwash bar was launched with anti-bacterial properties to deliver effective utensil cleaning for consumers' health. It came in a unique round shape in a plastic container to prevent wastage along with a free anti-bacterial scrubber to ensure that consumers discarded the old ones regularly so as to maintain the hygiene.

With an emphasis on organic ingredients, we protect consumers from being exposed to harmful chemicals and also prevent the environmental impact of such chemicals. Our T-Shine toilet cleaner, and newer products such as Exo Bioh Fresh, Exo Disinfectant All Surface Cleaner, Margo Hand Wash, Margo Hand Sanitizer all have that USP: they are both effective and eco-friendly. New variants of our products, such as Pril Tamarind and Exo Super Gel appeal to a new generation of householders who like a blend of functionality and novelty, backed by a solid value proposition.

Our brand messages are communicated to consumers through campaigns featuring celebrities associated with a wholesome personality and healthy lifestyle. They are both relatable and inspirational. Celebrities who have fronted our campaigns include Shilpa Shetty (Exo), Rajkummar Rao (Maxo), Nayanthara (Ujala Crisp and Shine), and Manju Warrier (Ujala IDD).

Environment, Social and Governance Practices

Environment

Green and Sustainable Growth

We have always been an environmentally responsible organisation by optimally using resources, manufacturing sustainably and managing waste efficiently. We strive for environment preservation by balancing economic growth and ecology. We are actively pursuing towards making our portfolio and packaging more sustainable and addressing climate change issues which is the most urgent need.

Managing climate change

Energy consumption

Being a manufacturing Company, our business is energy intensive. We have invested in state-of-the-art equipment and automation initiatives at our plant to ensure optimal energy consumption. During the last five years, we have also undertaken multiple initiatives across our manufacturing locations that have helped reduce energy consumption. These include:

- Installing a 65 KW roof top photovoltaic (solar) power station Silvassa unit which generates a daily average of 258 KWh energy
- Replacing traditional lights with LEDs across plants
- Use of briquettes as alternate energy source
- Installing variable frequency drive (VFD) on major conveyor belt system at some of our plants, reducing its motor power consumption to 40%
- Centralising air compressor, water chiller with single chiller (for winters) and vacuum pump system

Emission management

We always believe in nurturing the nature. Our manufacturing plants have always been aptly balanced with abundant green cover. This also tackles the issue of carbon footprint. We have planted 36+ acre of green cover. We have also installed wet scrubbers across all industrial exhausts for removing particles and gases, resulting in effective air pollution control.

All emissions / wastes generated by the Company are within permissible limits. A report on emission levels is regularly submitted to both central and state pollution control boards.

Reducing water consumption

We have best-in-class effluent and sewage treatment plant across our manufacturing units. 100% of the waste water generated at our manufacturing locations are recycled at our effluent treatment plants and used for gardening, landscaping and washrooms. Rainwater harvesting meets a significant part of our manufacturing unit's water needs. Many of our plants have online auto cut-off meters to monitor borewell water usage.

Waste and plastic management

Our robust waste management system facilitates minimising waste material and recycling and reusing the waste generated.

Plastic waste management is a key focus area. We support policies to reduce, reuse, recycle and recover plastic wastes and are collaborating with partners for innovative solutions to combat them. We ensure getting these policies self-registered under Brand Owner as Extended Producer Responsibility. We have also partnered several vendors to collect, segregate and safely dispose of plastic waste.

We are also working towards making our product packaging more sustainable. We use a 100% recyclable IML PP (in mould layer polypropylene) container for Exo Round. Use of printed PVC sleeve, transparent tamper evident top PVC sleeve and paper top label have been completely stopped, resulting in significant reduction in PVC and paper consumption. In our liquid vaporiser bottle, we have reduced weight and thus reducing the usage of PET.

Engaging stakeholders on environmental issues

We actively engage with our subsidiaries, joint ventures and other third party/vendors to encourage them to adopt sustainable practices.

Raw material sustainability

We are increasingly conceptualising organic and natural products whereby most of the raw materials required are produced in environment-friendly ways. Efforts are also being undertaken towards improving product formulations for optimising water and other resource consumption.

Social

Ensuring Welfare and Development of Employees

We are providing a thriving workplace to our employees where they can learn and grow. We continue to invest in the learning and development of our people and in empowering them with better technologies so that they can make a difference.

Facilitative, inclusive and diverse work culture

We practice an open-door culture with transparency in communication for all. We ensure equal opportunities regardless of gender, age, racial/ethnic background, religion or social status of employees. As on March 31, 2021, +18% of permanent employees were women. We also employ few permanent employees with disability. Our employee diversity translates into better understanding of consumer needs and provides us a holistic perspective for making product development decisions and overall strategy.

Ensuring Health & Safety

We are committed towards maintaining and improving Safety, Health and Environment (SHE) standards for our employees, agencies associated and our operational surroundings. This is ensured by our robust SHE Policy for which line managers are responsible and employees are involved. Regular safety training and adoption of hazard identification risk assessment is practised. Factories maintain Visitor Safety Security procedure and entry regulation.

Key health and safety initiatives include:

- HSE checklist – Job Safety Analysis measurements, safety equipment and Personal Protective Equipment (PPE) monitoring, annual safety assessment of all plants, office safety, establishment of HSE initiatives at warehouse/ depot with safety guidelines implementation and inspection checklist, mock drill
- Annual and quarterly monitoring of plant HSE matrix
- Monitoring by Safety Committee and region safety persons

COVID-19 initiatives

With the onset of pandemic, we laid strong focus on people safety at plants and in the field. Safety guidelines were circulated across value chain. Measures were implemented to ensure social distancing. Temperature checking and employee tracking were also followed.

Employee welfare

We ensure financial security of employees by providing insurance benefits like group mediclaim policy for them and their dependants, group personal accident cover and voluntary medical insurance policy for employees' parents. During the pandemic, insurance cover was updated to include COVID-19 cover. Additionally, for employees contracting the disease, extra treatment expenses were borne by the Company. They were also provided additional special medical leave.

Empowering employees with digital technologies

We are continuously digitalising HR process. JConnect online employee platform has been a key step towards this. It ensures ready availability of all relevant information, promotes engagement and facilitates self-service for various needs. Field staff are supported with Sales Force Automation which provides timely information and helps them track and improve productivity.

Training and development

We are driving employee productivity with multiple training programmes. An in-depth on-the-job training is conducted for all new appointed employees to give complete knowledge on products, processes and relevant skills. All field staff are regularly trained by external professionals on retail store visit, order taking and merchandising, preparing competition report, personality development, etc. Technical and on-the-job training is also provided to our staff in manufacturing function. Periodic training is imparted on soft skills and computer skills. We also undertake skill development programmes and assign suitable roles to avoid redundancy.

Transparent performance evaluation

Our performance management system rewards employees on achievement of results. Online PDP process facilitates workforce capability and capacity tracking basis updated their KRAs. These are reviewed by immediate supervisor / managers and final review by the functional heads. Further, performance-based incentives and promotions are provided. Employees are also given performance feedback to ensure transparency.

Our Roorkee and Jammu plants have received Special recognition Award for Best EHS practice from Global Safety Summit

Meeting Consumer Needs

Everything that we do begins with our consumers and making their lives better everyday. We are driving brand loyalty and enhancing consumer satisfaction by continually listening to them and responding to their needs.

Products for everyday needs

We are focussed on meeting the everyday needs and issues of our consumers. All our products have been conceptualised basis these needs such as easy and better washing of clothes and dishes, safety from mosquito and germs related illness, and personal hygiene. We achieve this by regularly communicating with them through our diverse on-ground team and undertaking deep market research. We ensure providing consumers unmatched proposition of superior quality and value pricing. We also undertake to engage with them through unique ways to provide them positive experiences and driving band loyalty.

Smaller SKUs

We are catering to the needs of consumers from the rural areas by continually launching smaller package sizes to make our products more affordable and accessible to them.

Product safety

Our recent R&D efforts are focussed on launching natural and organic products that are safe for our consumers and are environment-friendly. Our recent launches like Maxo Agarbatti, T-Shine Toilet Cleaner, Margo Sanitizer with neem extracts, Margo Facewash with neem paste, Margo natural antibacterial Handwash, Exo Bioh Fresh are natural and safe products.

Helping Communities Unlock Their Potential

We are an organisation that sees its own growth inextricably linked with the community's prosperity. The key areas of our CSR activities are housing, education, and employment training, the building blocks of a progressive society.

The family is the primary unit of a community, and communities come together to build a nation. A community's full potential can be unlocked when everyone has access to housing, education, and livelihood. These three areas are, therefore, the focus of Jyothy Labs projects in Corporate Social Responsibility.

Housing

In the past few years, we have built 165 houses and these free housing provided to many families who lost their homes in southern India, where Jyothy Labs began its journey. We have also built 330 toilets, supporting the promise of good hygiene that we make as a Company.

Education and skill training

We are sponsoring various scholarship programmes for promoting of education of physically challenged children. Our manufacturing units are spread across India, and we utilise our presence at these locations to impart basic education and vocational skill training to the underprivileged youth and women. Our programmes are designed to bring out their entrepreneurial spirit as well as making them capable of succeeding in a variety of jobs. These programmes enhance family incomes in rural and semi-urban areas, helping these communities compete and thrive.

Kerala

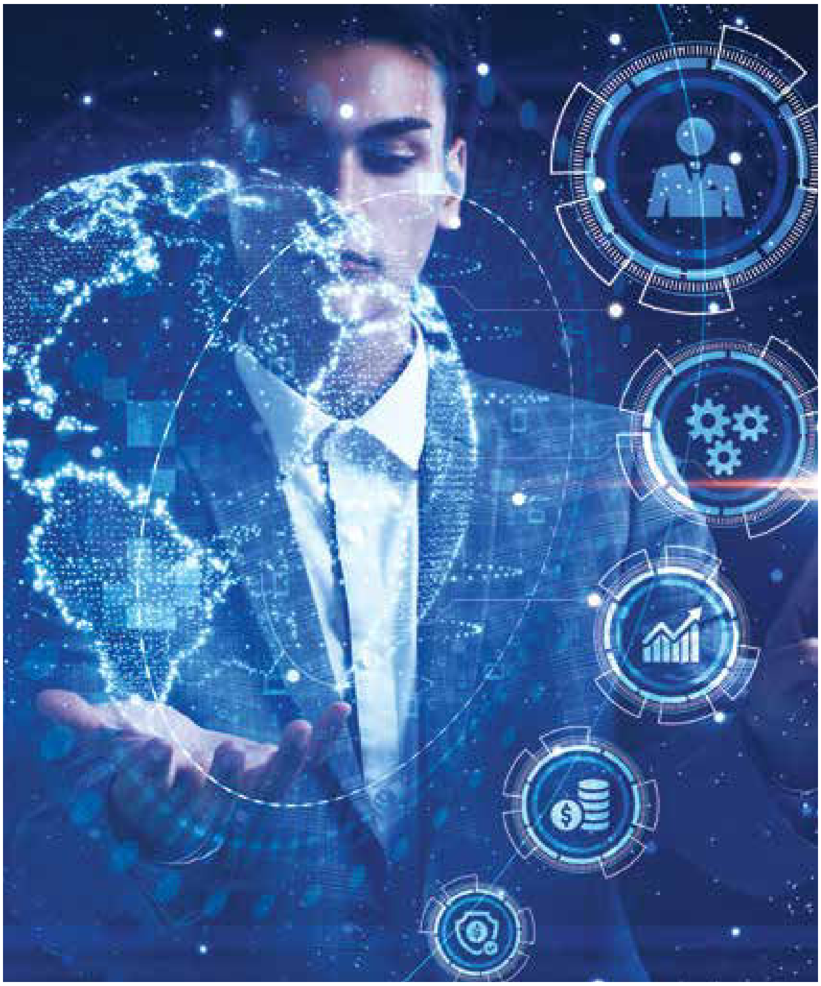
Combating COVID-19

The months of lockdown in 2020 and subsequent mobility restrictions impacted our CSR work, but we extended financial support to the state machinery for the most effective way to combat the pandemic. We contributed ₹ 5 Crore to several government-run COVID-19 funds, including Kerala CM Fund, Maharashtra CM Fund, Assam CM Fund, and PM CARES Fund. Also, senior Jyothy Labs employees contributed one day's salary to PM CARES Fund. We have provided RT PCR Test Machine to Kerala government to increase the testing of COVID. Additionally, we provided oxygen concentrators to Puducherry Government given their massive shortage during the peak of pandemic.

Governance

Effective Governance

Our strong governance practices are essential, driving sustainable value and ensuring business integrity. Our Board, at the helm of corporate governance practices ensures implementation of policies and practices and sets the strategic direction for the Company. We ensure doing business with high accountability and transparency in accordance with the regulatory norms.



Ethical practices

Legal and ethical behaviour is integrated in all aspects of our business. We are committed to ethical and sustainable practises for all stakeholders. We are ensuring this by making sure all employees have read and signed the Company Code of Conduct which covers their responsibilities towards business integrity, Company assets and financial integrity, workplace integrity, grievance redressal mechanism, etc. Whistle Blower Policy (WBP) is in place to report unethical behaviour or suspected fraud or violation of our code of conduct or ethics policy.

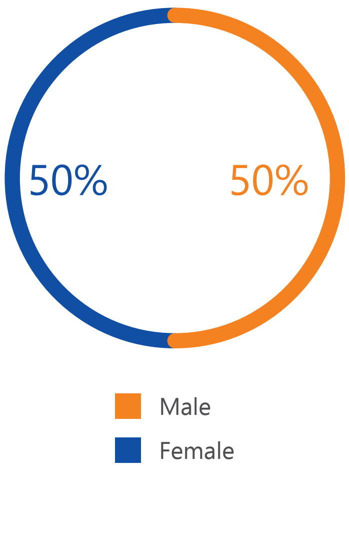
We also have policies to prevent any discrimination and harassment. We ensure maintaining human rights through our Code of Business Conduct, stringent policies on sexual harassment and the human resource practices. Further, we encourage all our stakeholders to adopt good practices.

Experienced and independent Board

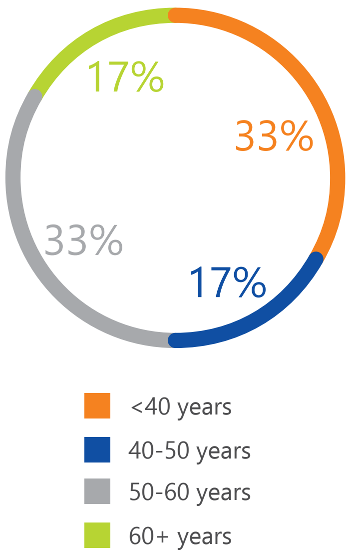
Our Board members have rich experience in our business as well as in diverse areas like management, accounting, leadership, finance, among others. Their expertise is supported by our governance structure that facilitates appropriate oversight on various matters by the Board's committees as well as in delegating operational matters to senior management. We have adequate Board Independence (three independent members out of 6 members) which ensures effective corporate governance and actions in the interests of the Company and its stakeholders.

Board Diversity

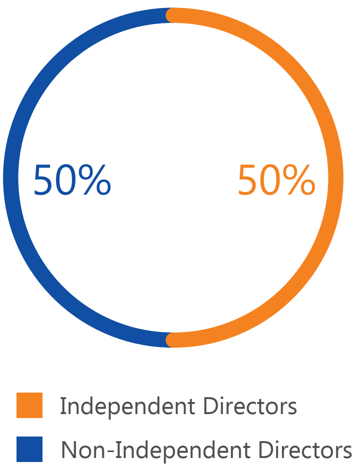
Diversity by gender



Diversity by age



Independent



Leading with Good Governance

M. P. Ramachandran
Chairman Emeritus

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

R. Lakshminarayanan
Chairman & Independent Director

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

M. R. Jyothy
Managing Director

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

K. Ullas Kamath
Joint Managing Director

He is a qualified Chartered Accountant (CA), a Company Secretary, a Law graduate and Master of Commerce. He has participated in Advanced Management Programme at Wharton Business School and Harvard Business School, USA. He has also completed his Masters in Global Management (M.Sc.) from London School of Economics, UK. He spearheaded Jyothy Labs evolution to a multi-product FMCG Company and was instrumental in the setting up of Fabricspa and the Henkel (India) acquisition. He currently also holds the position of FICCI, Chairman (Karnataka).

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.

Bhumika Batra
Independent Director

She is a member of Bar Council of Maharashtra and Goa and a qualified Company Secretary. She has received scholarship from London School of Economics for Masters in Law. She has been practising corporate law for over 18 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.

Nilesh Mehta
Independent Director

He is a qualified CA 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.

Management Discussion and Analysis

Economic Overview

Global Economy

The global economy witnessed an unprecedented crisis in 2020 as the outbreak of the novel coronavirus (COVID-19) in China towards the end of 2019 spread rapidly across the globe. While ensuing lockdowns announced by all major economies played a critical role in saving lives, they resulted in severe damage to economic activities, thereby plunging the world economy into a slowdown. Economic activity was hit by reduced personal interaction, while uncertainty about the post-pandemic economic landscape discouraged investment.

As per the International Monetary Fund (IMF), the global economy contracted by 3.3% vis-à-vis 2.8% growth registered in 2019. While Advanced Economies (AEs) declined by 4.7%, with the USA and Europe contracting by 3.5% and 6.6% respectively, Emerging Markets and Developing Economies (EMDEs) clocked a relatively a lower decline of 2.2%, the improvement largely reflects rebound in the Chinese economy in the second half of CY 2020 post successful containment of virus spread in the country.

Global prospects continue to remain uncertain one year into the pandemic. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts sentiment. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support. The outlook depends not just on the outcome of the battle between the virus and vaccines, it also hinges on how effectively economic policies deployed under high uncertainty can limit lasting damage from this unprecedented crisis. Successful vaccination programmes will boost investor sentiment and will lead to kickstart private capital inflows and fixed capital formation. Backed by improving macro-economic indicators, the IMF estimates the global economy to grow at 6.0% in 2021. However, limiting the spread of the virus; providing relief to vulnerable populations; and overcoming vaccine-related challenges are key policy priorities.

Global Economic Growth: Actual and Projections (%)

Particulars	2019	2020	2021(P)	2022(P)
World Output	2.8	-3.3	6.0	4.4
Advanced Economies	1.6	-4.7	5.1	3.6
Emerging Markets and Developing Economies (EMDEs)	3.6	-2.2	6.7	5.0

(Source: IMF World Economic Outlook, April 2021, P = Projections)

Indian Economy

The Indian economy contracted by 8.0% in FY 2020-21 as against 4.0% growth recorded in FY 2019-20, marking a mild recession since 1980. Overall economic slowdown, led by COVID-19 onstage, followed by stringent lockdowns severely impacted economic activity, bringing manufacturing and trading activities to a screeching halt. Prolonged lowdown exacerbated existing vulnerabilities of the country including the weakened financial sector, private investments, and consumption demand.

The Government announced a special comprehensive package of ₹ 20 Lakh Crore, equivalent to 10% of India's GDP under 'Self-Reliant India' movement to revive the country's languishing economic activity. The package focussed on providing benefits in the form of financial aid, provision of food, and ensuring security to enable the country to tackle the economic fallout.

Notable policy measures of the Union Budget 2020-21 included:

- Reiteration of Atmanirbhar Bharat Abhiyan (Vocal for Local) to support local companies
- Collateral-free loan for business
- Change in definition of MSME's
- Launching National Digital Health Mission and National Digital Health Blueprint towards digitalisation of healthcare
- Concessional Credit Boost to farmers
- Establishment of Development Finance Institution (DFI) to boost long-term financing for the infrastructure sector

The Reserve Bank of India (RBI) continued with the accommodative monetary stance by bringing the key repo rate and reverse repo rate to 4% and 3.35% respectively to provide monetary stimulus and trigger economic growth back to the earlier trajectory.

The fiscal and monetary stimulus provided by the Government and RBI would assist greatly in the recovery of the economy. Despite the challenges posed by the second wave of COVID-19, the outlook for FY 2021-22 seems promising largely due to relaxations in lockdowns, mass vaccination drive, normalisation of economic activities, thrust on reviving manufacturing and infrastructure sector, and the country's increasing prominence in the global supply chain.

(Source: https://economictimes.indiatimes.com/news/economy/indicators/beyond-the-pandemic-indias-economic-outlook/articleshow/80874732.cms)

Industry Overview

Fast-moving consumer goods (FMCG) is the fourth largest sector in the Indian economy. There are three main segments in the sector, i.e., food and beverages which accounts for 19% share; health care accounting for 31% share; and household and personal care accounting for 50% share. *(Source: IBEF)*

The retail market in India has grown rapidly. It is estimated to grow at a CAGR of 9-11% and reach USD 1.1 - 1.3 trillion by 2025. The country's FMCG has also been growing at a similar pace. Currently pegged at ₹ 4.3 trillion, the FMCG industry saw significant innovations and digital adoption in 2020 post the pandemic-led disruption and is all set to rise in the coming years. The urban segment accounts for a revenue of around 64% making it the largest contributor to the overall revenue generated by the FMCG sector in India while rural area contributes around 36%. *(Source: Boston Consulting Group, NielsenIQ)*

The Government has allowed 100% Foreign Direct Investment (FDI) in food processing and single-brand retail and 51% in multi-brand retail. This would boost employment, supply chain and high visibility for FMCG brands across organised retail markets which in turn would drive consumer spending and product launches.

Currently pegged at ₹ 4.3 trillion, the FMCG industry saw significant innovations and digital adoption in 2020 post the pandemic-led disruption and is all set to rise in the coming years.

The sector witnessed healthy FDI inflows of USD 17.8 billion from April 2000 to September 2020.

Fast-moving consumer goods have a high inventory turnover and are contrasted with specialty items which have lower sales and higher carrying charges. Small convenience stores stock fast-moving goods; the limited shelf space is filled with higher turnover items.

Coronavirus pandemic and its subsequent lockdown has brought many significant innovations in the FMCG sector, putting the worst behind and posing optimism for 2021. Adapting to the new normal and digitalisation has made the sector learn, innovate and rise from disruptions. The rising sale of essential food items, hand sanitisers and disinfectants supported to the sector's performance.
(Source: https://www.allresearchjournal.com/archives/2020/vol6issue10/PartE/6-9-137-377.pdf)

Industry Performance Review, FY 2020-21
As per NielsenIQ's Retail Intelligence team, the FY 2020-21 started on challenging note for the FMCG industry due to shortage of manpower and supply chain disruptions, resulting in a contraction of 19% in first quarter and a marginal growth of 0.9% in the second quarter. However, as the year progressed sentiments improved, and the industry saw revival, clocking a growth of 7.3% and 9.4% in the last two quarters. This growth in Traditional trade (Grocer, Chemist, Paan shops, etc.) and Organised Trade (Modern Trade and E-commerce) was driven by consumption. Products such as liquid toilet soap, antiseptic liquid, floor cleaner, toilet cleaner in the Hygiene & Immunity building categories continued a high-value growth. The home and personal care basket made a consumption-led recovery while food categories saw a boost in consumption as well as a price increase in some food baskets.

While the Indian consumer had a tough year, the last quarter of FY 2020-21 has seen a recovery in consumption as economic activities have started moving back to normalcy (opening up). The festive season brought a further boost to the sentiments and since then there has been a visible uptick in growth for the industry resulting in an increase in consumption across staples, and home and personal care.

The Indian metropolitans with more than a million population have come back into the positive growth zone after a quite long decline. Rural markets continued to grow in Double digit and continue to be resilient unlike the urban markets, which took a big toll because of mobility reasons and are coming back to growth albeit still at a very low level. This sharper recovery is on the back of favourable agricultural sector performance, government action towards rural employment generation, and as rural India had a lesser impact of the COVID-19 in the first wave.

Key shifts Indian FMCG industry is expected to undergo:

Technology
Because of the internet, consumers get the convenience to order at their time after comparing the product features. E-commerce has changed the market paradigm completely. Boost in FMCG sector has been witnessed due to internet penetration as traditional channels have also adopted to digitisation in their day-to-day operations.

Marketing drive and research
Indian consumers are increasingly looking for the best deals as they have options to choose from newer brands. Thus, FMCG companies are constantly trying to influence consumers with their promotional deals and many firms offer combo deals to attract consumers to buy their product.

Low capital intensity
Post pandemic the market scenario is changing towards cash basis, unlike credit basis, which was prevalent in the market. With the help of technology, distributors and retails are holding less stock which further enhances their ROI (return on investment) which further aides the growth of FMCG Industry.

Initial launching cost

Increasing the market share for companies is getting more challenging due to increase in number of competitors. Companies are more focussed on the promotions, advertisements, product development, testing market compatibility, market research. This requires a high initial cost bringing a major shift in this sector.

Atmanirbhar Bharat and Vocal for Local

'Atmanirbhar Bharat' movement initiated by the Government and the Hon'ble Prime Minister's call for 'Vocal for Local', would greatly influence consumers' preference to purchase local products and local brands. It will accelerate growth to the industry due to its established local manufacturing capabilities, local markets, and extensive local supply chains.

Key trends in India's FMCG Market

1. **Surge in organic products demand**

   The premium end of the market is shifting towards natural products, which are produced entirely from naturally-occurring ingredients.

2. **Lifestyle changes**

   Change in lifestyle and traditional culture is having a positive impact on the FMCG industry. The population in urban areas is increasingly willing to spend more on premium products with a higher value proposition. This is leading to FMCG companies to rethink strategies as people are willing to pay high prices for premium products.

3. **Amendments in policies and regulations**

   Government policy is opening an Indian FMCG market for global companies. This includes the introduction of the relaxation of licence rules and approval of 100% foreign direct investment (FDI) in single-brand retail stores and 51% in the multi-brands stores. Regulatory frameworks like National Food Security Act, and Telecom Regulatory Authority of India (TRAI) advertising regulations are some main changes in policies and regulations directly affecting the Indian FMCG industry. The implementation of Goods and Services Tax has enhanced consumption of FMCG goods as reduction in the tax rates has enhanced affordability of products.

4. **Increased in advertisement cost**

   FMCG companies in India have increased their expenditure cost for sales promotions and advertisements by 10-20%. Every year, these companies invest more in advertisement to establish a strong consumer base and also as a strategy to reduce market competition.

Companies are more focussed on the promotions, advertisements, product development, testing market compatibility, market research.

5. **Shift to organised players**

   Demonetisation, GST became tailwinds for organised retail sector by triggering mass adoption of digital payments. The overall contribution of supermarkets and organised grocery stores in India still remains 10% of overall FMCG sales, with a greater concentration in urban areas. The switch to goods and services tax (GST), has helped the country's organised grocery stores register a strong 22% growth in sales, according to a report by Nielsen India. *(Source: Nielsen)*

Key enablers for the growth in the FMCG Industry

High population and rising affluence level

The growth momentum in FMCG sector largely depends on its strong structural drivers like high population and rising affluence level, which are key factors contributing to the growth of the sector. India is reporting an annual population growth of 1.1% and is expected to emerge as the most populous country in the world by 2024. This indicates that the growth in the non-discretionary consumer demand, like food, healthcare, household and personal care products, are likely to continue growing. In addition, India is also witnessing strong growth in per capita and disposable income, which in turn is driving discretionary spending. While the young population is likely to provide the steady growth in revenue for FMCG companies, rising affluence and disposable income level is likely to bring the incremental growth for the sector.

Increased support from Government

The Government has increased number of initiatives like farm loan waivers, Direct Benefit Transfer (DBT) and development of infrastructure in rural areas. The Union Budget has also focussed on shifting towards education, agriculture, healthcare, infrastructure, tax rebate and micro, small and medium enterprises (Ministry of Micro, Small and Medium Enterprises). These initiatives are projected to have an impact by increasing the minimum wages of common people, especially in rural areas. Thus, any increment in income will be directly proportional to demand in FMCG products.

Low per capita consumption and penetration level
While India achieved high penetration levels in some of the FMCG categories, consumption level in such categories is still very low. Further, there are many categories where penetration level itself is very low. This provides a huge growth opportunity to drive the volume growth and bring the operating leverage for FMCG companies which in turn will help in improving profitability.

Increased investments in R&D
While catering to the basic needs of India's population, FMCG companies are focussed on improving quality of its products. They are consistently investing in research and development activities to launch innovative and premium products, especially in categories where the penetration levels are closer to their peak levels. Going forward, the growth in premium products is expected to be driven by the rising aspirations of the Indian consumer mainly on the back of improvement in prosperity with the rising income levels and increasing urbanisation (in the likes of Smart City and National Urban Mission projects). Consumers have higher aspirations for premium products, so FMCG companies are increasingly investing in R&D.

Growing internet consumption and smartphone users will drive e-commerce
The growth of internet consumption and smartphone users, along with the convenience of online shopping will drive e-commerce consumption and thus boost FMCG industry sales. E-commerce is reshaping the global retail market by outpacing the general trade as it has larger market and greater reach to even the most remote place. Online shopping is booming as internet access has reached all corners of the world and smart phones have quickly become an intrinsic part in the lives of billions of people. Nielsen's Future Opportunities in FMCG E-commerce study estimates four times faster than offline sales. By FY 2021-22, FMCG e-commerce will be in excess of USD 400 billion and comprise 10%-12% of all FMCG sales globally. *(Source: Nielsen)*

Focus on rural market to achieve sustainable growth
Over 65% of India's population stays in rural areas and they spend ~50% of their total spending on FMCG products. Hence, rural market, accounting for ~45% of overall revenue of the FMCG sector, is one of the key contributors to India's FMCG growth story. Rural markets continue to post double-digit growth. People in rural areas are now accessible through e-commerce. This enables them to get benefited from a wide range of products. Consumers in rural India are switching from unbranded, loose products to branded ones. Increased focus of the Government on improving farmers' income, digitisation, smaller size packets, rising awareness and expected rise in per capita disposable income is likely to drive growth for FMCG companies in rural India. This gives FMCG players a room to push their soaps, shampoos, biscuits, beverages and packaged staples in India's villages, at lower price points.
(Source: https://www.ibef.org/industry/fmcg.aspx)

Growing adoption of health and hygiene portfolio
The fear associated with COVID-19 pandemic has led to consumers becoming more health conscious than ever. This has led to increase in demand for health and hygiene portfolio. Companies have launched multiple products and variants in this segment, including hand sanitisers, floor and surface cleaners, disinfectant sprays and immunity-building products.

Industry Outlook
According to Nielsen India, a strong comeback prediction for ₹ 4.3 trillion is made in the FMCG industry in 2021. In 2020, rural markets outperformed urban India and became critical for FMCG giants. Brands relied on rural markets to drive growth during the trying times. FMCG witnessed a double-digit growth of 10.6% in Q3 of FY 2020-21 in Rural India, while the bigger cities (>1 Lakh population including metros and Town Class 1) played catch-up. Also, e-commerce is stabilising at a consumption level higher than what it was before COVID-19 struck.

Adapting to the new normal and thus embracing digitalisation has made the sector learn, innovate and rise from disruptions. FMCG brands partnered with e-commerce platforms like Flipkart, Grofers, Big Basket, etc., alternative distribution channels like Udaan and last-mile delivery partners like Zomato and Dunzo to deliver within the comfort of consumers' homes.

Consumer habits also evolved with COVID-19 and 'immunity' became the buzzword in the FMCG industry. Marketers reverted by launching a ready-to-eat meal options and immunity-based packaged goods. However, with COVID-19 vaccine now a reality, consumer sentiment is already picking up and the economy is in revival mode. 2021 is likely to augur well for small retailers, leading to an increased sale from local markets and kirana stores.

With immunity being the focus in the 'new normal', new launches have been made in the health and hygiene basket including categories like hand sanitiser, floor cleaners, toilet cleaners, antiseptic liquids. These new launches contributed to 37% (in value) of all new launches in the COVID-19 period (Nielsen India). The in-home consumption has increased with the closure of restaurants and shelter-in-place. Food and beverage categories, particularly perishables, saw strong growth as consumers increased their monthly budget allocation for in-home food and beverages. Therefore, manufacturers are strengthening the product distribution to ensure their availability in the most-demanded categories. While COVID-19 has curtailed economic growth in the FMCG sector, experts are now optimistic that the industry will see an appreciable improvement this year. These could include brands talking about their environmental and sustainability efforts, community initiatives, health impact and most importantly value addition thereby making FMCG industry well-positioned to grow back. *(Source: http://www.businessworld.in/article/Crisis-Brings-Innovations-FMCG-Industry-Outlook-In-2021/19-01-2021-367317/)*

Company Overview

Jyothy Labs Limited was founded 1983 by Mr. M. P. Ramachandran in Thrissur, Kerala. Having started with manufacturing a single product and selling in a single district in Kerala, your Company has come a long way. It has undergone a huge transformation over the years, while creating an impact by touching people's lives in significant ways. Today, it has been established as a dominant player in India's FMCG industry, with a pan-India presence, well-diversified product basket and multiple brands.

Your Company operates across different market segments of fabric care, dish wash, household insecticides, personal care through its six power brands - Ujala, Exo, Maxo, Henko, Margo and Pril. Your Company's key differentiator is its ability to understand the pulse of the consumer and delivering high-quality products at reasonable prices. It is also well positioned for unique convenient packaging and extensive distribution network. Its constant aim is to strongly focus on R&D to create differentiated and innovative products that cater to the evolving needs of today's consumers.

Innovation is the key

To keep pace with market changes, your Company aims to constantly develop new products and update the existing ones. Your Company's strategic objective is to drive successful innovations in products and processes consistently and to be updated for future preferences. It constantly adopts newer techniques and mechanisms to optimise its productivity and optimally utilise resources focussed on delivering products that are value for money and keeping pace with the demand.

Research and Development Initiatives

Backed by strong R&D capability, your Company constantly aims to meet the evolving needs of its consumers and delight them through innovative and value-for-money products. Advanced research techniques have enabled your Company to innovate new product categories, providing simple, yet tangible benefits to its consumers. Your Company achieves this through its three state-of-the art and modern R&D facilities which is supported by advanced instrumentation and pool of experienced scientists. The aim is to identify the everyday challenges in a consumer's life in the existing products and devise suitable solutions that help them overcome these challenges.

A few such R&D initiatives in FY 2020-21 are as follows:

1. Margo Hand Wash that comes with goodness of 1000 neem leaves

2. Maxo Liquid Vaporiser refill bottle that fits all machines

3. Margo Sanitizer with Neem extracts

4. Exo Bioh Fresh, a 100% organic vegetable and fruit cleaner

5 Alcohol-free Exo All Surface Cleaner

Thrust on Sustainable Growth

Your Company has come a long way through progressive development and support from its extensive distribution network of 7,200+ Stock/Sub-stockist across India through which its products are made available across 2.8 million outlets. Your Company has further ensured diversifying operations and has 23 manufacturing plants. This extensive supply chain network insulates your Company from geographical, trade channel and segmental concentration risks.

While your Company continues to add more sub-stockists to strengthen its retail presence, it has also undertaken a unique initiative of Van Coverage to enhance rural coverage. These vans carry lower unit packs (₹ 5 – ₹ 10) of products which find greater acceptance among rural consumers. Further, your Company has enhanced its presence in modern trade, including e-commerce platforms (contactless delivery) where premium products are also made available, thus augmenting sale.

Well-targeted investments in advertising and promotional activities have facilitated it to rapidly expand footprint across India and enjoy a strong franchise with consumers. Constant strive for portfolio agility, flawless execution and financial prudence has further helped to deliver a constant growth even during the pandemic crisis.

With continuous presence over TV and OTT platforms, your Company has enhanced reach to targeted consumers. Your Company also undertook impactful marketing and brand promotion activities relating to ''Vocal for Local'' campaign and has successfully strengthened its brand equity alongside attracting new consumers. Its strategic brand launches and brand extensions are aimed at retaining the existing consumers, besides constantly garnering a new set of loyal consumers.

Your Company is placed competitively in the industry and is determined to grow its market share and profitability sustainably through focus on developing top-notch products coupled with extensive advertising and promotional campaigns.

Sustainability Practices

Your Company follows environmentally sustainable practices while it constantly strives to contribute to the nation building and the betterment of the society. Its values and vision ensure that all its processes, products and manufacturing activities adequately address the present environmental concerns while maintaining a profit-led growth trajectory. Your Company has also received 'SWACHHATA AWARDS 2019' recognition for corporate social responsibility initiatives in Puducherry region for undertaking several green initiatives with an aim to achieve energy efficiency and pollution control by implementing Reduce/ Recycle/Reuse programme, robust waste management system, rainwater harvesting, launching solar projects, and plastic disposal recycling process. It is aware of the significance of various stakeholders – employees, suppliers, business partners and the society at large. Besides utilising its profits and resources for its own growth, it earmarks a portion for the society's upliftment and conservation of the environment. It is committed to source raw materials sustainably and has put in place measures and mechanisms to conserve natural resources. Moreover, your Company is shifting its focus to make organic products which are environment friendly and does not possess any health hazards.

Human Resource

Human capital is key to your Company's growth. Your Company has a perfect work-life balance approach in the organisational culture. Such culture not only empowers employees through regular salary increments and incentive payout but also keeps them motivated to work. Your Company has adopted employee-friendly HR policies that are designed to provide a safe, conducive and productive work environment as well as promote holistic development.

In FY 2020-21, your Company implemented Continuous Replenishment System (CRS) across India which has helped in reducing the pipeline stock with distributors.

Its systems and processes nurture a work culture leading to employee satisfaction, persistent motivation and a high retention rate. It has formulated comprehensive and well-structured policies to impart timely skill upgradation and ensure employees' growth at personal and professional levels. It is this philosophy that facilitates your Company in aligning its individual goals with that of the broader goals. It promotes an open-door policy and transparent communication with 'all for one, one for all' philosophy.

It ensures equal access to opportunities regardless of gender, age, racial/ethnic background, religion or social status, biases and has established robust policy systems to prevent any discrimination and harassment.

Your Company's SHE (Safety, Health & Environment) Policy ensures safety and health of employees by engaging with them at all levels through consultation, communication and training. Further, initiatives like adopting latest hazard identification control methods and risk assessment are done to strengthen SHE practice.

All employees direct or indirect are covered under Medical Insurance programme which not only provides COVID care but any ailment. Employees are also provided with a facility to extend the medical cover for their parents or in-laws. Your Company has also tied up with a team of doctors to provide online free consultation to employees and their immediate family. Your Company also launched Jyothy Suraksha Portal, which helps the employees to book their online doctor consultation, download their Insurance E cards and provide health updates which are being monitored by central HR Team.

In the era of digitalisation, your Company has invested in a robust HR system SAP Success Factors for all employees internally referred to as JConnect. The system has helped in better engaging employees and equip them with a platform which is scalable, mobile and manage end-to-end employee lifecycle. Company also believes in empowering employees and provide them the right tools to work productively. It continues to invest in upgrading this online employee portals and a mobile apps that can be accessed from anywhere.

Information Technology

Your Company is backed by strong and robust IT system which has helped in streamlining many of its functions and processes. Nearly accurate forecasts of demand has been an edge because of strong IT facilities which in return has helped in gaining control over working capital management. Your Company has undertaken digital adoption across the organisation to reduce human errors, and maintain accuracy and efficiency in the operations.

Your Company has deployed the cutting-edge SAP S/4 HANA platform across all manufacturing units, business processes, distribution centres and warehouses. This platform has integrated functions across various business lines, reduced number of transactions by streamlining operations, and facilitates business insights across functions and roles. Usage of SAP BI/BO & Microsoft Power BI provides better insights through Data Analytics enabling higher sales efficiencies and Digital Consumer Engagement.

Your Company implemented Sales Force Automation (SFA) tool which has played a critical role in improving its on-field sales team productivity and efficiency. This has helped to generate and communicate accurate data pertaining to retail shop, orders, and delivery to its 2,400+ sales representatives promptly and has yielded positive outcomes.

In FY 2020-21, your Company implemented Continuous Replenishment System (CRS) across India which has helped in reducing the pipeline stock with distributors.

Your Company has also deployed Distributor Management System (DMS). This enables your Company to track orders and related activities such as secondary sales, inventory levels, etc., in real-time across its 7,200+ Stockist/ Sub-stockist.

Your Company has automated its entire freight management chain from manufacturing to distribution which has benefited to become agile in stock management and brand availability.

Your Company during the year refined its Go-to-Market (GTM) strategy. It launched a retailer app to facilitate orders directly from retailers to distributors.

Investment in the automation of packaging of certain products ensuring tamper-proof, clean, uniform and consistent packaging has not only helped in cost optimisation but also improved the final product quality.

In the recent developments, your Company automated the E-invoicing & E-way Bill generation. SAP Success Factors (internally referred to as JConnect) was implemented for all employees. Compliance tool has been set up to ensure deadlines for meeting statutory norms for all departments.

Your Company believes that automation at all levels and functions is required to bring out efficiency and increase productivity at the organisation level and hence believes in journey towards automating every single function and process within.

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 2020-21 (based on Consolidated financial)

Revenue from operations

Net Revenue from operations registered a up by 11.6% at ₹ 1,909.1 Crore in FY 2020-21.

Cost of Goods Sold (COGS)

The Cost of Goods Sold of your Company up by 12.2% at ₹ 1,010.4 Crore in line with sales growth during FY 2020-21.

Employee Cost

During the year under review, employee cost grew by 6% at ₹ 232.5 Crore in FY 2020-21.

Advertisement and Sales Promotion

Advertisement and promotion increased by 0.7% to ₹ 123.6 Crore in FY 2020-21. As a percentage to net sales, advertisement and promotion stood at 6.5% in FY 2020-21.

Other Expenses

The other expenses increased by 5.1% at ₹ 228.1 Crore in FY 2020-21 from ₹ 217.1 Crore in FY 2019-20.

Depreciation

During the year, depreciation increased by 5% to ₹ 55.6 Crore in FY 2020-21 as against ₹ 52.9 Crore in FY 2019-20.

Finance Cost

For the full year, finance cost decreased by 41.5% to ₹ 19.2 Crore in FY 2020-21 as against ₹ 32.9 Crore in FY 2019-20 due to a reduction in debts. The Interest Coverage Ratio stood at 13.2 in FY 2020-21 as compared to 6.5 in FY 2019-20.

Margins

Operating EBITDA at 16.5% (₹ 314.5 Crore) versus 14.7% (₹ 251.1 Crore), increased by 25.3% over FY 2019-20. PBT before exceptional item at ₹ 258.1 Crore as against ₹ 185.3 Crore, increased by 39.3% over FY 2019-20, PAT at ₹ 190.1 Crore as against ₹ 162.6 Crore, increased by 17.3% over FY 2019-20.

Share Capital

The paid-up share capital stood at ₹ 36.7 Crore as on March 31, 2021.

Own Funds
The net worth of your Company stood at ₹ 1,390.7 Crore as on March 31, 2021, from ₹ 1,199.5 Crore as on March 31, 2020. Return on Equity (excluding goodwill) is at 31.5% in FY 2020-21.

Loan Funds
Net cash/Bank balance for the Company stood at ₹ 76.9 Crore as on March 31, 2021, as against net debt of ₹ 254 Crore as on March 31, 2020.

Net Block
Net Block for the Company stood at ₹ 1,156.9 Crore as on March 31, 2021, as against ₹ 1,173.7 Crore as on March 31, 2020.

Net Operating Working Capital
Net Operating Working Capital for the Company stood at ₹ 78.9 Crore as on March 31, 2021, as against ₹ 162.3 Crore as on March 31, 2020. This translates to 15 days of working capital as against 35 days in FY 2019-20. Current Ratio stood at 1.22 on March 31, 2021, as against 1.63 as on March 31, 2020.

Inventory
Inventory of the Company stood at ₹ 278.6 Crore as on March 31, 2021, compared to ₹ 225.1 Crore as on March 31, 2020. Inventory Turnover for the Company stood at 53 days as at March 31, 2021, as against 48 days as at March 31, 2020.

Trade Receivables
Trade Receivables for the Company stood at ₹ 94.3 Crore as on March 31, 2021. Debtor turnover stood at 18 days as at March 31, 2021 as against 26 days as at March 31, 2020.

Cash and Bank Balances
Cash and bank balances for the Company stood at ₹ 193.8 Crore as on March 31, 2021.

Provisions
Provisions for the Company stood at ₹ 78 Crore as on March 31, 2021, against ₹ 78.3 Crore as on March 31, 2020.

Other Liabilities
Other Liabilities for the Company stood at ₹ 97.8 Crore as on March 31, 2021, against ₹ 56.5 Crore as on March 31, 2020.

Shareholder Value: Dividend
In an endeavour to maximise the returns to its shareholders, the Board of Directors has recommended a dividend of ₹ 4 per equity share of ₹ 1 each for FY 2020-21. The dividend payout ratio was 77% of PAT as compared to 81.7% in FY 2019-20.

Risk and Mitigation

Identifying and mitigating risk are an inevitable concern for any business. Your Company identifies major risks arising out of various internal as well as external scenarios that may pose a threat to its revenue generation. It has devised effective business strategies and plan ahead to mitigate the risks through its business activities.

Economic risk:
Economic slowdown can affect the demand and the sales for your Company.

Mitigation:
To combat the risk, your Company has a diversified product portfolio that generates sustained sales from either of the categories to balance any uncertain circumstance. It has devised product-specific strategies to ensure continuous growth. Your Company also continues to evaluate the market scenario and engage with consumers to understand their needs and develop right products accordingly. During FY 2020-21, in line with the pandemic scenario, your Company has launched a robust line of hygiene portfolio which has found great acceptance in the market.

Compliance risk:
Non-compliance of regulations may lead to cancellation of licence.

Mitigation:
A structured internal control system is in place to ensure all statutory rules and regulations are met. Changes in taxation policy and other regulatory framework are abided within the statutory deadlines to avoid fines and penalty.

Supply chain risk:
Inadequate supply of material and distribution infrastructure may hamper the production and goods distribution respectively. This may impact revenue generation.

Mitigation:
Your Company has put information technology in use capable of forecasting demand based on historical data. The supply chain management system is designed to align raw material sourcing and manufacturing, leading to improved inventory management, optimum resource utilisation and smooth distribution upending the working capital. Your Company has a transport module for service level improvement focussing on channel-wise service to minimise stock outs. Your Company leverages long-term relationships with suppliers to secure raw materials at the lowest cost through better negotiation.

Competition risk:
Constant increase in competition from new entrants as well as existing ones can result in market share loss and decline in revenues and profitability.

Mitigation:
Your Company aims at manufacturing quality products and offering them at a reasonable price across various modes as per convenience of the consumers. It undertakes extensive promotion and advertising to strengthen its brand value, positioning and recall for the power brands. Your Company also undertakes extensive R&D activities to launch unique products which have greater reliability and market.

Human resources risk:
Lack of skilled employees and higher attrition rates may affect the operations of your Company.

Mitigation:
Your Company encourages new talent and provides specialised training to the sales force. This helps in improving the performance standards and positively contributes towards its growth. HR policies are well-defined for smooth operations to avoid any labour-related issues. Your Company offers performance-based appraisal to keep its Human Capital motivated to work hard.

COVID-19 Impact

Your Company witnessed disruption in operations since the onset of pandemic and subsequent lockdown. However, since then it has seen a gradual recovery on the back of its portfolio agility, flawless execution and financial prudence.

These initiatives have enabled your Company to deliver resilient performance. On the positive side, the demand for institutional business is almost back to pre-COVID levels which is a healthy sign for the future.

Post pandemic consumers demand has changed towards home and personal care category products drastically. There has been a steep growth in demand from rural areas and also improvement in urban consumer trends have been observed. Gradual recovery in Institutional Business (Modern Trade and Canteen Store Department) has been seen.

The pandemic has contributed to two other interesting phenomena across the industry – one, shift in consumer channel preference towards omni channel approach and second, an acceleration in the adoption of digital technology, whereby even the general trade shopkeeper is using basic technologies such as WhatsApp to reach out to consumers. Your Company has focussed on adding new sub-stockists and Van coverage to enhance rural market.

Your Company has laid a detailed SKU and plant-specific sales planning for ensuring hinder-free supply to consumers across India. With the combination of cost optimisation and controlled trade schemes has minimised the impact on the increasing cost of production. Your Company has strived to focus on improving channel partners ROI with lowest possible stock with distributors and frequent servicing at retailer's end.

So, accordingly, your Company has realigned its business strategy in sync with this changing environment. Your Company has invested in creating a robust digital infrastructure which has enabled it to be at the forefront and remain resilient. Your Company appropriately leveraged it to drive sales efficiencies and focussing on the digital consumer engagement too.

Diversified Product Portfolio: Your Company intends to gain market share across all brands. Having diversified product ranges gives it an edge to combat disruption in sales of any particular product.

Consumer Trend: Changes in market trend call for an alteration in the product mix of your Company. Your Company has made new launches on an essential hygiene portfolio that enhances safety, health and hygiene of its consumers. Shift to organic products is also focussed on. Additionally, it has augmented manufacturing and distribution efforts to cater to a growing demand for smaller SKUs of ₹ 5 and ₹ 10 across all brands to have a greater reach.

Distribution: Your Company, amidst COVID-19 crisis, is aiming higher for secondary sales. It is focussing on strict working capital management by ensuring cash sales without additional credit. It is making use of its data analysis capabilities to improve distribution efficiencies to maintain growth and profitability while gaining shareholders value and market share through online distribution modes via use of e-commerce platforms.

Corporate Information

Mr. M. P. Ramachandran
Chairman Emeritus with effect from April 1, 2020
(DIN: 00553406)

DIRECTORS

Mr. R. Lakshminarayanan
Chairman & Independent Director
with effect from April 1, 2020
(DIN: 00238887)

Ms. M. R. Jyothy
Managing Director with effect from April 1, 2020
(DIN: 00571828)

Mr. K. Ullas Kamath
Joint Managing Director
(DIN: 00506681)

Ms. M. R. Deepthi
Whole Time Director with effect from April 1, 2020
(DIN: 01746698)

Mr. Nilesh B. Mehta
Audit Committee Chairman & Independent Director
(DIN: 00199071)

Ms. Bhumika Batra
Independent Director
(DIN: 03502004)

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
(Formerly known as Jyothy Laboratories 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
Websites : www.jyothylabs.com and
www.jyothylaboratories.com

CORPORATE IDENTITY NUMBER (CIN)

L24240MH1992PLC128651

SECRETARIAL DEPARTMENT

Ujala House, Ram Krishna Mandir Road,
Kondivita, Andheri (East), Mumbai – 400 059
Telephone : +91-22-66892800
Email : secretarial@jyothy.com

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
U67190MH1999PTC118368
C 101, 247 Park, L B S Marg,Vikhroli (West),
Mumbai – 400083
Tel. : +91-22-49186000
Fax : +91-22-49186060
Email : rnt.helpdesk@linkintime.co.in

Directors' Report

Dear Members,

It is our pleasure to present to you the 30th Annual Report of your Company together with the Audited Financial Statements for the Financial Year ended March 31, 2021.

FINANCIAL PERFORMANCE

Your Company's financial performance on standalone basis for the Financial Year ended March 31, 2021 compared with previous Financial Year is summarised below:

(₹ in Lacs)

Financial results	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020
Revenue from Operations	**1,88,499.87**	**1,66,537.94**
Earnings before Interest, Tax, Depreciation and Amortization	**31,673.20**	**24,982.90**
Finance Cost	1,172.38	2,477.88
Other Income	1,981.57	2,004.76
Depreciation on Tangible Assets	3,098.43	2,887.52
Amortization of Intangible Assets	3,134.68	3,132.15
Depreciation of right of use assets	1,557.79	1,553.45
Profit before exceptional item and tax	**24,691.49**	**16,936.66**
Exceptional items	2,350.41	377.83
Profit before tax	**22,341.08**	**16,558.83**
Provision for tax		
- Current tax	3,742.00	2,663.00
- Deferred Tax Charge/ (Credit)	(427.10)	(1,873.45)
Profit after tax	**19,026.18**	**15,769.28**
Earning Per Share (Basic) (In ₹)	5.18	4.29
Earning Per Share (Diluted) (In ₹)	5.18	4.29
Dividend Per Share of face value of ₹ 1/- (In ₹)	4.00	3.00

The abovementioned financial performance highlights are an abstract of the Financial Statements of your Company for the Financial Year 2020-21. The detailed Financial Statements of your Company forms part of this Annual Report and are also uploaded on websites of your Company i.e. www.jyothylabs.com and www.jyothylaboratories.com.

PERFORMANCE HIGHLIGHTS

The Revenue from operations on standalone basis of your Company for the Financial Year 2020-21 was up by 13.19% and stood at ₹ 1,88,499.87 Lacs compared to ₹ 1,66,537.94 Lacs in the previous financial year. The net profit for the financial year 2020-21 amounted to ₹ 19,026.18 Lacs, registering a growth of 20.65% over the previous financial year.

The consolidated revenue from operations of your Company for the year under review stood at ₹ 1,90,912.02 Lacs as against ₹ 1,71,117.27 Lacs in the previous year, reporting a growth of 11.57%. The consolidated profit after tax for the financial year under review stood at ₹ 19,065.15 Lacs against ₹ 16,258.14 Lacs in the previous financial year, an increase by 17.27% over 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 has 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 Financial Year 2020-21, COVID-19 has brought an economic slow down and to avoid its further spread, 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. There were shops/malls etc. at several places closed on alternate days and some restrictions on movement of people. Wherever possible and based on the Government Orders/Advisories, the Manufacturing Units were resumed to ensure continued supplies of Company's products to its consumers.

To break the chain of COVID-19 various steps have been taken by your Company including creating awareness in employees to maintain hygiene by cleaning the hands at regular intervals, using the facial mask to avoid the spread of COVID-19, Work From Home facility is still in force, use of Hand Sanitizers kept at every entry point in the Office premises, checking of Body Temperature at the office premises while entry, no outside visitors allowed for any meeting at corporate office or zonal offices and Meetings would be conducted with optimum source of Communication such as mobile phone/ Video conferencing/skype or other audio video means etc to avoid gathering.

DIVIDEND

Your Board is pleased to recommend for your consideration, a dividend of ₹ 4/- (Rupees Four only) per equity share of ₹ 1/- each for the financial year 2020-21. The aforesaid dividend will involve a total payout of ₹ 14,688.35 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 Members as on May 28, 2021 via email to those shareholders who have registered their email id with your Company and for shareholders who have not registered their email addresses, through courier/ post at their latest registered address available with your Company.

During the previous financial year, your Company had paid an interim dividend of ₹ 3/- (Rupees Three only) per equity share of ₹ 1/- each which was considered as the final dividend for the Financial Year 2019-20. The aforesaid dividend involved a total payout of ₹ 13,280.69 Lacs (inclusive of Dividend Distribution Tax of ₹ 2,264.43 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 (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-notices/#Management-Policies

ISSUE OF SHARES

a) **Issue of Equity Shares with differential rights**

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

b) **Issue of Sweat Equity Shares**

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

c) **Issue of Employee Stock Option**

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

INCREASE IN SHARE CAPITAL

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, 2021 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, 2021, 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 2020-21.

EXTRACT OF ANNUAL RETURN

The Companies (Amendment) Act, 2017 has allowed the companies to provide its website address wherein its Annual Return referred to in sub-section (3) of Section 92 of the Act is uploaded instead of providing extract of the annual return. However, as a good corporate governance practice and for the easy accessibility of the shareholders, your Company has annexed to this report the Extract of Annual Return as prescribed under Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in the prescribed Form MGT-9 as "**Annexure – B**" and has also uploaded the same on your Company's website i.e. www.jyothylabs.com and www.jyothylaboratories.com.

NUMBER OF MEETINGS OF THE BOARD

Your Company's Board of Directors met 5 (five) times during the financial year ended March 31, 2021 in accordance with the provisions of the Act and the Rules made thereunder. On account of pandemic of COVID-19, consequent lockdown and taking into consideration safety and health of the Board Members and other invitees, all the Board meetings during the financial year 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. Also, the Board of Directors of your Company passed a resolution by circulation on June 17, 2020 and September 8, 2020.

The dates on which the Board of Directors met during the financial year under review are provided in the Corporate Governance Report.

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, 2021, the Board of Directors hereby confirms that:

a. in the preparation of the annual accounts for the financial year ended March 31, 2021, 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, 2021 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 2019-20 was carried out by the Board of Directors and the Nomination, Remuneration and Compensation Committee at their respective meetings held on November 4, 2020. 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 November 3, 2020. 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

In accordance with the provisions of Section 152 of the Act, Ms. M. R. Jyothy, Managing Director (DIN – 00571828) of your Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Further, during the financial year 2020-21, Ms. M. R. Jyothy has been appointed as the Managing Director designated as the Key Managerial Personnel of your Company and Ms. M. R. Deepthi has been appointed as the Whole Time Director of your Company. Further, Mr. R. Lakshminarayanan, Independent Director has been appointed as the Chairman of the Board of Directors of your Company. All the changes in the Composition of the Board of Directors have taken effect from April 1, 2020 and 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 November 3, 2020.

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 – C**".

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 26th 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 26th Annual General Meeting till the conclusion of 31st 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. Accordingly, appointment of M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No.101248W/W-100022) as Statutory Auditors of your Company, will not be placed for ratification by the members in the ensuing Annual General Meeting.

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

Secretarial Auditors and their Report(s)

In terms of Section 204 of the Act, the Board of Directors of your Company on the recommendation of the Audit Committee have re-appointed M/s. Rathi & Associates, Practicing Company Secretaries, Mumbai as the Secretarial Auditors of your Company to carry out Secretarial Audit for the financial year 2021-22. Your Company has obtained Secretarial Audit Report for the Financial Year 2020-21 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 – D**" 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 2020-21 confirming compliance of all laws, SEBI Regulations and circulars/ guidelines issued thereunder, applicable to your Company. The Annual Secretarial Compliance Report dated May 18, 2021 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, 2021.

Regulation 24A of the Listing Regulations requires the companies to annex to its Annual Report, a Secretarial Audit Report, given by a Company Secretary in practice, in the format prescribed by SEBI from time to time. However, pursuant to the provision of SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 and in order to avoid duplication, SEBI has allowed companies to use the same Form No. MR-3 as required under the Act and the rules made thereunder for the purpose of compliance with Regulation 24A of the Listing Regulations as well. Accordingly, your Company in compliance with the said SEBI Circular has used the same Form No. MR-3 as prescribed under the Act and the rules made thereunder for the purpose of compliance with Regulation 24A of the Listing Regulations as well.

Cost Auditors and their Report

As per Section 148 of the Act read with the Companies (Cost Records and Audits) Rules, 2014, as amended, the Board of Directors of your Company on recommendation of the Audit Committee have re-appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai (Registration No. 000010) as the Cost Auditors to carry out the cost audit of its products covered under the Ministry of Corporate Affairs Order dated June 30, 2014 (as amended on December 31, 2014) for the financial year 2021-22. 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 30th 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, 2020, 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 20, 2020. The Cost Audit Report for the financial year ended March 31, 2021 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 – E**" 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 – F**" to this Report. During the year under review, your Company had entered into contract(s)/arrangement(s)/transaction(s) with related parties which were in ordinary course of business and on arm's length basis and none of which could be considered as material in accordance with the policy of your Company on materiality of related party transactions. Further, none of the contract(s)/ arrangement(s)/transaction(s) with related parties required approval of members as the same were within the limits prescribed under Section 188(1) of the Act and the Rules framed thereunder read with the provisions of Regulation 23(4) of the Listing Regulations.

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

https://www.jyothylabs.com/investor/management-policies-notices/#Management-Policies

Attention of Members is also drawn to Note 33 to the financial statements for the year ended March 31, 2021 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 2020-21 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 - G**" to this report.

RISK MANAGEMENT

The Board of Directors of your Company has constituted a Risk Management Committee which comprises of the following Directors/Executives of your Company as Members of the Committee as on March 31, 2021:

1. Mr. K. Ullas Kamath, Joint Managing Director
2. Ms. M. R. Jyothy, Managing Director;
3. Ms. M. R. Deepthi, Whole-time Director
4. Mr. T. Ananth Rao, Head – Operations; and
5. Mr. Ravi Razdan, Head – Systems & HR.

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 once during the Financial Year 2020-21 i.e. on January 15, 2021. Mr. K. Ullas Kamath was appointed as the Chairperson to chair the said meeting of 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 2020-21 was required to spend an amount of ₹ 386.12 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 2020-21 has spent ₹ 395.79 Lacs which was higher than the statutory requirement of 2% of the average net profits for the last three financial years.

In the financial year 2020-21, your Company has spent an excess amount of ₹ 9.67 Lacs. Further, as per the provisions of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company at its meeting held on May 18, 2021 passed a resolution to utilize the excess amount of ₹ 9.67 Lacs spent in the Financial Year 2020-21, to set off against the amount required to be spent under Section 135(5) of the Companies Act, 2013 up to immediate succeeding three financial years i.e. up to Financial Year 2023-24.

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 2020-21 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 – H"** to this Report

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

https://www.jyothylabs.com/investor/management-policies-notices/#Management-Policies

The Annual action plan for the financial year 2021-22 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 18, 2021 has also been uploaded on your Company's website at the link:

https://www.jyothylabs.com/wp-content/uploads/2021/05/Annual-action-plan-for-financial-year-2021.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-notices/#Management-Policies

No company has become or ceased to be your Company's subsidiary, Joint venture or associate company during the financial year 2020-21.

Further during the year under review, based on the Joint Petition filed by Jyothy Fabricare Services Limited, Subsidiary of your Company (the Transferee Company) along with its 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 Jyothy Fabricare Services Limited (the Transferee Company) vide their order dated February 16, 2021. Since the registered office of the First Transferor Company i.e. Snoways Laundrers & Drycleaners Private Limited is in Bangalore, Karnataka, the Petition has been filed before the Hon'ble National Company Law Tribunal, Bench, at Bangalore seeking their approval to the said Amalgamation.

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, 2021.

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. Mahajan & Aibara Chartered Accountants LLP, Internal Auditors of your Company 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.

The 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.jyothylabs.com/investor/management-policies-notices/#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 though call on the following number i.e. **18601232120** or Hotline number i.e. **022-66892804** or alternatively, the same can also be sent through email on whistleblower@jyothy.com with the subject "Protected disclosure under the Whistle Blower Policy".

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

INTERNAL CONTROL SYSTEMS

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

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

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

TRANSFERS TO INVESTOR EDUCATION AND PROTECTION FUND

Transfer of Equity Shares:

Pursuant to the provisions of Section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 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, 3,30,760 shares of 8156 members and 38,781 shares of 876 members of your Company were transferred to Demat Account of IEPF Authority on October 14, 2020 and March 26, 2021, respectively. Your Company had sent individual notice to all the aforesaid 9032 members and has also published the notice in the leading English and Marathi newspapers. The details of the aforesaid 9032 members are available on websites of your Company i.e. www.jyothylabs.com and www.jyothylaboratories.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 2012-13 and interim dividend for 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 2012-13 onwards on its websites i.e. www.jyothylabs.com and www.jyothylaboratories.com and on website of the Ministry of Corporate Affairs i.e. www.mca.gov.in and the same gets revised/updated from time to time pursuant to the provisions of IEPF (Uploading of Information Regarding Unpaid and Unclaimed Amount Lying with Companies) Rules, 2012.

Further, the unpaid final dividend amount pertaining to the financial year 2013-14 will be transferred to IEPF during the Financial Year 2021-22.

TRANSFER OF SHARES TO THE CUSTODIAN OF ENEMY PROPERTY OF INDIA (CEPI)

During the financial year under review, the Registrar of Companies, Mumbai, Maharashtra (ROC) had instructed your Company to identify the enemy shareholders of your Company and issue duplicate shares in favor of the Custodian of Enemy Property of India (CEPI) in respect of the shares held by such enemy shareholders in your Company. CEPI had provided a list of enemy shareholders to your Company and your Company based on the list provided, transferred 194 equity shares held by 15 enemy shareholders in favour of CEPI on September 17, 2020 and November 9, 2020.

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, 2021 is annexed herewith as **"Annexure – I"** to this Report.

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

During the year under review, 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 against Abhiraami Chemicals Limited. On account of pandemic of Covid-19 and consequent lockdown, the application filed by your Company has not yet been admitted by the NCLT as on the end of the financial year i.e. March 31, 2021.

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
(Formerly known as Jyothy Laboratories Limited)

	Sd/-	Sd/-
	M. R. Jyothy	**K. Ullas Kamath**
Place: Mumbai	Managing Director	Joint Managing Director
Date: May 18, 2021	(DIN: 00571828)	(DIN: 00506681)

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

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2021

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	**CIN**	L24240MH1992PLC128651
ii)	**Registration Date**	15/01/1992
iii)	**Name of the Company**	JYOTHY LABS LIMITED (Formerly known as JYOTHY LABORATORIES LIMITED)
iv)	**Category/Sub-Category of the Company**	Company Limited by shares/ Indian Non-Government Company
v)	**Address of the Registered office and contact details**	'Ujala House' Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai- 400059 Tel. No. : 022-66892800 Fax: 022-66892805 Email : secretarial@jyothy.com Website : www.jyothylabs.com and www.jyothylaboratories.com
vi)	**Whether listed company**	Yes
vii)	**Name, Address and Contact details of Registrar and Transfer Agent**	Name : Link Intime India Private Limited Address : C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400083 Tel. No. : 022-49186000 Fax : 022-49186060 Email : rnt.helpdesk@linkintime.co.in Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10 % or more of the total turnover of the Company are as below:-

Sl. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the Company
1	Soaps	20231	34
2	Detergents	20233	33
3	Mosquito Repellent	20211	14
4	Personal Care	20237	10.45

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Jyothy Kallol Bangladesh Limited, 199, Tejgaon Industrial Area, Dhaka-1208, Bangladesh.	N.A.	Subsidiary	75%	Section 2(87)
2	Jyothy Fabricare Services Limited, 'Ujala House', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059, Maharashtra.	U17120MH2008PLC180246	Subsidiary	86.37%	Section 2(87)
3	Four Seasons Drycleaning Company Private Limited 'Ujala House', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059, Maharashtra.	U93010MH2002PTC246838	Subsidiary*	86.37%	Section 2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
4	Snoways Laundrers & Drycleaners Private Limited N-119, North Block, Manipal Centre, Dickenson Road, Bangalore – 560042, Karnataka.	U93010KA2008PTC046087	Subsidiary*	86.37%	Section 2(87)

**Subsidiaries of Jyothy Fabricare Services Limited*

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. as on 01/04/2020				No. of Shares held at the end of the year i.e. as on 31/03/2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	21,20,84,669	-	21,20,84,669	57.76	21,20,84,669	-	21,20,84,669	57.76	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government (s).	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1,45,00,000	-	1,45,00,000	3.95	1,45,00,000	-	1,45,00,000	3.95	-
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any Other….									
Trust	43,50,000	-	43,50,000	1.18	43,50,000	-	43,50,000	1.18	-
Sub-total (A) (1):-	**23,09,34,669**	**-**	**23,09,34,669**	**62.89**	**23,09,34,669**	**-**	**23,09,34,669**	**62.89**	**-**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A) = (A)(1)+(A)(2)	**23,09,34,669**	**-**	**23,09,34,669**	**62.89**	**23,09,34,669**	**-**	**23,09,34,669**	**62.89**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	4,88,15,702	1,100	4,88,16,802	13.29	5,43,33,163	550	5,43,33,713	14.80	1.51
b) Banks / Financial Institutions	5,66,553	3,732	5,70,285	0.16	383	1,866	2,249	0.00	-0.16
c) Central Government	840	-	840	0.00	840	-	840	0.00	-
d) State Government (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	76,72,228	-	76,72,228	2.09	52,47,115	-	52,47,115	1.43	-0.66
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year i.e. as on 01/04/2020				No. of Shares held at the end of the year i.e. as on 31/03/2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Portfolio Investor (Corporate)	5,39,73,801	-	5,39,73,801	14.70	4,57,10,045	-	4,57,10,045	12.45	-2.25
Alternate Investment Funds	8,80,937	-	8,80,937	0.24	23,94,115	-	23,94,115	0.65	0.41
Foreign Banks	138	-	138	0.00	-	-	-	-	-
Sub-total (B)(1):-	**11,19,10,199**	**4832**	**11,19,15,031**	**30.48**	**10,76,85,661**	**2,416**	**10,76,88,077**	**29.33**	**-1.15**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	20,19,156	5,614	20,24,770	0.55	22,70,405	4,041	22,74,446	0.62	0.07
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,80,50,832	13,80,924	1,94,31,756	5.29	2,12,01,507	10,58,559	2,22,60,066	6.06	0.77
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7,80,488	-	7,80,488	0.21	11,80,488	0	11,80,488	0.32	0.11
c) Others (specify)									
1. IEPF	11,891	-	11,891	0.00	3,81,432	-	3,81,432	0.10	0.10
2. Trusts	10,072	-	10,072	0.00	2,769	-	2,769	0.00	-
3. Hindu Undivided Family	6,00,910	414	6,01,324	0.16	7,90,094	414	7,90,508	0.21	0.05
4. Non-Resident Individuals (Repatriable)	8,66,181	15,842	8,82,023	0.24	10,28,097	11,777	10,39,874	0.28	0.04
5. Non-Resident Individuals (Non-Repatriable)	3,52,609	-	3,52,609	0.10	3,88,272	-	3,88,272	0.11	0.01
6. Clearing Members	2,42,011	-	2,42,011	0.07	2,43,932	-	2,43,932	0.07	-
7. NBFCs registered with RBI	22,000	-	22,000	0.01	22,000	-	22,000	0.01	-
8. Foreign Portfolio Investor (Individual)	-	-	-	-	2,111	0	2,111	0.00	-
Sub-total (B)(2):-	**2,29,56,150**	**14,02,794**	**2,43,58,944**	**6.63**	**2,75,11,107**	**10,74,791**	**2,85,85,898**	**7.78**	**1.15**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**13,48,66,349**	**14,07,626**	**13,62,73,975**	**37.11**	**13,51,96,768**	**10,77,207**	**13,62,73,975**	**37.11**	**0.01**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**36,58,01,018**	**14,07,626**	**36,72,08,644**	**100**	**36,61,31,437**	**10,77,207**	**36,72,08,644**	**100**	**-**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Mr. M. P. RAMACHANDRAN	14,36,40,871	39.12	5.36	14,36,40,871	39.12	0.00	0.00
2	SAHYADRI AGENCIES LIMITED	1,45,00,000	3.95	0.00	1,45,00,000	3.95	0.00	0.00
3	Mr. M.P. DIVAKARAN	1,44,71,826	3.94	0.00	1,44,71,826	3.94	0.00	0.00
4	Mr. M. P. SIDHARTHAN	1,04,30,460	2.84	0.00	1,04,30,460	2.84	0.00	0.00
5	Ms. M.R. DEEPTHI	1,03,61,770	2.82	0.00	1,03,61,770	2.82	0.00	0.00
6	Ms. M. R. JYOTHY	95,37,874	2.60	0.00	95,37,874	2.60	0.00	0.00
7	Ms. M.G. SHANTHKUMARI	72,35,908	1.97	0.00	72,35,908	1.97	0.00	0.00
8	Ms. U. B. BEENA	68,93,200	1.88	0.00	68,93,200	1.88	0.00	0.00
9	JAYA TRUST	43,50,000	1.18	0.00	43,50,000	1.18	0.00	0.00
10	M.P. DIVAKARAN - HUF	38,08,000	1.04	0.00	38,08,000	1.04	0.00	0.00
11	Mr. K ULLAS KAMATH	29,02,760	0.79	0.00	29,02,760	0.79	0.00	0.00
12	SIDHARTHAN M. P. - HUF	26,40,000	0.72	0.00	26,40,000	0.72	0.00	0.00
13	Ms. K.K. SUJATHA	1,62,000	0.04	0.00	1,62,000	0.04	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

There was no change in Promoter's shareholding during the specified period i.e. from April 1, 2020 to March 31, 2021.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No	NAME & TYPE OF TRANSACTION	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	**FRANKLIN INDIA SMALLER COMPANIES FUND**	**18863765**	**5.1371**			**18863765**	**5.1371**
	Transfer			10 Apr 2020	100000	18963765	5.1643
	Transfer			18 Sep 2020	230000	19193765	5.2269
	Transfer			25 Sep 2020	70000	19263765	5.246
	Transfer			13 Nov 2020	200000	19463765	5.3005
	AT THE END OF THE YEAR					**19463765**	**5.3005**
2	**MIRAE ASSET EMERGING BLUECHIP FUND**	**10993290**	**2.9937**			**10993290**	**2.9937**
	Transfer			10 Apr 2020	381580	11374870	3.0977
	Transfer			17 Apr 2020	205316	11580186	3.1536
	Transfer			01 May 2020	60801	11640987	3.1701
	Transfer			08 May 2020	47094	11688081	3.183
	Transfer			15 May 2020	141075	11829156	3.2214
	Transfer			22 May 2020	75260	11904416	3.2419
	Transfer			05 Jun 2020	45279	11949695	3.2542
	Transfer			12 Jun 2020	50000	11999695	3.2678
	Transfer			26 Jun 2020	14899	12014594	3.2719
	Transfer			10 Jul 2020	363790	12378384	3.3709
	Transfer			17 Jul 2020	100000	12478384	3.3982
	Transfer			31 Jul 2020	32801	12511185	3.4071
	Transfer			07 Aug 2020	90000	12601185	3.4316

Sr No	NAME & TYPE OF TRANSACTION	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			04 Sep 2020	135000	12736185	3.4684
	Transfer			18 Sep 2020	130455	12866640	3.5039
	Transfer			25 Sep 2020	118598	12985238	3.5362
	Transfer			06 Nov 2020	(635614)	12349624	3.3631
	Transfer			11 Dec 2020	193146	12542770	3.4157
	Transfer			18 Dec 2020	406138	12948908	3.5263
	Transfer			25 Dec 2020	337460	13286368	3.6182
	Transfer			08 Jan 2021	42453	13328821	3.6298
	Transfer			19 Feb 2021	100000	13428821	3.657
	Transfer			26 Feb 2021	(434788)	12994033	3.5386
	Transfer			05 Mar 2021	(401818)	12592215	3.4292
	Transfer			12 Mar 2021	(602695)	11989520	3.265
	Transfer			19 Mar 2021	(199426)	11790094	3.2107
	AT THE END OF THE YEAR					**11790094**	**3.2107**
3	**NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA SMALL CAP FUND**	**8093250**	**2.204**			**8093250**	**2.204**
	Transfer			24 Apr 2020	50000	8143250	2.2176
	Transfer			01 May 2020	50000	8193250	2.2312
	Transfer			24 Jul 2020	137163	8330413	2.2686
	Transfer			31 Jul 2020	198971	8529384	2.3228
	Transfer			07 Aug 2020	200000	8729384	2.3772
	Transfer			23 Oct 2020	10241	8739625	2.38
	Transfer			30 Oct 2020	62	8739687	2.38
	Transfer			06 Nov 2020	288	8739975	2.3801
	Transfer			13 Nov 2020	(873)	8739102	2.3799
	Transfer			20 Nov 2020	(4759)	8734343	2.3786
	Transfer			27 Nov 2020	675	8735018	2.3788
	Transfer			04 Dec 2020	(67615)	8667403	2.3603
	Transfer			11 Dec 2020	(489560)	8177843	2.227
	Transfer			18 Dec 2020	(162396)	8015447	2.1828
	Transfer			25 Dec 2020	234	8015681	2.1829
	Transfer			31 Dec 2020	785	8016466	2.1831
	Transfer			01 Jan 2021	(45)	8016421	2.1831
	Transfer			08 Jan 2021	18600	8035021	2.1881
	Transfer			15 Jan 2021	3532	8038553	2.1891
	Transfer			22 Jan 2021	2442	8040995	2.1898
	Transfer			29 Jan 2021	726	8041721	2.19
	Transfer			05 Feb 2021	(199179)	7842542	2.1357
	Transfer			12 Feb 2021	(296)	7842246	2.1356
	Transfer			19 Feb 2021	52	7842298	2.1357
	Transfer			26 Feb 2021	201765	8044063	2.1906
	Transfer			05 Mar 2021	(10010)	8034053	2.1879
	Transfer			12 Mar 2021	(612)	8033441	2.1877
	Transfer			19 Mar 2021	1232	8034673	2.188
	Transfer			26 Mar 2021	1883	8036556	2.1886
	Transfer			31 Mar 2021	180	8036736	2.1886
	AT THE END OF THE YEAR					**8036736**	**2.1886**

Sr No	NAME & TYPE OF TRANSACTION	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
4	**ICICI PRUDENTIAL SMALLCAP FUND**	**2096844**	**0.571**			**2096844**	**0.571**
	Transfer			17 Apr 2020	31	2096875	0.571
	Transfer			01 May 2020	(31)	2096844	0.571
	Transfer			08 May 2020	(651)	2096193	0.5708
	Transfer			15 May 2020	(62)	2096131	0.5708
	Transfer			29 May 2020	31	2096162	0.5708
	Transfer			26 Jun 2020	(90)	2096072	0.5708
	Transfer			10 Jul 2020	(90)	2095982	0.5708
	Transfer			17 Jul 2020	(31)	2095951	0.5708
	Transfer			24 Jul 2020	(31)	2095920	0.5708
	Transfer			07 Aug 2020	(90)	2095830	0.5707
	Transfer			21 Aug 2020	636898	2732728	0.7442
	Transfer			23 Oct 2020	(33)	2732695	0.7442
	Transfer			06 Nov 2020	158470	2891165	0.7873
	Transfer			13 Nov 2020	(33)	2891132	0.7873
	Transfer			27 Nov 2020	33	2891165	0.7873
	Transfer			18 Dec 2020	40000	2931165	0.7982
	Transfer			15 Jan 2021	284767	3215932	0.8758
	Transfer			22 Jan 2021	387803	3603735	0.9814
	Transfer			29 Jan 2021	477507	4081242	1.1114
	Transfer			05 Feb 2021	1101331	5182573	1.4113
	Transfer			12 Feb 2021	200000	5382573	1.4658
	Transfer			19 Feb 2021	736807	6119380	1.6665
	Transfer			26 Feb 2021	487013	6606393	1.7991
	Transfer			31 Mar 2021	34	6606427	1.7991
	AT THE END OF THE YEAR					**6606427**	**1.7991**
5	**PARI WASHINGTON INDIA MASTER FUND, LTD.**	**4310300**	**1.1738**			**4310300**	**1.1738**
	Transfer			10 Apr 2020	266035	4576335	1.2462
	Transfer			12 Jun 2020	117000	4693335	1.2781
	Transfer			19 Jun 2020	215600	4908935	1.3368
	Transfer			26 Jun 2020	123000	5031935	1.3703
	Transfer			17 Jul 2020	123652	5155587	1.404
	Transfer			24 Jul 2020	24918	5180505	1.4108
	Transfer			07 Aug 2020	79598	5260103	1.4325
	Transfer			14 Aug 2020	547532	5807635	1.5816
	Transfer			21 Aug 2020	85137	5892772	1.6047
	Transfer			30 Sep 2020	28306	5921078	1.6125
	Transfer			06 Nov 2020	199700	6120778	1.6668
	AT THE END OF THE YEAR					**6120778**	**1.6668**
6	**EMBLEM FII**	**6089056**	**1.6582**			**6089056**	**1.6582**
	AT THE END OF THE YEAR					**6089056**	**1.6582**

Sr No	NAME & TYPE OF TRANSACTION	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
7	**UTI-DIVIDEND YIELD FUND**	**4731695**	**1.2886**			**4731695**	**1.2886**
	Transfer			10 Apr 2020	131484	4863179	1.3244
	Transfer			12 Jun 2020	62200	4925379	1.3413
	Transfer			19 Jun 2020	353200	5278579	1.4375
	Transfer			17 Jul 2020	83000	5361579	1.4601
	Transfer			14 Aug 2020	41174	5402753	1.4713
	Transfer			04 Sep 2020	142100	5544853	1.51
	Transfer			11 Sep 2020	109358	5654211	1.5398
	Transfer			18 Sep 2020	95542	5749753	1.5658
	Transfer			06 Nov 2020	248439	5998192	1.6335
	Transfer			13 Nov 2020	97315	6095507	1.66
	Transfer			27 Nov 2020	(32851)	6062656	1.651
	Transfer			04 Dec 2020	30000	6092656	1.6592
	Transfer			25 Dec 2020	300000	6392656	1.7409
	Transfer			31 Dec 2020	155603	6548259	1.7833
	Transfer			01 Jan 2021	196083	6744342	1.8367
	Transfer			08 Jan 2021	336340	7080682	1.9282
	Transfer			15 Jan 2021	(21756)	7058926	1.9223
	Transfer			05 Feb 2021	(68330)	6990596	1.9037
	Transfer			12 Feb 2021	(282753)	6707843	1.8267
	Transfer			19 Feb 2021	(842314)	5865529	1.5973
	Transfer			26 Feb 2021	(390930)	5474599	1.4909
	Transfer			05 Mar 2021	80233	5554832	1.5127
	Transfer			12 Mar 2021	(731)	5554101	1.5125
	Transfer			19 Mar 2021	45000	5599101	1.5248
	AT THE END OF THE YEAR					**5599101**	**1.5248**
8	**ICICI LOMBARD GENERAL INSURANCE COMPANY LTD**	**4317907**	**1.1759**			**4317907**	**1.1759**
	AT THE END OF THE YEAR					**4317907**	**1.1759**
9	**THE INDIA FUND INC**	**5995940**	**1.6328**			**5995940**	**1.6328**
	Transfer			25 Sep 2020	(645000)	5350940	1.4572
	Transfer			30 Sep 2020	(155000)	5195940	1.415
	Transfer			11 Dec 2020	(383155)	4812785	1.3106
	Transfer			18 Dec 2020	(590077)	4222708	1.1499
	AT THE END OF THE YEAR					**4222708**	**1.1499**
10	**ABERDEEN STANDARD SICAV I - ASIAN SMALLER COMPANIES FUND**	**6524077**	**1.7767**			**6524077**	**1.7767**
	Transfer			10 Jul 2020	(168420)	6355657	1.7308
	Transfer			17 Jul 2020	(283620)	6072037	1.6536
	Transfer			14 Aug 2020	(1175028)	4897009	1.3336
	Transfer			21 Aug 2020	(724972)	4172037	1.1361
	AT THE END OF THE YEAR					**4172037**	**1.1361**

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the (beginning of the year as on 01/04/2020 and at the end of the year 31/03/2021)		Date	Increase/ Decrease in no. of shares	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	Mr. R. Lakshminarayanan^	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2021	NIL	NIL				NIL	NIL
2.	Ms. M. R. Jyothy*	95,37,874	2.60	01/04/2020	-	-	95,37,874	2.60
	As on 31/03/2021	95,37,874	2.60				95,37,874	2.60
3.	Mr. K. Ullas Kamath	29,02,760	0.79	01/04/2020	-	-	29,02,760	0.79
	As on 31/03/2021	29,02,760	0.79				29,02,760	0.79
4.	Ms. M.R. Deepthi$	1,03,61,770	2.82	01/04/2020	-	-	1,03,61,770	2.82
	As on 31/03/2021	1,03,61,770	2.82				1,03,61,770	2.82
5.	Mr. Nilesh Mehta	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2021	NIL	NIL				NIL	NIL
6.	Ms. Bhumika Batra	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2021	NIL	NIL				NIL	NIL
7.	Mr. Sanjay Agarwal	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2021	NIL	NIL				NIL	NIL
8.	Mr. Shreyas Trivedi	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2021	NIL	NIL				NIL	NIL

^ Mr. R. Lakshminarayanan has been appointed as the Chairman of the Board of Directors of the Company with effect from April 1, 2020

**Ms. M. R. Jyothy has been appointed as the Managing Director of the Company with effect from April 1, 2020*

$ Ms. M. R. Deepthi has been appointed as the Whole Time Director of the Company with effect from April 1, 2020

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Amt. in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 1/4/2020				
i) Principal Amount	2,19,83,93,540	-	-	2,19,83,93,540
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,10,44,448	-	-	1,10,44,448
Total (i+ii+iii)	**2,20,94,37,988**	-	-	**2,20,94,37,988**
Change in Indebtedness during the financial year				
• Addition (Principal)	1,45,85,08,358		-	1,45,85,08,358
• Reduction (Principal)	3,15,69,01,898	-	-	3,15,69,01,898
Net Change	**(1,69,83,93,540)**	-	-	**(1,69,83,93,540)**
Indebtedness at the end of the financial year as on 31/3/2021				
i) Principal Amount	50,00,00,000	-	-	50,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	19,53,425	-	-	19,53,425
Total (i+ii+iii)	**50,19,53,425**	**-**	**-**	**50,19,53,425**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amt. in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		M.R. Jyothy	K. Ullas Kamath	M.R. Deepthi	
		Managing Director*	Joint Managing Director	Whole Time Director #	
1.	Gross salary				
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,89,30,325	3,01,50,000	69,28,032	6,60,08,357
	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	as % of profit	-	4,24,31,689	-	4,24,31,689
	others, specify...	-	-	-	-
5.	Others, please specify				
	Provident Fund	7,45,000	34,50,000	4,01,976	45,96,976
	Superannuation	-	30,00,000	-	30,00,000
	Total (A)	2,96,75,325	7,90,31,689	73,30,008	11,60,37,022
Ceiling as per the Act		10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013			

** Ms. M. R. Jyothy has been appointed as the Managing Director of the Company with effect from April 1, 2020.*

 # Ms. M. R. Deepthi has been appointed as the Whole Time Director of the Company with effect from April 1, 2020

B. Remuneration To Other Directors

(Amt. in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Nilesh B. Mehta	Mr. R. Lakshminarayanan*	Ms. Bhumika Batra	
1.	Independent Directors				
	• Fee for attending board / committee meetings	5,75,000	5,75,000	4,00,000	15,50,000
	• Commission	12,00,000	12,00,000	12,00,000	36,00,000
	• Others, please specify	-	-	-	-
	Total (1)	**17,75,000**	**17,75,000**	**16,00,000**	**51,50,000**
2.	Other Non-Executive Directors				
	• Fee for attending Board / Committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total Managerial Remuneration **Total (B)=(1+2)**	**17,75,000**	**17,75,000**	**16,00,000**	**51,50,000**
	Overall Ceiling as per the Act	1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013			

**Mr. R. Lakshminarayanan has been appointed as the Chairman of the Board of Directors of the Company with effect from April 1, 2020*

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amt. in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Shreyas Trivedi	Mr. Sanjay Agarwal	
		Head – Legal & Company Secretary	Chief Financial Officer	
1	Gross salary			
	(a) Salary as per the provisions contained in section 17(1) of the Income-tax Act, 1961	74,91,568	2,30,79,681	3,05,71,249
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify…	-	-	-
5	Others, please specify…			
	Provident Fund	4,46,352	12,98,001	17,44,353
	Superannuation	-	-	-
	Total(C)	**79,37,920**	**2,43,77,682**	**3,23,15,602**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of the Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during the year under review.

For and on behalf of the Board of Directors
For Jyothy Labs Limited
(Formerly known as Jyothy Laboratories Limited)

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

Sd/-
K. Ullas Kamath
Joint Managing Director
(DIN: 00506681)

Place: Mumbai
Date: May 18, 2021

ANNEXURE - C

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.

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

a) While determining the remuneration of Executive Directors and Key Managerial Personnel, the Board shall consider following factors:

   i) Criteria/ norms for determining the remuneration of such employees prescribed in the HR Policy.

   ii) Existing remuneration drawn.

   iii) Industry standards, if the data in this regard is available.

   iv) The job description.

   v) Qualifications and experience levels of the candidate.

   vi) Remuneration drawn by the outgoing employee, in case the appointment is to fill a vacancy on the death, resignation, removal etc. of an existing employee.

   vii) The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.

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

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

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

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

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

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

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

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

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

ANNEXURE - D

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 31ST MARCH, 2021

To
The Members
JYOTHY LABS LIMITED
(Formerly known as 'Jyothy Laboratories Limited')
Ujala House, Ram Krishna Mandir Road,
Kondivita, Andheri (East),
Mumbai – 400059

We have conducted online verification and examination of records, as facilitated by the Company, due to COVID-19 and subsequent lockdown situation for the purpose of secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jyothy Labs Limited (**Formerly known as 'Jyothy Laboratories 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 31st March, 2021, 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.

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 31st March, 2021, 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 Securities and Exchange Board of India Act, 1992 ('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 (Share Based Employee Benefits) Regulations, 2014; and

   f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

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 1st 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. 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.

None of the members have communicated dissenting views, in the matters/agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

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: F005171C000340946

Place: Mumbai
Date: 18th May, 2021

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

ANNEXURE – I

List of documents verified

1. Memorandum and Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2020.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination, Remuneration and Compensation Committee, Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee along with the respective Attendance Registers 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
(Formerly known as 'Jyothy Laboratories Limited')
Ujala House, Ram Krishna Mandir Road,
Kondivita, Andheri (East), Mumbai – 400059

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: F005171C000340946

Place: Mumbai
Date: 18th May, 2021

ANNEXURE – E

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

Amount Outstanding as at March 31, 2021

Particulars	(₹ in lacs)
Loans given	2,866.72
Guarantee Given (Financial exposure)	6,674.75
Investment (Current and Non-Current)	14,135.22

For and on behalf of the Board of Directors
For Jyothy Labs Limited
(Formerly known as Jyothy Laboratories Limited)

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

Sd/-
K. Ullas Kamath
Joint Managing Director
(DIN: 00506681)

Place: Mumbai
Date: May 18, 2021

ANNEXURE - F

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
(Formerly known as Jyothy Laboratories Limited)

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

Sd/-
K. Ullas Kamath
Joint Managing Director
(DIN: 00506681)

Place: Mumbai
Date: May 18, 2021

ANNEXURE – G

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 Silvassa plant through Tata Power Solar. The total project cost was ₹ 26.50 Lakhs with installed capacity of 65Kw. The Company is in the process of implementing this to other factories as well, but the same is delayed on account of the Pandemic of COVID-19.

ii. Puducherry Unit Campus of the Company saves 26KLD (Kiloliters per Day) raw water usage by installing the drip irrigation system in 3.5 acres irrigation area (Banana Plants, Coconut trees & Kitchen Gardens)

iii. Puducherry unit of the Company is making bricks by using waste and dust powder of clay wick stick used in Mosquito Repellent Liquid Vaporizer bottles as an up-cycling process for Solid Waste Management.

iv. The Company has upgraded most of its low efficiency electrical motors used across factories with latest energy efficient motors. This enables the Company to reduce energy usage by 7% - 10% in its factories.

v. Company is gradually upgrading its packaging into recyclable materials. Post successful migration into In-mould labelling (IML) containers for Exo Dishwash Round Cake, the newly launched Ujala Liquid Detergent is also in IML bottle, which is 100% recyclable. Company's engineering and packaging team is working on few other products also in the same direction.

(B) Technology absorption-

On account of Pandemic of COVID-19, the Company has not undertaken any technology absorption activity during the financial year 2020-21. Further, the Company has spent an amount of ₹ 8,58,14,066/- on Operational Research and Development (R & D) activity during the financial year 2020-21, which is 4.51% of the net profit of the Company.

(C) Foreign Exchange Earnings and Outgo

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

(₹ in lacs)

Particulars	2020-21	2019-20
Foreign exchange earnings	3,456.02	3,558.05
Foreign exchange outgo	3,421.28	3,239.90

ANNEXURE - H

ANNEXURE II - FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

1. A brief outline on CSR policy of the Company

Jyothy Labs Limited (Formerly known as Jyothy Laboratories 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.

The Company has undertaken projects in the rural area development, enhancing vocational skills, disaster management, Eradicating of hunger and Promoting health care including preventive health care as a part of its CSR Initiative for the financial year 2020-21. 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

Sl. 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 June 5, 2020; November 4, 2020; and March 15, 2021	3
2.	Ms. M. R. Jyothy	Managing Director as Member		3
3.	Mr. R. Lakshminarayanan	Independent 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.jyothylabs.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-

Sl. No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1.	-	-	-
	Total	**-**	**-**

6. Average net profit of the Company as per Section 135(5): - ₹ 19,306.05 Lacs

7. (a) Two percent of average net profit of the Company as per section 135(5):- ₹ **386.12 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:- **N.A.**

(d) Total CSR obligation for the financial year (7a+7b-7c) :- ₹ **386.12 Lacs**

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

Total Amount Spent for the Financial Year. (₹ In Lakhs)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Sec 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of fund	Amount	Date of Transfer
395.79	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against **ongoing projects** for the financial year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
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.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Not Applicable											
	Total											

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

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 (₹ in Lakhs)	Mode of implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Donation to The Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund	Disaster Management	Yes	Various States, Districts		100.00	Yes	-	-
2	Housing in Adivasi area in Trichur	Rural/slum area development	Yes	Kerala	Kandanassery	113.68	Yes	-	-
3	Imparting skill development training	promoting education and enhancing vocation skills	Yes	Various States, Districts		72.40	Yes	-	-
4	Scholarships		Yes	Kerala	Ernakulam	39.00	Yes	-	-
5	Education for children		Yes	Kerala	Kandanassery	50.25	Yes	-	-
6	Donation to School		Yes	Maharashtra	Mumbai	0.95	Yes	-	-
7	School renovation		Yes	Kerala	Kandanassery	4.57	Yes	-	-
8	Building of public library		Yes	Kerala	Kandanassery	1.82	Yes	-	-
9	groceries for blind federation	Eradicating of hunger	Yes	Kerala	Kandanassery	3.27	Yes	-	-
	Free Kit for needy people		Yes	Tamil Nadu	Karaikal	3.00	Yes	-	-
	Free Kit for needy people		Yes	Kerala	Kandanassery	0.59	Yes		
	Food provided to medical team		Yes	Tamil Nadu	Karaikal	2.20	Yes	-	-
10	Ambulance hiring charges and providing medical overcoats	Promoting health care including preventive health care	Yes	Tamil Nadu	Karaikal and Puducherry	4.06	Yes	-	-
	Total					**395.79**			

(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- **395.79 Lakhs**
(8b+8c+8d+8e)

(g) Excess amount for Set off, if any

Sl. No	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	386.12
(ii)	Total amount spent for the Financial Year	395.79
(iii)	Excess amount spent for the financial year [(ii)-(i)]	9.67
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	9.67

9. (a) Details of Unspent CSR amount for the preceding three financial years- **Not Applicable**

Sl. 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						
	TOTAL	-	-	-	-	-	-

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

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

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).- **Not Applicable**

For and on behalf of the Board of Directors
For Jyothy Labs Limited
(Formerly known as Jyothy Laboratories Limited)

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

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

Place: Mumbai
Date: May 18, 2021

ANNEXURE - I

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 2020-21 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	43	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	17 years	2,96,75,325	-
Mr. K.ULLAS KAMATH	58	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	35 years	7,90,31,689	Practicing Chartered Accountant
Mr. SANJAY AGARWAL	45	Chartered Accountant, Cost Accountant, EDP - Wharton Business School, USA and A.M.P. - Harvard Business School, USA	Chief Financial Officer	18-04-2018	21 years	2,43,77,682	Adani Capital – Executive Director
Mr. S SOMA SUNDARAM	51	B. Sc.	VP - SUPPLY SOURCING & MANUFACTURING	17-08-2012	26 years	1,25,60,360	Kumar Organic Product Limited - Vice President Operation
Mr. KANDALA ANIL SARMA	42	PGDBM from Management Development Institute – Gurgaon & B.E (Electrical Electronics) from Birla Institute of Technology	National Sales Manager – General Trade	04-07-2019	20 years	1,36,00,123	Britannia Industries Limited as National Sales Manager – Dairy Business & Country Manager – Nepal & Bangladesh
Mr. ANANTH RAO T	47	Bachelors of Business Management and Intermediate level - Institute of Chartered Accountants of India	Head – Operations	24-12-2003	17 years	1,09,12,978	-

 # Ms. M. R. Jyothy has been appointed as the Managing Director of the Company with effect from April 1, 2020.

B. Employed for part of the financial year 2020-21 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
				NIL			

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 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under:

Sl. No.	Name of Director/ Chief Financial Officer/ Company Secretary	Designation	Remuneration Current Year	% increase/ decrease in Remuneration in the financial year 2020-21	Ratio of remuneration of each Director/ CFO/ CS/ to median remuneration of employees
1	Mr. R. Lakshminarayanan	Chairman & Independent Director^	17,75,000	2.9%	5 : 1
2	Ms. M. R. Jyothy	Managing Director #	2,96,75,325	35.13%	80 : 1
3	Mr. K. Ullas Kamath	Joint Managing Director	7,90,31,689	15.05%	214 : 1
4	Ms. M. R. Deepthi	Whole Time Director*	73,30,008	23.62%	20 : 1
5	Mr. Nilesh B. Mehta	Independent Director	17,75,000	0%	5 : 1
6	Ms. Bhumika Batra	Independent Director	16,00,000	-1.54%	4 : 1
7	Mr. Shreyas Trivedi	Head – Legal & Company Secretary	79,37,920	1.08%	21 : 1
8	Mr. Sanjay Agarwal	Chief Financial Officer	2,43,77,682	-0.26%	66 : 1

^ Mr. R. Lakshminarayanan has been appointed as the Chairman of the Board of Directors of the Company with effect from April 1, 2020.

 # Ms. M. R. Jyothy has been appointed as the Managing Director of the Company with effect from April 1, 2020.

** Ms. M. R. Deepthi has been appointed as the Whole Time Director of the Company with effect from April 1, 2020.*

(ii) In the financial year, there was an increase of 9.22 % in the median remuneration of employees;

(iii) There were 2,559 permanent employees on the rolls of Company as on March 31, 2021;

(iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was 8.94 % whereas the managerial remuneration for the same financial year decreased by 6.25%

(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 (FORMERLY KNOWN AS JYOTHY LABORATORIES LIMITED)
3.	Registered address	'Ujala House', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059
4.	Websites	www.jyothylabs.com and www.jyothylaboratories.com
5.	Email id	secretarial@jyothy.com
6.	Financial year reported	2020-21 (for the Financial Year ended March 31, 2021)
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	20211 – Mosquito liquid Vaporiser, Mosquito Repellent and Toilet Cleaner; 20212 – Hand Sanitizer 20231 – Soaps, Dish wash bar, Dish wash liquid, Dish Wash Gel and Floor Cleaner, 20233 – Detergents, Fabric Whitner, Detergent Liquid and Fabric Stiffner; 20235 – Tooth Paste; 20237 – Body soap (Toilet Soap), Deo, Talcum powder, Face wash, Hand Wash and After Shave; 20238 – Agarbatti; and 46499 – Dish wash Scrubber and Wipe
8.	List three key products / services that the Company manufactures/ provides (as in balance sheet)	1. Fabricare (Detergents, Detergent Bar and Fabric Whitener) 2. Dishwash (Dishwash Bar and Liquid) 3. Household Insecticides (Mosquito repellant 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 17 international locations. Out of them, 5 major locations include Malaysia, Bhutan, Dubai, Saudi Arabia and Nepal.
	ii) National locations	**Registered Office:** 'Ujala House', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059 **Zonal Offices:** **West Zone** 43, Shivshakti Industrial Estate, Andheri Kurla Road, Marol, Andheri (East), Mumbai – 400 059 **East Zone** "POONAM BUILDING" 5/2, Russel Street, Flat No 3A & 3B, West Bengal, Kolkata - 700 071 **North Zone** 304-305, 3rd Floor, K.M Trade Tower, Sector-14, Kaushambi, Near Radisson Blue Hotel, Ghaziabad, Uttar Pradesh-201010 **South Zone** #N-903, Rear Wing, Manipal Center, Dickenson Road, Bangalore -560042. For details of manufacturing plant/ locations, please refer Corporate Governance report forming part of the Annual Report 2020-21.
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 (As on March 31, 2021)	3,672.09 (36,72,08,644 Equity shares of 1/- each)
2.	Total Turnover (For the financial year 2020-21)	₹ 1,88,499.87 (Standalone)
3.	Total Profit after Tax (For the financial year 2020-21)	₹ 19,026.18 (Standalone)
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.08% (₹ 395.79 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).	Given the current size and scale of operations, subsidiary companies as of now are not engaged in BR initiative process of the Company.
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

1.	**Details of Director / Directors responsible for BR**		
	a)	Details of the Director / Directors responsible for the implementation of the BR policy / policies	
		DIN	00506681
		Name	Mr. K. Ullas Kamath
		Designation	Joint Managing Director
	b)	Details of the BR head	
		DIN	00506681
		Name	Mr. K. Ullas Kamath
		Designation	Joint Managing Director
		Telephone No.	022-66892800
		E-mail ID	secretarial@jyothy.com

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

1. *All the policies are formulated with detailed analysis and benchmarking across industry. The policies are in compliance with all applicable laws.*
2. *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.*
3. *All the policies have a policy owner and the respective policy owners are responsible for implementation of the policy.*
4. *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 and www.jyothylaboratories.com.*
5. *Any grievance relating to any of the policy can be escalated to the policy owner/ Top Management of the Company.*
6. *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	Not Applicable								
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)									

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 Joint Managing Director assesses the BR performance of the Company on an annual 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 : www.jyothylabs.com and www.jyothylaboratories.com.

Principle 1: Ethics, Transparency and Accountability

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

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 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/ Suppliers, etc. However, the Company encourages parties associated with its value chain like vendors, suppliers, 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 2020-21, 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

1.	List three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities	**Exo Dish Wash Bar / Round** 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. Ginger is known for its medicinal and anti-bacterial properties and has been used as home remedy for stomachache, sore throat etc. The goodness of ginger in Exo helps to deliver the antibacterial efficacy within Exo in its bar form. In addition – Exo has Cyclozan, a highly active anti-bacterial agent (often used in toothpastes hence safe ingredient) that is tough against germs that could cause potential food poisoning giving Exo the power of science. **Exo Dishwash Bar comes in two shapes viz. Rectangle and Round** Exo Dish Wash Round, the unique round shape of the bar has clear advantage over the traditional rectangular bars available in the market. Given its round shape, the bar is used in its entirety and ensures zero wastage. Add to that, the innovative Anti-Sogg formula that prevents excessive mushiness of the bar when in contact with water, which makes the Exo Dish Wash Round a great value for money choice. **Henko LINTelligent Detergent Powder** The powder is pink in colour, while the texture is soft and smooth with a mild yet pleasing fragrance that gives a whole new washing experience while giving one's clothes a new look and offering high level of color care protection to coloured fabrics. Henko with a LINT Reduction Power of 127% is a result of intensive research specially designed to not just clean and remove stains, but its unique Nano Fibre Lock Technology locks fraying fibers and conditions them to keep the colour and sheen intact. Henko is available in a Matic variant for Top Load and Front Load washing machines as well as a bucket wash variant called Wonder Wash. **Margo Original Neem – Toilet Soap** In India, Neem and skin care have had a strong association for generations. And if there's 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 skin coupled with exceptional standards of anti-bacterial hygiene. **Pril Liquid – Dish Wash** Pril Liquid has a unique formulation which is non-mushy upon use and gentle to the skin, thus leaving both dishes as well as hands clean and pleasantly fragrant post use. Pril has 3 variants – Lime – The grease fighter, Kraft, and Tamarind – The Shine specialist Pril Tamarind Shine specialist is the latest introduction in Pril Family. It is a revolutionary product in dishwash liquid space with goodness of Tamarind is incorporated in the product. It has visible Active Power Booster suspended in the liquid which bursts on abrasion to give more cleaning power making dishwashing a super easy job. Pril Tamarind is 10 times concentrated and comes in a classy and stylish packaging.

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)	Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain? The Company has undertaken various initiatives for efficient and optimal use of resources. The Consumption per unit varies as per the product mix and hence it is not possible to ascertain reduction achieved at each level. Reduction during usage by consumers (energy, water) has been achieved since the previous year? The Company through continuous improvement and innovation in product formulations tries to ensure lesser consumption of water and other resources, however the same cannot be quantified in real terms.
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	Yes, the Company has implemented various sustainable supply chain practices and initiatives whilst ensuring timely and cost-effective deliveries for necessary resources.
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?	The Company accords priority to local suppliers in procurement of stores, spares, and other consumables. 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.
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	Yes, the Company has a mechanism to recycle its products for further usage. The percentage of recycling of process waste is approximately 5%. The Company always engages itself in innovating and improving its products packaging such as Multilayered and monolayer plastic, laminates etc. Further, the Company has also taken an initiative to improve the environment 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. 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 by framing the Plastic Waste Management Rules, 2016 ("Rules"). This Rules makes every Waste Generator, Local Body, Gram Panchayat, Manufacturer, Importers and Producers responsible for every plastic generated and for the treatment thereto. 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 off plastic waste on the Company's behalf to the waste disposal facility for which application is already made with the Central Pollution Control Board.

Principle 3: Employee Wellbeing

Businesses should promote the wellbeing of all employees

1.	Total number of employees as on March 31, 2021.	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, 2021, the Company has total 2559 permanent employees of which 465 are women employees and 5 employees are having disabilities.
2.	Total number of employees hired on temporary / contractual / casual basis as on March 31, 2021.	
3.	Total number of permanent women employees	
4.	Total number of permanent employees with disabilities	The Company during the year under review has hired 4546 employees on temporary/ contractual/ casual basis.
5.	Do you have an employee association that is recognized by the Management?	At present there is a management recognized employee association which has approximately 7.97% of the permanent employees as its member.
6.	What percentage of your permanent employees are members of this recognised employee association?	
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 2020-21 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?	61.3% 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: 1) Customers; 2) Shareholders/Investors; 3) Partners (Suppliers / Vendors / Landlords); 4) Employees; 5) Regulatory Bodies; 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. 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

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 2020-21.

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 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 two units has acquired ISO 14001_2015 Environmental Management System certification. During covid-19 pandemic situation, 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.
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 other living creatures 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 as Environment Management 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, 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, 2021.

Principle 7: Policy Advocacy

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

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: - Federation of Indian Chambers of Commerce and Industry (FICCI) - Confederation of Indian Industry (CII) - Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL) - The Advertising Standards Council of India (ASCI) - Home Insect Control Association (HICA)
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

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. 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 2021-22.
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 ₹ 395.79 Lacs in various CSR activities during the financial year 2020-21. 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

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 2020-21, there were no complaints remaining unresolved.
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 information on the product label as mandated by the regulations to ensure full compliance with relevant laws and other additional information as well, if available, 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 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'). 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 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, 2021, comprises of 6 (Six) Directors out of which 3 (Three) are Executive Directors and 3 (Three) are Non-executive Independent Directors and accordingly 50% of the Board consists of Non-executive Independent Directors.

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, 2021, 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 June 5, 2020, August 5, 2020, November 4, 2020, January 27, 2021 and March 15, 2021. On account of pandemic of COVID-19, consequent lockdown and taking into consideration safety and health of the Board Members and other invitees, all the Board and the Committee meetings during the financial year 2020-21 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 2020-21. Also, during the financial year 2020-21, 2 (two) Circular Resolutions were passed on June 17, 2020 and September 8, 2020.

The last Annual General Meeting (AGM) of your Company was held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) on Friday, August 7, 2020 in compliance with the provisions of General Circular no. 20/ 2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs and 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, 2021 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$	Promoters Group and Managing Director	95,37,874	5	Yes	1	-	-
Mr. K. Ullas Kamath	Promoters Group and Joint Managing Director	29,02,760	5	Yes	3	2	-
Ms. M. R. Deepthi^	Promoters 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	12	7	4

** 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.

 # Appointed as the Chairman of the Board of Directors of your Company with effect from April 1, 2020.

$ Appointed as the Managing Director of your Company with effect from April 1, 2020.

^ Appointed as the Whole Time Director of your Company with effect from April 1, 2020.

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, 2021:

Name of the Director	Name of the Listed companies	Category of Directorship
Mr. R. Lakshminarayanan	Wonderla Holidays Limited	Non-Executive - Non Independent Director
Mr. K. Ullas Kamath	V-guard Industries Limited	Non-executive -Independent Director
Ms. Bhumika Batra	a) Repro India Limited b) NXTDIGITAL Limited c) Sharp India Limited d) Finolex Industries Limited e) Hinduja Global Solutions Limited	Non-executive - Independent Director

Apart from Jyothy Labs Limited (Formerly known as Jyothy Laboratories 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, 2021.

As on March 31, 2021, 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.jyothylabs.com/investor/management-policies-notices/#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	Mr. K. Ullas Kamath and Ms. M. R. Jyothy
b)	Business Strategy/Business Management	Ms. M. R. Jyothy
c)	Sales and Marketing	Mr. R. Lakshminarayanan and Ms. M. R. Jyothy
d)	Finance and Accounting	Mr. K. Ullas Kamath, 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, 2020 to March 31, 2021, 4 (four) meetings of the Audit Committee were held through video conferencing on June 5, 2020, August 5, 2020, November 4, 2020 and January 27, 2021. The composition of the Committee and attendance of each Committee Member during 2020-21 is 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. Bhumika Batra	Member	4

Mr. Sanjay Agarwal, Chief Financial Officer of your Company is the permanent invitee to all the Audit Committee meetings. 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:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to the Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013,

b. Changes, if any, in accounting policies and practices and reasons for the same,

c. Major accounting entries involving estimates based on the exercise of judgment by management,

d. Significant adjustments made in the financial statements arising out of audit findings,

e. Compliance with the listing and other legal requirements relating to financial statements,

f. Disclosure of any related party transactions,

g. Modified opinion(s) in the draft Audit Report;

5. Reviewing, with the management, and examine the quarterly, limited review and auditors' report before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency regarding the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the Auditor's independence and performance and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

14. Discussion with Internal Auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism or Vigil mechanism;

19. Reviewing the utilization of loans and/or advances from/investment by the company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;

20. Approval of appointment of Chief Financial Officer (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and

21. 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, 2021 the Nomination, Remuneration and Compensation Committee of your Company comprises of the following 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 twice during the year ended March 31, 2021 i.e. on June 5, 2020 and on November 4, 2020. 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	2
2	Mr. R. Lakshminarayanan	Member	2
3	Ms. Bhumika Batra	Member	2

Ms. M. R. Jyothy, Managing Director of your Company is the permanent invitee to all the Nomination, Remuneration and Compensation Committee meetings.

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. To formulate criteria for evaluation of the members of the Board of Directors including Independent Directors, the Board of Directors and the Committees thereof;
3. To devise policy on Board Diversity;
4. 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;
5. 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;
6. 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;
7. 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;
8. 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;
9. 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;
10. 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;
11. To recommend to the Board, all remuneration in whatever form, payable to senior management; and
12. To recommend to the Board of Directors, their decisions and further actions as they may deem fit.

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, 2021:
Executive Directors

(Amount in ₹)

Name of the Director	Salary including Benefits & Perquisites	Provident Fund	Superannuation	Commission payable	Stock Options	Total
Ms. M. R. Jyothy	2,89,30,325	7,45,000	0	0	0	2,96,75,325
Mr. K. Ullas Kamath	3,01,50,000	34,50,000	30,00,000	4,24,31,689	0	7,90,31,689
Ms. M. R. Deepthi	69,28,032	4,01,976	0	0	0	73,30,008

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.

Since, the period of five years will complete on March 31, 2022, your Company at its ensuing Annual General Meeting is seeking the 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 2020-21 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	5,75,000	12,00,000	-
2	Mr. Nilesh B. Mehta	5,75,000	12,00,000	-
3	Ms. Bhumika Batra	4,00,000	12,00,000	-

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, 2021, this Committee had 4 meetings through video conferencing which were held on June 5, 2020, August 5, 2020, November 4, 2020 and January 27, 2021 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

Ms. M. R. Jyothy has been appointed as a Member of the Stakeholders' Relationship Committee with effect from April 1, 2020.

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 7 complaints from shareholders and all of them were disposed off to the satisfaction of the shareholders. As on March 31, 2021 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 through video conferencing during the financial year ended March 31, 2021 i.e. on June 5, 2020, November 4, 2020 and March 15, 2021.

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

Mr. Nilesh B. Mehta has been appointed as the Chairman of the Committee and Mr. R. Lakshminarayanan has been appointed as Member of the CSR Committee with effect from April 1, 2020.

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-notices/#Management-Policies

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

(a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the review thereof at periodical intervals;

(b) To recommend the amount of expenditure to be incurred on the activities referred above;

(c) To formulate and recommend to the Board of Directors, annual action plan in pursuance of the CSR Policy;

(d) To monitor the expenditure incurred on the specified activities; and

(e) To monitor the implementation of Corporate Social Responsibility Policy of the Company from time to time.

RISK MANAGEMENT COMMITTEE

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. The Risk Management Committee comprises of Mr. K. Ullas Kamath, Joint Managing Director, Ms. M. R. Jyothy, Managing Director, Ms. M. R. Deepthi, Whole Time Director, Mr. T. Ananth Rao, Head – Operations and Mr. Ravi Razdan, Head – Systems & HR.

During the financial year under review, the Risk Management Committee met once i.e. on January 15, 2021. Mr. K. Ullas Kamath was appointed as the Chairperson to chair the said meeting of Risk Management Committee.

Sr. No.	Name of the Members	No. of Meetings Attended
1	Mr. K. Ullas Kamath	1
2	Ms. M. R. Jyothy	1
3	Ms. M. R. Deepthi	1
4	Mr. T. Ananth Rao	1
5	Mr. Ravi Razdan	1

Ms. M. R. Deepthi has been appointed as the Member of the Risk Management Committee with effect from April 1, 2020.

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, 2021, 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) Monitoring and reviewing of the risk management plan/policies;

b) Appoint various functionaries;

c) Decide the roles and responsibilities of various functionaries;

d) Evaluate risk of the Company as a whole and also control measures;

e) Recommend changes in policies and procedure;

f) Decide budget for control measures;

g) Analyse the risk including cyber risk and decide on risk treatment/security;

h) Consider and accept risk management report along with the control measures/action taken;

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
2020-29th 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.
2019-28th 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). 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).
2018 – 27th AGM	July 25, 2018	11.00 a.m.	1. Re-appointment of Mr. Nilesh Bansilal Mehta (DIN: 00199071), as an Independent Director of the Company for a further period of 5 (Five) years with effect from April 1, 2019 upto March 31, 2024. 2. Re-appointment of Mr. Ramakrishnan Lakshminarayanan (DIN: 00238887), as an Independent Director of the Company for a further period of 5 (Five) years with effect from April 1, 2019 upto March 31, 2024. 3. Adoption of new set of Articles of Association of the Company in substitution and to the entire exclusion of the existing Articles of Association of the Company. 4. Approval of 18,10,235 options to be granted and ratification of 4,52,558 options already granted to Mr. Raghunandan Sathyanarayan Rao, the then Whole Time Director & Chief Executive Officer. 5. Approval for issue of Debentures to the tune of ₹ 500 Crores on a Private Placement basis.

Except for AGM held on August 7, 2020, which was convened through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), all the other AGMs were held at M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20 K. Dubhash Marg, Kala Ghoda, Mumbai – 400001.

All resolutions at the 27th and 28th Annual General Meetings were passed through e-voting and physical ballots cast at the respective AGM. All resolutions at the 29th Annual General Meeting were passed electronically through remote e-voting and e-voting at the time of the AGM.

Postal Ballot

During the financial year ended March 31, 2021, no 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 and Marathi language newspaper viz. Sakal 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 and www.jyothylaboratories.com. However, on account of the pandemic of COVID-19 and consequent lockdown, the print version of several newspapers were stopped during the first quarter. Accordingly, considering this scenario, SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 had exempted publication of advertisements in newspapers, as required under Regulation 47 of the Listing Regulations for all the events scheduled till June 30, 2020. In view of the aforesaid SEBI Circulars and considering the difficulties in the first quarter due to pandemic of COVID-19, the Notice convening the Board Meeting held on June 5, 2020 and Audited Financial Results for the quarter and year ended March 31, 2020 were not published in any Newspapers by your Company.

Official Press releases, Conference call transcripts and presentation made to the institutional investors/Analysts are also available on the aforesaid websites 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. 02/2021 dated January 13, 2021, the 30th Annual General Meeting of your Company will be held through Video Conferencing (VC) or any other mode of audio-visual means (OAVM) on Friday, July 30, 2021 at 11:30 a.m.

b) **The Financial year covered by this Annual Report:** April 1, 2020 to March 31, 2021.

c) **Book Closure Dates:** From July 23, 2021 to July 30, 2021 (both days inclusive).

d) **Dividend Payment Date:** On or after August 4, 2021, 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 2021-22 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), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	532926
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	JYOTHYLAB
ISIN Number	INE668F01031

f) **Registrar & Share Transfer Agent:**

Link Intime India Private Limited
C-101, 247 Park, LBS Marg,
Vikhroli West, Mumbai- 400083,
Phone: 022-49186000, Fax: 022-49186060
E-mail: rnt.helpdesk@linkintime.co.in

g) **Share Transfer System:**

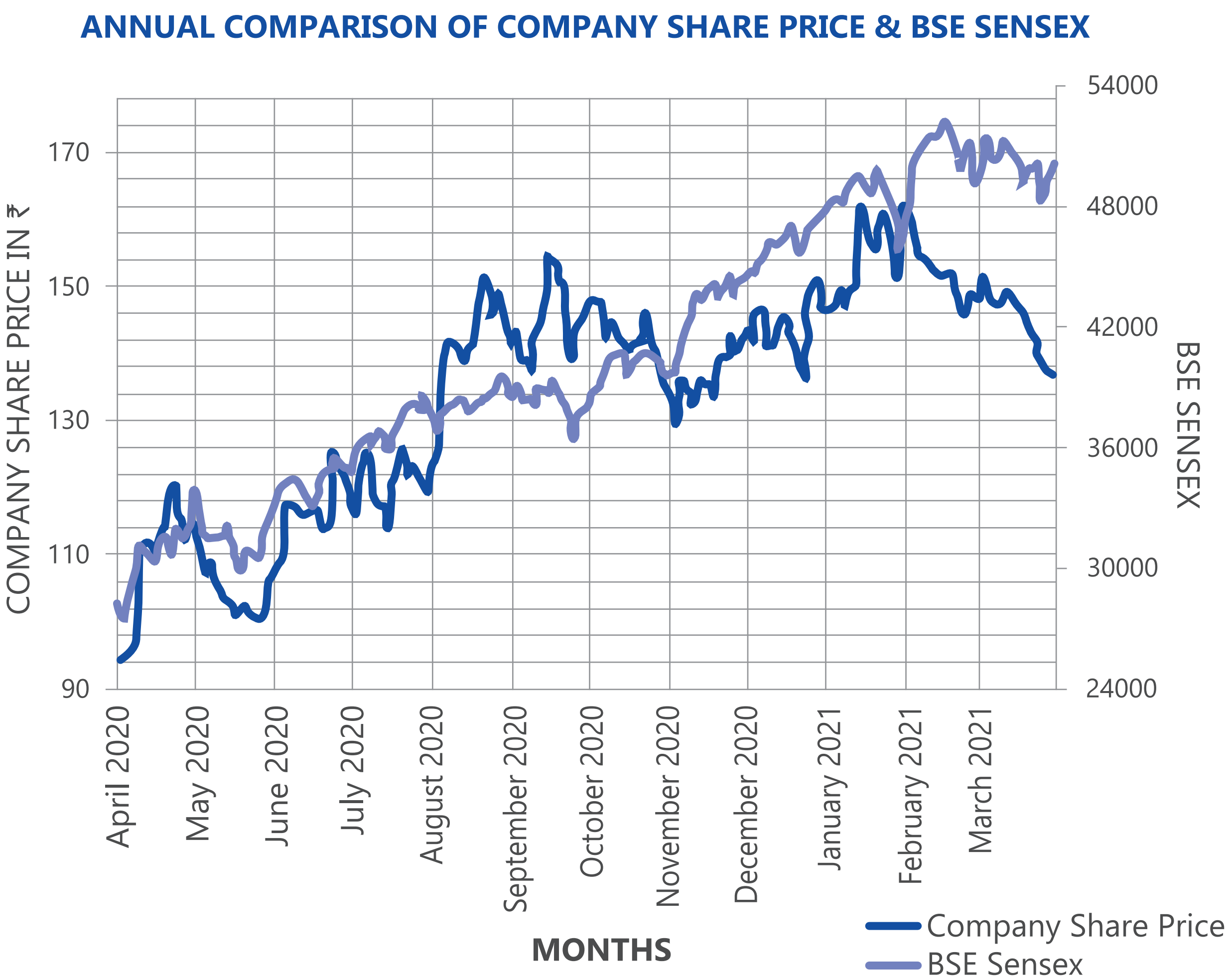
Share Transfers are registered and returned by the Registrars & Share Transfer Agent within a period of 15 days from the date of receipt of the documents, provided the same are in order. Your Company has constituted Securities Transfer Committee which considers the transfer proposals generally on a regular basis. 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. However, during the year under review, your Company on an exceptional case basis approved the physical transfer of 194 equity shares held by 15 enemy shareholders of your Company in favour of the Custodian of Enemy Property of India (CEPI) as per the instructions provided by the Registrar of Companies, Mumbai. 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, 2020 to March 31, 2021 are given below:

	BSE Market Price (₹)		NSE Market Price (₹)	
Month	**High**	**Low**	**High**	**Low**
April – 2020	123	91.15	123.45	90
May – 2020	114.95	100.1	114.9	100
June – 2020	127.7	105.3	127.5	105.1
July – 2020	130.85	112.4	130.85	112.20
August – 2020	153.15	121	153.2	120.55
September – 2020	158.35	133.7	158.5	133.65
October – 2020	149.8	132.5	149.9	132.65
November – 2020	143.75	128.4	143.8	128
December – 2020	152.1	133.45	152.5	133.6
January – 2021	165.9	145.05	166	145
February – 2021	166	144	166	144
March - 2021	154.55	136.05	154.5	136

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



j) Shareholding Pattern as on March 31, 2021:

Shareholding pattern of your Company's equity shares in broad categories as on March 31, 2021 are given below:

Sr. No.	Category of Shareholder	As on 31.03.2021	
		Total Number of Shares	%
1	**Promoter and Promoter's Group**	230934669	62.89
	Sub-total - 1	**230934669**	**62.89**
2	**Institutions**		
a.	Mutual Funds	54333713	14.80
b.	Alternate Investment Funds	2394115	0.65
c.	Venture Capital Funds	0	-
d.	Foreign Portfolio Investor	45710045	12.45
e.	Financial Institutions/ Banks	2249	0.00
f.	Insurance Companies	5247115	1.43
g.	Foreign Bank	0	-
	Sub-Total - 2	**107687237**	**29.33**
3	**Central Government/ State Government(s)**	840	0.00
	Sub-Total - 3	**840**	**0.00**
4	**Non-institutions**		
	Individuals & HUF	24231062	6.60
	NBFC Registered with RBI	22000	0.01
	IEPF	381432	0.10
	Trusts	2769	0.00
	Non Resident Indians (Non Repat)	388272	0.10
	Non Resident Indians (Repat)	1039874	0.28
	Foreign Portfolio Investor (Individual)	2111	0.00
	Clearing Members	243932	0.07
	Bodies Corporates	2274446	0.62
	Sub-Total - 4	**28585898**	**7.78**
	Total	**367208644**	**100.00**

k) Distribution of Shareholding as on March 31, 2021:

Sr. No	Slab of shareholding		Shareholders		Shares Value	
	No. of Equity shares held		Number	In %	Face Value (₹)	In %
	From	To				
1.	1	500	113329	93.94	11235600	3.06
2.	501	1000	4164	3.45	3190461	0.87
3.	1001	2000	1696	1.41	2524579	0.69
4.	2001	3000	483	0.40	1228245	0.33
5.	3001	4000	219	0.18	799098	0.22
6.	4001	5000	193	0.16	902062	0.25
7.	5001	10000	258	0.21	1886727	0.51
8.	10001	& Above	297	0.25	345441872	94.07
Total			**120639**	**100.00**	**367208644**	**100.00**

l) Suspension of securities from trading: As on March 31, 2021, none of the securities of your Company has been suspended from trading and accordingly explanation in this regard in Director's Report is not required.

m) Dematerialization of shares and Liquidity: As on March 31, 2021, 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.

n) **Outstanding GDRs/ADRs/Warrants or any convertible instruments:** During the year 2020-21, your Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments.

o) **Plant Locations:** Manufacturing Plants of your Company are situated at the following locations:-

1. Bishnupur (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. Himachal Detergent Unit, Village Katha, Baddi P.O., Solan Himachal Pradesh-173205;
8. Jammu Unit, Lane 2, Phase II,Sidco Industrial Complex, Bari Brahamana, Samba, Jammu & Kashmir -181133;
9. Kandanassery (Ujala Unit), Kandanassery, Via - Ariyannur, Thrissur, Kerala – 680102;
10. Karaikal Unit, 131 Peralam Main Road, Thirunallar Post, Karaikal Pondicherry-609607;
11. Mehboobnagar – Telangana, Shed No.25/26, Ida, Kothur, Ranga Reddy, Telangana- 509228;
12. Pithampur (Maxo Unit), Plot No.201, Sector I, Pithampur Madhya, Dhar, Madhya Pradesh - 454775;
13. Pondicherry - Floor Shine Unit, R.S. No.12/1&2, Thethampakkam Village, Suthukeny Post, Pondicherry – 605502;
14. Pondicherry Detergent Unit And Exo, R.S. No.15, Thethampakkam Village, Suthukeny Post Pondicherry- 605502;
15. Pondicherry Ujala Unit And Pondi-Personal Care Unit, 12/1 & 2, Thethampakkam Village, Suthukeny, Post Pondicherry-605502;
16. Pondicherry Maxo LV Unit, R.S. No.15, Thethampakkam Village, Suthukeny, Post, Pondicherry-605502;
17. Silvassa Unit – II, Survey No. 369/1/1/1,Rakholi-Sayli Road, Sayli Village, Behind Siyaram Silk Mills, Silvassa, Dadra & Nagar Haveli-396230;
18. Silvassa Engineering Division (Eds), Survey No 910/7/1 Dokmardi, Silvassa, Dadra & Nagar Haveli-396230;
19. Uttaranchal - Unit-I (Personal Care And Ujala Division), Plot No. 6,7 & 8 Bearing Khasara Nos 361,366 & 370, Kie Industrial Estate, Village Mundiyaki, Roorkee, Haridwar, Uttarakhand - 247670;
20. Uttaranchal II - Detergent And Dish Wash Division, Plot No.18,19,20 & 21, Bearing Khasara Nos 366 & 367, Kie Industrial Estate,Village Mundiyaki, Roorkee, Haridwar, Uttarakhand – 247670;
21. Wayanad (Detergent), Mp IV/101 B, Kolagappara Po, Sulthan Bathery, Wayanad, Kerala-673591; And
22. Uttaranchal LV Device Unit, Khasara Nos 112 & 236, Village Kuvan Hedi,Post Gurukul Narsan ,Pargana Manglour ,Roorkee, Haridwar, Uttarakhand – 247670.
23. 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

p) **Shareholders & Investors Correspondence:** Shareholders should address their correspondence to your Company and/or its Registrars and Share Transfer Agent at the following address:

1. Link Intime India Private Limited

   Unit: Jyothy Labs Limited

   C-101, 247 Park, LBS Marg,

   Vikhroli West, Mumbai- 400083

   Phone: 022-49186000, Fax: 022-49186060

   E-mail: rnt.helpdesk@linkintime.co.in

   Contact Person: Ms. Suman Shetty

2. Mr. Shreyas Trivedi
   Head – Legal and Company Secretary
   Jyothy Labs Limited
   (Formerly Known as Jyothy Laboratories Limited)
   'Ujala House', Ram Krishna Mandir Road,
   Kondivita, Andheri (East),
   Mumbai – 400 059
   Phone: 022-66892800, Fax: 022-66892805
   E-mail: secretarial@jyothy.com

CREDIT RATING

Details of Credit Ratings obtained by your Company during the financial year under review are as follows:

Sr. No.	Name of the Rating Agency	Rating	Type of debt instrument
1	CARE Ratings Limited	CARE A1+	Commercial Paper Issue
2	CARE Ratings Limited	CARE AA; Stable	Long term Bank Facilities
3	ICRA Limited	[ICRA] A1+	Commercial Paper Issue

DISCLOSURES

1. During the year under review, there were no materially significant related party transactions that may have potential conflict of interest with the interests of your Company at large. Your Company has formulated the Policy on dealing with related party transactions and the same is available on the website of your Company and a web link thereto is as below:

   https://www.jyothylabs.com/investor/management-policies-notices/#Management-Policies

   Transactions with related parties, as per requirements of Indian Accounting Standard 24, are disclosed in Notes to Accounts annexed to the Financial Statements.

2. Your Company has followed all relevant Accounting Standards while preparing the Financial Statements and no treatment different from that prescribed in an Accounting Standard has been followed.

3. No penalties or strictures have been imposed on your Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

4. Your Company has in place Vigil Mechanism/ Whistle Blower policy and the details of the same are provided in the Boards' Report. Further, it is affirmed that no personnel have been denied access to the Audit Committee.

5. Your Company has complied with the applicable mandatory requirements of the Listing Regulations. Your Company has not adopted any of the discretionary requirements as specified in Part E of Schedule II of the Listing Regulations, except access to Internal Auditors of your Company to directly report to the Audit Committee.

6. Your Company has laid down procedures to inform Board members about the risk assessment and minimization procedures.

7. The policy for determining criteria of material subsidiaries is formulated by your Company and is available on the website of your Company and the web link thereto is as below:

   https://www.jyothylabs.com/investor/management-policies-notices/#Management-Policies

8. Your Company has formulated the Policy on distribution of dividend and the same is available on the website of your Company and the web link thereto is as below:

   https://www.jyothylabs.com/investor/management-policies-notices/#Management-Policies

9. During the year under review, your Company has not raised funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of the Listing Regulations.

10. During the year under review, there has been no instance where the Board has not accepted any recommendation(s) of any of the Committee of the Board which was mandatorily required to be accepted.

11. Your Company has paid a total consolidated fees of ₹ 1,10,25,000/- (Rupees One Crore Ten Lakhs Twenty Five Thousand only) 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.

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 the 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 18, 2021 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, 2021. 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, 2020 to March 31, 2021)	Nil
Number of complaints disposed off during the financial year (i.e. from April 1, 2020 to March 31, 2021)	Nil
Number of complaints pending as on end of the financial year (i.e. as on March 31, 2021)	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 and www.jyothylaboratories.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 Joint Managing 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
(Formerly known as Jyothy Laboratories Limited)

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

Sd/-
K. Ullas Kamath
Joint Managing Director
(DIN: 00506681)

Place: Mumbai
Date: May 18, 2021

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

To,
The Members of
Jyothy Labs Limited
(Formerly known as 'Jyothy Laboratories 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

Jyothy Labs Limited (Formerly known as '*Jyothy Laboratories Limited*') (CIN: L24240MH1992PLC128651) (hereinafter referred to as '**the Company**') is a Public Limited Company incorporated under the provisions of the erstwhile Companies Act, 1956 and whose equity shares are listed on National Stock Exchange of India Limited and BSE Limited, has approached us to issue certificate confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority and based on the individual confirmations received from the Board of Directors of the Company who are in their respective office as on March 31, 2021 viz.

Sr. No.	Name of the Director	DIN
1.	Ms. Jyothy Ramchandran	00571828
2.	Mr. Kasaragod Ullas Kamath	00506681
3.	Ms. Deepthi Moothedath Ramachandran	01746698
4.	Mr. Nilesh Bansilal Mehta	00199071
5.	Mr. Ramakrishnan Lakshmi Narayanan	00238887
6.	Ms. Bhumika Batra	03502004

and we certify that:
"None of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority."

This certificate is issued by us only for the purpose of disclosure to be furnished in the Corporate Governance Report of the Company for the financial year ended March 31, 2021, pursuant to Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and should not be used for any other purpose.

For RATHI AND ASSOCIATES
COMPANY SECRETARIES

Sd/-
HIMANSHU S. KAMDAR
PARTNER
M. NO. FCS 5171
COP NO. 3030
UDIN: F005171C000341001

Place: Mumbai
Date: May 18, 2021

DECLARATION BY THE MANAGING DIRECTOR AND THE JOINT MANAGING DIRECTOR UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING COMPLIANCE WITH 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, 2021.

For and on behalf of the Board of Directors
For Jyothy Labs Limited
(Formerly known as Jyothy Laboratories Limited)

	Sd/-	Sd/-
	M. R. Jyothy	**K. Ullas Kamath**
Place: Mumbai	Managing Director	Joint Managing Director
Date: May 18, 2021	(DIN: 00571828)	(DIN: 00506681)

CERTIFICATION BY MANAGING DIRECTOR AND 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 (Formerly Known as Jyothy Laboratories Limited), certify that:-

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2021 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
(Formerly known as Jyothy Laboratories Limited)

	Sd/-	Sd/-
	M. R. Jyothy	**Sanjay Agarwal**
Place: Mumbai	Managing Director	Chief Financial Officer
Date: May 18, 2021	(DIN: 00571828)	

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
Jyothy Labs Limited
(Formerly known as **'Jyothy Laboratories Limited'**)

We have examined the compliance of conditions of Corporate Governance by Jyothy Labs Limited (Formerly known as Jyothy Laboratories Limited) having its Registered Office situated at Ujala House, Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400059 ('**the Company**'), for the year ended March 31, 2021, 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: F005171C000340990

Place: Mumbai
Date: May 18, 2021

Independent Auditors' Report

To the Members of
Jyothy Labs Limited
(formerly known as Jyothy Laboratories Limited)

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Jyothy Labs Limited (formerly known as Jyothy Laboratories Limited) ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, 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 the 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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

KEY AUDIT 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.

Key audit matter	How the matter was addressed in our audit
Revenue Recognition at period end Refer note 2.2(d) of accounting policies and notes 21 and 45 of standalone financial statements. Revenue is recognized when control of the underlying products has been transferred to the customer. Revenue is a key performance indicator for the Company. There is risk of revenue being fraudulently recognized at period end before control has passed to the customer resulting from pressure to meet external investor/stake-holder expectations or to meet revenue targets set through performance incentive schemes. Determining the accrual for rebates and discounts (variable consideration) involves estimation based on applicable promotional schemes and the potential claims expected to be raised by the customers. Accordingly, period-end recognition of revenue based on the transfer of control to customers and estimation of accrual for variable consideration including rebates and discounts have been considered to be key audit matter.	Our audit procedures in respect of recognition of revenue included the following- • Assessed the Company's accounting policies relating to revenue recognition and accrual for rebates and discounts by comparing them with the applicable accounting standards; • 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 and estimating accrual for rebates and discounts; • Examined sales invoices and dispatch/shipping documents for selected samples of revenue recognized at period end to verify that revenue has been recognised only once control has passed to the customer; • Performed retrospective review to identify any management bias with respect to accrual for rebates and discounts; • Assessed appropriateness of non-standard manual journal entries that affect reported revenue of the Company.
Impairment assessment of investment in subsidiaries Refer note 2.2(p) of accounting policies and note 4 of standalone financial statements Investment in subsidiaries are assessed for impairment when triggers are identified. 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. The likely impact of the Covid 19 pandemic also increases the uncertainty involved in these estimates. Considering the inherent uncertainty and judgment involved and the significance of the value of these investments, impairment assessment of investments in subsidiaries have been considered as a key audit matter.	Our audit procedures in respect of assessment of impairment of investments in subsidiaries included the following- • Tested the design and operating effectiveness of key controls over impairment assessment including approval of forecasts and valuation models used • Assessed the valuation methodology used by the Company (by involving our valuation specialists) and tested the mathematical accuracy of the impairment models; • Evaluated the assumptions used including discount rates and terminal growth rates by involving our valuation specialists; • Challenged business assumptions used such as sales growth, costs and impact of the potential economic slowdown caused by Covid 19 on these assumptions; • Performed sensitivity analysis of key assumptions. This includes revenue growth rates, forecasted cash flows, costs and the discount rates applied in the valuation models

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 auditors' 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' RESPONSIBILITY 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 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 standalone 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 in the standalone financial statements 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 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 auditors' 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 standalone 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 35 B to the standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' 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 — Membership No: 111410
18 May 2021 — UDIN-21111410AAAAAX3039

Annexure - A

TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2021

(Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified annually. In accordance with this program, fixed assets 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, as disclosed in Note 3(a) to the Standalone financial statements, are held in the name of the Company, except as noted below:

Particulars	Freehold land	Buildings
Number of cases	1	1
Gross block as at 31 March 2021 (₹ in lacs)	33.23	657.76
Net block as at 31 March 2021 (₹ in lacs)	33.23	505.02

(ii) The inventory, except goods-in-transit and stock lying with third parties, has been physically verified by the management during the year. For inventory lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt with in the books of accounts.

(iii) (a) The Company has granted loan to subsidiaries covered in the register maintained under Section 189 of the Companies Act, 2013 (the "Act"). In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) The loan granted to the subsidiaries is re-payable on demand. No demand for repayment of principal or interest was raised by the Company during the year.

(c) In view of our comment in paragraph iii(b) above, there is no amount of loan granted to parties listed in the register maintained under Section 189 of the Act which are overdue for more than ninety days.

(iv) The Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans granted, investments made and guarantees provided, as applicable. The Company has not provided any security to the parties covered under Section 185 and 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Goods and Service tax and Value added tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Enclosure I to this report.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company does not have any loans or borrowings from financial institutions and Government, nor has it issued any debentures during the year.

(ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration for the year ended 31 March 2021 in accordance with the requisite approvals mandated by the provisions of Sections 197 read with Schedule V of the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and based on 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, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410
UDIN-21111410AAAAAX3039

Mumbai
18 May 2021

ENCLOSURE I TO ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2021

Name of the Statue	Nature of Dues	Period	Forum where dispute is pending (Amount in Lacs)			
			Commissioner & Appellate	High Court	Tribunal	Grand Total
The Central Excise Act, 1944	Excise	1999-00	10	-	-	10
		2007-18	1,854	-	-	1,854
		2013-14	-	-	14	14
		2011-16	-	2,618	-	2,618
The Central Sales Tax Act, 1956 and Value Added Tax	Sales Tax and VAT	1999-00	4	-	-	4
		2000-01	5	-	-	5
		2001-04	903	10	130	1,043
		2004-09	1,078	282	85	1,445
		2009-16	420	181	599	1,200
		2016-18	418	-	-	418
The Income Tax Act, 1961	Income Tax	AY 2010-11	-	1,000	-	1,000
		AY 2011-12	279	1,203	-	1,482
		AY 2012-13	-	758	326	1,084
		AY 2013-14	-		188	188
		AY 2014-15	-	-	93	93
Grand Total			**4,971**	**6,052**	**1,435**	**12,458**

Annexure - B

to the Independent Auditors' report on the standalone financial statements of Jyothy Labs Limited (formerly known as Jyothy Laboratories Limited) for the year ended 31 March 2021.

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 (formerly known as Jyothy Laboratories Limited) ("the Company") as of 31 March 2021 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 2021, 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
Membership No: 111410
UDIN-21111410AAAAAX3039

Mumbai
18 May 2021

Standalone Balance Sheet

as at March 31, 2021

₹ In Lacs

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	3a	27,653.59	26,998.87
Capital work in progress	3b	1,002.00	2,374.27
Right-of-use assets	3c	4,308.62	4,525.43
Goodwill	3d	10,287.69	10,287.69
Other intangible assets	3d	3,470.79	6,598.86
Financial assets			
Investment in subsidiaries	4	14,135.22	13,928.74
Other investments	4	-	2.59
Loans	6	820.79	919.31
Other financial assets	7	40.19	363.48
Deferred tax assets (net)	8	10,036.13	9,621.99
Non-current tax assets (net)	9	992.11	992.11
Other non-current assets	10	5,677.64	8,392.90
		78,424.77	**85,006.24**
Current assets			
Inventories	11	27,659.59	22,258.76
Financial assets			
Trade receivables	5	8,725.03	11,956.18
Cash and cash equivalents	12a	6,974.91	686.15
Bank balances other than cash and cash equivalents	12b	12,108.38	1,321.00
Loans	6	2,866.72	670.79
Other financial assets	7	312.78	315.82
Other current assets	10	5,300.40	6,698.64
		63,947.81	**43,907.34**
Total assets		**1,42,372.58**	**1,28,913.58**
Equity and liabilities			
Equity			
Equity share capital	13	3,672.09	3,672.09
Other equity	14	89,705.96	70,655.64
Total equity		**93,378.05**	**74,327.73**
Non-current liabilities			
Financial liabilities			
Other financial liabilities	17	2,726.35	2,900.25
Provisions	19	5,864.63	5,287.66
Other non-current liabilities	18	228.97	302.73
		8,819.95	**8,490.64**
Current liabilities			
Financial liabilities			
Borrowings	15	5,019.53	22,094.38
Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises		4,484.61	1,022.95
Total outstanding dues of creditors other than micro enterprises and small enterprises		14,542.96	11,656.17
Other financial liabilities	17	4,531.49	3,714.93
Other current liabilities	18	9,514.55	5,314.04
Provisions	19	1,679.83	2,246.61
Current tax liabilities (net)	20	401.61	46.13
		40,174.58	**46,095.21**
Total liabilities		**48,994.53**	**54,585.85**
Total equity and liabilities		**1,42,372.58**	**1,28,913.58**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the Standalone financial statements.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
Date: May 18, 2021

For and on behalf of the Board of Directors of
Jyothy Labs Limited
CIN: L24240MH1992PLC128651

M.R. Jyothy
Managing Director
DIN: 00571828

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
Date: May 18, 2021

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

₹ In Lacs

Particulars	Note	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Income			
Revenue from operations	21	1,88,499.87	1,66,537.94
Other income	22	1,981.57	2,004.76
Total income (I)		**1,90,481.44**	**1,68,542.70**
Expenses			
Cost of raw material and components consumed	23	79,736.00	69,230.32
Purchase of Stock in Trade		23,428.97	23,148.82
Changes in inventories of finished goods, stock in trade and work-in-progress	24	(2,733.04)	(3,177.66)
Employee benefits expense	25	22,085.41	20,032.10
Finance costs	26	1,172.38	2,477.88
Depreciation and amortisation expense	27	7,790.90	7,573.12
Other expenses	28	34,309.33	32,321.46
Total expense (II)		**1,65,789.95**	**1,51,606.04**
Profit before exceptional item and tax (I-II)		**24,691.49**	**16,936.66**
Exceptional item	46	2,350.41	377.83
Profit before tax		**22,341.08**	**16,558.83**
Income tax	29		
Current tax		3,742.00	2,663.00
Deferred tax (credit)/charge		(427.10)	(1,873.45)
Total Income tax		**3,314.90**	**789.55**
Profit for the year attributable to equity shareholders (A)		**19,026.18**	**15,769.28**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) of post employment benefit obligation		37.10	(422.34)
Income tax relative to items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) of post employment benefit obligation	29	(12.96)	147.57
Other comprehensive income for the year net of tax , attributable to equity shareholders (B)		**24.14**	**(274.77)**
Total comprehensive income for the year net of tax, attributable to equity shareholders (A+B)		**19,050.32**	**15,494.51**
EARNINGS PER SHARE (EPS)	38		
Basic (₹)		5.18	4.29
Diluted (₹)		5.18	4.29
Nominal value per share (₹)		1.00	1.00
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the Standalone financial statements.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
Date: May 18, 2021

For and on behalf of the Board of Directors of
Jyothy Labs Limited
CIN: L24240MH1992PLC128651

M.R. Jyothy
Managing Director
DIN: 00571828

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
Date: May 18, 2021

Standalone Statement of Changes in Equity

For the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

₹ In Lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Equity shares of ₹ 1 each issued, subscribed and fully paid		
At the beginning of the period	3,672.09	3,672.09
Issue of share capital	-	-
At the end of the period	**3,672.09**	**3,672.09**

For further details, Refer Note 13

B. OTHER EQUITY

Particulars	Retained earnings	Capital reserves	Securities premium	General reserves	Total
As at April 1, 2019	24,237.28	6,514.46	50,510.09	460.67	81,722.50
Profit for the year	15,769.28	-	-	-	15,769.28
Other comprehensive income - Re-measurement gains/(losses) of post employment benefit obligation	(274.77)	-	-	-	(274.77)
Total comprehensive income	15,494.51	-	-	-	15,494.51
Cash Dividends (Note 14)	(22,032.52)	-	-	-	(22,032.52)
Dividend Distribution Tax on Cash Dividends (Note 14)	(4,528.85)	-	-	-	(4,528.85)
As at March 31, 2020	13,170.42	6,514.46	50,510.09	460.67	70,655.64
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
Total comprehensive income	**19,050.32**	**-**	**-**	**-**	**19,050.32**
As at March 31, 2021	**32,220.74**	**6,514.46**	**50,510.09**	**460.67**	**89,705.96**

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. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as 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.

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

Mumbai
Date: May 18, 2021

For and on behalf of the Board of Directors of
Jyothy Labs Limited
CIN: L24240MH1992PLC128651

M.R. Jyothy
Managing Director
DIN: 00571828

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
Date: May 18, 2021

Standalone Statement of Cash Flows

for the year ended March 31, 2021

₹ In Lacs

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	22,341.08	16,558.83
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and impairment of property, plant and equipment	3,098.43	2,887.52
Depreciation of right-of-use assets	1,557.79	1,553.45
Amortisation and impairment of intangible assets	3,134.68	3,132.15
Exceptional item (Note 46)	2,350.41	-
Lease rent income	(10.51)	(10.25)
Loss on sale of fixed assets	35.71	29.12
Net change in fair value of financial assets measured at FVTPL	-	119.00
Loss/(Profit) on sale of investments	-	(146.55)
Written off investments	2.59	-
Finance costs	1,172.38	2,477.88
Interest income	(479.41)	(276.90)
Share of loss from investment in partnership firm	53.75	1.73
Unrealised Foreign exchange fluctuation loss/(gain) (net)	9.87	(0.92)
Investment subsidy income	(73.76)	(72.22)
Operating profit before working capital changes	**33,193.01**	**26,252.84**
Movements in working capital :		
Decrease/(increase) in loans	(2,063.95)	(806.69)
Decrease/(increase) in trade receivables	3,221.28	2,871.33
Decrease/(increase) in other financials assets	3.04	322.60
Decrease/(increase) in inventories	(5,400.83)	(2,194.87)
Decrease/(increase) in other assets	1,777.94	365.55
Increase/(decrease) in trade payables	6,348.45	(4,800.63)
Increase/(decrease) in other financial liabilities	692.57	(1,802.97)
Increase/(decrease) in other liabilities	4,200.51	(433.62)
Increase/(decrease) in provisions	47.29	558.62
Cash generated from operations	**42,019.31**	**20,332.16**
Taxes paid (net)	(3,386.52)	(3,795.90)
Net cash generated from operating activities (A)	**38,632.79**	**16,536.26**
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress and capital advances	(2,497.31)	(3,922.04)
Proceeds from sale of fixed assets	18.67	33.98
Proceeds from sale of Mutual funds	-	47,908.61
Investment in Mutual funds	-	(37,750.00)
(Investment in)/maturity proceeds from fixed deposit (net)	(10,473.66)	484.17
Withdrawal from/(Investment) in partnership firm (net)	(35.00)	142.87
Interest income received	252.06	298.24
Lease rent income	10.51	10.25
Net cash provided by/(used in) investing activities (B)	**(12,724.73)**	**7,206.08**

Standalone Statement of Cash Flows (CONTD.)

for the year ended March 31, 2021

₹ In Lacs

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:		
Finance cost paid	(819.13)	(2,076.94)
Repayment of short-term borrowings	(31,569.02)	(50,532.94)
Proceeds from short-term borrowings	14,585.08	51,116.88
Payment of lease liabilities	(1,816.23)	(1,685.67)
Dividend paid	-	(22,032.52)
Dividend tax paid	-	(4,528.85)
Net cash used in financing activities (C)	**(19,619.30)**	**(29,740.04)**
D. Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	**6,288.76**	**(5,997.70)**
E. Cash and cash equivalents at the beginning of the year	686.15	6,683.85
F. Cash and cash equivalents at the end of the year	**6,974.91**	**686.15**
G. Components of cash and cash equivalents		
Cash in hand	9.30	16.10
Balance with scheduled banks - Current account	6,965.61	670.05
Cash and cash equivalents considered for cash flow statement	**6,974.91**	**686.15**

The Standalone cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7)

H. Changes in liabilities arising from financing activities

Particulars	As at March 31, 2020	Cash flow (Net)	As at March 31, 2021
Current Borrowings * (Refer Note 15)	21,983.94	(16,983.94)	5,000.00
Total	**21,983.94**	**(16,983.94)**	**5,000.00**

** This is excluding accrued interest.*

Summary of significant accounting policies Note 2

As per our report of even date

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
Date: May 18, 2021

For and on behalf of the Board of Directors of
Jyothy Labs Limited
CIN: L24240MH1992PLC128651

M.R. Jyothy
Managing Director
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Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
Date: May 18, 2021

Notes

to the standalone financial statements for the year ended March 31, 2021

1 CORPORATE INFORMATION

Jyothy Labs Limited (formerly known as Jyothy Laboratories 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 18, 2021

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.

b. Foreign currencies

The Company's financial statements are presented in INR, which is also the company's functional currency.

Notes

to the standalone financial statements for the year ended March 31, 2021

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 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 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.

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.

Notes

to the standalone financial statements for the year ended March 31, 2021

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.

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.

Notes

to the standalone financial statements for the year ended March 31, 2021

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:

- 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.

Notes

to the standalone financial statements for the year ended March 31, 2021

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 depreciate 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	13 to 15
Furniture and fixtures	5 to 10
Dies and moulds	3
Computers	3 to 6
Office equipment's	5
Vehicles	6 to 10

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.

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.

Notes

to the standalone financial statements for the year ended March 31, 2021

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 adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17.

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 effect of adoption Ind AS 116 as at April 1, 2019 (increase/(decrease)) is as follows:
Right of use assets: refer note 3c

Lease Liabilities: refer note 34b

The Company has lease contracts for various items of building, plant, machinery, and office equipment. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The lease liabilities were discounted using the incremental borrowing rate (same as company average borrowing rate) of the Company as at April 1, 2019. The weighted average discount rate used for recognition of lease liabilities was 9%.

- **Leases previously classified as finance leases**
  The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 1, 2019.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Notes

to the standalone financial statements for the year ended March 31, 2021

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(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., 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

Notes

to the standalone financial statements for the year ended March 31, 2021

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.

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. 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

Notes

to the standalone financial statements for the year ended March 31, 2021

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

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.

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.

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Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and
- Net interest expense or income

Short-term employee benefits

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other Long-term employee benefits

The liabilities for earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by the employees upto the end of the reporting period using the projected unit credit method based on actuarial valuation.

Re-measurement are recognised in profit or loss in the period in which they arise including actuarial gains and losses.

o. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in employee stock option outstanding in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/ or service conditions have not been met. Where awards include a market or non-vesting condition, the

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transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

p. 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.

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.

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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.

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

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to the standalone financial statements for the year ended March 31, 2021

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.

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

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to the standalone financial statements for the year ended March 31, 2021

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 though 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.

q. 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.

r. 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.

s. 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.

2.3 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

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₹ In Lacs

3A PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land @	Leasehold land	Building # @	Plant and machinery	Dies and moulds	Furniture and fixture	Office equipments	Vehicle	Total tangible assets
Cost									
As at April 1, 2019	**4,584.18**	**237.24**	**13,398.27**	**14,786.97**	**1,221.54**	**469.99**	**696.39**	**727.42**	**36,122.00**
Additions	-	-	499.24	1,716.36	493.47	170.36	132.56	8.79	3,020.78
Disposals	-	-	-	128.34	7.81	0.25	2.01	7.03	145.44
Reclassified on account of adoption of Ind AS 116 (Note 2.2 (j))	-	237.24	-	-	-	-	-	-	237.24
As at March 31, 2020	**4,584.18**	**-**	**13,897.51**	**16,374.99**	**1,707.20**	**640.10**	**826.94**	**729.18**	**38,760.10**
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
As at March 31, 2021	**4,584.18**	**-**	**15,213.72**	**18,110.06**	**1,966.80**	**760.36**	**910.66**	**729.50**	**42,275.28**
Depreciation and impairment									
As at April 1, 2019	**-**	**14.98**	**2,256.93**	**5,203.02**	**453.33**	**263.37**	**436.81**	**342.59**	**8,971.03**
Depreciation charge for the year	-	-	673.74	1,609.70	337.92	54.72	130.73	80.71	2,887.52
Disposals	-	-	-	68.53	5.70	0.25	1.94	5.92	82.34
Reclassified on account of adoption of Ind AS 116 (Note 2.2 (j))	-	14.98	-	-	-	-	-	-	14.98
As at March 31, 2020	**-**	**-**	**2,930.67**	**6,744.19**	**785.55**	**317.84**	**565.60**	**417.38**	**11,761.23**
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
As at March 31, 2021	**-**	**-**	**3,671.87**	**8,285.92**	**1,124.97**	**379.41**	**678.74**	**480.78**	**14,621.69**
Net book value									
As at March 31, 2021	**4,584.18**	**-**	**11,541.85**	**9,824.14**	**841.83**	**380.95**	**231.92**	**248.72**	**27,653.59**
As at March 31, 2020	**4,584.18**	**-**	**10,966.84**	**9,630.80**	**921.65**	**322.26**	**261.34**	**311.80**	**26,998.87**

@ Freehold land and building includes asset which are not transferred in the name of the company amounting to ₹690.99 lacs (2020 - ₹689.36 lacs) in Gross block.

These are held in the name of the entities which have been merged with the company in earlier years.

 # Includes ₹374.31 lacs (2020 - ₹374.31 lacs) represented by unquoted fully paid shares at cost in various co-operative societies.

a. The Company has not capitalised any borrowing cost in the current and previous year.

b. Refer note 15 for details of property, plant and equipment pledged as security for loans obtained.

c. Refer note 34 for details of assets given on lease.

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to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

3B CAPITAL WORK IN PROGRESS

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	2,374.27	1,415.85
Additions during the year	2,435.26	3,979.20
Capitalised during the year	3,807.53	3,020.78
Closing Balance	**1,002.00**	**2,374.27**

For contractual commitment with respect to property, plant and equipment refer note 35A.

3C RIGHT-OF-USE ASSETS

Particulars	Leasehold Land	Building	Total
Cost			
As at April 01, 2019	**-**	**5,023.98**	**5,023.98**
Additions	12.78	819.86	832.64
Disposals	-	-	-
Re-classification of lease hold land (Note 3a)	237.24	-	237.24
As at March 31, 2020	**250.02**	**5,843.84**	**6,093.86**
Additions	-	1,748.07	1,748.07
Disposals	-	407.09	407.09
As at March 31, 2021	**250.02**	**7,184.82**	**7,434.84**
Depreciation and impairment			
As at April 01, 2019	**-**	**-**	**-**
Depreciation charge for the year	3.74	1,549.71	1,553.45
Disposals	-	-	-
Re-classification of lease hold land (Note 3a)	14.98	-	14.98
As at March 31, 2020	**18.72**	**1,549.71**	**1,568.43**
Depreciation charge for the year	3.75	1,554.04	1,557.79
Disposals	-	-	-
As at March 31, 2021	**22.47**	**3,103.75**	**3,126.22**
Net book value			
As at March 31, 2021	**227.55**	**4,081.07**	**4,308.62**
As at March 31, 2020	**231.30**	**4,294.13**	**4,525.43**

Notes

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₹ In Lacs

3D INTANGIBLE ASSETS

Particulars	Goodwill	Other intangible assets			Total Other intangible assets
		Brands	Trademarks and Copyrights @	Softwares and Licences	
Cost					
As at April 1, 2019	**10,287.69**	**21,256.20**	**85.48**	**830.22**	**22,171.90**
Additions	-	-	-	51.59	51.59
Disposals	-	-	-	-	-
As at March 31, 2020	**10,287.69**	**21,256.20**	**85.48**	**881.81**	**22,223.49**
Additions	-	-	-	6.61	6.61
Disposals	-	-	-	-	-
As at March 31, 2021	**10,287.69**	**21,256.20**	**85.48**	**888.42**	**22,230.10**
Amortisation and impairment					
As at April 1, 2019	**-**	**12,146.40**	**83.21**	**262.87**	**12,492.48**
Amortisation charge for the year	-	3,036.60	-	95.55	3,132.15
Disposals	-	-	-	-	-
As at March 31, 2020	**-**	**15,183.00**	**83.21**	**358.42**	**15,624.63**
Amortisation charge for the year	-	3,036.60	-	98.08	3,134.68
Disposals	-	-	-	-	-
As at March 31, 2021	**-**	**18,219.60**	**83.21**	**456.50**	**18,759.31**
Net book value					
As at March 31, 2021	**10,287.69**	**3,036.60**	**2.27**	**431.92**	**3,470.79**
As at March 31, 2020	**10,287.69**	**6,073.20**	**2.27**	**523.39**	**6,598.86**

@ Includes trademarks and copyrights of ₹81.22 lacs (2020 - ₹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, 2021.

Goodwill of ₹ 10,037.59 lacs relates to the acquisition of erstwhile business of Henkel India Limited. Based on the purchase price allocation at the time of acquisition, brands were identified and recognised in the books and accordingly goodwill was determined. Since it is not practicable to allocate the goodwill to various reportable segments, the recoverable amount has been determined collectively for all brands acquired and compared with the carrying value of goodwill and brands together. Further, an amount of ₹ 250.10 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% (2020 - 5%)
Growth rate	- 1% - 15% (2020 - 1% - 12%)
Weighted Average Cost of Capital % (WACC) (Discount rate)	- 13% (2020 - 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 from 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.

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₹ In Lacs

4 INVESTMENTS

Particulars	NON CURRENT As at March 31, 2021	As at March 31, 2020
Unquoted (fully paid)		
Investment in subsidiaries (at cost)		
Jyothy Fabricare Services Limited @		
17,300,000 (2020 - 9,800,000 equity shares of ₹10 (2020 - ₹10) each fully paid up	13,550.23	-
3,300,000 (2020 - 3,300,000) compulsory convertible preference shares of ₹100 (2020 - ₹100) each fully paid up	-	-
Jyothy Kallol Bangladesh Limited ^		
8,485,431 (2020 - 8,485,431) equity shares of BDT 10 (2020 - BDT 10) each fully paid up	580.47	580.47
M/s JFSL - JLL (JV) - Partnership Firm (Note 37)	4.52	23.27
Investment in subsidiaries (at fair value through profit and loss)		
Jyothy Fabricare Services Limited #@		
Nil (2020 - 7,500,000) 2% optionally convertible preference share of ₹10 (2020 - ₹10) each fully paid up	-	13,325.00
	14,135.22	**13,928.74**
Investment in Others (at fair value through profit and loss)		
Henkel SPIC Employees Co-operative Thrift and Credit Society Limited*		
2,000 (2020 - 2,000) equity shares of ₹100 (2020 - ₹100)each fully paid up	-	2.00
Investment in Government Securities (at fair value through profit and loss)		
Indira Vikas Patra*	-	0.02
National Saving Certificates (Pledged with Government authorities)*	-	0.57
	-	**2.59**
	14,135.22	**13,931.33**
Aggregate value of unquoted investments	14,135.22	13,931.33

 # Optionally convertible preference shares are considered as financial asset valued through profit or loss as the contractual terms of the asset do not give rise on specific dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

** Investment at fair value through profit or loss reflect investment in unquoted equity securities which has been written off during the current year. Since the amount is not material, the fair value disclosure have not been made. For others, Refer Note 40 and 41.*

@ Jyothy Fabricare Services Limited is incorporated in India. During the year Company has opted to convert 75,00,000 2% optionally convertible preference share of ₹10 each. The company is holding 84.18% equity shares as at March 31, 2021 (2020 - 75.1%)

^ Jyothy Kallol Bangladesh Limited is incorporated in Bangladesh. The company is holding 75% equity shares as at March 31, 2021 (2020 - 75%)

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to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

5 TRADE RECEIVABLES (UNSECURED)

Particulars	CURRENT	
	As at March 31, 2021	As at March 31, 2020
Considered good	8,725.03	11,956.18
Credit impaired	1,131.30	1,003.09
Significant increase in credit risk	43.04	171.25
Less: Loss allowance	(1,174.34)	(1,174.34)
	8,725.03	**11,956.18**

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 term of 15-30 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 disclose in Note 42.

6 LOANS (UNSECURED)

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Security deposit considered good	820.79	919.31	-	-
Loan to related parties				
Loan to JFSL- JLL(JV) *	-	-	411.73	670.79
Loan to JFSL*	-	-	2,454.99	-
	820.79	**919.31**	**2,866.72**	**670.79**

**The Company has given loan @ 12% and 10% interest rate per annum to JFSL-JLL(JV) and JFSL respectively (Note 33)*

7 OTHER FINANCIAL ASSETS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Fixed deposit with Banks having remaining maturity of more than 12 months (Note 12(b))	40.19	363.48	-	-
Investment Subsidy Receivable	-	-	248.28	265.67
Staff Loans	-	-	64.50	50.15
	40.19	**363.48**	**312.78**	**315.82**

Notes

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₹ In Lacs

Break up of financial assets carried at amortised cost

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investment in subsidiaries (at cost) (Note 4)	14,135.22	603.74	-	-
Trade receivables (Note 5)	-	-	8,725.03	11,956.18
Loans (Note 6)	820.79	919.31	2,866.72	670.79
Other financial assets (Note 7)	40.19	363.48	312.78	315.82
Cash and cash equivalent and other bank balances(Note 12(a) and 12(b))	-	-	19,083.29	2,007.15
Total financial assets carried at amortised cost	**14,996.20**	**1,886.53**	**30,987.82**	**14,949.94**

8 DEFERRED TAX ASSETS (NET)

Particulars		NON CURRENT	
		As at March 31, 2021	As at March 31, 2020
a)	**Deferred tax liability**		
	Depreciation	7,253.86	8,027.97
	Right-of-use assets	1,505.60	1,500.54
		8,759.46	**9,528.51**
b)	**Deferred tax assets**		
	Provision for gratuity	1,575.91	1,435.03
	Provision for leave encashment	551.17	475.76
	Provision for doubtful debts	410.36	410.36
	Provision for doubtful advances	-	172.92
	Other provisions	509.26	721.99
	Differential tax rate (Note 47)	1,493.69	535.04
	Lease liability	1,577.47	1,602.50
	Tax credit (MAT)	12,677.73	13,796.90
		18,795.59	**19,150.50**
Net deferred tax assets		**10,036.13**	**9,621.99**

9 NON-CURRENT TAX ASSETS (NET)

Particulars	NON CURRENT	
	As at March 31, 2021	As at March 31, 2020
Advance income tax (net of provisions of ₹24,675.84 lacs (2020 - ₹24,674.84 lacs))	992.11	992.11
	992.11	**992.11**

Notes

to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

10 OTHER ASSETS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Capital Advances	192.34	136.90	-	-
Advance to suppliers *	-	494.85	1,175.98	1,429.36
Balance with government authorities and protest payments	5,485.30	7,656.60	3,421.02	4,613.12
Prepaid Expenses	-	-	534.68	609.34
Other receivables	-	599.40	168.72	46.82
Less: Loss allowance	-	(494.85)	-	-
	5,677.64	**8,392.90**	**5,300.40**	**6,698.64**

** Advances to suppliers amounting to ₹Nil (2020 - ₹494.85 lacs) which are considered doubtful and fully provided for.*

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

Particulars	CURRENT	
	As at March 31, 2021	As at March 31, 2020
Raw and packing materials	6,998.50	4,485.21
Work in progress	1,813.34	1,403.20
Finished goods	15,034.91	13,570.50
Stock in trade (including goods in transit ₹144.17 lacs (2020 - ₹24.16 lacs))	3,147.35	2,288.86
Stores and spare parts	665.49	510.99
	27,659.59	**22,258.76**

Inventories are net of provision of ₹956.65 lacs (2020 - ₹ 933.29 lacs) on account of damage and slow moving inventories.
Inventories are pledge as securities for borrowing (Refer Note 15)

12 CASH AND BANK BALANCES

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(a) Cash and cash equivalents				
Cash in hand	-	-	9.30	16.10
Balance with banks - Current account	-	-	6,965.61	670.05
	-	**-**	**6,974.91**	**686.15**
(b) Bank balances other than cash and cash equivalents				
Unclaimed dividend accounts	-	-	214.45	264.66
Deposits with original maturity for more than 3 months and maturing within 12 months*	-	-	11,893.93	1,056.34
Deposits with original and remaining maturity for more than 12 months*	40.19	363.48	-	-
Amount disclosed under 'other financial assets' (Note 7)	(40.19)	(363.48)	-	-
	-	**-**	**12,108.38**	**1,321.00**
	-	**-**	**19,083.29**	**2,007.15**

** Includes deposits provided as securities against bank guarantees and letter of credits - ₹488.08 lacs (2020 - ₹434.61 lacs)*

Notes

to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

13 SHARE CAPITAL

Particulars	As at March 31, 2021	As at March 31, 2020
AUTHORISED CAPITAL		
2,720,000,000 (2020 - 2,720,000,000) equity shares of ₹ 1 (2020 - ₹ 1) each	27,200.00	27,200.00
30,000 (2020 - 30,000) 11% cumulative preference shares of ₹ 100 (2020 - ₹ 100) each	30.00	30.00
	27,230.00	**27,230.00**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No.	Amount	No.	Amount
ISSUED EQUITY CAPITAL				
Equity shares of ₹ 1 each issued, subscribed and fully paid				
At the beginning of the period	36,72,08,644	3,672.09	36,72,08,644	3,672.09
Issued during the year	-	-	-	-
Outstanding at the end of the period	**36,72,08,644**	**3,672.09**	**36,72,08,644**	**3,672.09**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No.	% Holding in the class	No.	% Holding in the class
Equity shares of ₹ 1 each fully paid				
M. P. Ramachandran	**14,36,40,871**	**39.12%**	**14,36,40,871**	**39.12%**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	As at March 31, 2021	As at March 31, 2020
	No.	No.
Equity shares allotted as fully paid bonus shares by capitalization of securities premium (FY 2018 - 2019)	18,17,94,087	18,17,94,087

In addition the company had issued 43,91,061 equity shares during the period of five years immediately preceding the reporting date on exercise of option granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

Notes

to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

14 OTHER EQUITY

A. Other Equity consist of following :

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings		
Balance, beginning of the year	13,170.42	24,237.28
Profit for the year	19,026.18	15,769.28
Other Comprehensive Income - Re-measurement gains/(losses) of post employment benefit obligation	24.14	(274.77)
Cash dividend (Note 14(b))	-	(22,032.52)
Dividend distributions tax (DDT) (Note 14(b))	-	(4,528.85)
Net surplus in the statement of profit and loss	**32,220.74**	**13,170.42**
Other Reserves		
Capital Reserve		
Balance, beginning of the year	6,514.46	6,514.46
Balance, end of the year	**6,514.46**	**6,514.46**
Securities premium		
Balance, beginning of the year	50,510.09	50,510.09
Balance, end of the year	**50,510.09**	**50,510.09**
General reserves		
Balance, beginning of the year	460.67	460.67
Balance, end of the year	**460.67**	**460.67**
	89,705.96	**70,655.64**

B. Distribution made and Proposed

Particulars	As at March 31, 2021	As at March 31, 2020
Cash dividend on equity shares declared and paid :		
Final dividend for the year ended March 31, 2020 ₹Nil per share (2019 ₹3 per share)	-	11,016.26
Dividend distribution tax on final dividend	-	2,264.43
Interim dividend for the year ended March 31, 2021 ₹Nil per share, (2020 - ₹3 per share)	-	11,016.26
Dividend distribution tax on interim dividend	-	2,264.43
	-	**26,561.37**
Proposed dividends on equity shares :		
Final dividend for the year ended March 31, 2021 ₹4 per share, (2020 ₹Nil per share)*	14,688.35	-
	14,688.35	**-**

** The Board of Directors has recommended final dividend of ₹4 per equity share of face value ₹ 1 each for the financial year ended March 31, 2021 at their meeting held on May 18, 2021. The same is subject to approval of the shareholders at the ensuing Annual General Meeting.*

Notes

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₹ In Lacs

15 BORROWINGS

Particulars	CURRENT	
	As at March 31, 2021	As at March 31, 2020
Term Loan from Bank (Secured) (Note a below)	5,019.53	7,539.46
Term Loan from Bank (Secured) (Note b below)	-	3,101.97
Working Capital Loan from Bank (Secured) (Note c below)	-	7,948.07
Bank overdraft / Cash Credit facility (Secured) (Note c below)	-	3,504.88
	5,019.53	**22,094.38**

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.

b. The Company had taken secured term loan of ₹4,000 lacs. The interest rate are in range of 8.00% - 9.00% p.a. payable monthly. These loans are repayable in multiple half yearly instalments every year till October, 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.

c. The Company had taken secured working capital demand loan/cash credit facility at interest in range of 7.00% - 9.50% p.a for tenor of 1 - 6 months/repayable on demand. These loan are secured by first pari passu charge on stock and book debt and second pari passu charge on the movable fixed assets and negative lien on fixed assets of the Company.

16 TRADE PAYABLES

Particulars	CURRENT	
	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 36 for details of dues to micro and small enterprises)	4,484.61	1,022.95
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,542.96	11,656.17
	19,027.57	**12,679.12**

17 OTHER FINANCIAL LIABILITIES

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial guarantee liabilities	-	-	105.73	33.78
Security deposits	-	-	56.10	62.10
Payable to Employees *	-	-	2,212.29	1,488.72
Unclaimed dividend **	-	-	214.45	264.66
Lease liabilities***	2,726.35	2,900.25	1,787.92	1,685.67
Deferred payment liability (unsecured)****	-	-	155.00	180.00
	2,726.35	**2,900.25**	**4,531.49**	**3,714.93**

Notes

to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

17 OTHER FINANCIAL LIABILITIES (CONTD.)

** 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.*

****'For disclosures on lease liabilities refer note 34*

*****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 07-60 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.

Break up of financial liabilities carried at amortised cost

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
Borrowings (Note 15)	-	-	5,019.53	22,094.38
Trade payables (Note 16)	-	-	19,027.57	12,679.12
Other financial liabilities (Note 17)	2,726.35	2,900.25	4,531.49	3,714.93
Total of financial liabilities carried at amortised cost	**2,726.35**	**2,900.25**	**28,578.59**	**38,488.43**

18 OTHER LIABILITIES

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
Statutory dues	-	-	1,404.12	1,158.59
Deferred investment subsidy (a)	228.97	302.73	73.76	73.76
Advances from customers	-	-	3,422.26	1,033.79
Contractual Obligation	-	-	4,614.41	3,047.90
	228.97	**302.73**	**9,514.55**	**5,314.04**

(a) The Company has been awarded grants on account of Central capital investment subsidy (CCIS) of ₹599.00 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.

19 PROVISIONS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
Provision for employee benefits				
Provision for leave encashment	1,354.81	1,181.01	222.48	180.48
Provision for gratuity (Note 30(i))	4,509.82	4,106.65	-	-
	5,864.63	**5,287.66**	**222.48**	**180.48**
Other provisions#				
Provision for litigation*	-	-	1,457.35	2,066.13
	5,864.63	**5,287.66**	**1,679.83**	**2,246.61**

** 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, 2021

₹ In Lacs

19 PROVISIONS (CONTD.)

 # Movements in other provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at 1st April	2,066.13	2,066.13
Arising during the year	-	-
Reversal during the year	(608.78)	-
Balance as at 31st March	**1,457.35**	**2,066.13**

20 CURRENT TAX LIABILITIES (NET)

Particulars	CURRENT	
	As at March 31, 2021	As at March 31, 2020
Provision for income tax (net of advance tax of ₹8,085.36 lacs (2020 - ₹4,698.85 lacs))	401.61	46.13
	401.61	**46.13**

21 REVENUE FROM OPERATIONS

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Sale of goods (Note 45)	1,88,386.09	1,66,392.96
	1,88,386.09	**1,66,392.96**
Other operating revenues		
Sale of scrap	113.78	144.98
	113.78	**144.98**
	1,88,499.87	**1,66,537.94**

22 OTHER INCOME

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Lease rent income (Note 34)	10.51	10.25
Profit on sale of current investments	-	146.55
Investment subsidy income	73.76	72.22
Interest on fixed deposit	109.02	120.16
Interest on loan given to partnership firm	60.72	11.31
Interest on loan given to Subsidiary	64.66	-
Interest on capital invested in partnership firm	3.01	10.54
Interest others	242.00	134.89
Budgetary support benefit under GST	1,354.06	1,464.88
Export incentives	63.83	32.51
Miscellaneous income	-	1.45
	1,981.57	**2,004.76**

Notes

to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

23 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Inventory at the beginning of the year	4,485.21	5,045.85
Add: Purchases	82,249.29	68,669.68
	86,734.50	**73,715.53**
Less: Inventory at the end of the year	6,998.50	4,485.21
	79,736.00	**69,230.32**

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

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Closing inventory		
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
	19,995.60	**17,262.56**
Opening inventory		
Finished goods	13,570.50	9,758.46
Traded goods	2,288.86	2,370.23
Work in progress	1,403.20	1,956.21
	17,262.56	**14,084.90**
	(2,733.04)	**(3,177.66)**

25 EMPLOYEE BENEFITS EXPENSE

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Salaries, wages and bonus	17,165.55	16,161.61
Contribution to provident and other funds	1,122.85	1,180.25
Gratuity (Note 30(i))	599.77	548.01
Staff welfare expenses	356.06	411.49
Directors' remuneration (Note 33)	1,084.40	1,181.52
Field staff incentives	1,756.78	549.22
	22,085.41	**20,032.10**

26 FINANCE COST

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Interest on bank overdraft and loan	735.13	2,021.53
Interest on lease liability	436.10	454.02
Other borrowing cost	1.15	2.33
	1,172.38	**2,477.88**

Notes

to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

27 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Depreciation on tangible assets	3,098.43	2,887.52
Amortization of intangible assets	3,134.68	3,132.15
Depreciation of right of use assets	1,557.79	1,553.45
	7,790.90	**7,573.12**

28 OTHER EXPENSES

Particulars		April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Power and fuel expenses		2,655.33	2,721.97
Rent (Note 34)		156.61	74.53
Insurance		352.47	218.10
Repairs and maintenance			
- Building		30.23	33.95
- Plant and machinery		278.78	288.16
- Others		208.71	231.30
Consumption of stores and spares		519.97	471.48
Printing and stationery		41.56	57.52
Communication costs		185.50	210.48
Legal and professional fees (Note 31(A))		726.30	988.43
Rates and taxes		230.85	148.35
Directors' sitting fees (Note 33(e))		15.50	15.25
Vehicle maintenance		157.47	166.47
Loss on fixed assets discarded / sold		35.71	29.12
Conversion charges		157.70	6.25
Advertisement and sales promotion		12,283.91	11,992.69
Freight, handling and forwarding charges		12,493.47	10,212.20
Field staff expenses		1,096.19	1,667.62
Bad Debt / Advances written off	494.85		
Less : Provision for doubtful advances written back	(494.85)	-	-
Net change in fair value of financial assets measured at FVTPL		-	119.00
Travelling and conveyance		76.12	547.29
Royalty		332.62	306.18
Corporate social responsibility expenses (Note 31(B))		395.79	388.09
Share of loss in partnership firm		53.75	1.73
Donation & contribution		406.73	6.40
Miscellaneous expenses		1,418.06	1,418.90
		34,309.33	**32,321.46**

Notes

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29 INCOME TAX

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are :

Particulars		April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
a.	**Profit or loss**		
	Income tax expenses		
	Current tax		
	Current period	3,742.00	2,663.00
		3,742.00	**2,663.00**
	Deferred tax		
	Relating to origination and reversal of temporary differences	(427.10)	(1,873.45)
		3,314.90	**789.55**
b.	**OCI**		
	Deferred tax related to items recognised in OCI during the year :		
	Net loss/(gain) on remeasurements of defined benefit plans	(12.96)	147.57
		(12.96)	**147.57**
c.	**Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate**		
	Accounting profit before tax	22,341.08	16,558.83
	Tax rate	34.94%	34.94%
	Tax at statutory rate	7,806.87	5,786.32
	Less:		
	Tax impact :- Profit exempt from tax	(4,859.99)	(4,595.48)
	Corporate social responsibility expenditure disallowed	103.36	135.50
	Differential tax rate (Note 47)	(958.65)	(535.04)
	DTL on Goodwill	501.64	-
	MAT utilization against tax liability of earlier year	823.08	-
	Others	(101.41)	(1.74)
	Adjusted tax expense	**3,314.90**	**789.55**
	Tax expense	**3,314.90**	**789.55**
d.	**Deferred tax Assets and Liabilities**		
	Net deferred tax assets and (liabilities)	**10,036.13**	**9,621.99**

e. Movement in Deferred tax Assets and Liabilities

Movement during the year ended March 31, 2020	As at March 31, 2019	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2020
Deferred tax assets/(liability)				
Depreciation	(8,968.93)	940.96	-	(8,027.97)
Right-of-use assets	-	(1,500.54)	-	(1,500.54)
Fair value adjustments	(4.22)	4.22	-	-
Provision for gratuity	1,150.88	136.58	147.57	1,435.03
Provision for leave encashment	417.12	58.64	-	475.76
Provision for doubtful debts	410.36	-	-	410.36
Provision for doubtful advances	172.92	-	-	172.92
Other provisions	721.99	-	-	721.99
Differential tax rate (Note 47)	-	535.04	-	535.04
Lease liability	-	1,602.50	-	1,602.50
Tax credit (MAT)	13,700.85	96.05	-	13,796.90
	7,600.97	**1,873.45**	**147.57**	**9,621.99**

Notes

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29 INCOME TAX (CONTD.)

Movement during the year ended March 31, 2021	As at March 31, 2020	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2021
Deferred tax assets/(liability)				
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 (Note 47)	535.04	958.65	-	1,493.69
Lease liability	1,602.50	(25.03)	-	1,577.47
Tax credit (MAT)	13,796.90	(1,119.17)	-	12,677.73
	9,621.99	**427.10**	**(12.96)**	**10,036.13**

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	March 31, 2021 Gratuity Funded	March 31, 2020 Gratuity Funded
(A) Summary of the Actuarial Assumptions		
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Discount rate	6.40%	6.60%
Rate of increase in compensation	8.00%	8.00%
Withdrawal rates	9.00%	9.00%
Rate of return (expected) on plan assets	6.84%	7.27%
The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.		
(B) Changes in present value of obligations (PVO)		
PVO at beginning of period	4,225.47	3,450.01
Interest cost	278.68	261.03
Current Service Cost	328.27	298.88
Benefits Paid	(158.84)	(187.46)
Actuarial changes arising from changes in demographic assumptions	-	0.36
Re-measurment changes arising from changes in financial assumptions	58.61	251.89
Experience adjustments	(107.93)	150.76
PVO at end of period	4,624.26	4,225.47

Notes

to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

30 (I) GRATUITY (CONTD.)

Particulars	March 31, 2021 Gratuity Funded	March 31, 2020 Gratuity Funded
(C) Changes in fair value of plan assets		
Fair value of plan assets at the beginning of period	118.82	156.51
Investment Income	7.84	11.84
Benefit paid	-	(30.20)
Return on plan assets	(12.22)	(19.33)
Fair value of plan assets at end of period	114.44	118.82
(D) Expenses recognised in the statement of profit and loss		
Current service cost	328.27	298.88
Net Interest cost on the Net Defined Benefit Liability/(Asset)	270.84	249.19
Benefits paid directly by company	0.66	(0.06)
Expense recognised in the statement of profit and loss	599.77	548.01
(E) Remeasurement gains/(losses) in other comprehensive income		
Return on plan assets	12.22	19.33
Actuarial changes arising from changes in demographic assumptions	-	0.36
Re-measurment changes arising from changes in financial assumptions	58.61	251.89
Experience adjustments	(107.93)	150.76
Total amount recognised in OCI	(37.10)	422.34
(F) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investment with insurer	100%	100%
(G) Net Assets/(Liabilities) recognised in the balance sheet		
PVO at end of period	(4,624.26)	(4,225.47)
Fair value of plan assets at end of period	114.44	118.82
Funded status (deficit in fair value of plan assets over PVO)	(4,509.82)	(4,106.65)
Net assets/(Liability) recognised in the balance sheet	(4,509.82)	(4,106.65)

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, 2021	March 31, 2020
Defined Benefit Obligation (Base)	4,624.26	4,225.47

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to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

30 (I) GRATUITY (CONTD.)

Particulars	March 31, 2021		March 31, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	4,937.73	4,343.06	4,522.04	3,960.20
(% change compared to base due to sensitivity)	7.00%	-6.30%	7.00%	-6.30%
Salary Growth Rate (-/+ 1%)	4,362.69	4,907.46	3,978.27	4,493.17
(% change compared to base due to sensitivity)	-5.90%	6.30%	-5.90%	6.30%
Attrition Rate (-/+ 50% of attrition rates)	4,738.25	4,545.28	4,322.58	4,158.29
(% change compared to base due to sensitivity)	2.30%	-1.60%	2.30%	-1.60%
Mortality Rate (-/+ 10% of mortality rates)	4,624.70	4,623.81	4,225.82	4,225.12
(% 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.

b) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flows)	7 years
Expected cash flows over the next (valued on undiscounted basis) :-	₹
- 1 year	698.79
- 2 to 5 years	1,927.00
- 6 to 10 years	2,259.77
- More than 10 years	2,549.25

c) The Company expects to contribute ₹Nil (2020 - ₹Nil) to gratuity fund.

30 (II) SUPERANNUATION

The Company Contributed ₹41.25 lacs and ₹40.95 lacs to the superannuation plan during the years ended March 31, 2021 and March 31, 2020, respectively and same has been recognized in the Statement of Profit and Loss under the head employee benefit expense.

30 (III) PROVIDENT FUND AND OTHER FUNDS

The Company Contributed ₹1081.60 lacs and ₹1139.30 lacs to the employee provident fund and other funds during the years ended March 31, 2021 and March 31, 2020, respectively and same has been recognized in the Statement of Profit and Loss under the head employee benefit expense.

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to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

31 A) PAYMENT TO AUDITORS (EXCLUDING GST)

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
As Auditors		
Audit fee	40.00	40.00
Tax audit fees and certification	7.06	8.04
Limited review of quarterly results	48.00	48.00
Reimbursement of expenses	3.19	4.54
	98.25	**100.58**

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	April 1, 2020 to March 31, 2021			April 1, 2019 to March 31, 2020		
(a) Gross amount required to be spent during the year			386.12			386.62
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
(b) Amount spend during the year : -						
Rural/slum area development	113.68	-	113.68	158.86	-	158.86
Imparting Skill Development Training	72.40	-	72.40	194.40	-	194.40
Contribution to Disaster Management	-	-	-	21.00	-	21.00
Contribution to Prime Minister Relief Fund	100.00	-	100.00	-	-	-
Promoting Education	96.59	-	96.59	-	-	-
Others	13.12	-	13.12	13.83	-	13.83
Total	**395.79**	**-**	**395.79**	**388.09**	**-**	**388.09**

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.

Notes

to the standalone financial statements for the year ended March 31, 2021

33 RELATED PARTY DISCLOSURES

a) Parties where control exists/Significant influence exits :

Subsidiaries

Jyothy Fabricare Services Limited

Jyothy Kallol Bangladesh Limited

Four Seasons Drycleaning Company Private Limited

Snoways Laundrers & Drycleaners Private Limited

M/S JFSL-JLL (JV)

b) Key Management Personnel :

K. Ullas Kamath	Joint Managing Director
M.R. Jyothy	Managing Director w.e.f. April 1, 2020 (Whole time Director & Chief Marketing Officer upto March 31, 2020)
M.R. Deepthi	Whole Time Director w.e.f. April 1, 2020
Rajnikant Sabnavis	Chief Operating Officer upto November 30, 2019
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

c) Relative of Key Management Personnel

M.P. Ramachandran	Chairman Emeritus w.e.f April 1, 2020 (Chairman and Managing Director upto March 31, 2020)
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 Agencies Ltd.

Gagangiri Containers Limited

Notes

to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

33 RELATED PARTY DISCLOSURES (CONTD.)

e) Transactions with related parties during the year

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Subsidiaries		
Jyothy Fabricare Services Limited		
Reimbursement of expenses	25.17	35.84
Sale of Finished goods (net of sales return)	1.95	2.85
Purchases (net of purchases return)	15.19	-
Corporate Guarantees given for borrowings	10,000.00	-
Corporate Guarantees withdrawal for borrowings	6,000.00	-
Interest on loan given	64.66	-
Loan given	2,400.00	-
Jyothy Kallol Bangladesh Limited		
Sales of raw materials and packing material and finished goods	66.91	120.03
M/S JFSL-JLL (JV)		
Share of (Profit)/loss	53.75	1.73
Interest on partner capital	3.01	10.54
Interest on loan given	60.72	11.31
Loan given	-	670.79
Repayment of loan	259.06	-
Investment/(Withdrawal) of capital	35.00	142.88
Corporate guarantee withdrawal during the year	1,250.00	-
Key management personnel		
Remuneration*		
K. Ullas Kamath	336.00	336.00
M.R. Jyothy	296.75	219.60
M.R. Deepthi	73.30	59.29
Rajnikant Sabnavis	-	274.11
Sanjay Agarwal	243.78	244.41
Shreyas Trivedi	79.38	78.53
Dividend		
K. Ullas Kamath	-	174.17
M.R. Jyothy	-	572.27
M.R. Deepthi	-	621.71
Contribution to Superannuation fund		
K. Ullas Kamath	30.00	30.00
Fee for attending board / committee meetings		
Nilesh B. Mehta	5.75	5.75
R. Lakshminarayanan	5.75	5.25
Bhumika Batra	4.00	4.25
Commission		
K. Ullas Kamath	424.32	320.93
Nilesh B. Mehta	12.00	12.00
R. Lakshminarayanan	12.00	12.00
Bhumika Batra	12.00	12.00

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₹ In Lacs

33 RELATED PARTY DISCLOSURES (CONTD.)

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Relative of Key Management Personnel		
Remuneration*		
M.P. Ramachandran	-	₹ 1 only
M.P. Sidharthan	24.00	24.00
Ravi Razdan	74.73	65.07
Ananth Rao T	109.13	94.87
Commission		
M.P. Ramachandran	-	356.59
Dividend		
M.P. Ramachandran	-	8,618.45
M. G. Santhakumari	-	434.15
M.P. Sidharthan	-	625.83
M.P. Divakaran	-	868.31
Entities where Key Management Personnel and their relatives have significant influence		
Rent expenses		
Quilon Trading Co.	1.20	1.20
Dividend		
M.P. Divakaran - H.U.F.	-	228.48
M.P. Sidharthan - H.U.F.	-	158.40
Jaya Trust	-	261.00
Sahyadri Agencies Ltd.	-	1,335.00
Purchase of Land		
Gagangiri Containers Limited	-	11.40

**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.*

f) Related party balances outstanding

Particulars	As at March 31, 2021	As at March 31, 2020
Subsidiaries		
Jyothy Fabricare Services Limited		
Loan given	2,454.99	-
Corporate guarantees given	6,674.75	6,000.00
Jyothy Kallol Bangladesh Limited		
Receivables	31.79	-
M/S JFSL-JLL (JV)		
Loan given	411.73	670.79
Corporate guarantees given	-	202.44
Key Management Personnel :		
Commission		
K. Ullas Kamath	424.32	320.93
Nilesh B. Mehta	12.00	12.00

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to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

33 RELATED PARTY DISCLOSURES (CONTD.)

Particulars	As at March 31, 2021	As at March 31, 2020
R. Lakshminarayanan	12.00	12.00
Bhumika Batra	12.00	12.00
Relative of Key Management Personnel		
Commission		
M.P. Ramachandran	-	356.59
Entities where Key Management Personnel and their relatives have significant influence		
Payables		
Quilon Trading Company	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.

34 IN CASE OF ASSETS TAKEN ON LEASE

a The Company has lease contracts for various items of plant, machinery, building and office equipment used in its operations. The Company obligations under its leases are secured by the lessor's title to the leased assets.

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 March 31, 2021	As at March 31, 2020
As at April 1, 2020	**4,585.92**	**5,023.98**
Additions	1,748.07	819.86
Deletions	(407.09)	-
Accretion of interest	403.60	427.75
Payments	(1,816.23)	(1,685.67)
As at March 31, 2021	**4,514.27**	**4,585.92**
Current	1,787.92	1,685.67
Non current	2,726.35	2,900.25

The maturity analysis of lease liabilities is disclosed below:

Maturity analysis of contractual undiscounted cash flow	₹
Less than 1 year	1,787.92
1 to 2 years	1,465.64
2 to 3 years	917.02
3 to 4 years	514.01
4 to 5 years	392.54
More than 5 years	215.85
Total undiscounted lease liabilities	**5,292.98**

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₹ In Lacs

34 IN CASE OF ASSETS TAKEN ON LEASE (CONTD.)

c Total cash outflow

The Company has a total cash outflow (including short term and low value assets) for leases of ₹1,972.84 lacs in 2020-21 (2019-20 - ₹1,772.98 lacs). The Company also had non cash additions to right to use assets and lease liabilities of ₹ 1,340.98 lacs in 2020-21 (2019-20 - ₹5,843.84 lacs).

d Lease commitments for leases accounted as short term lease and low value assets.

The company is committed to short term lease of ₹155.91 lacs (2020 - ₹74.53 lacs) and lower value assets ₹0.70 lacs (2020 - ₹Nil).

e The difference between lease liabilities as at April 1, 2019 and operating lease commitments as of March 31, 2019 is due to discounting of long term lease liabilities and lease payments relating to renewal periods not included in operating lease commitments.

f Impact on adoption of Ind AS 116

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
(A) Decrease in Rent expenses	(1,816.23)	(1,685.67)
(B) Increase in Depreciation	1,554.04	1,553.45
(C) Increase in Interest expenses	403.60	427.75
(D) Decrease in Profit before tax	141.41	295.53

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, 2021 was ₹10.51 lacs (2020 - ₹10.25 lacs).

35 COMMITMENTS AND CONTINGENCIES

A) Capital Commitments (Net of Advances)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	232.44	28.29
Other Commitments (Refer note 34d)	156.61	74.53
	389.05	**102.82**

B) Contingent Liabilities

In respect of the following, the Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required :

Particulars	As at March 31, 2021	As at March 31, 2020
(I) Tax matters		
(a) Disputed sales tax demands – matters under appeal	1,431.19	1,467.56
(b) Disputed GST demands – matters under appeal	-	45.18
(c) Disputed excise duty and service tax demand - matter under appeal	3,100.24	2,488.24
(d) Disputed income tax demand - matter under appeal *	278.87	278.87
(ii) Amount outstanding in respect of financial guarantees	6,688.92	6,202.44

** 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.*

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₹ In Lacs

35 COMMITMENTS AND CONTINGENCIES (CONTD.)

The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed which is now dismissed.

In view of the management, the liability on account of this for the period from date of the SC order to 31 March 2019 is not significant. The impact for the past period, if any, is not reliably ascertainable and consequently no effect has been given in the accounts.

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.

36 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSMED')

The disclosure pursuant to the said Act is as under :

Particulars	As at March 31, 2021	As at March 31, 2020
Principal and interest amount remaining unpaid	4,484.61	1,023.27
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	-	0.32
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	-	0.32

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

37 DETAILS OF INVESTMENTS IN PARTNERSHIP FIRM

Particulars	Share of partner in profits (%)	
	As at March 31, 2021	As at March 31, 2020
Name of Partner		
Share of partner in profits (%)		
Jyothy Fabricare Services Limited	75.00%	75.00%
Jyothy Labs Limited	25.00%	25.00%
Total capital of the firm	18.08	93.08

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to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

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	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Net Profit for calculation of basic and diluted EPS	19,026.18	15,769.28
Weighted average number of shares for calculation of basic/Diluted EPS	36,72,08,644	36,72,08,644
Basic/Diluted EPS (₹)	5.18	4.29

The Company does not have any potentially dilutive equity shares and therefore basic and dilutive EPS are the same.

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 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

Notes

to the standalone financial statements for the year ended March 31, 2021

39 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

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.

Leases

The application of Ind AS 116 requires company to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease , it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Company has adopted average borrowing rate as it's incremental borrowing rate (IBR).

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Further, the Company has recognised Minimum Alternate tax Credit (MAT) which can utilised for a period of 15 years from the assessment year to which it relates to. Based on future projections of taxable profit and MAT, the Company has assessed that the entire MAT credit can be utilised.

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to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

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	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial Assets				
Investment	14,135.22	13,931.33	14,135.22	13,931.33
Loans	3,687.51	1,590.10	3,687.51	1,590.10
Total	**17,822.73**	**15,521.43**	**17,822.73**	**15,521.43**
Financial Liabilities				
Borrowings	5,019.53	22,094.38	5,019.53	22,094.38
Financial guarantee contracts	105.73	33.78	105.73	33.78
Total	**5,125.26**	**22,128.16**	**5,125.26**	**22,128.16**

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. There are no unobservable inputs that impact fair value.

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)
Fair value of financial assets/Liabilities disclosed					
Investment *	March 31, 2021	-	-	-	-
Financial guarantee	March 31, 2021	105.73	-	-	105.73
Investment *	March 31, 2020	13,327.59	-	-	13,327.59
Financial guarantee	March 31, 2020	33.78	-	-	33.78

** Fair value measured by using discounted cash flow (DCF) method*

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, 2021	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 ₹74.77 lacs.

Notes

to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

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, 2021 and March 31, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

For long term borrowings, the Company also focuses on maintaining / improving its credit ratings to ensure that appropriate refinancing options are available on the respective due dates.

Particulars	Less than 1 Year	1 to 5 years	5 years and above	Total
As at March 31, 2021				
Borrowings and Other financial liabilities	9,551.02	2,726.35	-	12,277.37
Trade and other payables	19,027.57	-	-	19,027.57
	28,578.59	**2,726.35**	**-**	**31,304.94**
As at March 31, 2020				
Borrowings and Other financial liabilities*	25,809.31	2,900.25	-	28,709.56
Trade and other payables	12,679.12	-	-	12,679.12
	38,488.43	**2,900.25**	**-**	**41,388.68**

**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 maturity in the financial statements.*

B. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk exist mainly on account of borrowings of the Company. However, all these borrowings are at fixed interest rate and hence the exposure to change in interest rate is insignificant.

Notes

to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

42 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

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.

Trade receivables

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.

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, 2021 and March 31, 2020 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.

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 capital plus net debt is calculated as borrowing less cash and cash equivalent, other bank balances and mutual funds investments.

Notes

to the standalone financial statements for the year ended March 31, 2021

₹ In Lacs

43 CAPITAL MANAGEMENT (CONTD.)

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	5,019.53	22,094.38
Less: Cash and cash equivalents and other bank balances (Note 12a and 12b)	(19,083.29)	(2,007.15)
Net debt (A)	(14,063.76)	20,087.23
Equity	93,378.05	74,327.73
Capital and Net Debt (B)	79,314.29	94,414.96
Gearing ratio (A/B)	0%	21%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

44 IMPACT OF CORONAVIRUS OUTBREAK (COVID-19)

The company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable value of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19

45 IND AS 115 : REVENUE FROM CONTRACTS WITH CUSTOMERS

a. Reconciliation the amount of revenue recognised in the statement of profit and loss

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Gross Sales	2,30,335.83	2,01,252.14
Less : Scheme, discounts, rebates, price adjustments and returns	(41,949.74)	(34,859.18)
Net Sales	**1,88,386.09**	**1,66,392.96**

b. Disaggregation of revenue-Segment wise

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
A. Fabric Care	66,572.49	70,347.50
B. Dishwashing	69,948.50	56,669.55
C. Household Insecticides	25,801.56	18,135.69
D. Personal Care	21,745.86	18,041.54
E. Others	4,317.68	3,198.68
	1,88,386.09	**1,66,392.96**

Revenue from one customer amounted to ₹20,641.90 lacs (2020 - ₹25,568.84 lacs) arising from sales in various segments.

46 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

Notes

to the standalone financial statements for the year ended March 31, 2021

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.

In FY20 Exceptional item of ₹377.83 lacs includes one-time expenses related to change in brand identity of the Company including its logo and name.

47 As per amendments in the Income Tax Act, 1961, new Section 115BAA has been introduced with effect from FY 2019-20 (AY 2020-21) to provide an option for a concessional tax at the rate of 22%. The Company has evaluated this option and has opted to continue with the existing tax rate and corresponding benefits thereunder. The Company will continue under the existing tax rate till FY 2026 and is expected to opt for concessional tax rate in FY 2027. Accordingly, deferred tax reversing in FY 2027 and thereafter have been restated at the concessional rate. Net impact due to such restatement has resulted in recognition of deferred tax assets ₹ 958.65 lacs (2020 - ₹ 535.04 lacs).

Signatures to Notes 1 to 47

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
Date: May 18, 2021

For and on behalf of the Board of Directors of
Jyothy Labs Limited
CIN: L24240MH1992PLC128651

M.R. Jyothy
Managing Director
DIN: 00571828

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
Date: May 18, 2021

Independent Auditors' Report

To the Members of

Jyothy Labs Limited

(formerly known as Jyothy Laboratories Limited)

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Jyothy Labs Limited (formerly known as Jyothy Laboratories 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 2021, 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 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph 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.

Key audit matter	How the matter was addressed in our audit
Revenue Recognition at period end Refer note 2.2(d) of accounting policies and notes 22 and 51 of consolidated financial statements. Revenue is recognized when control of the underlying products has been transferred to the customer. Revenue is a key performance indicator for the group. There is risk of revenue being fraudulently recognized at period end before control has passed to the customer resulting from pressure to meet external investor/ stake-holder expectations or to meet revenue targets set through performance incentive schemes. Determining the accrual for rebates and discounts (variable consideration) involves estimation based on applicable promotional schemes and the potential claims expected to be raised by the customers. Accordingly, period-end recognition of revenue based on the transfer of control to customers and estimation of accrual for variable consideration including rebates and discounts have been considered to be key audit matter.	Our audit procedures in respect of recognition of revenue included the following- • Assessed the group's accounting policies relating to revenue recognition and accrual for rebates and discounts by comparing them with the applicable accounting standards; • Tested design and operating effectiveness of the group's internal controls including general IT controls and key IT application controls (by involving our IT specialists) over recognition of revenue and estimating accrual for rebates and discounts; • Examined sales invoices and dispatch/shipping documents for selected samples of revenue recognized at period end to verify that revenue has been recognised only once control has passed to the customer; • Performed retrospective review to identify any management bias with respect to accrual for rebates and discounts; • Assessed appropriateness of non-standard manual journal entries that affect reported revenue of the group.

OTHER INFORMATION

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' 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 work done/ 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 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 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 is 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- 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 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 information 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 financial information 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 para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 auditors' 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 four subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of ₹ 1,511 lacs as at 31 March 2021, total revenue (before consolidation adjustments) of ₹ 546 lacs and net cash outflows of ₹ 684 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 audit reports of the other auditors.

One of the subsidiaries is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by another auditor under generally accepted auditing standards applicable in that country. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the 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 the other auditor and the conversion adjustments prepared by the management of the 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

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 2021 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 2021 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 consolidated 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 A".

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:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 35 C to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

iii. 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 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.

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 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
Membership No: 111410
UDIN-21111410AAAAAY2541

Mumbai
18 May 2021

Annexure - A

TO THE INDEPENDENT AUDITORS' REPORT

on the consolidated financial statements of Jyothy Labs Limited (formerly known as Jyothy Laboratories Limited) for the year ended 31 March 2021.

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 A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Jyothy Labs Limited (formerly known as Jyothy Laboratories Limited) (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, 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 2021, 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
Membership No: 111410
UDIN-21111410AAAAAY2541

Mumbai
18 May 2021

Consolidated Balance Sheet

as at March 31, 2021

₹ In Lacs

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	4a	30,866.30	30,536.40
Capital work in progress	4b	1,011.13	2,449.56
Right of use assets	4c	4,704.00	5,158.31
Goodwill	4d	78,633.19	78,633.19
Other Intangible assets	4d	471.46	590.02
Financial assets			
Investments	5	-	2.59
Loans	7	980.79	1,087.72
Other financial assets	8	52.10	372.62
Deferred tax assets (net)	10	9,622.82	10,269.79
Non-current tax assets (net)	9	1,100.43	1,234.99
Other non-current assets	11	5,677.64	8,412.45
		1,33,119.86	**1,38,747.64**
Current assets			
Inventories	12	27,863.98	22,506.78
Financial assets			
Trade receivables	6	9,434.84	12,238.41
Cash and cash equivalents	13a	7,185.77	1,491.74
Bank balances other than cash and cash equivalents	13b	12,197.36	1,402.52
Loans	7	66.13	54.61
Other financial assets	8	312.78	315.82
Other current assets	11	5,418.66	6,861.53
		62,479.52	**44,871.41**
Total assets		**1,95,599.38**	**1,83,619.05**
Equity and liabilities			
Equity			
Equity share capital	14	3,672.09	3,672.09
Other equity	15	1,39,183.29	1,19,191.72
Equity attributable to equity holders of the parent		1,42,855.38	1,22,863.81
Non-controlling interests		(3,784.58)	(2,912.22)
Total equity		**1,39,070.80**	**1,19,951.59**
Non-current liabilities			
Financial liabilities			
Borrowings	16	-	27.44
Other financial liabilities	20	2,918.08	3,324.48
Provisions	17	6,109.14	5,551.80
Other non-current liabilities	18	228.97	302.73
		9,256.19	**9,206.45**
Current liabilities			
Financial liabilities			
Borrowings	16	11,694.28	22,094.37
Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		4,503.52	1,057.51
Total outstanding dues of other than micro enterprises and small enterprises		14,694.76	11,918.19
Other financial liabilities	20	4,734.79	11,717.77
Other current liabilities	18	9,554.81	5,349.43
Provisions	17	1,688.62	2,277.61
Current tax liabilities (net)	21	401.61	46.13
		47,272.39	**54,461.01**
Total liabilities		**56,528.58**	**63,667.46**
Total equity and liabilities		**1,95,599.38**	**1,83,619.05**
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

Mumbai
Date: May 18, 2021

For and on behalf of the Board of Directors of
Jyothy Labs Limited
CIN: L24240MH1992PLC128651

M.R. Jyothy
Managing Director
DIN: 00571828

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
Date: May 18, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

₹ In Lacs

Particulars	Note	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Income			
Revenue from operations	22	1,90,912.02	1,71,117.27
Other income	23	1,845.17	2,000.08
Total income (I)		**1,92,757.19**	**1,73,117.35**
Expenses			
Cost of raw material and components consumed	24	80,264.53	70,194.37
Purchases of stock in trade		23,463.87	23,148.82
Changes in inventories of finished goods, stock in trade and work-in-progress	25	(2,689.34)	(3,251.31)
Employee benefits expense	26	23,249.64	21,932.65
Finance costs	27	1,923.41	3,288.49
Depreciation and amortisation expense	28	5,558.81	5,291.94
Other expenses	29	35,172.54	33,984.04
Total expense (II)		**1,66,943.46**	**1,54,589.00**
Profit before exceptional item and tax (I-II)		**25,813.73**	**18,528.35**
Exceptional item	49	2,350.41	377.83
Profit before tax		**23,463.32**	**18,150.52**
Income tax	30		
Current tax		3,764.16	2,728.41
Deferred tax (credit)/charge		634.01	(836.03)
Total Income tax		**4,398.17**	**1,892.38**
Profit for the year (A)		**19,065.15**	**16,258.14**
Other comprehensive income			
Items that will be reclassified to profit or loss			
Foreign Currency Translation Reserve		(9.74)	32.68
		(9.74)	**32.68**
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) of post employment benefit obligation		76.76	(436.86)
Income tax relative to items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) of post employment benefit obligation	30	(12.96)	147.57
		63.80	**(289.29)**
Other comprehensive income for the year, net of tax (B)		**54.06**	**(256.61)**
Total comprehensive income for the year, net of tax (A+B)		**19,119.21**	**16,001.53**
Non controlling interest		(872.36)	(771.51)
Total Comprehensive income attributable to equity holders of the parent		**19,991.57**	**16,773.04**
Profit for the year		**19,065.15**	**16,258.14**
Attributable to :			
Equity holders of the parent		19,944.96	17,034.21
Non-controlling interests		(879.81)	(776.07)
Total comprehensive income		**19,119.21**	**16,001.53**
Attributable to :			
Equity holders of the parent		19,991.57	16,773.04
Non-controlling interests		(872.36)	(771.51)
Earnings per share (EPS)	34		
Basic (₹)		5.43	4.64
Diluted (₹)		5.43	4.64
Nominal value per share (₹)		1.00	1.00
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements.

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For **B S R & Co. LLP**
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Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
Date: May 18, 2021

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Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
Date: May 18, 2021

Consolidated Statement of Changes in Equity

For the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

₹ In Lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Equity shares of ₹ 1 each issued, subscribed and fully paid		
At the beginning of the period	3,672.09	3,672.09
At the end of the period	**3,672.09**	**3,672.09**

For further details, Refer Note 14

B. OTHER EQUITY

Particulars	Attributable to equity holders of the parent						Non Controlling Interest	Total Equity
	Retained Earnings	Foreign Currency Translation Reserve	Capital Reserve	Securities premium	General reserves	Total		
As at April 1, 2019	**72,671.18**	**7.53**	**5,480.32**	**50,407.48**	**414.08**	**1,28,980.59**	**(2,146.46)**	**1,26,834.13**
Profit for the year	17,034.21	-	-	-	-	17,034.21	(776.07)	16,258.14
Adjustment for earlier years Deferred Tax Asset	(0.54)	-	-	-	-	(0.54)	5.75	5.21
Other Comprehensive Income								
Re-measurement gains/ (losses) of post employment benefit obligation	(293.85)	-	-	-	-	(293.85)	4.56	(289.29)
Foreign Currency Translation Reserve	-	32.68	-	-	-	32.68	-	32.68
Total comprehensive income	**16,739.82**	**32.68**	**-**	**-**	**-**	**16,772.50**	**(765.76)**	**16,006.74**
Transaction with owners recorded directly in equity								
Contribution by and distibution to owners								
Cash dividends (Note 15(B))	(22,032.52)	-	-	-	-	(22,032.52)	-	(22,032.52)
Dividend Distribution Tax on cash dividend (Note 15(B))	(4,528.85)	-	-	-	-	(4,528.85)	-	(4,528.85)
As at March 31, 2020	**62,849.63**	**40.21**	**5,480.32**	**50,407.48**	**414.08**	**1,19,191.72**	**(2,912.22)**	**1,16,279.50**
Profit for the year	**19,944.96**	**-**	**-**	**-**	**-**	**19,944.96**	**(879.81)**	**19,065.15**
Other Comprehensive Income								
Re-measurement gains/ (losses) of post employment benefit obligation	56.35	-	-	-	-	56.35	7.45	63.80
Foreign Currency Translation Reserve	-	(9.74)	-	-	-	(9.74)	-	(9.74)
Total comprehensive income	**20,001.31**	**(9.74)**	**-**	**-**	**-**	**19,991.57**	**(872.36)**	**19,119.21**
As at March 31, 2021	**82,850.94**	**30.47**	**5,480.32**	**50,407.48**	**414.08**	**1,39,183.29**	**(3,784.58)**	**1,35,398.71**

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.

Consolidated Statement of Changes in Equity (CONTD.)

For the year ended March 31, 2021

B. OTHER EQUITY (CONTD.)

c) Securities premium - The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as 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 15.

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
Date: May 18, 2021

For and on behalf of the Board of Directors of
Jyothy Labs Limited
CIN: L24240MH1992PLC128651

M.R. Jyothy
Managing Director
DIN: 00571828

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
Date: May 18, 2021

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

₹ In Lacs

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	23,463.32	18,150.52
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and amortisation expense	3,649.44	3,349.65
Depreciation of right-of-use assets	1,909.37	1,942.29
Exceptional item (Note 49)	2,350.41	-
Loss on fixed assets discarded /sold	32.97	31.54
Loss/(Profit) on sale of investments	-	(163.88)
Written off investments	2.59	-
Finance costs	1,923.41	3,288.49
Interest income	(317.24)	(246.24)
Unrealised foreign exchange fluctuation gain (net)	9.87	(4.06)
Provision for doubtful debts written back (net of written off)	(6.09)	-
Investment subsidy income	(73.76)	(72.22)
Lease rent income	-	(0.58)
Operating profit before working capital changes	**32,944.29**	**26,275.51**
Movements in working capital :		
Increase/ (decrease) in trade payables	6,222.58	(4,905.39)
Increase / (decrease) in provisions	35.37	624.92
Increase/ (decrease) in other liabilities	4,205.38	(428.05)
Increase/ (decrease) in other financial liabilities	677.87	(1,885.26)
Decrease / (increase) in trade receivables	2,799.79	3,101.98
Decrease / (increase) in inventories	(5,357.20)	(2,277.78)
Decrease / (increase) in loans	95.41	(148.12)
Decrease / (increase) in other financial assets	3.04	322.60
Decrease / (increase) in other assets	1,863.16	324.10
Cash generated from operations	**43,489.69**	**21,004.51**
Taxes paid (net)	(3,274.07)	(3,857.02)
Net cash generated from operating activities (A)	**40,215.62**	**17,147.49**
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress and capital advances	(2,589.99)	(4,200.90)
Proceeds from sale of fixed assets	25.15	48.60
Maturity proceeds from / (Investment in) fixed deposit (net)	(10,483.89)	545.16
Proceeds from sale of Mutual Fund	-	58,356.25
Investment in Mutual Fund	-	(47,750.00)
Interest income received	136.75	246.24
Lease rent income	-	0.58
Net cash provided by/(used in) investing activities (B)	**(12,911.98)**	**7,245.93**

Consolidated Statement of Cash Flows (CONTD.)

for the year ended March 31, 2021

₹ In Lacs

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:		
Interest and finance charges paid	(2,805.43)	(2,119.63)
Payment of lease liabilities	(2,117.81)	(2,113.39)
Repayment of Debentures and long term loans	(6,202.44)	(175.00)
Proceeds from short-term borrowings	23,085.08	51,116.88
Repayment of short-term borrowings	(33,569.01)	(50,532.95)
Dividend paid	-	(22,032.52)
Dividend tax paid	-	(4,528.85)
Net cash used in financing activities (C)	**(21,609.60)**	**(30,385.46)**
D. Net increase / (decrease) in cash and cash equivalents (A+B+C)	**5,694.03**	**(5,992.04)**
E. Cash and cash equivalents at the beginning of the year	1,491.74	7,483.78
F. Cash and cash equivalents at the end of the year	**7,185.77**	**1,491.74**
G. Components of cash and cash equivalents		
Cash in hand	41.92	45.31
Balance with scheduled banks - Current account	7,143.85	885.95
- Deposit account	-	560.48
Cash and cash equivalents (Note 13a)	7,185.77	1,491.74
Cash and cash equivalents considered for cash flow statement	**7,185.77**	**1,491.74**

The consolidated cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7), Statement of Cash Flows.

H. Changes in liabilities arising from financing activities

Particulars	As at March 31, 2020	Cash flow (Net)	As at March 31, 2021
Non Current Borrowings (Refer Note 16)	27.44	(27.44)	-
Current Borrowings * (Refer Note 16)	21,983.93	(10,483.93)	11,500.00
Total	**22,011.37**	**(10,511.37)**	**11,500.00**

** This is excluding accrued interest.*

Summary of significant accounting policies Note 2

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
Date: May 18, 2021

For and on behalf of the Board of Directors of
Jyothy Labs Limited
CIN: L24240MH1992PLC128651

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Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
Date: May 18, 2021

Notes

to the consolidated financial statements for the year ended March 31, 2021

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 18th May, 2021.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified, under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value. (Refer accounting policy regarding financial instruments).

The consolidated financial statements are presented in INR and all values are rounded to nearest lacs except where otherwise indicated.

Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Notes

to the consolidated financial statements for the year ended March 31, 2021

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	
		March 31, 2021	March 31, 2020
(a) Direct Subsidiaries			
1. Jyothy Fabricare Services Limited	India	84.18	75.10
2. Jyothy Kallol Bangladesh Limited	Bangladesh	75.00	75.00
(b) Indirect Subsidiaries *			
3. Snoways Laundrers and Drycleaners Pvt.Ltd (Note I)	India	84.18	75.10
4. Four Seasons Dry Cleaning Co. Private Limited	India	84.18	75.10
5. JFSL-JLL(JV) - partnership firm	India	88.14	81.32

** Effective holding % of Company directly and indirectly through its subsidiaries.*

Note :

I. As at 31st March, 2018, Jyothy Fabricare Services Limited had 49% share in Snoways Laundrers & Drycleaners Pvt. Ltd and has entered into agreement which enables it to control the composition of the Board of Directors of the latter, making it a subsidiary company of Jyothy Fabricare Services Limited. As at 31st March 2019, Jyothy Fabricare Services Limited has 100% share in Snoways Laundrers & Drycleaners Pvt. Ltd.

Notes

to the consolidated financial statements for the year ended March 31, 2021

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.

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

Notes

to the consolidated financial statements for the year ended March 31, 2021

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 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.

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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 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.

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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.

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 & 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

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The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

g. Property,plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant part of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance cost are recognised in profit and loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category	Estimated useful life (in years)
Factory Buildings	10 - 30
Building (Other than Factory Building)	30 - 60
Building (Fences and temporary structure)	3-6
Plant and machinery	13 - 15
Furniture and fixtures	5 - 10
Leasehold Improvements (Outlets on Lease)	3
Dies and moulds	3
Computers	3-6
Office equipments	5
Vehicles	6 - 10

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.

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.

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Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j. Leases

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at April 1, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17.

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 effect of adoption Ind AS 116 as at April 1, 2019 (increase/(decrease)) is as follows:

Right of use assets: refer note 4c

Lease Liabilities: refer note 35(ii)

The Group has lease contracts for various items of building, plant, machinery, and office equipment. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The lease liabilities were discounted using the incremental borrowing rate (same as Group average borrowing rate) of the Group as at April 1, 2019. The weighted average discount rate used for recognition of lease liabilities was 9%.

• **Leases previously classified as finance leases**

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 1, 2019.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

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 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.

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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.

l. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average 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

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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.

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The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined at the period end by an independent actuary using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and
- Net interest expense or income

Short-term employee benefits
Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the consolidated statement of profit and loss as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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:

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.

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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.

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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 though 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.

3 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

4A PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land @	Leasehold land @	Building # @	Plant and machinery	Dies and moulds	Furniture and fixture	Leasehold Improvements	Office equipments	Vehicle	Total tangible assets
Cost										
As at April 1, 2019	**4,551.14**	**254.93**	**15,149.65**	**17,255.22**	**1,221.40**	**634.30**	**89.61**	**839.76**	**801.89**	**40,797.90**
Additions	-	-	523.58	1,826.41	493.47	171.98	71.03	169.06	16.75	3,272.28
Disposals	-	-	-	156.99	7.81	0.25	9.87	2.01	7.03	183.96
Reclassified on account of adoption of Ind AS 116 (Note 2.2(j))	-	254.93	-	-	-	-	-	-	-	254.93
As at March 31, 2020	**4,551.14**	**-**	**15,673.23**	**18,924.64**	**1,707.06**	**806.03**	**150.77**	**1,006.81**	**811.61**	**43,631.29**
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
As at March 31, 2021	**4,551.14**	**-**	**16,989.44**	**20,724.92**	**1,966.66**	**926.56**	**167.42**	**1,093.82**	**796.62**	**47,216.58**
Depreciation and impairment										
As at April 1, 2019	**-**	**16.11**	**2,441.13**	**5,693.91**	**453.33**	**364.38**	**75.40**	**546.27**	**399.51**	**9,990.04**
Depreciation charge for the year	-	4.04	699.16	1,861.43	337.92	74.70	13.72	153.38	84.47	3,228.82
Disposals	-	-	-	80.14	5.70	0.25	9.87	1.94	5.92	103.82
Reclassified on account of adoption of Ind AS 116 (Note 2.2(j))	-	20.15	-	-	-	-	-	-	-	20.15
As at March 31, 2020	**-**	**-**	**3,140.29**	**7,475.20**	**785.55**	**438.83**	**79.25**	**697.71**	**478.06**	**13,094.89**
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
As at March 31, 2021	**-**	**-**	**3,870.86**	**9,364.95**	**1,124.97**	**516.94**	**111.83**	**830.68**	**530.05**	**16,350.28**
Net book value										
As at March 31, 2021	**4,551.14**	**-**	**13,118.58**	**11,359.97**	**841.69**	**409.62**	**55.59**	**263.14**	**266.57**	**30,866.30**
As at March 31, 2020	**4,551.14**	**-**	**12,532.94**	**11,449.44**	**921.51**	**367.20**	**71.52**	**309.10**	**333.55**	**30,536.40**

@ Freehold land, leasehold land and building includes asset which are not transferred in the name of the company amounting to ₹ 884.21 (Gross block) (2020 - ₹ 882.57). These are held in the name of the entities which have been merged with the company in earlier years.

 # Includes ₹ 374.31 (2020 - ₹ 374.31) represented by unquoted fully paid shares at cost in various co-operative societies.

The Group has not capitalised any borrowing cost in current and previous year.

Refer Note 16 for details of property, plant and equipment pledged as security for loans obtained.

For details of assets given on lease, refer Note 35A.

4B CAPITAL WORK IN PROGRESS

Particulars	2020-2021	2019-2020
Opening Balance	2,449.56	1,434.61
Additions during the year	2,473.80	4,305.37
Capitalised during the year	(3,912.23)	(3,290.42)
Closing Balance	**1,011.13**	**2,449.56**

For contractual commitment with respect to property, plant and equipment refer note 35B.

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

4C RIGHT-OF-USE ASSETS

Particulars	Leasehold Land	Building	Total
Cost			
As at April 1, 2019	**-**	**5,972.08**	**5,972.08**
Additions	12.78	880.96	893.74
Reclassification of lease hold land (Note 4a)	254.93	-	254.93
As at March 31, 2020	**267.71**	**6,853.04**	**7,120.75**
Additions	-	1,862.15	1,862.15
Disposals	-	(407.09)	(407.09)
As at March 31, 2021	**267.71**	**8,308.10**	**8,575.81**
Depreciation and impairment			
As at April 1, 2019	**-**	**-**	**-**
Depreciation charge for the year	-	1,942.29	1,942.29
Reclassification of lease hold land (Note 4a)	20.15	-	20.15
As at March 31, 2020	**20.15**	**1,942.29**	**1,962.44**
Depreciation charge for the year	4.06	1,905.31	1,909.37
As at March 31, 2021	**24.21**	**3,847.60**	**3,871.81**
Net book value			
As at 31 March 2021	**243.50**	**4,460.50**	**4,704.00**
As at 31 March 2020	**247.56**	**4,910.75**	**5,158.31**

4D INTANGIBLE ASSETS

Particulars		Other Intangible assets		Total Other intangible assets
	Goodwill	Trademarks and Copyrights $	Softwares and Licences	
Cost				
As at April 1, 2019	**78,633.19**	**104.77**	**920.70**	**1,025.47**
Additions	-	-	91.94	91.94
As at March 31, 2020	**78,633.19**	**104.77**	**1,012.64**	**1,117.41**
Additions	-	-	18.95	18.95
Disposals	-	-	-	-
As at March 31, 2021	**78,633.19**	**104.77**	**1,031.59**	**1,136.36**
Amortisation and impairment				
As at April 1, 2019	**-**	**99.83**	**306.73**	**406.56**
Amortisation charge for the year	-	3.62	117.21	120.83
As at March 31, 2020	**-**	**103.45**	**423.94**	**527.39**
Amortisation charge for the year	-	-	137.51	137.51
As at March 31, 2021	**-**	**103.45**	**561.45**	**664.90**
Net book value				
As at March 31, 2021	**78,633.19**	**1.32**	**470.14**	**471.46**
As at March 31, 2020	**78,633.19**	**1.32**	**588.70**	**590.02**

$ Includes trademarks and copyrights of ₹ 81.22 (2020 - ₹ 81.22) pending for registration in the name of the Company and ₹ 20.23 (2020 - ₹ 20.23) pending for registration in the name of the Jyothy Fabricare Services Limited.

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

4D INTANGIBLE ASSETS (CONTD.)

IMPAIRMENT

Goodwill is tested for impairment annually as at March 31st No impairment charges were identified as at March 31, 2021.

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% (2020 - 5%)

Growth rate - 1% - 15% (2020 - 1% - 12%)

Weighted Average Cost of Capital % (WACC) (Discount rate) - 13% (2020 - 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 from 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 ₹ 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% (2020 - 5%)

Growth rate - 20% - 128% (2020 - 14% - 88%)

Weighted Average Cost of Capital % (WACC) (Discount rate) - 16.20% (2020 - 16.10%)

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 from past performance.

The recoverable amounts of the above CGU's have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

The Group has performed sensitivity analysis around the base assumptions and have concluded that no reasonable change in key assumptions would result in the recoverable amount of CGU to be less than the carrying value.

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

5 INVESTMENTS

Particulars	NON CURRENT	
	As at March 31, 2021	As at March 31, 2020
Unquoted (fully paid)		
a) Investment in Others (at fair value through profit and loss) *		
Henkel SPIC Employees Co-operative Thrift and Credit Society Limited		
2,000 (2020 - 2,000) equity shares of ₹ 100 (2020 - ₹ 100) each fully paid up	-	2.00
	-	**2.00**
b) Investment in Government Securities (at fair value through profit and loss)		
Indira Vikas Patra	-	0.02
National Saving Certificates (Pledged with Government authorities)	-	0.57
	-	**0.59**
	-	**2.59**
Aggregate value of unquoted investments	-	2.59

** Investment at fair value through profit or loss reflect investment in unquoted equity securities which have been written off during the current year. Since the amount is not material, the fair value disclosure have not been made.*

6 TRADE RECEIVABLES (UNSECURED)

Particulars	CURRENT	
	As at March 31, 2021	As at March 31, 2020
Considered good	9,434.84	12,238.41
Credit impaired	1,142.58	1,014.37
Significant increase in credit risk	43.04	171.25
	10,620.46	**13,424.03**
Less: Loss allowance	(1,185.62)	(1,185.62)
	9,434.84	**12,238.41**

Particulars	CURRENT	
	As at March 31, 2021	As at March 31, 2020
Movements of Loss allowance		
Balance as at 1st April	(1,185.62)	(1,188.79)
Provision no longer required write back	-	3.17
Balance as at 31st March	**(1,185.62)**	**(1,185.62)**

Trade receivable are non interest bearing and are generally on advance term or for a term of 15-30 days.

The Company exposure to credit and currency risk, and loss allowance related to trade receivables are disclose in note 43.

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

7 LOANS (UNSECURED, CONSIDERED GOOD)

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Security Deposits considered good	980.79	1,087.72	66.13	54.61
	980.79	**1,087.72**	**66.13**	**54.61**

8 OTHER FINANCIAL ASSETS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Fixed deposit with Banks having remaining maturity of more than 12 months (Note 13b)	52.10	372.62	-	-
Investment Subsidy Receivable	-	-	248.28	265.67
Staff Loans	-	-	64.50	50.15
Other receivables	5.25	5.25	-	-
Less: Loss allowance	(5.25)	(5.25)	-	-
	52.10	**372.62**	**312.78**	**315.82**

Breakup of financial assets carried at amortised cost

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Trade receivable (Note 6)	-	-	9,434.84	12,238.41
Loans (Note 7)	980.79	1,087.72	66.13	54.61
Other financial assets (Note 8)	52.10	372.62	312.78	315.82
Cash and cash equivalents and other bank balances (Note 13a & 13b)	-	-	19,383.13	2,894.26
Total financial assets carried at amortised cost	**1,032.89**	**1,460.34**	**29,196.88**	**15,503.10**

9 NON CURRENT TAX ASSETS (NET)

Particulars	Non current	
	As at March 31, 2021	As at March 31, 2020
Advance income tax (net of provisions of ₹ 24,675.84 lacs) (2020 - ₹ 24,674.84 lacs	1,100.43	1,234.99
	1,100.43	**1,234.99**

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

10 DEFERRED TAX ASSETS (NET)

Particulars	NON CURRENT	
	As at March 31, 2021	As at March 31, 2020
a) Deferred tax liability		
Depreciation	7,699.99	7,530.11
Right-of-use assets	1,509.36	1,500.54
	9,209.35	**9,030.65**
b) Deferred tax assets		
Provision for gratuity	1,576.50	1,482.41
Provision for leave encashment	551.17	505.12
Provision for doubtful debts	410.36	413.29
Provision for doubtful advances	-	176.57
Other provisions	509.26	786.19
Differential tax rate (Refer Note 50)	1,493.69	535.04
Lease liability	1,583.54	1,602.50
Tax Credits (MAT)	12,707.65	13,799.32
	18,832.17	**19,300.44**
Net deferred tax assets	**9,622.82**	**10,269.79**

11 OTHER ASSETS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Capital Advances	192.34	156.45	-	-
Advance to suppliers*	-	494.85	1,205.77	1,456.15
Balance with government authorities and protest payments	5,485.30	7,656.60	3,479.92	4,709.71
Prepaid Expenses	-	-	576.29	660.23
Other receivables	-	599.40	169.67	49.48
Less: Loss allowance	-	(494.85)	(12.99)	(14.04)
	5,677.64	**8,412.45**	**5,418.66**	**6,861.53**

** Advances to suppliers amounting to ₹ 12.99 lacs (2020 - ₹ 508.89 lacs) is considered doubtful and fully provided for.*

12 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

Particulars	CURRENT	
	As at March 31, 2021	As at March 31, 2020
Raw and packing materials	7,116.71	4,612.97
Work in progress	1,813.34	1,403.20
Finished goods	15,038.61	13,633.42
Stock in Trade (including goods in transit ₹ 144.17 (2020 - ₹ 24.16 lacs)	3,168.68	2,288.86
Stores, Operating supplies and spare parts	726.64	568.33
	27,863.98	**22,506.78**

Inventories are net of provision of ₹ 956.65 lacs (2020 - ₹ 933.29 lacs) on account of damage and slow moving inventories.

Inventories are pledge as securities for borrowings. (Refer Note 16)

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

13 CASH AND BANK BALANCES

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(a) Cash and cash equivalents				
Cash in hand	-	-	41.92	45.31
Balance with banks				
- Current account	-	-	7,143.85	885.95
- Deposit account (Original maturity of less than three months)	-	-	-	560.48
	-	**-**	**7,185.77**	**1,491.74**
(b) Bank balances other than cash and cash equivalents				
Unclaimed dividend accounts	-	-	214.45	264.66
Deposits with original maturity for more than 3 months and maturing within 12 months*	-	-	11,982.91	1,137.86
Deposits with original and remaining maturity for more than 12 months*	52.10	372.62	-	-
Amount disclosed under 'Other financial assets' (Note 8)	(52.10)	(372.62)	-	-
	-	**-**	**12,197.36**	**1,402.52**
	-	**-**	**19,383.13**	**2,894.26**

** Includes deposits provided as securities against bank guarantees and letter of credits ₹ 488.08 lacs (2020 - ₹ 525.27 lacs)*

14 SHARE CAPITAL

Particulars	As at March 31, 2021	As at March 31, 2020
AUTHORISED CAPITAL		
2,720,000,000 (2020 - 2,720,000,000) equity shares of ₹ 1(2020 - ₹ 1) each	27,200.00	27,200.00
30,000 (2020 -30,000) 11% cumulative preference shares of ₹ 100 (2020 - ₹ 100) each	30.00	30.00
	27,230.00	**27,230.00**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

14 SHARE CAPITAL (CONTD.)

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No.	Amount	No.	Amount
ISSUED EQUITY CAPITAL				
At the beginning of the period	36,72,08,644	3,672.09	36,72,08,644	3,672.09
Outstanding at the end of the period	**36,72,08,644**	**3,672.09**	**36,72,08,644**	**3,672.09**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No.	% Holding in the class	No.	% Holding in the class
Equity shares of ₹ 1 each fully paid				
M. P. Ramachandran	**14,36,40,871**	**39.12%**	**14,36,40,871**	**39.12%**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	As at March 31, 2021	As at March 31, 2020
	No.	No.
Equity shares allotted as fully paid bonus shares by capitalization of securities premium (FY 2018 - 2019)	18,17,94,087	18,17,94,087
	18,17,94,087	**18,17,94,087**

In addition the company has issued 43,91,061 equity shares during the period of five years immediately preceding the reporting date on exercise of option granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

15 OTHER EQUITY

A. Other Equity consist of following :

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings		
Balance, beginning of the year	62,849.63	72,671.18
Adjustment for earlier years Deferred Tax Asset	-	(0.54)
Profit for the year	19,944.96	17,034.21
Other Comprehensive Income -	56.35	(293.85)
Re-measurement gains/ (losses) of post employment benefit obligation		
Less : Appropriations		
Cash dividend (Note 15(B))	-	(22,032.52)
Dividend distributions tax (DDT) (Note 15(B))	-	(4,528.85)
Net surplus in the consolidated statement of profit and loss	**82,850.94**	**62,849.63**

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

15 OTHER EQUITY (CONTD.)

Particulars	As at March 31, 2021	As at March 31, 2020
Other Reserves		
Foreign Currency Translation Reserve		
Balance, beginning of the year	40.21	7.53
Add: Addition during the year	(9.74)	32.68
Balance, end of the year	**30.47**	**40.21**
Capital Reserve		
Balance, beginning of the year	5,480.32	5,480.32
Balance, end of the year	**5,480.32**	**5,480.32**
Securities premium		
Balance, beginning of the year	50,407.48	50,407.48
Balance, end of the year	**50,407.48**	**50,407.48**
General reserves		
Balance, beginning of the year	414.08	414.08
Balance, end of the year	**414.08**	**414.08**
	1,39,183.29	**1,19,191.72**

B. Distribution made and Proposed

Particulars	As at March 31, 2021	As at March 31, 2020
Cash dividend on equity shares declared and paid :		
Final dividend for the year ended March 31, 2020 - ₹ Nil per share, (2019 - ₹ 3 per share) on the proposed expanded capital base (post bonus)	-	11,016.26
Dividend distribution tax on final dividend	-	2,264.42
Interim dividend for the year ended March 31, 2021 - ₹ Nil per share, (2020 - ₹ 3 per share)	-	11,016.26
Dividend distribution tax on interim dividend	-	2,264.42
	-	**26,561.36**
Proposed dividends on equity shares :		
Final dividend for the year ended March 31, 2021 ₹ 4 per share, (2020 - ₹ Nil per share) *	14,688.35	-
	14,688.35	**-**

** The Board of Directors has recommended final dividend of ₹ 4 per equity share of face value ₹ 1 each for the financial year ended March 31, 2021 at their meeting held on May 18, 2021. The same is subject to approval of the shareholders at the ensuing Annual General Meeting.*

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

16 BORROWINGS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Term Loan from Bank (Secured) (Note (a) below)	-	27.44	-	175.00
Term Loan from Bank (Secured) (Note (b) below)	-	-	5,019.53	7,539.46
Term Loan from Bank (Secured) (Note (c) below)	-	-	-	3,101.96
Working Capital Loan from Banks (Secured) (Note (d) below)	-	-	-	7,948.07
Bank overdraft / Cash Credit facility (Secured) (Note (d) below)	-	-	-	3,504.88
Unsecured Redeemable Zero Coupon Non Convertible Debentures				
Nil (2020 - 600) Debentures of ₹ Nil (2020 - ₹ 10,00,000) each (Note (e) below)	-	-	-	6,000.00
Term Loan from Bank (Secured) (Note (f) below)	-	-	6,674.75	-
Amount disclosed under 'Other Financial Liabilities' (Note 20)	-	-	-	(6,175.00)
	-	**27.44**	**11,694.28**	**22,094.37**

Note :

a) The term loan from bank consists of ₹ Nil lacs (2020 - ₹202.44 lacs) taken by JFSL-JLL (JV) at interest which are linked to bank base rate plus spread. The interest rate are in range of 11.00% - 13.00% p.a. payable monthly. The loan is repayable in 32 quarterly instalments every year till May, 2021. The loan is secured by exclusive first charge on the entire fixed assets and current assets of the JFSL-JLL (JV) and further secured by corporate guarantee given by the Company.

b) 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.

c) The Company had taken secured term loan of ₹ 4,000 lacs. The interest rate were in range of 7.00% - 9.00% p.a. payable monthly. These loans have been fully repaid during the year. 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.

d) The Company had taken secured working capital demand loan / cash credit facility at interest in range of 6.00% - 9.50% p.a for tenor of 1 - 6 months / repayable on demand. These loan are secured by first pari passu charge on stock and book debt and second pari passu charge on the movable fixed assets and negative lien on fixed assets of the Company.

e) 600 Unsecured Zero Coupon Non Convertible Debentures of ₹ 10,00,000 each - Redeemable at a premium of ₹ 332,466 per debenture after 3 years from the date of allotment i.e. January 11, 2018. The debenture were fully repaid during the year. The Debentures were unsecured and covered by corporate guarantee given by the Company.

f) The term loan from bank consists of ₹ 6,688.92 lacs (2020 - ₹ Nil lacs) taken by JFSL at interest which are linked to bank base rate plus spread. The interest rate are in range of 8.00% - 10.00% 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.

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₹ In Lacs

17 PROVISIONS

Particulars	NON CURRENT As at March 31, 2021	NON CURRENT As at March 31, 2020	CURRENT As at March 31, 2021	CURRENT As at March 31, 2020
Provision for employee benefits				
Provision for leave encashment	1,441.90	1,278.47	231.27	195.93
Provision for gratuity (Note 31)	4,667.24	4,273.33	-	15.55
	6,109.14	**5,551.80**	**231.27**	**211.48**
Other provisions#				
Provision for litigation*	-	-	1,457.35	2,066.13
	-	**-**	**1,457.35**	**2,066.13**
	6,109.14	**5,551.80**	**1,688.62**	**2,277.61**

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

 # Movements in other provisions

Particulars	CURRENT As at March 31, 2021	CURRENT As at March 31, 2020
As at 1st April	2,066.13	2,066.13
Reversal during the year	(608.78)	-
As at 31st March	**1,457.35**	**2,066.13**

18 OTHER LIABILITIES

Particulars	NON CURRENT As at March 31, 2021	NON CURRENT As at March 31, 2020	CURRENT As at March 31, 2021	CURRENT As at March 31, 2020
Statutory Dues	-	-	1,444.38	1,193.31
Deferred Investment Subsidy ^	228.97	302.73	73.76	73.76
Advances from customers	-	-	3,422.26	1,034.46
Contractual Obligation	-	-	4,614.41	3,047.90
	228.97	**302.73**	**9,554.81**	**5,349.43**

^ 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.

19 TRADE PAYABLES

Particulars	CURRENT As at March 31, 2021	CURRENT As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 36 for details of dues to micro enterprises and small enterprises)	4,503.52	1,057.51
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,694.76	11,918.19
	19,198.28	**12,975.70**

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to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

20 OTHER FINANCIAL LIABILITIES

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due on loans	-	-	-	1,474.45
Security deposits	-	-	58.80	66.40
Unclaimed dividend *	-	-	214.45	264.66
Creditors for capital goods	-	-	32.26	105.88
Deferred Payment Liability (Unsecured)****	-	-	155.00	180.00
Current maturities of Long Term Borrowings (Note 16)	-	-	-	6,175.00
Payable Others - Employees	-	-	2,235.55	1,525.08
Lease Liability***	2,918.08	3,324.48	2,038.73	1,926.30
	2,918.08	**3,324.48**	**4,734.79**	**11,717.77**

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

****For disclosures on lease liabilities refer note 35A.*

*****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.*

Break up of financial liabilities carried at amortised cost

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Borrowing (Note 16)	-	27.44	11,694.28	22,094.37
Trade payable (Note 19)	-	-	19,198.28	12,975.70
Other financial liabilities (Note 20)	2,918.08	3,324.48	4,734.79	11,717.77
Total financial liabilities carried at amortised cost	**2,918.08**	**3,351.92**	**35,627.35**	**46,787.84**

Terms and conditions of financial liabilities:

1) Trade payables are non-interest bearing and are normally settled on 7 - 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 43.

21 CURRENT TAX LIABILITIES (NET)

Particulars	CURRENT	
	As at March 31, 2021	As at March 31, 2020
Provision for income tax (net of advance tax of ₹ 8,085.36 lacs (2020 - ₹ 4,698.85 lacs))	401.61	46.13
	401.61	**46.13**

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to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

22 REVENUE FROM OPERATIONS

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Sale of goods (Note 51)	1,88,794.74	1,66,852.50
Sale of Services	2,003.50	4,119.79
	1,90,798.24	**1,70,972.29**
Other operating revenues		
Sale of scrap	113.78	144.98
	113.78	**144.98**
	1,90,912.02	**1,71,117.27**

23 OTHER INCOME

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Lease rent income (Note 35A)	-	0.58
Provision for doubtful debts written back	11.70	-
Profit on sale of current investments	-	163.88
Investment subsidy income	73.76	72.22
Interest on fixed deposit	121.20	156.39
Interest on Income tax refund	20.69	4.53
Interest on Others	196.04	103.62
Budgetary support benefit under Goods and Services Tax	1,354.06	1,464.88
Export incentives	63.83	32.51
Miscellaneous income	3.89	1.47
	1,845.17	**2,000.08**

24 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Inventory at the beginning of the year	4,607.16	5,171.52
Add: Purchases	82,774.08	69,635.82
	87,381.24	**74,807.34**
Less: Inventory at the end of the year	7,116.71	4,612.97
	80,264.53	**70,194.37**

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to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

25 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Closing inventory		
Finished goods	15,038.61	13,633.42
Traded goods	3,168.68	2,288.86
Work in progress	1,813.34	1,403.20
Sub-total (A)	**20,020.63**	**17,325.48**
Opening inventory		
Finished goods	13,633.42	9,762.73
Traded goods	2,294.67	2,355.23
Work in progress	1,403.20	1,956.21
Sub-total (B)	**17,331.29**	**14,074.17**
Total (A-B)	**(2,689.34)**	**(3,251.31)**

26 EMPLOYEE BENEFITS EXPENSE

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Salaries, wages and bonus	18,222.33	17,905.03
Contribution to provident and other funds	1,178.02	1,249.72
Gratuity (Note 31 I)	634.15	582.99
Staff welfare expenses	373.96	464.17
Directors' remuneration (Note 37(b))	1,084.40	1,181.52
Field staff incentives	1,756.78	549.22
	23,249.64	**21,932.65**

27 FINANCE COST

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Interest on term loan and bank overdraft	1,359.36	2,056.50
Redemption premium / Interest accrued on debentures	36.91	686.30
Interest on lease liability	508.59	542.55
Other borrowing cost	18.55	3.14
	1,923.41	**3,288.49**

28 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Depreciation on tangible assets	3,511.93	3,228.82
Amortization of intangible assets	137.51	120.83
Depreciation of right of use assets	1,909.37	1,942.29
	5,558.81	**5,291.94**

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to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

29 OTHER EXPENSES

Particulars		April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Power and fuel expenses		2,782.11	3,082.55
Rent* (Note 35A)		224.15	146.35
Insurance		353.80	218.10
Repairs and maintenance			
- Building		30.23	34.04
- Plant and machinery		313.05	338.46
- Others		214.51	254.77
Consumption of stores and spares		519.97	471.48
Printing and stationery		52.09	71.48
Communication costs		216.77	241.91
Legal and professional fees (Note 32)		766.57	1,046.93
Rates and taxes		250.59	175.01
Directors' sitting fees (Note 37(b))		15.50	15.25
Vehicle maintenance		201.12	316.76
Donation		406.73	-
Loss on fixed assets discarded / sold		32.97	31.54
Conversion charges		157.70	6.25
Advertisement and Sales Promotion		12,361.78	12,271.42
Freight, handling and forwarding charges		12,554.82	10,328.50
Field staff expenses		1,096.19	1,667.62
Travelling and conveyance		86.52	584.30
Royalty		332.62	306.18
Corporate social responsibility expenses (Note 33)		395.79	388.09
Bad Debts written off		5.61	7.79
Advances written off	494.85		
Less : Provision for doubtful advances written back	(494.85)	-	-
Miscellaneous expenses		1,801.35	1,979.26
		35,172.54	**33,984.04**

**Current year expense pertains to short-term lease and low value assets*

30 INCOME TAX

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are :

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
a. Profit or loss		
Income tax expenses		
Current tax		
Current period	3,764.16	2,728.41
	3,764.16	**2,728.41**
Deferred tax		
Relating to origination and reversal of temporary differences	634.01	(836.03)
	4,398.17	**1,892.38**
b. OCI		
Deferred tax related to items recognised in OCI during the year :		
Net loss /(gain) on remeasurements of defined benefit plans	(12.38)	147.57
	(12.38)	**147.57**

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to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

30 INCOME TAX (CONTD.)

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
c. Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate		
Accounting profit before tax	23,463.32	18,150.52
Tax rate	34.944%	34.944%
Tax at statutory rate	8,199.02	6,342.52
Less:		
Tax impact : - Profit exempt from tax	(4,859.99)	(4,595.48)
Corporate social responsibility expenditure disallowed	103.36	135.61
Differential tax rate (Refer Note 50)	(958.65)	(535.04)
Unrecognised deferred tax asset on loss of subsidiaries	675.22	591.99
DTL on Goodwill	501.64	-
MAT utilisation against tax liability of earlier year	823.08	-
Others	(85.51)	(47.23)
Adjusted tax expense	**4,398.17**	**1,892.38**
Tax expense	**4,398.17**	**1,892.38**

d. Movement in Deferred Tax Assets and Liabilities

Movement during the year ended March 31, 2020	Opening Balance	Credit / (charge) in the Consolidated Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	Closing Balance
Depreciation	(7,436.72)	(98.60)	-	(7,535.32)
Right-of-use assets	-	(1,500.54)	-	(1,500.54)
Fair value adjustments	(7.22)	7.22	-	-
Provision for gratuity	1,189.81	145.03	147.57	1,482.41
Provision for leave encashment	442.41	62.71	-	505.12
Provision for doubtful debts	414.12	(0.83)	-	413.29
Provision for doubtful advances	184.46	(7.89)	-	176.57
Other provisions	790.84	(4.65)	-	786.19
Differential tax rate (Refer Note 50)	-	535.04	-	535.04
Lease liability	-	1,602.50	-	1,602.50
Tax credit (MAT)	13,703.28	96.04	-	13,799.32
	9,280.98	**836.03**	**147.57**	**10,264.58**
Depreciation^	-	5.21	-	5.21
	9,280.98	**841.24**	**147.57**	**10,269.79**

^Depreciation contains ₹ 5.21 lacs adjusted through reserves and surplus.

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

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to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

30 INCOME TAX (CONTD.)

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
Provision for doubtful advances	176.57	(176.57)	-	-
Other provisions	786.19	(276.93)	-	509.26
Differential tax rate (Refer Note 50)	535.04	958.65	-	1,493.69
Lease liability	1,602.50	(18.96)	-	1,583.54
Tax credit (MAT)	13,799.32	(1,091.67)	-	12,707.65
	10,269.79	**(634.01)**	**(12.96)**	**9,622.82**

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.

f. These unrecognised deferred tax assets of these subsidiaries as at the reporting dates are as given below:-

Particulars	As at March 31, 2021		As at March 31, 2020	
	Gross Amount	Tax	Gross Amount	Tax
Accumulated Tax Losses	**16,239.63**	**4,222.31**	**16,474.82**	**4,283.46**

Breakup of Tax losses

Particulars	As at 31 March 2021			As at 31 March 2020		
	Gross amount	Unrecognised Tax effect	Expiry Date (Assessment Year)	Gross amount	Unrecognised Tax effect	Expiry Date (Assessment Year)
Brought forward losses (allowed to carry forward for specific period)	2,163.40	562.49	2022-23	1,974.89	513.47	2021-22
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

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₹ In Lacs

30 INCOME TAX (CONTD.)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Gross amount	Unrecognised Tax effect	Expiry Date (Assessment Year)	Gross amount	Unrecognised Tax effect	Expiry Date (Assessment Year)
Brought forward losses (allowed to carry forward for specific period)	1,426.51	370.89	2029-30	1,446.42	376.07	2028-29
Unabsorbed depreciation (allowed to carry forward for infinite period)	4,406.34	1,145.65	NA	4,093.15	1,064.22	NA
	16,239.63	**4,222.31**		**16,474.82**	**4,283.46**	

Further, as at 31st March 2021, there was no recognised deferred tax liability (2020 - ₹ 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.

31 (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, 2021 Gratuity	March 31, 2020 Gratuity
		Funded, except for certain subsidiaries where it is non funded	
(A)	**Summary of the Actuarial Assumptions**		
	Mortality	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
	Discount rate	6.40%-6.45%	5.95%-6.60%
	Rate of increase in compensation	8.00%	8% - 10%
	Withdrawal rates	9.00%	9% - 15%
	Rate of return (expected) on plan assets	6.84%-7.15%	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)	**Changes in present value of obligations (PVO)**		
	PVO at beginning of period	4,417.80	3,609.15
	Interest cost	290.12	272.35
	Current Service Cost	351.15	323.22
	Benefits Paid	(177.71)	(204.45)
	Remeasurement gains/(losses) arising from changes in demographic assumptions	6.56	0.41

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₹ In Lacs

31 (I) GRATUITY (CONTD.)

Particulars		March 31, 2021 Gratuity	March 31, 2020 Gratuity
	Remeasurement gains/(losses) arising from changes in financial assumptions	32.75	265.38
	Experience adjustments	(128.87)	151.74
	PVO at end of period	4,791.80	4,417.80
(C)	**Changes in fair value of plan assets**		
	Fair value of plan assets at the beginning of period	128.92	165.93
	Investment Income	8.44	12.52
	Benefit paid	-	(30.20)
	Return on plan assets	(12.80)	(19.33)
	Fair value of plan assets at end of period	124.56	128.92
(D)	**Expenses recognised in the consolidated statement of profit and loss**		
	Current service cost	351.15	323.22
	Net Interest cost on the Net Defined Benefit Liability / (Asset)	281.68	259.83
	Benefits paid directly paid by the group	0.66	(0.06)
	Expense recognised in the consolidated statement of profit and loss	633.49	582.99
(E)	**Remeasurement gains/(losses) in other comprehensive income**		
	Return on plan assets	12.80	19.33
	Remeasurement gains/(losses) arising from changes in demographic assumptions	6.56	0.41
	Remeasurement gains/(losses) arising from changes in financial assumptions	32.75	265.38
	Experience adjustments	(128.87)	151.74
	Total amount recognised in OCI	(76.76)	436.86
(F)	**The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**		
	Investment with insurer	100.00%	100.00%
(G)	**Net Assets/(Liabilities) recognised in the balance sheet**		
	PVO at end of period	(4,791.80)	(4,417.80)
	Fair value of plan assets at end of period	124.56	128.92
	Funded status (deficit in fair value of plan assets over PVO)	(4,667.24)	(4,288.88)
	Net asset / (liability) recognised in the balance sheet	(4,667.24)	(4,288.88)

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.

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31 (I) GRATUITY (CONTD.)

The results of sensitivity analysis is given below:

Particulars	March 31, 2021	March 31, 2020
Defined Benefit Obligation (Base)	4,791.80	4,417.80

Particulars	March 31, 2021		March 31, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	6,761.17	5,889.27	4,727.68	4,140.69
(% change compared to base due to sensitivity)	41.10%	22.90%	7.01%	-6.27%
Salary Growth Rate (- / + 1%)	5,909.52	6,727.20	4,159.07	4,698.15
(% change compared to base due to sensitivity)	23.33%	40.39%	-5.86%	6.35%
Attrition Rate (- / + 50% of attrition rates)	6,498.66	6,168.20	4,546.22	4,335.99
(% change compared to base due to sensitivity)	35.62%	28.72%	2.91%	-1.85%
Mortality Rate (- / + 10% of mortality rates)	6,300.43	6,298.98	4,418.21	4,417.41
(% change compared to base due to sensitivity)	31.48%	31.45%	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 cashflows)	6 years
Expected cash flows over the next (valued on undiscounted basis)	**Amount**
1 year	713.72
2 to 5 years	1,991.40
6 to 10 years	2,335.62
More than 10 years	2,710.89

c) The Group expects to contribute ₹ Nil (2020 - ₹ Nil) to gratuity fund.

31 (II) SUPERANNUATION

The Group contributed ₹ 41.25 lacs and ₹ 40.95 lacs to the superannuation plan during the years ended March 31, 2021 and March 31, 2020 respectively and same has been recognized in the consolidated statement of profit and loss under the head Employee benefit expense.

31 (III) PROVIDENT FUND AND OTHER FUNDS

The Group contributed ₹ 1,136.77 lacs and ₹ 1,208.77 lacs to the employee provident fund during the years ended March 31, 2021 and March 31, 2020, respectively and same has been recognized in the consolidated statement of profit and loss under the head Employee benefit expense.

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₹ In Lacs

32 PAYMENT TO AUDITORS (EXCLUDING GST)

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
As Auditors		
Audit fee	49.00	47.00
Tax audit fees and certification	10.06	14.51
Limited review of quarterly results	48.00	48.00
Reimbursement of expenses	3.65	4.54
	110.71	**114.05**

33 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, 2020 to March 31, 2021			April 1, 2019 to March 31, 2020		
(a) Gross amount required to be spent during the year			386.12			386.62
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
(b) Amount spend during the year : -						
Rural/slum area development	113.68	-	113.68	158.86	-	158.86
Imparting Skill Development Training	72.40	-	72.40	194.40	-	194.40
Contribution for Disaster Management	-	-	-	21.00	-	21.00
Contribution to Prime Minister Relief Fund	100.00	-	100.00	-	-	-
Promoting Education	96.59	-	96.59	-	-	-
Others	13.12	-	13.12	13.83	-	13.83
Total	**395.79**	**-**	**395.79**	**388.09**	**-**	**388.09**

34 EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Net Profit for calculation of basic and diluted EPS	19,944.96	17,034.21
Weighted average number of shares for calculation of basic and diluted EPS	36,72,08,644	36,72,08,644
Basic / Diluted EPS (₹)	5.43	4.64

The Company does not have any potentially dilutive equity shares and therefore basic and dilutive EPS are the same.

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

35 COMMITMENTS AND CONTINGENCIES

A) Operating leases

In case of assets taken on lease

i. The Group has lease contracts for various items of plant, machinery, building and office equipment used in its operations. The Group obligations under its leases are secured by the lessor's title to the leased assets. 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 4b

ii. Carrying amounts of lease liabilities and the movement during the period

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Opening Balance	5,250.78	5,972.08
Net Additions	1,862.15	880.96
Deletions	(407.09)	-
Accretion of interest	368.77	511.13
Payments	(2,117.80)	(2,113.39)
Closing Balance	**4,956.81**	**5,250.78**
Current	2,038.73	1,926.30
Non current	2,918.08	3,324.48

The maturity analysis of lease liabilities is disclosed below: Maturity analysis of contractual undiscounted cash flow	**Amount**
Less than 1 year	1,787.92
1 to 2 years	1,465.64
2 to 3 years	917.02
3 to 4 years	514.01
4 to 5 years	392.54
More than 5 years	215.85
Total undiscounted lease liabilities	**5,292.98**

iii. The Group has a total cash outflow (including short term lease and low value assets) for leases of ₹ 2,341.95 (2020 - ₹ 2,202.18). The Group also had non cash additions to right to use assets and lease liabilities of ₹ 1,455.06 (2020 - ₹ 6,853.04).

iv. Lease commitments for leases accounted as short term lease and low value assets

The company is committed to short term lease of ₹ 223.45 lacs (2020 - ₹ 146.35 lacs) and lower value assets ₹ 0.70 lacs (2020 - ₹ Nil).

v. The difference between lease liabilities as at April 1, 2019 and operating lease commitments as of March 31, 2019 is due to discounting of long term lease liabilities and lease payments relating to renewal periods not included in operating lease commitments.

vi. Impact on adoption of Ind AS 116

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
(A) Decrease in Rent expense	(2,117.80)	(2,113.39)
(B) Increase in Depreciation expense	1,905.31	1,946.03
(C) Increase in Interest expense	368.77	516.28
(D) Increase in Profit before tax	156.28	348.92

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₹ In Lacs

35 COMMITMENTS AND CONTINGENCIES (CONTD.)

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, 2021 was ₹ Nil (2020 - ₹ 0.58). 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 March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	232.44	28.29
Other commitments (Refer Note 35A (iv))	176.39	66.34
	408.83	**94.63**

C) Contingent liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
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	1,431.19	1,467.56
(b) Disputed GST demands – matters under appeal	-	45.18
(c) Disputed excise duty and service tax demand - matter under appeal	3,101.35	2,489.35
(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 Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and which is now dismissed.

In view of the management, the liability on account of this for the period from date of the SC order to 31 March 2019 is not significant. The impact for the past period, if any, is not reliably ascertainable and consequently no effect has been given in the accounts.

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.

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to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

36 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSMED')

The disclosure pursuant to the said Act is as under :

Particulars	As at March 31, 2021	As at March 31, 2020
Principal and interest amount remaining unpaid	4,503.52	1,057.51
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	-	0.32
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	-	0.32

The above information has been determined to the extent such parties have been identified on the basis of information available with the Group.

37 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
M.R. Jyothy	Managing Director w.e.f. April 1, 2020 (Whole time Director & Chief Marketing Officer upto March 31, 2020)
M.R. Deepthi	Whole Time Director w.e.f. April 1, 2020
Rajnikant Sabnavis	Chief Operating Officer upto November 30, 2019
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

Relative of Key Management Personnel

M.P. Ramachandran	Chairman Emeritus w.e.f April 01, 2020 (Chairman and Managing Director upto March 31, 2020)
M.G.Santhakumari	
Ananth Rao T	
Ravi Razdan	
M.P. Sidharthan	
M.P. Divakaran	

Enterprises significantly influenced by Key Management Personnel or their relatives

Quilon Trading Co.
M.P. Divakaran - H.U.F.
M.P. Sidharthan - H.U.F.
Jaya Trust
Sahyadri Agencies Ltd.
Gagangiri Containers Limited

Enterprises under common control

Kallol Trading Corporation

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₹ In Lacs

37 RELATED PARTY DISCLOSURES (CONTD.)

b) Transactions with related parties during the year

	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Key management personnel		
Remuneration*		
K. Ullas Kamath	336.00	336.00
M R Jyothy	296.75	219.60
M R Deepthi	73.30	59.29
Rajnikant Sabnavis	-	274.11
Sanjay Agarwal	243.78	244.41
Shreyas Trivedi	79.38	78.53
Dividend		
K. Ullas Kamath	-	174.17
Contribution to Superannuation fund		
K. Ullas Kamath	30.00	30.00
Commission		
K. Ullas Kamath	424.32	320.93
Nilesh B. Mehta	12.00	12.00
R. Lakshminarayanan	12.00	12.00
Bhumika Batra	12.00	12.00
Fee for attending board / committee meetings		
Nilesh B. Mehta	5.75	5.75
R. Lakshminarayanan	5.75	5.25
Bhumika Batra	4.00	4.25
Relative of Key Management Personnel		
Remuneration*		
M P Ramachandran	-	₹ 1 only
Ananth Rao T	109.13	94.87
Ravi Razdan	74.73	65.07
M P Sidharthan	24.00	24.00
Commission		
M P Ramachandran	-	356.59
Dividend		
M P Ramachandran	-	8,618.45
Dividend - Relative of Key Management Personnel	-	3,122.27
Enterprises significantly influenced by Key Management Personnel or their relatives		
Rent Expense		
Quilon Trading Company	1.20	1.20
Dividend		
M.P. Divakaran - H.U.F.	-	228.48
M.P. Sidharthan - H.U.F.	-	158.40
Jaya Trust	-	261.00
Sahyadri Agencies Ltd.	-	1,335.00
Purchase of Land		
Gagangiri Containers Limited	-	11.40
Sale of finished goods		
Kallol Trading Corporation	434.62	663.66

** 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.*

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to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

37 RELATED PARTY DISCLOSURES (CONTD.)

c) Related party balances

	As at March 31, 2021	As at March 31, 2020
Amounts receivable		
Enterprises under common control		
Kallol Trading Corporation	195.94	56.57
Amounts payable		
Enterprises significantly influenced by Key Management Personnel or their relatives		
Quilon Trading Company	0.10	-
Relative of Key Management Personnel		
M.P. Ramachandran	-	356.59
Key Management Personnel		
K. Ullas Kamath	424.32	320.93
Nilesh B. Mehta	12.00	12.00
R. Lakshminarayanan	12.00	12.00
Bhumika Batra	12.00	12.00

38 INFORMATION REQUIRED FOR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013

Particulars	31-Mar-21							
	Net Assets, i.e. Total Asset minus Total Liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Parent								
Jyothy Labs Limited	95.75%	1,36,783.89	110.45%	21,057.02	44.65%	24.14	110.26%	21,081.16
Subsidiaries								
Indian								
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)
Foreign								
Jyothy Kallol Bangladesh Limited	0.61%	876.77	0.21%	40.95	-13.52%	(7.31)	0.18%	33.64
Non controlling interest	2.65%	3,784.58	-4.61%	(879.81)	13.78%	7.45	-4.56%	(872.36)
GRAND TOTAL	**100.00%**	**1,42,855.38**	**100.00%**	**19,065.15**	**100.00%**	**54.06**	**100.00%**	**19,119.21**

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to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

38 INFORMATION REQUIRED FOR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013 (CONTD.)

Particulars	31-Mar-20							
	Net Assets, i.e. Total Asset minus Total Liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Parent								
Jyothy Labs Limited	94.20%	1,15,738.97	110.35%	17,940.19	107.08%	(274.77)	110.40%	17,665.42
Subsidiaries								
Indian								
Jyothy Fabricare Services Limited	2.43%	2,986.16	-6.04%	(982.68)	4.25%	(10.91)	-6.21%	(993.59)
Snoways Laundrers & Drycleaners Private Limited	0.14%	175.43	-0.03%	(5.51)	-	-	-0.03%	(5.51)
Four Seasons Drycleaning Company Private Limited	0.10%	126.00	-0.01%	(1.73)	-	-	-0.01%	(1.73)
M/s JFSL JLL JV (Partnership Firm)	0.08%	93.09	-0.04%	(6.91)	-	-	-0.04%	(6.91)
Foreign								
Jyothy Kallol Bangladesh Limited	0.68%	831.94	0.56%	90.85	-9.55%	24.51	0.72%	115.36
Non controlling interest	2.37%	2,912.22	-4.77%	(776.07)	-1.78%	4.56	-4.82%	(771.51)
GRAND TOTAL	**100.00%**	**1,22,863.81**	**100.00%**	**16,258.14**	**100.00%**	**(256.61)**	**100.00%**	**16,001.53**

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.

39 SEGMENT REPORTING

Based on the "management approach" as defined in Ind AS 108 - 'Operating Segments', the Chief Operating Decision Maker evaluates the Groups performance and allocate resources based on an analysis of various 'performance indicators by business segments and segment information is presented accordingly as follows :

1. Dishwashing includes dish wash scrubber and scrubber steel, dish wash bar, liquid and powder.
2. Fabric Care includes fabric whitener, fabric enhancer, bar soap and detergent powder.
3. Household Insecticides includes mosquito repellent coil, liquid and card and insect repellents.
4. Personal Care includes body soap, face wash, toothpaste, deodorants, talcum powder, after shave, hand wash, hand sanitizer and moisturiser.
5. Laundry services includes drycleaning and laundry.
6. Others includes incense sticks, toilet cleaner, floor shine and vegetable cleaner.

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and fixed assets. Assets at corporate level are not allocable to segments on a reasonable basis and thus the same have not been allocated. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liability.

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

39 SEGMENT REPORTING (CONTD.)

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, 2021	Fabric care	Dishwashing	Household insecticides	Personal care	Laundry services	Other products	Total Operating segments	Adjustments and eliminations	Total segments
Revenue									
External revenue	66,938.06	69,948.50	25,801.56	21,745.86	2,046.37	4,431.67	1,90,912.02	-	1,90,912.02
Total revenue from operation	**66,938.06**	**69,948.50**	**25,801.56**	**21,745.86**	**2,046.37**	**4,431.67**	**1,90,912.02**	**-**	**1,90,912.02**
Income/(Expenses)									
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)
Segment profit	13,818.47	13,491.44	(736.45)	4,905.78	(1,261.23)	(268.49)	29,949.52	(6,486.20)	23,463.32
Total assets	27,619.08	22,624.74	11,920.00	8,224.30	11,756.78	1,642.30	83,787.20	111,812.18	195,599.38
Total liabilities	13,817.44	13,302.67	7,551.46	4,425.24	1,014.56	770.04	40,881.41	15,647.17	56,528.58
Capital expenditure	951.28	1,193.82	265.16	51.93	92.61	63.97	2,618.77	(28.78)	2,589.99

Year ended March 31, 2020	Fabric care	Dishwashing	Household insecticides	Personal care	Laundry services	Other products	Total Operating segments	Adjustments and eliminations	Total segments
Revenue									
External revenue	70,800.29	56,669.55	18,135.69	18,041.54	4,126.54	3,343.66	1,71,117.27	-	1,71,117.27
Total revenue from operation	**70,800.29**	**56,669.55**	**18,135.69**	**18,041.54**	**4,126.54**	**3,343.66**	**1,71,117.27**	**-**	**1,71,117.27**
Income/(Expenses)									
Depreciation and amortisation	(1,193.17)	(757.27)	(501.50)	(286.16)	(856.07)	(39.27)	(3,633.44)	(1,658.50)	(5,291.94)
Segment profit	14,253.11	7,973.89	(1,643.92)	4,782.89	(1,015.19)	(218.14)	24,132.64	(5,982.12)	18,150.52
Total assets	30,745.63	19,726.27	14,249.40	8,114.10	12,839.96	1,557.07	87,232.43	96,386.62	1,83,619.05
Total liabilities	10,857.90	9,079.52	5,010.82	3,402.15	1,421.87	398.75	30,171.01	33,496.45	63,667.46
Capital expenditure	1,218.44	2,019.61	53.34	65.47	256.66	39.07	3,652.59	548.31	4,200.90

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to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

39 SEGMENT REPORTING (CONTD.)

Reconciliations to amount reflected in the consolidated financial statements :

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
A) Reconciliation of profit		
Segment profit	29,949.52	24,132.64
Other Income (Note 23)	337.93	264.54
Other unallocable income	153.18	270.66
Finance cost (Note 27)	(1,923.41)	(3,288.49)
Exceptional Item	(2,350.41)	(377.83)
Other unallocable expenses	(2,703.49)	(2,851.00)
Profit before tax	**23,463.32**	**18,150.52**

Particulars	As at March 31, 2021	As at March 31, 2020
B) Reconciliations of assets		
Segment operating assets	83,787.20	87,232.43
Investment (Note 5)	-	2.59
Other financial assets (Note 8)	52.10	372.62
Non current tax assets (net) (Note 9)	1,100.43	1,234.99
Deferred tax asset (net) (Note 10)	9,622.82	10,269.79
Cash and cash equivalent	19,172.27	2,079.53
Other unallocable assets	1,395.99	1,551.71
Tangible and Intangible assets	80,468.57	80,875.39
Total assets	**1,95,599.38**	**1,83,619.05**
C) Reconciliations of liabilities		
Segment operating liabilities	40,881.41	30,171.01
Borrowings	11,694.28	28,296.81
Current tax liabilities (net) (Note 21)	401.61	46.13
Interest accrued but not due on loans (Note 20)	-	1,474.45
Other unallocable liabilities	3,551.28	3,679.06
Total liabilities	**56,528.58**	**63,667.46**

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Revenue from external customers		
India	1,85,695.05	1,66,155.27
Outside India	5,216.97	4,962.00
Total revenue as per consolidated statement of profit or loss	**1,90,912.02**	**1,71,117.27**

The revenue information above is based on the location of the customers.

Revenue from one customer amounted to ₹ 20,641.90 (2020 - ₹ 25,568.84) arising from sales in various segment.

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current operating assets		
India	1,15,672.06	1,17,348.95
Outside India	14.02	18.53
Total	**1,15,686.08**	**1,17,367.48**

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress and intangible assets.

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to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

40 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Balance with government authorities and protest payment

The Group has significant receivable from government authorities in respect of payment made under protest in earlier years towards Vat matters. The Group has received favourable orders from the Honourable Supreme Court / High Court in this matters and accordingly Company believes that all the amounts are fully recoverable.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets and Goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar 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.

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40 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Further, the Group has recognised Minimum Alternate Tax Credit (MAT) which can utilised for a period of 15 years from the assessment year to which it relates to. Based on future projections of taxable profit and MAT, the Group has assessed that the entire MAT credit can be utilised.

Leases

The application of Ind AS 116 requires the Group to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease , it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Group has adopted the average borrowing rate as its incremental borrowing rate (IBR).

41 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying values		Fair values	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial Assets				
Investment	-	2.59	-	2.59
Loans	1,046.92	1,142.33	1,046.92	1,142.33
Total	**1,046.92**	**1,144.92**	**1,046.92**	**1,144.92**
Financial Liabilities				
Borrowings	11,694.28	28,296.81	11,694.28	28,296.81
Total	**11,694.28**	**28,296.81**	**11,694.28**	**28,296.81**

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. There are no unobservable inputs that impact fair value.

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

42 FAIR VALUES HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets :

	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial assets disclosed					
Investment *	**March 31, 2021**	-	-	-	-
	March 31, 2020	2.59	-	-	2.59

There have been no transfers between Level 1 and Level 2 during the period.

The Group does not have any financial liabilities fair valued through profit & loss.

43 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, 2021 and 31st March, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

For long term borrowings, the Group also focuses on maintaining / improving its credit ratings to ensure that appropriate refinancing options are available on the respective due dates.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	Less than 1 Year	1 to 5 years	5 years and above	Total
As at March 31, 2021				
Borrowings and Other financial liabilities *	16,620.80	2,726.35	-	19,347.15
Trade and other payables	19,198.28	-	-	19,198.28
	35,819.08	**2,726.35**	**-**	**38,545.43**

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Particulars	Less than 1 Year	1 to 5 years	5 years and above	Total
As at March 31, 2020				
Borrowings and Other financial liabilities*	34,263.81	2,900.25	-	37,164.06
Trade and other payables	12,975.70	-	-	12,975.70
	47,239.51	**2,900.25**	**-**	**50,139.76**

** 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 16), the same has been presented as current maturities 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.

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.

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, 2021 and March 31, 2020 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.

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

44 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 is calculated as borrowing less cash and cash equivalent, other bank balances and mutual fund investments.

Particulars	March 31, 2021	March 31, 2020
Borrowings	11,694.28	28,296.81
Less: Cash and cash equivalents & other bank balances (Note 13a and 13b)	(19,383.13)	(2,894.26)
Net debt (A)	(7,688.85)	25,402.55
Equity	1,42,855.38	1,22,863.81
Capital and net debt (B)	1,35,166.53	1,48,266.36
Gearing ratio (A/B)	0%	17%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

47 IMPACT OF CORONAVIRUS OUTBREAK (COVID-19)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable value of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19.

48 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 has also approved the appointed date as April 1, 2019 for the purpose of the said Amalgamation. The said proposal for Amalgamation and the draft Scheme of Amalgamation has received its consent from the shareholders and the creditors of the Company. A Joint Petition has been filed by the Second Transferor Company and the Transferee Company before the National Company Law Tribunal, Bench, at Mumbai for seeking their approval to the said Amalgamation. Based on the aforesaid Joint Petition, 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. Since the registered office of the First Transferor Company is in Bangalore, Karnataka, the Petition has been filed before the Hon'ble National Company Law Tribunal, Bench, at Bangalore for seeking their approval to the said Amalgamation.

49 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

Notes

to the consolidated financial statements for the year ended March 31, 2021

₹ In Lacs

49 EXCEPTIONAL ITEM (CONTD.)

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.

In the previous year, exceptional item of ₹ 377.83 lacs includes one time expenses related to change in brand identity of the Company including its logo and name.

50 As per amendments in the Income Tax Act, 1961, new Section 115BAA has been introduced with effect from FY 2019-20 (AY 2020-21) to provide an option for a concessional tax at the rate of 22%. The Company has evaluated this option and has opted to continue with the existing tax rate and corresponding benefits thereunder. The Company will continue under the existing tax rate till FY 2026 and is expected to opt for concessional tax rate in FY 2027. Accordingly, deferred tax reversing in FY 2027 and thereafter have been restated at the concessional rate. Net impact due to such restatement has resulted in recognition of deferred tax assets ₹ 958.65 lacs (2020 - ₹ 535.04 lacs). There is no material impact in other subsidiary companies; hence not recognised.

51 IND AS 115 : REVENUE FROM CONTRACTS WITH CUSTOMERS

a. Reconciliation the amount of revenue recognised in the statement of profit and loss

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
Gross Sales	2,30,744.48	2,01,711.68
Sale of Services	2,003.50	4,119.79
Less : Scheme, discounts, rebates, price adjustments and returns	(41,949.74)	(34,859.18)
Net Sales	**1,90,798.24**	**1,70,972.29**

b. Disaggregation of revenue-Segment wise

Particulars	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
A. Fabric Care	66,938.06	70,800.29
B. Dishwashing	69,948.50	56,669.55
C. Household Insecticides	25,801.56	18,135.69
D. Personal Care	21,745.86	18,041.54
E. Laundry Service	2,046.37	4,126.54
F. Others	4,317.89	3,198.68
	1,90,798.24	**1,70,972.29**

Revenue from one customer amounted to ₹ 20,641.90 (2020 - ₹ 25,568.84) arising from sales in various segments.

Signatures to Notes 1 to 51

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
Date: May 18, 2021

For and on behalf of the Board of Directors of
Jyothy Labs Limited
CIN: L24240MH1992PLC128651

M.R. Jyothy
Managing Director
DIN: 00571828

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
Date: May 18, 2021

FORM AOC - I

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES.

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Part " A" :Subsidiaries

(₹ in Lacs)

Sr. No	Name of the Subsidiary Company	Jyothy Fabricare Services Limited	Jyothy Kallol Bangladesh Limited	Snoways Laundrers and Drycleaners Pvt. Ltd.	Four Seasons Dry Cleaning Company Pvt. Ltd.
	Date since when subsidiary was acquired	September 10, 2008	October 14, 2010	May 8, 2009	February 17, 2012
	Country	India	Bangladesh	India	India
	Financial Year / Period	April 1, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021
	Local Currency	INR	BDT	INR	INR
	Exchange rate as on March 31, 2021	-	1BDT = 0.85 INR	-	-
1	Share Capital	2,385.00	801.84	100.00	496.58
2	Reserves & Surplus	-8,181.06	74.93	-31.72	-484.75
3	Total Assets	4,293.38	882.23	128.35	12.13
4	Total Liabilities	10,089.44	5.46	60.07	0.30
5	Investment (except investment in subsidiaries)	-	-	-	-
6	Turnover (Net)	2,130.56	435.13	0.60	9.05
7	Profit / (Loss) before taxation	-3,588.47	69.44	-7.27	7.54
8	Provision for taxation	-	14.84	-	-
9	Profit / (Loss) after taxation	-3,588.47	54.60	-7.27	7.54
10	Proposed / Interim Dividend	Nil	Nil	Nil	Nil
11	% of shareholding	86.37%	75.00%	86.37%	86.37%

Notes:

1. None of the subsidiaries of the Company are yet to commence operations.
2. None of the subsidiaries have been liquidated or sold during the year under review.

FORM AOC - I

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES.

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Part ''B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Lacs)

Name of Joint Venture	JFSL – JLL JV (Partnership firm)
Latest audited Balance Sheet Date	March 31, 2021
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	4.52
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	18.09
Loss for the year	-215
i. Considered in Consolidation	-215
ii. Not Considered in Consolidation	-

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
(Formerly Known as Jyothy Laboratories Limited)

M.R. Jyothy
Managing Director
DIN: 00571828

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
Date: May 18, 2021

Jyothy labs

Jyothy Labs Limited (Formerly known as Jyothy Laboratories Limited)

CIN: L24240MH1992PLC128651

Corporate & Registered Office

Ram Krishna Mandir Road, Kondivita,
Andheri (East), Mumbai-400 059, Maharashtra

Tel: +91-22-66892800 | Fax: +91-22-66892805

Email: info@jyothy.com

Website: www.jyothylabs.com

JYOTHY LABS LIMITED
(Formerly Known As Jyothy Laboratories Limited)
CIN: L24240MH1992PLC128651
Regd. Office: 'UJALA HOUSE', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai- 400059;
Tel.: 91-22-66892800 Fax: 91-22-66892805
Email: secretarial@jyothy.com Website: www.jyothylabs.com

Notice

NOTICE is hereby given that the 30th Annual General Meeting (AGM) of the Members of Jyothy Labs Limited (Formerly known as Jyothy Laboratories Limited) will be held on **Friday, July 30, 2021 at 11:30 a.m**. through Video Conferencing (VC)/Other Audio Visual Means (OVAM) 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, 2021, comprising of the Audited Standalone Balance Sheet as at March 31, 2021, the Statement of Standalone Profit & Loss and Cash Flow Statement for the Financial Year April 1, 2020 to March 31, 2021 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, 2021, comprising of the Audited Consolidated Balance Sheet as at March 31, 2021, the Statement of Consolidated Profit & Loss and Cash Flow Statement for the Financial Year April 1, 2020 to March 31, 2021 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 2020-21.

3. To appoint a Director in place of Ms. M. R. Jyothy (DIN: 00571828), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:**

"**RESOLVED THAT** pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of Members of the Company be and is hereby accorded to the Company, 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, 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 the Company annually;

RESOLVED FURTHER THAT such remuneration paid to its Directors (whether existing or future) other than the Managing Director/Whole-time Directors will be in addition to the payment of sitting fees and reimbursement of expenses, if any, to the Directors for attending the meetings of the Board of Directors or Committees thereof."

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, 2022, 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 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
(Formerly known as Jyothy Laboratories Limited)

Sd/-
Shreyas Trivedi
Head – Legal & Company Secretary
Membership No.: A12739

Place: Mumbai
Date: May 18, 2021

Registered Office:
'Ujala House', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400059;
Tel.: +91-22-66892800; **Fax:** +91-22-66892805;
Email: secretarial@jyothy.com;
Website: www.jyothylabs.com and www.jyothylaboratories.com;
CIN: L24240MH1992PLC128651

NOTES:

1. In view of the on-going COVID-19 Pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular no. 02/ 2021 dated January 13, 2021 has allowed companies whose Annual General Meeting (AGM) were due to be held in the year 2020, or becoming due in the year 2021, to conduct their AGM on or before December 31, 2021, in accordance with the requirements provided in 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 MCA.

   Accordingly, in compliance with the requirements of the aforesaid MCA General Circulars, the Company is convening its 30th 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 30th 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 **Friday, July 30, 2021 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 January 13, 2021 read with MCA General Circulars dated May 5, 2020 and April 13, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 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 members. Accordingly, the Company will only be sending soft copy of the Annual Report 2020-21 and Notice convening 30th 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 Friday, June 25, 2021.

4. For Members who have not registered their e-mail address and those members who have become the members of the Company after June 25, 2021, being the cut-off date for sending soft copy of the Notice of 30th AGM and Annual Report for Financial Year 2020-21, may refer to the Notice of 30th AGM and Annual Report which is available on the Company's website, on the websites of CDSL, BSE and NSE.

5. Members may also note that the Notice convening the 30th AGM and the Annual Report for the financial year 2020-21, in Portable Document Format (PDF), will also be available on the Company's websites

www.jyothylabs.com and www.jyothylaboratories.com, website of CDSL i.e. www.evotingindia.com and on website of stock exchanges viz. www.bseindia.com and www.nseindia.com. The relevant documents, if any, referred to in the Notice of 30th 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 30th 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 30th 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 30th AGM through VC/OAVM and cast their votes through e-voting. Provided a scan copy (PDF) of the Board Resolution or governing body Resolution/ Authorisation etc., authorising such representative to attend the AGM of the Company through VC/ OAVM on its behalf and to vote through remote e-voting shall be sent to the Scrutinizer through the registered email address of the member(s) at associates.rathi8@gmail.com with a copy marked to the Company at secretarial@jyothy.com.

8. A Statement pursuant to Section 102(1) of the Act relating to the Special Business 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 **Friday, July 23, 2021 to Friday, July 30, 2021** (both days inclusive) for the purpose of AGM and determining the names of members eligible for dividend on equity shares for the Financial Year 2020-21.

10. In terms of Section 152 of the Companies Act, 2013, Ms. M. R. Jyothy (DIN: 00571828) Managing Director of the Company, retires by rotation at the AGM and being eligible, offers herself for re-appointment.

    Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards on General Meetings (SS-2) in respect of the Director seeking re-appointment at the AGM, forms integral part of the Notice.

11. Dividend, if approved by the Members at the ensuing AGM, will be paid on or after August 4, 2021, 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 22, 2021; and

    b) Beneficial Owners whose name appears in the list of Beneficial Owners Position list as on the closing hours of July 22, 2021 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. 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 address, e-mail address 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 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.

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 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 2013-14 onwards upto 2019-20 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 2012-13 to 2018-19 lying with the Company as on March 31, 2020 on the website of the Ministry of Corporate Affairs in e-Form IEFP-2 and also on the website of the Company (www.jyothylabs.com).

    In terms of Section 124 of the Act, Final dividend declared for the financial year 2013-14 will be due for transfer to the Investor Education and Protection Fund (IEPF) (established by the Central Government) in September, 2021, 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 due procedure prescribed under the said IEPF Rules.

    Therefore, members are requested to claim their unpaid dividend pertaining to the financial year 2013-14 to 2019-20 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 Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, may fill Form SH-13 and send the same to the office of the Company and/or its RTA. In case of shares held in dematerialized form, the nomination/change in nomination should be lodged with their respective DPs.

19. Members, who hold shares in multiple Demat accounts and those who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are advised to consolidate their holdings in single Demat account/Folio.

20. Members desiring any information on the annual financial statements or any other query related to the Annual Report are requested to write to the Company at secretarial@jyothy.com at any time before the AGM.

21. Prevention of Frauds: Members are advised to exercise due diligence and notify their Depository Participant (DP) of any change in address, stay abroad or demise of any member as soon as possible. Do not leave your Demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified to prevent frauds/ misuse, if any.

22. Confidentiality of Security Details: Do not disclose Folio Nos./DP ID/Client ID to unknown persons. Do not hand over signed blank transfer deeds, delivery instruction slips to any unknown persons.

23. Dealing of Securities with Registered Intermediaries: Members must ensure that they deal with only SEBI registered intermediaries and must obtain a valid contract note/confirmation memo from the broker/ sub-broker, within 24 hours of execution of the trade and it should be ensured that the Contract Note/Confirmation Memo contains order no., trade no., trade time, quantity, price and brokerage.

24. Since the ensuing AGM will be convened through VC/OAVM, members can opt for one mode of voting i.e. either by remote e-voting or through e-voting at the time of AGM. Only those members, who are present in the AGM through VC/OAVM facility and have not cast their vote on resolutions through remote e-voting or are otherwise not barred from doing so, shall be allowed to vote through e-voting system in the meeting.

    However, in case Members cast their vote both by remote e-voting and e-voting at the time of AGM, then voting done through remote e-voting shall prevail and voting done by e-voting at the time of AGM will be treated as invalid. **The voting right of all members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. July 23, 2021**.

25. **Voting through electronic means:**

    Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, and 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 30th 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 30th AGM AND JOINING MEETING THROUGH VC/ OAVM ARE AS UNDER:**

(i) The remote e-voting period begins on **Tuesday, July 27, 2021 at 9:00 a.m.** and ends on **Thursday, July 29, 2021 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 **Friday, July 23, 2021** 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

    Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

    In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. **SEBI/HO/CFD/ CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by the Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there 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. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders and shareholders holding shares in physical form**.

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Shareholders holding shares in Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Jyothy Labs Limited> on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to 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 and to the Company at the email address i.e. secretarial@jyothy.com, if they have voted from individual tab and not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.

A. **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE 30th AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the time of AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to the meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@jyothy.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to the meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@jyothy.com. The members may alternatively express their views/ask questions at the time of the AGM by using the 'Q & A window' which will be available during the streaming of the AGM on CDSL portal. These queries will be replied to by the Company suitably by email or at the time of AGM.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

B. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company's email id i.e. secretarial@jyothy.com / RTA's email id i.e. rnt.helpdesk@linkintime.co.in

2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company's email id i.e. secretarial@jyothy.com / RTA's email id i.e. rnt.helpdesk@linkintime.co.in.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at **022-23058738** and **022-23058542/43**. All grievances connected with the facility for voting by electronic means may be addressed to **Mr. Rakesh Dalvi**, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

The results on voting of resolutions will be declared within two working days or three days, from the conclusion of the AGM, whichever is earlier. The results declared along with the scrutinizer's report will be placed on the website of the Company i.e. www.jyothylabs.com and website of CDSL i.e. www.evotingindia.com immediately after the result is declared by the Chairman or any other person authorized by him and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.

27. Since the 30th AGM will be held through VC/OAVM, the Route Map to the venue of AGM as per the requirements of Secretarial Standards – 2 is not annexed to this Notice.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS 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 Special Business mentioned under item Nos. 4 and 5 in the accompanying Notice:

Item No. 4:

Section 197 of the Companies Act, 2013 permits payment of remuneration to Non-Executive Directors of a Company by way of commission, subject to approval of Shareholders by way of Special Resolution. Further, Section 197 of the Companies Act, 2013 specifies that the remuneration payable to Non-Executive Directors shall not exceed 1% (one percent) of the net profits of the Company, if there is a managing or whole time director or manager and 3% (three percent) of net profits in any other case. Also in accordance with the Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) it is required to get approval of Shareholders in General Meeting in case of payment of fees or compensation, if any, paid to non-executive directors, including independent directors. The aforementioned provision of the Companies Act, 2013 and Listing Regulations also provides that the aforesaid percentages are exclusive of any fees paid to directors for attending meetings of the Board or Committees thereof.

The Members of the Company vide their Resolution dated July 11, 2017 had approved the remuneration payable to Non-Executive Directors of the Company by way of commission not exceeding 1% (one percent) of the net profits of the Company for each year for a period of five years commencing from April 1, 2017.

Since the validity of the earlier resolution passed by the shareholders will expire on March 31, 2022, approval of Members by way of Special Resolution is sought for extending the validity of the approval for a further period of 5 years commencing from April 1, 2022.

Considering the rich experience and expertise brought to the Board by the Non-Executive Directors, it is proposed that, remuneration not exceeding one per cent of the net profits of the Company calculated in accordance with provisions of the Act, be continued to be paid and distributed amongst the Non-Executive Directors of the Company in accordance with the recommendations of the Nomination, Remuneration and Compensation Committee and approval of the Board of Directors of the Company, granted at the meeting held on May 18, 2021, for a further period of five years commencing from April 1, 2022. Such payment will be in addition to payment of sitting fees for attending Board/ Committee meetings. For the Financial Year 2020-21, the Board of Directors of the Company approved an aggregate amount of ₹ 36,00,000/- which constitutes 0.15% of the Net Profit of the Company for the Financial Year 2020-21 computed in accordance with Section 198 of the Companies Act, 2013 as remuneration by way of Commission to all the Independent Directors of the Company taken together.

Details of commission and sitting fees paid to Non-Executive Directors during the Financial Year 2020-21 are also provided in the annexure to the Directors Report and the Corporate Governance Report.

Except the Independent Non-Executive Directors of the Company and/ or their relatives, none of the other Directors and / or Key Managerial Personnel of the Company and/ or their relatives are concerned or interested, financially or otherwise, in the resolution set out in item no. 4 of the Notice.

The Board recommends the resolution set forth in item no. 4 for the approval of Members by way of passing Special Resolution.

Item No. 5:

The Board of Directors at its meeting held on May 18, 2021 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, 2022, 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 expenses, if any, on actual basis.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 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, consent of the members is sought for approving 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 DIRECTORS 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. Jyothy
Date of Birth	January 14, 1978
Date of Appointment on the Board	January 1, 2004
Qualifications	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.
Experience and nature of her expertise	17 years of experience in Marketing and Brand Communication.
Terms/Conditions of appointment/re-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. Jyothy.
Details of remuneration sought to be paid	As per the Agreement dated March 12, 2020 entered into between the Company and Ms. M. R. Jyothy.
Remuneration last drawn	₹ 2,96,75,325/- per annum
Shareholding in the Company	95,37,874 Equity Shares
Relationship with other Directors and Key Managerial Personnel	Sister of Ms. M. R. Deepthi, Whole-time Director of the Company.
Number of meetings of Board attended during the financial year 2020-21	5 of 5
Directorship held in Public Company	Jyothy Labs Limited and Sahyadri Agencies Limited
Chairmanships/ Memberships of Committee across all Companies	Member of Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders Relationship Committee in Jyothy Labs Limited.

By Order of the Board of Directors
For Jyothy Labs Limited
(Formerly known as Jyothy Laboratories Limited)

Sd/-
Shreyas Trivedi
Head – Legal & Company Secretary
Membership No.: A12739

Place: Mumbai
Date: May 18, 2021

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;
Websites: www.jyothylabs.com and www.jyothylaboratories.com
CIN: L24240MH1992PLC128651