To,

July 14, 2020

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,

<u>Sub: Submission of Notice convening 29th Annual General Meeting and Annual Report of Jyothy Labs Limited (Formerly known as Jyothy Laboratories Limited) for the Financial Year 2019-20</u>

With reference to the captioned subject and in continuation to our letter dated June 5, 2020, informing the date of the 29th Annual General Meeting, we are enclosing herewith the Notice convening 29th Annual General Meeting and Annual Report of the Company for the Financial Year 2019-20 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.
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Annual Report 2019-20

Jyothy Labs Limited
(Formerly known as Jyothy Laboratories Limited)

Contents

It is time **to go beyond change**

It is time **to transform**

It is time **for a new future**

In 1983, something remarkable happened for the Indian household. Someone listened closely to the homemakers' desire and changed a dull shade in their life to the brightest spirit lifting white. That change was the beginning of a lifelong relationship with Jyothy Labs. People knew that here was a company that cared. As we grew, we put our imagination and our science to work and created newer and better ways to change the sphere of our consumers' daily life, anticipating their needs, fulfilling them. Our range, quality, and attention to detail made our brands deeply trusted household names across the country. As India's aspirations evolved and expanded, so did our offerings.

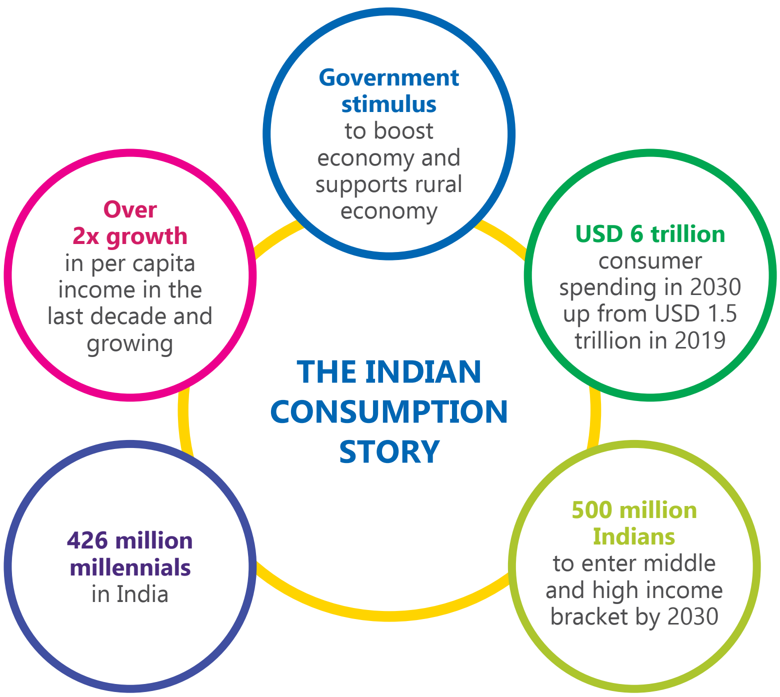
In 2020, we are undergoing a transformation, leveraging the vast reserves of on-ground knowledge, enduring stakeholder relationships, and an unassailable reputation built over nearly four decades. Embracing the next generation of dynamic leadership at Jyothy Labs and incorporating state-of-the-art technology at every step of the Company's operations, we are working to shape a new future. Challenges have come in the past and will keep coming, but we are ready for them, adapting to them. We know that this process of succession will take us where we want to be, because all our ambition is guided by our core values. Our stakeholders are our family, and our technology comes with a heart.

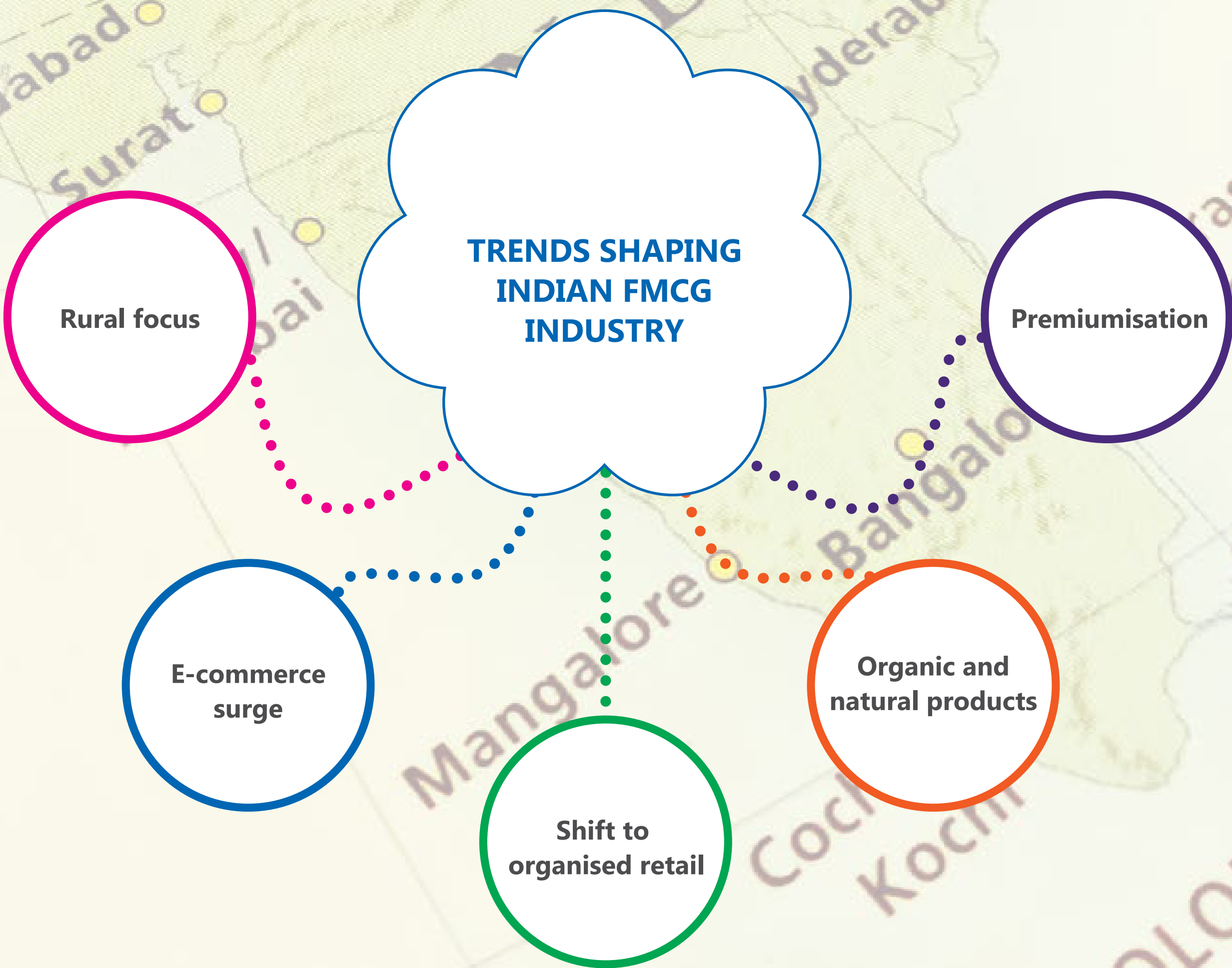
Transforming with New Aspirations for India

Over the last few decades, FMCG industry in India has been witnessing a period of fast-paced growth on the back of the country's robust consumption story which, despite the inevitable challenges, continues trending upwards. With strong fundamentals such as government policy measures, clearly set economic goals, and unbeatable public optimism, India's growth juggernaut may encounter the occasional speed-breaker but will continue towards its destination of becoming a USD 5 trillion economy while unfolding mega consumption opportunities.

However, this time around, the rules of the game have changed. With faster growth in rural retail, increasing preference of urban consumers for premiumisation, rising health and hygiene awareness, upsurge of modern trade and E-commerce and digitalisation becoming indispensable, the industry is witnessing exciting changes. And this calls for a fresh thinking and new approach. It will be important to revisit and rejuvenate existing business models.

THE GREAT INDIAN CONSUMPTION STORY AND TRENDS SHAPING IT





(Note: Refer to Management Discussion and Analysis page 44 for more information on FMCG industry and trends)

THE JYOTHY LABS TRANSFORMATION

At Jyothy Labs, we recognise the significance of transformation happening and have responded to it in a meaningful manner.

On one hand, we are expanding our premium range to cater to the rising aspirations of urban populace and on the other, we are coming up with more value-for-money products and smaller packaging for price-conscious rural consumers. We are focussing on and ramping up production of essential and hygienic products in our portfolio keeping in mind their growing need for health and hygiene as the nation fights against COVID-19 pandemic. We are investing in new-age technologies and data analytics to enhance productivity of sales, manufacturing and other operations to empower our people, and to unleash the power of data. We are expanding physical distribution as well as building new-age partnerships to reach consumers through the channel they prefer and also ensure last-mile delivery.

Most importantly, the rising leadership at Jyothy Labs belongs to the same generation as the millennial Indian consumers whom we want to serve and keep with us for life. With our new-age thinking aligned with that of the new-age Indian consumers, we are well positioned for the next decade of growth.

TRANSFORMING TO STAY AHEAD OF CHANGE

New-age leadership with new-age thinking

Organisation-wide digitisation

Focus on artificial intelligence, robotics and data analytics

Physical network expansion for deeper penetration

New-age partnerships (modern trade and E-commerce)

Social media engagement

Explore global opportunities

Jyothy Labs: Transforming Lives Through Innovation

We always ask: How can we give them more? Finding answers to that question has been the key to our sustained success.

At Jyothy Labs, we understood the power of innovation decades before the word entered the everyday Indian vocabulary. Our very first offering, Ujala Fabric Whitener, transformed the day for the Indian woman. Since then, we have innovated continuously, creating solutions even before consumers could articulate a problem, transforming their lives.

5 ways in which we touch consumers

1 Fabric care

2 Dish wash

3 Household insecticides

4 Personal care

5 Laundry services

OUR POSITION

No. 1

In fabric whitener (Ujala Supreme) since its launch three decades back

No. 2

In dishwash (bar and liquid) category by value terms

No. 2

In mosquito repellent coil (by volume)

ALWAYS WITHIN REACH, ALL ACROSS INDIA

2.8 Million

Retail outlets stock our products

0.86 Million

Retailers direct reach

6,100+

Stockist/Substockist

+3 Million

Units of our products are sold daily

27

Manufacturing plants at 23 locations

CONTRIBUTING TO NATION – 'VOCAL FOR LOCAL'

Our Power Brands

MAXO

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

UJALA

- Ujala Supreme
- Ujala Crisp & Shine
- Ujala Detergent

EXO

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

MARGO

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

PRIL

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

HENKO

- Henko Staincare
- Henko Staincare Bar
- Henko Matic (Top Load/Front Load)

POWER BRANDS MARKET SHARE AND THEIR PERFORMANCE

UJALA

81.7%
Market share of Ujala Supreme Fabric Whitener

15.8%
Market share (Kerala) of Ujala IDD

EXO

11.2%
Market share of Exo Bar

MARGO

7.5%
5-Year CAGR growth

New category added during the year - Margo Handwash and Margo Hand Sanitizer

Category relaunch - Margo Face Wash

HENKO

11%
5-Year CAGR growth

MAXO

21.1%
Market share of Maxo Coil

8.1%
Market share of Maxo Liquid Vaporiser

PRIL

16%
Market share of Pril Liquid

(All India Market Share – as per AC Nielsen (calendar year 2019)

BUILDING BRAND WITH CONTINUED FOCUS ON INNOVATION

DIFFERENTIATED POSITIONING

Power of Bar meets Shine of Liquid

1000 Neem Leaves

Instant Dirt Dissolver (IDD)

Exo Ginger Twist

DISRUPTIVE PRODUCT

India's 1st Neem paste Face Wash

Hand Sanitiser with Neem Extracts

First-of-its-kind: Automatic Mosquito Repellent Machine

100% Organic Toilet Cleaner

Natural Anti-Bacterial Handwash

Gives form & finish to clothes

WORLD-CLASS PACKAGING DESIGN

See-through Standee Pouch for aesthetics

Transparent Label that highlights the suspended speckles

Award-winning tamper-evident pack

Unique 5-D Panel Carton with the Heart form in the center symbolising "Everlasting Care & Love" for clothes

Message from the Chairman Emeritus

I am confident that both Ms. M R Jyothy, Managing Director and Shri Lakshminarayanan, as the Chairman will lead the organisation to greater heights. I wish them success in the new journey.

Dear Shareholders,

All of you are aware, me and all the Board members had thoroughly assessed the capability of Ms. M R Jyothy, my daughter, to lead the organisation JLL towards faster growth for the future. She, who was heading the marketing department as Chief Marketing Officer for more than one and a half decade, is appointed as Managing Director of your Company effective from April 1, 2020.

Shri R Lakshminarayanan, who has immense insights in the FMCG sector is being chosen as the Chairman and appointed by the Board effective from April 1, 2020.

I am confident that both Ms. M R Jyothy, Managing Director and Shri Lakshminarayanan, as the Chairman will lead the organisation to greater heights. I wish them success in the new journey.

Myself, embracing the new role, as Chairman Emeritus, with my vast experience of 50 years, shall be a force of guidance and inspiration for your Company in the days to come. I take this opportunity to thank each of our shareholders, investors, business associates and my colleagues in every discipline.

All of you will appreciate the kind of company that we have built in these years. Jyothy brand has been all about trust, transparency, ethical practices and deep relationships. More importantly, Jyothy Labs brand has always been about addressing the everyday changing needs of consumers with unique and affordable products.

I feel proud to say that, as we live with COVID-19, our products falling under the essential and hygiene category have proved beneficial to the consumers. Our fabric care products are ensuring clean clothes, dishwash products are ensuring clean utensils and household insecticide products are safeguarding from vector illness. It gives me immense satisfaction to be a part of the company which has great relevance. I am also happy to share with you the commendable job done by our talented team in perfecting a neem-based handwash and hand sanitiser infused with neem, with such speed in this hour of need. Given renewed focus on hygiene, there exists a vast opportunity to our Company to serve the consumers.

I once again thank all our stakeholders for their support and guidance. We, as a family, have together built this Company. I am sure that we will continue to be associated and reach greater milestones.

Warm regards,

M. P. Ramachandran

Chairman Emeritus

Message from the Chairman

The FMCG sector has been relatively less impacted as most of the products are daily essentials, especially in the case of Jyothy Labs.

Dear Shareholders,

I consider it a rare privilege to have been nominated as the first non-executive Chairman of your Company, and in that capacity, to present to you our Annual Report for 2019-20. I have been closely associated with Jyothy Labs as an Independent Director since 2012 and have always admired their philosophy of valuing people and relationships. I have seen how this results in deeply passionate people who are dedicated to delivering consumer delight in everything they do.

In my professional career of 40 years, 2019-20 was one of the most challenging the world has ever seen. The outbreak of COVID-19 and eventual lockdown have brought a new order to the world. Its social and economic implications are going to be felt for a long time. I offer my deepest sympathies to everyone who has been affected by it and hope that all of us come out of it safe.

The FMCG sector has been relatively less impacted as most of the products are daily essentials, especially in the case of Jyothy Labs. Our core portfolio of soaps, detergents, insecticides and dishwash continues to enjoy buoyant demand. In addition, having plants spread across 23 locations gave us a significant competitive advantage in overcoming the supply chain disruptions.

Through last year, while the urban economy was somewhat stable, the rural markets were weak due to the economic slowdown. This, along with the lockdown due to COVID-19 in the crucial month of March in which demand for soaps and insecticides peak, did impact our sales.

At the same time, I think our ability to respond to the disruption has been noteworthy. Our leadership team, led by the Managing Director M. R. Jyothy, has done a commendable job in terms of launching new products, tapping alternate distribution channels and rolling out digital initiatives. It demonstrates the agility and flexibility with which we respond to the demands of consumers and our trade partners.

I am happy to confirm that, at the time of writing, most of our manufacturing units are back to pre-COVID-19 level. As an Indian Company, it is also a matter of pride for us to support the Prime Minister's 'Vocal for Local' call. We will play our part, through every avenue possible, to help the Nation cope with the crisis more effectively and more humanely.

While the current scenario is challenging, I am confident that, we as a nation and Jyothy Labs as an enterprise, will emerge even stronger with renewed focus on our essential and hygiene portfolio. We will focus on launching smaller unit packs, that are affordably priced, to target the rural markets and consumers who demand value for money. And, as in the past, we will ensure strong financial health by strict management of costs and credit.

I thank our Chairman Emeritus, Shri M. P. Ramachandran Sir, for his extra-ordinary contributions to this Company. We shall continue to practice his founding values and take Jyothy Labs to greater heights. I also thank all our stakeholders for their continued support.

Stay Safe. Stay Healthy. Stay Strong.

R. Lakshminarayanan

Chairman

Message from the Managing Director

> **Our aim is to retain the trust and transform our strategy for the future.**

Jyothy Labs has never been merely a company that manufactures products and markets them to target groups. It is a company dedicated to improving lives in many small ways that add up to make a significant difference to the consumers' day, to raise their confidence level, to free up their time, to let them sleep in peace. Through our marketing initiatives, we clearly put forth these value propositions to the consumers. Our research and development (R&D) wing is engaged in the kind of innovation that actually fulfils unmet and unarticulated needs of the common man and woman. We keep our ear to the ground always to understand what these needs are.

We stand now at a point when we have earned the trust of consumers and other stakeholders through the integrity of our promise, the quality of our products, and the insightful differentiation that delivers 100% value in every pack. Our aim is to retain the trust and transform our strategy for the future.

THE YEAR IN RETROSPECT

2019-20 proved to be challenging, especially in the second half because of an overall slowdown in the economy, weak rural growth and the COVID-19 pandemic that severely affected trade and commerce everywhere, India being no exception. The external environment did impact our growth, but we drew upon our advantages and maintained our market shares across all our brands.

Our revenues (based on consolidated financial) for the year declined by 5.6% to ₹ 1,711 Crore. Gross Margin improved to 47.4% from 46.5%. Operating EBITDA stood at 14.7% (₹ 251.1 Crore) as compared to 15.5% (₹ 281.1 Crore) in the previous year. Profit After Tax stood at ₹ 162.6 Crore as compared to ₹ 197.6 Crore in the previous year. The decline is largely attributable to loss of sales in the month of March 2020 on account of sudden lockdown due to COVID-19.

EMBEDDING INFOTECH

Our information technology transformation began a year ago and bore fruit in the year under review. Each of the sales representative now has a digital application on their mobile phones which enables them to capture data in real time and process sales order more efficiently.

These tools help us to assess the time spent on the field, identify the products moving the fastest, and look into related matters. Analysing data like this can lead to a significant increase in sales volumes and helps to grow our presence in different zones, since sales heads have a better overview of all that is happening. We are looking at more ways to use emerging technology, especially at the plant level. Technology is being embedded in each and every function to create one uninterrupted network of information.

INNOVATION AND PRODUCT LAUNCHES

In 2019-20, we had several product launches - two of them were in response to the need for hygiene products with the outbreak of COVID-19. It exemplifies the agility of our core team, which is always innovating to quickly respond to market developments.

Margo: Margo, one of our Power Brands, saw the launch of Margo Facewash with authentic neem leaves, Margo natural antibacterial handwash with the authentic anti-germ properties of neem and Margo Sanitizer with alcohol and infused neem extracts. The facewash, coming in paste form is a product differentiator and first-of-its-kind in India, as all the other neem face washes in the market are gel-based. It is enhanced with Vitamin E to deliver optimal benefits to the user, backed by Margo's well-known proposition of 'Goodness of 1000 neem leaves'. Ours is the brand with the most authentic neem infusion into skin care products. Our launch was led by the insight that younger consumers prefer face wash over soap.

Margo Handwash and Margo Sanitizer was rolled out just as the demand for hand cleansing products was peaking in India in view of the medical advisory to combat the novel coronavirus. As with the Margo range, they are both enhanced with neem, a unique proposition which no other comparable products have. These products are witnessing good demand now.

In 2019-20, we had several product launches - two of them were in response to the need for hygiene products with the outbreak of COVID-19. It exemplifies the agility of our core team, which is always innovating to quickly respond to market developments.

T-Shine: In our household products range, we introduced a lavender variant of T-Shine Toilet Specialist.
It has the distinguishing characteristic of being the only toilet cleaner in the market with 100% Organic Compounds. The new variant is purple in colour and has lavender fragrance. In addition, it is a whiteness specialist variant.

Exo Dishwash Super Gel: It is a thick concentrated dishwash option. Its unique, powerful multi active concentrate provides the "Power of Bar and Shine of Liquid". Also, the Goodness of Ginger and Power of Cyclozan makes Exo Dishwash Super Gel the preferred antibacterial option.

It comes in an ergonomically-friendly stylish packaging, that not just helps in better dispensation but makes the kitchen look modern for the consumer who buys it.

BRANDING AND MEDIA ACTIVITIES

During the year, we saw strong performance in our Henko portfolio. Focussed marketing initiatives like exclusive tie-ups with electronic chains for providing Henko Matic samples to washing machine buyers and co-sponsoring with KBC (Ningalkum Aakam Kodishwaran - 2020) in Kerala led to higher consumer activation.

The Maxo Genius Plus automatic machine, a first-of-its-kind in India, that was launched a year earlier, picked up momentum this year. We saw much greater acceptance and understanding of the upgraded machine, which automatically adjusts the rate of dispensing mosquito repellent based on usual timings of intensity of mosquitoes, eliminating the need for manual adjustment and ensuring peaceful sleep. Consumer awareness of this disruptive technology was facilitated by our advertising campaign, featuring Bollywood actor Rajkummar Rao.

To consolidate leadership position of Ujala IDD Detergent in Kerala, a new television commercial was launched featuring the brand ambassador Manju Warrier. We are also digitally promoting our Power Brands on various social media networks. Social media influencers were also brought on board to reach out to youngsters who mainly consume digital content and are likely to notice online promotion more than television commercials.

We shall continue to invest in R&D to bring more and more differentiated products to the market and work holistically to overcome all challenges.

DISTRIBUTION STRATEGY

We are revamping our distribution strategy, with easier goods movement following the implementation of GST. Information technology, infrastructure, manpower, all are being used to augment distribution, encompassing areas where we are present and where we are yet to establish a presence.

Our transformed distribution strategy includes accessing as wide a consumer base as possible through tie-ups with major E-commerce platforms. We have been seeing notable success in this effort for the past one year. During the year, keeping in mind the safety of consumers and delivering products at their home, we have partnered alternate distribution partners which has been well received. Going forward, our E-commerce activity is likely to increase. We are in talks with partners and have an able team to take it forward.

THE WAY FORWARD

I thank all our stakeholders for their support in these difficult times. The post COVID-19 era will pose new challenges as the economy will take some time to recover. However, we believe Jyothy Labs would be in a relatively comfortable position. Majority of our portfolio are essential and hygiene products that are in high demand for safety against the novel coronavirus. We will continue to ramp up this portfolio as well as launch smaller unit packs to enable rural consumers to also use these products. We are also well placed with our plants spread across 23 locations which ensures faster response to supply goods across India.

In these critical times, our focus and effort is to ensure safety of our employees and business partners, so taking care of them is also utmost priority.

Alongside, we are preparing for the next decade, putting things in place for the next wave of opportunity. Use of emerging technologies and data analytics is the currency of the 21st century. Urban India has fully embraced the digital world and rural India is catching up as well, with the rapid internet penetration across the country. We are leveraging its power to create a long-standing relationship with the new generation of consumers, who understand the value of a strong, trusted brand. We shall continue to invest in R&D to bring more and more differentiated products to the market and work holistically to overcome all challenges. We are also focussed on executing our international expansion plan to establish Jyothy Labs in Asian markets outside India, such as the Middle East, Malaysia, Sri Lanka, and Bangladesh. We are looking forward to a better and stronger future.

I thank all the members of the Board and esteemed shareholders for the immense faith and trust reposed in me. I remain committed to working closely with all Board members, shareholders, the leadership team and the employees. Together, I am confident that we will build on Jyothy Lab's rich legacy and will open vistas of enduring success and create value for all stakeholders.

On a closing note, we, at Jyothy Labs, strongly agree with the Hon'ble Prime Minister's statement that this pandemic has taught us the importance of being self-reliant and that it is time to be 'Vocal for Local'. We hereby pledge strong support to this noble objective of nation-building with our local manufacturing, marketing and supply chain.

Stay Safe.

Warm regards,

M. R. Jyothy

Q & A with the Joint Managing Director

Ullas Kamath talks of the inherent strengths of Jyothy Labs and how it is geared for the future.

Q. What is the most significant thing to have happened at Jyothy Labs this year?

A. This year, we have moved towards a transition, as Jyothy Labs is ready for the next generation of leadership. The average age of the new leadership team is just over 37 years; it is a young, dynamic team. The succession comes with fresh thinking which is reminiscent of our beginning from the grassroots in 1983 with strong focus on innovation and delivering differentiated products.

Having firmly established ourselves as a leading market player in the household products space in India, we are looking to align ourselves with the transformations happening in the FMCG industry, especially after the COVID-19 pandemic. We have ramped up focus on essential and hygiene products to service the rising demand for safety. These products already constitute for a large pie of our overall portfolio and we have further augmented it with launch of Margo Handwash and Margo Sanitizer. These new products are already seeing increased traction in the market. Also, understanding that a large share of Indian demographics is middle-class and below with lower affordability, we have ramped up manufacturing and distribution of small unit packs. This will enable them to meet the need of the hour – safety, health and hygiene.

We tied-up with alternate distribution channels as lockdown necessitated consumers to have doorstep delivery of products for safety purpose. We believe this forced change will soon become a normal due to convenience and comfort factors. We are also seeing greater benefit of digital technologies which facilitates direct orders from retailers, thus ensuring the dual objective of safety and speed.

We are confident that these initiatives will help us retain our market share as well as get the most out of the mega opportunities expected to come.

Q. At this point, what is the biggest strength for the Company?

A. What has powered us for many years is our culture and value system. During these years, we have gained a tremendous amount of on-ground knowledge - of how our consumers live, their needs and how to connect with them. It keeps us a step ahead in understanding their latent needs and addressing that with a right product.

The original wisdom with which the Company began is now supplemented by technology at every level: staff, distributor, retail, digital marketing. We have SAP, Information Technology tools and data analytics to cover the whole spectrum of Jyothy Labs' operations. Our data, past or present, can be utilised in a more meaningful way through data analytics and take us into the future.

Q. How challenging has this year been for Jyothy Labs?

A. The year gone by has not been experienced in a long time. It has been challenging because of macro-economic factors, low consumption and financial sector crises and then, in the last quarter of the financial year, because of the COVID-19 outbreak and subsequent lockdown. Almost every sector is passing through unprecedented challenges and has been negatively affected, which has never been the case. Besides, it happened at a time when demand of our personal care and household insecticide products peak, thus impacting sales.

Q. What should any resilient company do in this situation?

A. In a challenging period, companies must learn, carry out effective cost-cutting, look for efficiencies, productivity and push everyone a little more. The need of the hour is to take prudent measures.

Q. How do you read consumer spending patterns in difficult times vis-à-vis an FMCG company like Jyothy Labs?

A. The consumers will always buy as per their wants, needs and means. Usually they spend in two areas:

To ensure that we have the right stock-keeping units, we have increased the frequency of interaction with the distributors and retail outlets. We have launched several smaller size packaging to ensure affordability of products.

discretionary items that are non-essential and non-discretionary items that are essential and used by consumers on daily basis. In times of crises, it is but obvious that they would cut down discretionary spending and buy only those FMCG items that are required by them. They would shift to affordable products and brands. They would compromise on quantity and quality, but they will not stop buying altogether.

Q. And how would you keep consumers' interest alive in a challenging environment?

A. At a time like this, we need to have right products in portfolio, and ensure their affordability and easy availability at retail outlets. Which is why, visibility and accessibility are important in FMCG, especially in more challenging times.

To ensure that we have the right stock-keeping units, we have increased the frequency of interaction with the distributors and retail outlets. We have launched several smaller size packaging to ensure affordability of products. Multiple campaigns and brand activation initiatives were carried out to enhance visibility of products.

During a challenging period, we should be closer to the consumers and other stakeholders, understand their pain points and service them even better than usual.

Q. Has there been any change of late in your working capital management?

A. Following the implementation of GST, it has become easier for manufacturers to reach distributors, because several transportation and paperwork hurdles have been removed. Now, if the situation demands, we can change the frequency and volume of goods delivered to the distributors, who would then take those goods to the retailers. Jyothy Labs has always operated on a cash-and-carry model when dealing with distributors. In the post-GST era, we can move our stock faster by delivering smaller consignments of goods to distributors several times a month, rather than a few large consignments a month, and thus ensure more efficient working capital management.

Besides, in the current challenging period, we are strongly focussed on enhancing the business hygiene by strictly refraining from giving additional credit.

Q. How you do see disruption in the modern world?

A. Disruption is always uncertain. What makes a difference is how we manage it - whether we are doing the disruption or have been disrupted. An organisation should welcome disruptive practices, and not shy away from it. To be disruptive, we have to be extremely attentive to global trends and needs. This is evident in our agile response during the COVID-19 pandemic times in terms of product and distribution strategy which I mentioned earlier.

At Jyothy Labs, we excel in manufacturing, sales and distribution, and brand-building. We have now complemented these by taking a technology leap. If disruption happens anywhere, our technology will help us capture that. Our new-generation leaders welcome disruptive technology and are ready to fully utilise it to take our operations and sales to the next level.

Q. What is your key message for shareholders?

A. Your Company has a knack of identifying new opportunities even in a difficult period. This is evident in the multiple right things that we did during the challenging 2019-20. We have great brands and our management team is completely prepared for the next phase of growth.

We are future ready in all capacities, be it the people, products, factory, sales, distribution, and marketing. We are geared up for growth over the next decade. The positive impact of the change in leadership will become visible soon.

Performance Highlights

(Based on Consolidated Financial)

₹ 1,711 Crore
Revenue in FY 2019-20
(₹ **1,814 Crore** in FY 2018-19)

₹ 251.1 Crore
Operating EBITDA in FY 2019-20
(₹ **281.1 Crore** in FY 2018-19)

39.3%
Return on Capital Employed (Excluding Goodwill) as on March 31, 2020 (**38.1%** in FY 2018-19)

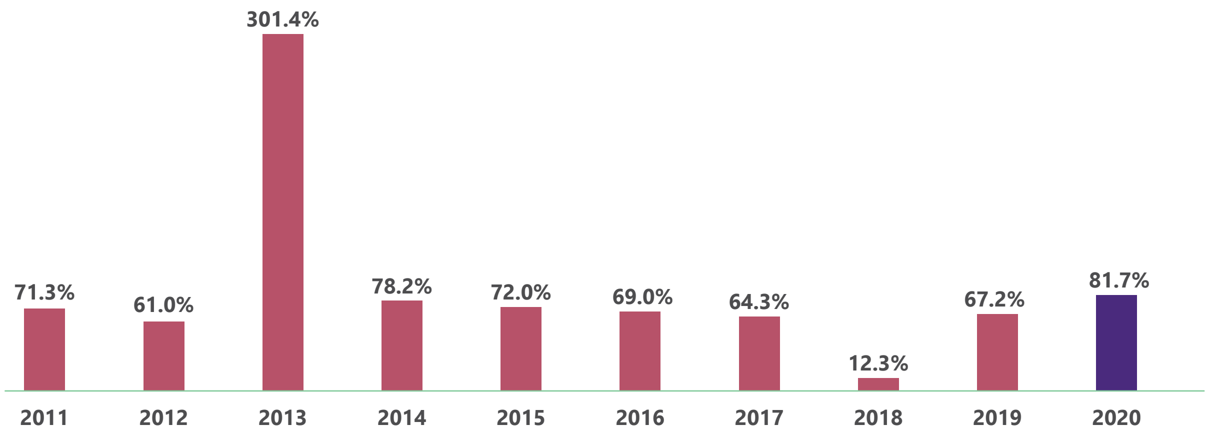
₹ 162.6 Crore
PAT in FY 2019-20
(₹ **197.6 Crore** in FY 2018-19)

0.21
Debt: Equity as on March 31, 2020
(**0.06** in FY 2018-19)

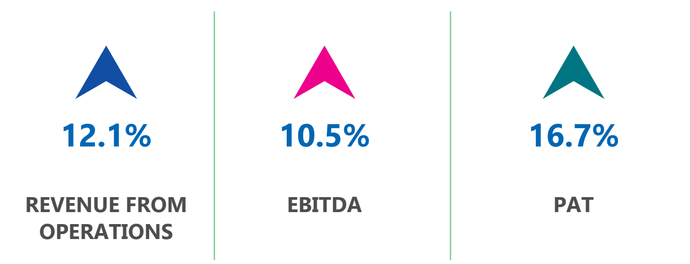
81.7%
Dividend payout ratio in FY 2019-20 including Dividend Distribution Tax (**67.2%** in FY 2018-19)

10 YEARS OF VALUE CREATION FOR SHAREHOLDERS

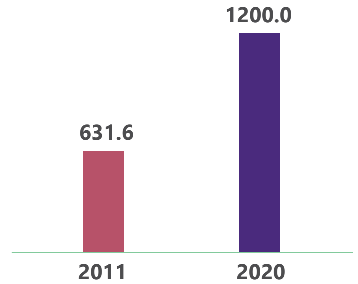
Dividend payout ratio (including DDT)



10-YEAR CAGR



NET WORTH (₹ in Crore)



Our Approach to Value Creation

How we create value

- Principal business activities
- Disciplined capital allocation
- Strong corporate governance
- Cash and carry model
- Investment in brand building and promotion
- Innovating to develop new product variants and categories

How we deliver value

- Empowering stakeholders
- Partnering best-in-class business partners
- Family-like yet professional work culture
- Sustained investment in technology
- Nurturing employees
- Efficient utilisation of resources
- Long-term wealth creation
- Continuous investment in consumer feedback and R&D

How we sustain value

- Vision, mission, values, governance framework
- Risk management and opportunities
- Stakeholder engagement
- Corporate social responsibility
- Sustainability
- Attracting and retaining right talent

Business Model

THE RESOURCES WE USE IN OUR VALUE CREATION

Financial Capital

The monetary resources available to us and employed in operations, especially in branding and innovation to grow other capitals and drive our strategy to create value for all our stakeholders.

- Networth*: ₹ 1,200 Crore

Based on consolidated financial

Manufactured Capital

To ensure good quality products and timely availability across India, we manufacture 85% of our products from our own factories giving employment in Rural Areas.

- Manufacturing facilities: 27
- No. of manufacturing locations: 23

Natural Capital

The renewable and non-renewable natural resources that we consume to support our manufacturing activities and the investment we are committing to make our operations sustainable.

- LEDs installed: 1,000
- Green belt: 22+ acres
- Trees planted (big and small): 11,500
- Briquettes are used as alternate energy source

Human Capital

The skilled and experienced people on whose competencies we rely on for running our operations, and on whose advancement we invest in to make our business more competitive.

- Prioritising Health and Safety of Employees
- Focus on Learning and Development
- Promoting Diversity and Inclusion
- Percent of employees below the age of 40: 55%

Intellectual Capital

The accumulated knowledge, brands, systems, processes and intellectual property that we possess. We are continuously investing in them to develop better products and make our operations simpler and smarter, which in turn provides us competitive advantage.

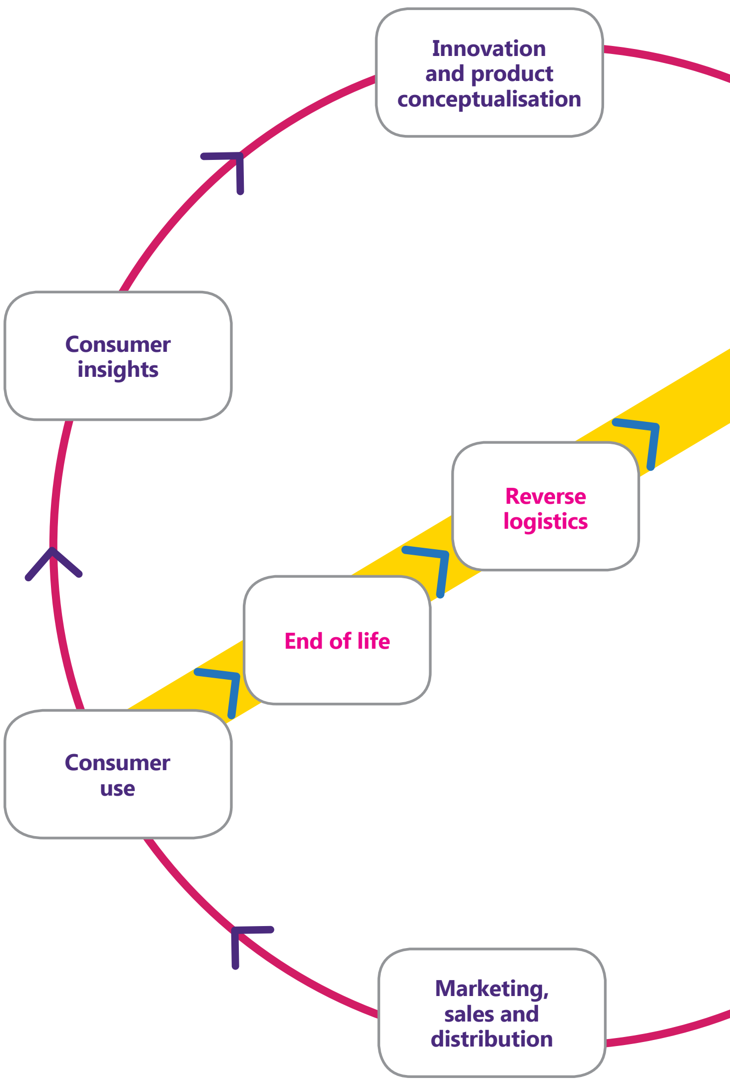
- No. of R&D Labs: 3 (Mumbai HO, Silvassa, Puducherry)

Social and Relationship Capital

The binding relations that we have with our business associates and the community, as we act to protect their interests augments our brand reputation and drives our business growth and value creation.

- Investments in Corporate Social Responsibility: ₹ 3.88 Crore

VALUE CREATION MODEL

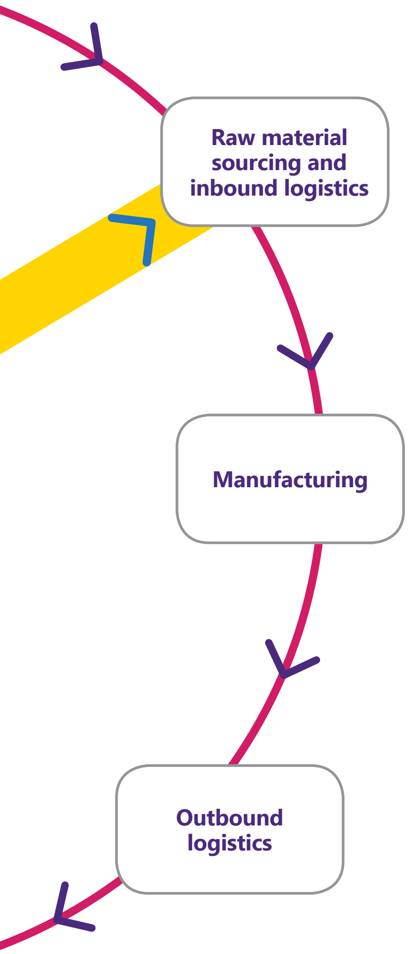


STRATEGY TO MAXIMISE VALUE CREATION

Grow market share
Brand promotion, market penetration, leveraging analytics

Expand margins
Organisation-wide digitalisation, cash and carry model, portfolio premiumisation

Drive topline
Launch new products (need-based and affordable for rural and innovative and differentiated for urban), enter new geographies, launch existing products in new geographies, introduce smaller, affordable pack sizes



OUTPUT
(Based on Consolidated Financial)

6
Power Brands
which contributes revenue of 86.5%

Sales of key segments

Fabric Care:
₹ 708 Crore

Dishwashing:
₹ 567 Crore

Household Insecticides:
₹ 181 Crore

Personal care:
₹ 180 Crore

Laundry services:
₹ 41 Crore

Others:
₹ 34 Crore

VALUE CREATED

Maximising Returns to Shareholders and Investors*

Market capitalisation	:	₹ 3,443 Crore
Gross sales	:	₹ 1,711 Crore
EBITDA	:	₹ 251.1 Crore
Profit after tax	:	₹ 162.6 Crore
EPS	:	₹ 4.64
Return on capital employed (excluding goodwill)	:	39.3%
Dividend payout ratio	:	81.7%

**Based on consolidated financial*

Delighting Consumers
- Robust product quality
- Consistent and quick new product launch
- Lowest cost manufacturing operations
- Faster go-to-market with widespread manufacturing operations

Reducing Environment Footprint
- Reducing unsustainable packaging material and effectively managing plastic waste
- Installation of rooftop solar panels, rainwater harvesting, effluent and sewage treatment plant
- Investment in green initiatives

Empowering Employees
- 70% of employees with more than five years tenure with company
- Family-like culture with professionalism
- Open-door policy to ensure employees viewpoints are heard
- With 27 manufacturing plants, employment generation in rural areas

Strong Innovation-Led Product Portfolio
- Differentiated products launched in alignment with consumer demands
- Product and category extension to drive existing brands dominance
- Growing market share across all our brand portfolio

Supporting Local Communities
- Constructing houses and toilets for communities - In last few years we have built 155 houses and 330 toilets. This year, 21 families received new houses in the village of Nilambur in Malappuram District and Kandanassery in Thrissur District (Kerala) for people who have lost their houses in floods.
- Contributed a sum of ₹ 5 Crore for various COVID-19 funds of Prime Minister and Chief Ministers Fund

Stakeholder Engagement

The success of our business depends on mutual interdependence and trust-based relationships with our stakeholders. It is imperative that we, as a credible partner, respond to their needs and deliver on our promises.

Shareholders and Investors | Provide financial capital

Relevant matters	Engagement methods	Key issues in FY 2019-20	Our response
• Market share and profitability growth • Stable cash flow and resilient balance sheet • Focuse growth strategy • Strong governance • Share price appreciation and sustained dividends	• Dedicated investor relations team • Investor/analyst meets • Conference calls • Quarterly results • Media releases • Information release on BSE, NSE and website • Plant visits	• Lacklustre macro-economic outlook • Weak consumption demand • COVID-19 outbreak • Succession process	• Framed strategy for future growth • Prioritised development of next level leadership • Increased focus on essential and hygiene product portfolio

Customers (wholesalers / retailers) | Buy products and ensure distribution to end consumers

Relevant matters	Engagement methods	Key issues in FY 2019-20	Our response
• Reliability in quality, delivery and services • Fair pricing • Responsiveness to needs • Long-term business security and viability • Sustained growth • Ease of doing business • Collaborative effort for value-added solutions	• Dedicated account managers for primary engagement • Customer services team to handle queries and communication • Year-round visits and meets • Periodic surveys • Promotional and marketing campaigns • Networking forums • Digital customer service support	• Increased competition • Weak consumer demand • Better business planning to counter demand • Safe working environment during the pandemic	• 100% usage of Sales Force Automation ('SFA') by sales team to procure orders from retailers • Joint business development plan and growth workshops • Marketing campaigns and in-store activation • Launch of smaller SKUs having higher consumer acceptance • Analytics and digital technologies for improved planning and capacities to ensure product availability • Increased employee visits to better understand demand pattern and replenish stocks • Launched Retailer's app to take orders

Consumers | Buy products from physical and E-commerce outlets

Relevant matters	Engagement methods	Key issues in FY 2019-20	Our response
• Higher value proposition • Sustainable products • Product affordability	• Dedicated consumer services team • Consumer satisfaction surveys • Call centre • Digital platform	• Product affordability • Product differentiation and premiumisation • Relevant products for COVID-19 • Availability and last-mile delivery of products in lockdown	• Smaller SKU launches • Investment in R&D and product innovation • Launched Margo Handwash and Margo Sanitizer • Partnered alternate distributors to ensured last-mile product delivering in lockdown

Suppliers | Provide us raw materials for sustaining manufacturing

Relevant matters	Engagement methods	Key issues in FY 2019-20	Our response
• Transparency in selection • Timely payment • Ease of doing business • Sharing of best practices • Mutually beneficial relations	• Meets • Periodical satisfaction surveys • Workshops and training programmes • Physical, telephonic and digital interactions	• Efficiency and transparency in business dealing • Sustained business	• Automated vendor registration • Digital technologies to resolve supplier problem • Demand creation activities

Employees | Provide their skills and knowledge

Relevant matters	Engagement methods	Key issues in FY 2019-20	Our response
• Career growth • Learning and competency development • Health and safety • Reward and respect	• Training and personal development programme • Senior talks • Union meetings • Performance review meetings • Website and intranet • Engagement initiatives and surveys • Publications and newsletter	• Tools to enhance efficiency • Support in skill development and career growth	• Empowered people with digital technology • Digital training and skill development

Community | Strengthens our reputation as a trusted company

Relevant matters	Engagement methods	Key issues in FY 2019-20	Our response
• Equitable and inclusive development through support in the areas of education, health, infrastructure creation, livelihood generation • Clean and safe environment	• Regular engagement with the social communities around our plants through multiple meets / visits to understand their needs and take targeted actions • Local authority and town council meetings, location head's meet • Community projects • Partnership with local charities	• Responsibility as a corporate citizen to fight against COVID-19 pandemic	• 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

Government and regulatory body | Licence to operate

Relevant matters	Engagement methods	Key issues in FY 2019-20	Our response
• Legal and regulatory compliance • Contribution to exchequer • Employment generation • Social development	• Engage with government and regulatory bodies through advocacy meetings • Memberships in industry bodies • Seminars and media releases	• Compliance with various local environment laws • Working with Home Insect Control Association (HICA) against use of spurious incense sticks	• Implemented Compliance tool across the organisation for real-time information on non-compliance to laws and taking prompt actions • Health hazard of spurious incense sticks regularly communicated to consumers through various mediums

Transforming
to get future ready

Jyothy Labs enters the new decade prepared to embrace transformation and get future ready. We are achieving this through a new echelon of young, agile leaders attuned to the demands of the millennial consumer base; across the board digitisation; increased retail reach via E-commerce platforms; and robotics-powered manufacturing for highly cost-efficient operations; and an extremely streamlined value chain management system to maintain our cost leadership. They are driving fresh thinking to enable Jyothy Labs win in the coming decade.

Rethinking Retail

SCALING MODERN TRADE AND E-COMMERCE

We are scaling partnership with retail chains and E-commerce players to increase our reach and relevance to urban populace, especially the millennials. We have undertaken initiatives like joint brand promotion with retail chains as well as strengthened online visibility to increase sales through this channel. Premium products with exclusive packaging were also launched to better connect with target audience.

OUR E-COMMERCE PARTNERSHIPS

Flipkart amazon bigbasket GROFERS

LAST-MILE DELIVERY PARTNERS

SWIGGY zomato DUNZO

ALTERNATE DISTRIBUTION CHANNELS

udaan Jumbotail ElasticRun THINKING NETWORK

LEVERAGING THE POWER OF SOCIAL MEDIA

Social media is ubiquitous given its indispensability to connect with a huge audience in unimaginable ways. We are leveraging its power to undertake social media campaigns, improve brand visibility and goodwill, and to engage with existing and potential consumers.

Margo Facewash launch campaign: Facebook and Instagram

Idea: Go Filter free with Margo Facewash

Influencer activity on Instagram:

10
Influencers

2 million+
Total reach

90,000+
Total engagement

REACHING OUT TO NEW CONSUMERS

While most of our products are value-for-money, we continued with our initiative of launching smaller packs to enhance product affordability and reach out to new consumers. During 2019-20, we launched smaller packs of Pril Liquid.

SUSTAINABLE DRIVE FOR ORGANIC AND ECO-FRIENDLY PRODUCTS

We are undertaking R&D efforts to drive development of organic products that are safe as well as eco-friendly in line with the expectation of the consumers. Our recent innovations of T-Shine Toilet Cleaner, Maxo Agarbatti, Margo Facewash with neem paste, Margo natural antibacterial Handwash and Margo Sanitizer with neem extracts are a result of this. We will continue to launch more such products.

REDESIGNING PRODUCT STRATEGY

As a research by Nielsen, given the COVID-19 scenario, 55% of the consumers surveyed intend to buy more personal hygiene and safety products. It also stated that there is an upswing in demand for products such a hand sanitisers, floor cleaners, and hand washes. Keeping this perspective in mind, we have redesigned our strategy to focus on essential and hygienic products which are expected to have significant opportunity.

Driving New-Age Digital Transformation

In a competitive market, success increasingly hinges on innovating and developing smarter processes and intelligent systems. We have embarked on a journey of digital transformation to leverage its potential for graduating to the next level of growth. It will enable us to deliver seamless experience to consumers and business partners and empower our people.

DRIVING PRODUCTIVITY OF SALES FORCE

We have successfully implemented Sales Force Automation (SFA) application to automate sales workflow and effectively manage sales force. It facilitates employees in keeping track of the shops visited, current and historical orders, business generated, place attendance and manage new leads. They can also track their daily targets and achievements. Whereas, sales manager and HR department can track sales force performance and reward high performers. It is helping drive productivity of our sales personnel and enhance engagement with them.

We are now working on implementing artificial intelligence (AI) based order predicting tool in SFA by using historical data and complex algorithm to improve sales efficiency. We have also launched a retailer application to allow them to place order on mobile application which will go directly to distributor for billing and despatch thereby reducing the sales cycle.

STRENGTHENING COMPLIANCE

We have invested in Compliance Management Software Tool (CMST), a robust technology platform that facilitates in compliance, governance programme and remains updated with regulatory requirements. It is enabling legal compliance tracking and reminder systems, timely updates, centralising documentation as well as consolidating multi-jurisdictional and cross functional view of compliance status and control mechanism. Its real-time dashboards show compliance health at a glance and generates MIS reports and graphs. Making tasks extremely structured, controlled and auditable, it has expedited work and enhanced transparency.

SCALING DISTRIBUTOR CAPABILITY

We have implemented Distributor Management System (DMS) which is helping us to seamlessly manage the distribution activity involving retail order tracking, product despatch and delivery, and payments. With over 6,100+ distributors in our ecosystem, DMS has resulted in enhanced distribution efficiency by enabling real-time data pertaining to all activity.

ENHANCING OPERATIONAL EFFICIENCY

We have implemented freight management system which has facilitated in automating freight movement from factory to depots and depots to distributors. The process involves selecting transporter through a systematic bidding process for smooth management. At plants, robots are being used for product packaging which has not only improved quality of packaging, but also reduced costs.

During the year, we have focussed on Robotic Process Automation (RPA) for mundane and repetitive tasks that do not require human intelligence. E.g., Bots have been deployed for creating Master data in our DMS which is reducing process time and ensuring high accuracy.

Further, with the deployment of many new systems and technologies, significant amount of data is being generated. As is said, data is the new oil. The data warehouse is being conceptualised capturing this data across the systems and Business Intelligence platform will be used to not only provide meaningful insights but also enable multi dimensional analysis of the same data. Ready reports & dashboards will help track KPI across the functions.

INTERNET OF THINGS (IOT)

With manufacturing undergoing transformational change,we are focussed on using emerging technologies like industry 4.0, smart manufacturing, Industrial Internet of Things (IIoT) and Big Data Analysis to remain competitive.

During 2019-20, we piloted IoT technology at one of our plants for collecting real-time production information across multiple lines and all stages of production. This data was analysed and helped improve Overall Equipment Efficiency (OEE). The platform also helped identify the productivity bottlenecks and expedite decision-making for corrective steps to improve productivity. Going forward, we plan to roll out IoT across all the plants.

LEVERAGING THE POWER OF DATA

We consider data as the most important parameter in today's digital world. We have invested in data analytics to make meaningful use of information to better understand consumer minds, trends and frame business strategies accordingly.

BENEFITS OF IMPLEMENTING REAL-TIME DATA MONITORING SYSTEM

- Continuous machine performance measurement
- Instant downtime recording and alerts
- Measuring speed/ performance loss and undertaking corrective actions
- Higher operational equipment effectiveness awareness

Building a Dynamic, Agile, Young Team

We are building a team of performers who with their dynamism, agility and entrepreneurial spirit can take Jyothy Labs into the next orbit to maximise value creation.

BUILDING A TEAM OF FUTURE READY GO-GETTERS

With organisation-wide implementation of various digital technology, we have provided a platform for tech-savvy and performance-oriented new generation to showcase their talent. These technologies will help us identify performers and help build a team of go-getters who can drive the Company's growth. To facilitate this, Performance Development Portal (PDP) has been deployed which is helping automate the entire Performance Management process. It facilitates in deriving performance ratings of employees based on weighted average method using scores assigned against the respective KRAs, thus enabling better performance management.

55%
of our people are below the age of 40

NEW-AGE SKILLINGS

The transformational changes happening in the industry necessitates us to appropriately upgrade the skills of our people. We have identified a range of training areas to prepare our employees for the future.

ENHANCING HIRING PROCESS

We have enhanced assessment criteria in hiring process keeping in mind our future requirements and business strategy. This will help improve the quality of people inducted.

JYOTHY TEAM SETS A NEW BENCHMARK OF AGILITY

Our agile team launched an alcohol-based Margo Hand Sanitizer infused with Neem extracts for additional protection and care to skin in a record 21 days right from conceptualisation to production under lockdown conditions.

Scaling Health and Safety Practices

Employee health and safety is an essential part of our business operation. We adhere to highest standards of operational health and safety practices at our plants to ensure zero harm to our people and sustained value creation.

At Jyothy Labs, we are continuously improving our HSE (Health Safety Environment) standards by taking all appropriate safety initiatives across our pan-India operations. We ensure highest level of adoption by involving all employees through consultation, communication, training and by adopting latest hazard identification risk assessment and control methods.

During 2019-20, our Puducherry plant implemented multiple safety initiatives and has received ISO 14001-2015 certification from IAF, EGAC and OTABU. It also celebrated National Conservation Week 2019 to share HSE practices.

COVID-19 response for employee safety

With the onset of COVID-19 pandemic, we laid strong focus on the safety of our people at plants and in the field. Safety guidelines were circulated across our value chain. After the Company opened its plants post relaxation of lockdown, we ensured maintaining social distancing.

KEY HEALTH AND SAFETY INITIATIVES AT PLANTS

- 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
- Enhanced safety measures across all our manufacturing plants
- Annual and quarterly monitoring of plant HSE matrix
- Safety manual key responsibilities monitored by Safety Committee and region safety persons
- Roorkee plant has received Special recognition Awards in the 7th CII Northern Region inter industry competition on EHS held on June 25 and 26, 2020 for Best EHS practices

Awards and Accomplishments

Ms. Jyothy M. R., Managing Director won the **Woman Entrepreneur of the Year Award 2019** at Zee Business Dare to Dream Awards: The shining stars of India's entrepreneurial ecosystem.

Mr. Ravi Razdan, Head - IT and HR was placed in **CORE Media's CIO Power List 2019**, a list that recognises the most influential technology leaders in India.

Mr. Ravi Razdan, Head - IT and HR was placed **CIO100 Award by IDG India's CIO brand** for embracing new technologies and changing the way business functions through the innovative use of IT.

Jyothy Labs was acknowledged amongst the **Top Organisations with Innovative HR Practices** at the 18th Edition Asia Pacific HRM Congress.

Ms. Reeti Shah, won **'Compliance 40 Under 40'** award at the Compliance 10/10 award ceremony by Legasis group in recognition of implementing best compliance practices at Jyothy Labs.

Environmental, Social and Governance Practices

In a world marked by accelerated social change and pressing environmental challenges, we, at Jyothy Labs have committed ourselves to go beyond growth and address these issues. We believe that sustainable and responsible growth model is the only acceptable way forward for creating value for all stakeholders. At the same time, we are also strengthening our governance to continue building on our reputation of a trusted, ethical and transparent Company.


Puducherry Plant


Puducherry Plant

Readying for a Greener Future

Our business is guided by the principles of service and care, and those are applied to our environmental policies and practices as well.

At Jyothy Labs, we not only comply but go a step ahead to ensure sustainability of our operations. Tree plantation has been consistently carried out across all sites. We have a total of 22.85 acres of green belt across our facilities and their surrounding areas, creating green lungs that mitigate the impact of manufacturing activities.

22.85 Acres
of green belt

+1,500
Big trees planted

+10,000
Small trees planted

WASTE AND PLASTIC MANAGEMENT

We have a robust waste management system in place to minimise waste material and recycle and reuse the waste generated. We are continually innovating to improve our products packaging such as Multi layered plastic (MLP), mono layer plastic, laminates, etc. We are working together with our partners towards innovative solutions to combat the challenge of plastic waste. We have partnered with several vendors to collect, segregate and safely dispose of plastic waste to the waste disposal facility. We are also continuously exploring ways to stop using MLP.

During the year, we introduced IML PP (in mould layer polypropylene) container for Exo Round which is 100% recyclable. Further, we have eliminated the usage of printed PVC sleeve, transparent tamper evident top PVC sleeve and paper top label from our earlier packaging. This has resulted in 200 TPA (tonnes per annum) reduction in sleeves and 60 TPA of virgin paper label (without release paper). We have also reduced the weight of liquid vaporiser bottle, translating into an annual savings of 18 tonnes of PET material.

Puducherry Plant

EMISSION AND ENERGY MANAGEMENT

We have initiated installing roof top solar panels across our factories to reduce fossil fuel consumption. To reduce air pollution, we have installed wet scrubbers in all our industrial exhausts for removing particles and gases from exhaust. We have also replaced conventional lighting system with LED to reduce energy consumption.

WATER AND WASTEWATER MANAGEMENT

We have installed best-in-class effluent and sewage treatment plant across our manufacturing units, the treated water from which is used for gardening and in toilets. Rainwater harvesting is done across all facilities to conserve natural resources and is enabling us to meet a significant part of our manufacturing plants' water needs.

Our Puducherry plant received the prestigious **'Swachhata Awards 2019'** in recognition of its corporate social responsibility initiatives towards making Puducherry water-rich.

Transforming Communities

In the last few years, we have built 155 houses and 330 toilets under CSR programme. This year, we have built 21 houses in Nilambur in Malappuram District and Kandanassery in Thrissur District (Kerala) for people who have lost their houses in floods.

FACILITATING SKILL DEVELOPMENT

We run a skill development programme at various locations to train unemployed youths and women to facilitate in employment generation or entrepreneurial development. The initiative has helped in enhancing the household income and improving their living condition.

Prosperity of communities is encapsulated in our business as we strive to deliver products that benefits them and solves their daily needs. Beyond this, we also undertake activities for their welfare and to empower them.

SUPPORTING ASSAM FLOOD VICTIMS

In July 2019, with many parts of Assam inundated due to massive floods, thousands of people lost their homes and possessions. Our brand Jyothy Fabricare Services' Fabricspa initiated #RayOfHope campaign to lend a helping hand with the support of their customers for donating unused clothes. Following an overwhelming response, it received over 8,000 garments in just 15 days from across Bengaluru, Mumbai and Pune which were washed with great care, packed and donated.

SUPPORTING COVID-19 FIGHT

We contributed a sum of ₹ 5 Crore to various COVID-19 funds including Kerala CM Fund, Maharashtra CM Fund, Assam CM Fund and PM CARES Fund to help support the nation's fight against this pandemic.

Also, senior employees of the Company contributed their one day's salary to PM CARES Fund. Additionally, with significant increase in demand for sanitisers and hand wash to prevent illness, we were quick to launch a new product – Margo Sanitizer and Margo Hand Wash – across the markets of Maharashtra, Tamil Nadu, Karnataka and Kerala. The product was also launched in smaller packaging to ensure affordability.

Fabricspa Plant at Bengaluru

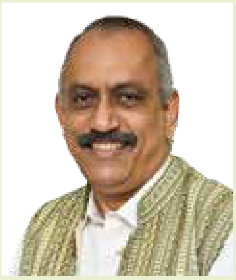
Leading with Good Governance

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.

BOARD OF DIRECTORS



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 (w.e.f. April 1, 2020)

She is a Post Graduate in Management with an additional diploma in Family Managed Business Administration. She has also completed the Owner/President Management Programme from Harvard Business School. After a successful stint in the sales and marketing function of the company for over 15 years, she was unanimously chosen to lead the company as the Managing Director effective 1 April 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 completed Advanced Management Programme from Wharton Business School and Harvard Business School, USA, and the Global Master's in Management Programme from the 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 holds the position of FICCI, Chairman (Karnataka).

M. R. Deepthi
Whole Time Director
(w.e.f. April 1, 2020)

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 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

According to the International Monetary Fund (IMF), the global economy registered a gross domestic product (GDP) growth of 2.9% in the Calendar Year (CY) 2019, as against 3.6% in CY 2018. It marked the lowest growth since the 2008 global financial crisis. The sub par growth can be attributed to rising trade barriers, the slowdown in Europe and Asia, and tighter financial conditions across many economies. It was further weighed down by macro-economic factors such as unfavourable country-specific shocks in emerging economies, flooding in eastern Africa, and bush fires in Australia, among others which contracted consumption demand sharply. The outbreak of pandemic COVID-19 (coronavirus disease) across the globe in early CY 2020 further accentuated the global slowdown as governments across the world imposed nationwide lockdown and social distancing measures to contain the spread of the virus.

The Advanced Economies (AEs) grew at 1.7% in CY 2019, lower than 2.2% registered in CY 2018. This was on account of tapered economic growth observed in the US and Europe. US economic growth remained subdued at 2.3% in CY 2019, as against 2.9% in CY 2018. Whereas, Britain's exit from the European Union, effective from January 31, 2020, hovered uncertainty over the trade deal with a consequent muted economic growth in Europe which stood at 1.2% in CY 2019, as against 1.9% in CY 2018.

Emerging Market and Developing Economies (EMDEs) grew at an estimated rate of 3.7% in CY 2019, as against 4.5% in CY 2018. This was largely driven by the impact of the US-China trade war, Non-Banking Financial Companies (NBFC) crisis in India and deteriorating public finances in South Africa.

In the wake of COVID-19 crisis, the IMF, projects the global economy to decline by 3% in CY 2020 as the government-imposed lockdowns disrupted global supply chains, ceased manufacturing activity, and brought business activities and trade to a screeching halt worldwide. However, it forecasts a strong recovery for India in FY 2021 at 7.4% provided the pandemic is brought under control, lockdowns are gradually scaled back and business activities resume to normal.

World Economic Output Growth in %

Country	CY2018	CY2019	CY2020(P)	CY2021(P)
World output	3.6	2.9	-3.0	5.8
Advanced economies	2.2	1.7	-6.1	4.5
US	2.9	2.3	-5.9	4.7
Euro Area	1.9	1.2	-7.5	4.7
Emerging Markets and Developing Economies	4.5	3.7	-1.0	6.6
China	6.7	6.1	1.2	9.2
India (FY)	6.1	4.2	1.9	7.4

(Source: IMF World Economic Outlook April 2020, Euronews), P: Projected
For India, data and projections are presented on a Fiscal Year (FY) basis.

Indian Economy

The Indian economy grew by 4.2% in FY 2019-20 as against 6.1% in FY 2018-19, its slowest pace in the past eleven years. Overall economic slowdown during the year, severe liquidity crunch in the NBFC sector and COVID-19 onstage with a consequent nationwide lockdown in March 2020 adversely impacted key Indian sectors such as automobiles, real estate, aviation, and FMCG. On the demand side, stagnating rural wages, tightening lending conditions, and rising unemployment to 7.5% in the last three months of CY 2019 dampened rural consumption. On the supply side, excess idle production capacity, weakening corporate profits, and infrastructure bottlenecks slowed down economic activity.

(Source: IMF, CMIE, Deloitte)

The Government of India (GoI), in a bid to revive languishing economy and tackle health crisis posed by the pandemic, announced a ₹ 20 Lakh Crore special economic and comprehensive package, equivalent to 10% of Indian GDP, under the Self-Reliant India Movement. It included:

- ₹ 1.7 Lakh Crore relief package to alleviate hardships faced by the marginalised Indian population
- Front-loading direct cash transfer benefits under PM-KISAN scheme to provide financial aid to 8.7 Crore farmers
- ₹ 15,000 Crore for Emergency Health Response Package
- Significant liquidity enhancement boosters in the banking and NBFC segment to trigger credit growth
- ₹ 3 Lakh Crore package for Collateral-free Automatic Loans for business including MSMEs

The Reserve Bank of India (RBI), too, slashed key repo rate from 6.5% in February 2019 to 4% in May 2020, to provide monetary stimulus and trigger economic growth back to the earlier trajectory.

The IMF, factoring in the loss of GDP output caused by the prolonged lockdown and challenging business conditions even after lockdown relaxations, forecasted India to grow by subdued 1.9% in FY 2020-21. It, however, projects strong recovery at 7.4% in FY 2021-22 on the assumption of successful containment of the pandemic. The fiscal and monetary stimulus provided by the government and RBI would assist greatly in this forecasted recovery. This would be further complemented by the government's revival measures announced in Union Budget 2020-21 such as:

- Reduction in the corporate tax rate by up to 10% to revive investment and job creation
- Direct capital infusion of ₹ 70,000 Crore into public sector banks to alleviate liquidity concerns
- Liberalising FDI norms for certain sectors to make India as an attractive global manufacturing hub, attract large foreign investments and spur high employment generation

The long-term growth outlook of the country continues to remain positive in the backdrop of these growth measures and structurally reformative policies such as GST regime, Make in India, Skill India, and Direct Benefit Transfer schemes, among others. Additionally, subdued international oil prices are likely to support economic growth further by keeping the country's inflation rate in check and lowering current account and fiscal deficit.

(Source: Ministry of Finance, IMF World Economic Outlook January 2020)

INDUSTRY OVERVIEW

Fast-moving consumer goods (FMCG) is the 4th largest sector in India after services, industrial and agriculture. Moderate inflation, rising urbanisation, increasing private consumption, premiumisation, and supportive government schemes have driven the industry's growth from USD 31.6 billion in 2011 to USD 52.75 billion in FY 2017-18.

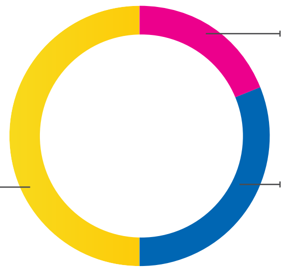
India's FMCG sector is classified into three broad categories, namely Food and Beverages (F&B), Healthcare, and Household and Personal Care (HPC). HPC segment accounts for the largest share at 50% of total FMCG sales, followed by Healthcare segment at 31% and F&B at 19%.

In terms of market segmentation, rural accounts for a sizeable 36% of the total FMCG market. Valued at USD 23.6 billion in FY 2017-18, it is projected to grow to become USD 220 billion by 2025 in the backdrop of pro-farmer government schemes and direct cash transfer benefits with a consequent enhancement in rural disposable incomes and higher demand for consumption.

Additionally, organised FMCG companies are investing heavily in supply chain management to strengthen its distribution network as well as focussing more on lower sized stock-keeping units (SKUs) to ensure affordability. This is expected to fulfil rural aspirations and enhance its consumption levels even further.

FMCG companies reach out to the final consumers primarily through two trade channels: general trade,

BREAK-UP OF FMCG SECTOR



comprising standalone Kirana stores; and modern trade, comprising supermarkets, hypermarkets, and E-commerce. The traditional general trade still dominates India's FMCG markets and contributes around 90% of the total sales. Though, in recent times, modern trade channels are evolving fast and outpacing their traditional counterparts. According to the Nielsen India estimates, the share of E-commerce in FMCG sales stood at 2% in 2019, up from 0.5% in 2016. It is estimated to command 5% of the total FMCG market by 2022.

The implementation of GST, large scale digitisation, a proliferation of smartphones with affordable data access, and advances in the digital payments have improved distributing infrastructure of the country. The convenience offered to a time-sensitive generation has augured well for modern trade and is altering the landscape of Indian retail along with its rapid growth.

Industry Performance Review, FY 2019-20

Indian FMCG sector grew by 9.7% in value terms in 2019, as against 13.5% growth registered in 2018. The lower growth was on account of a demand slump in both rural and urban markets. Erratic monsoon lowered farm incomes, and increasing rural unemployment stagnated rural wages further. These factors, in combination with NBFC troubles, lowered spending capacity of the rural population. Amidst the subdued economy, a slump in sales of food and HPC items, especially discretionary items continued in the rural segment. The industry sales in the fourth quarter of FY 2019-20 were significantly impacted further due to disrupted supply chains, ceased manufacturing plants, and logistical constraints as the government imposed stringent lockdown in a battle to arrest the spread of the Coronavirus. While Indian manufacturing is aiming to resume production activities post the government relaxing lockdown restrictions, a limited workforce, challenges in inter-state and intra-state transportation, and lower demand for discretionary products are likely to prolong industry recovery.

(Source: Nielsen)

Key shifts Indian FMCG industry is expected to undergo

1. Elites and affluent together would command 48% of total FMCG consumption, doubling their share from 24% today.
2. Indian consumers to show higher trading-up behaviour as can be seen from premiumisation across categories over the last five years.
3. Tier 2, 3, 4 cities (around 600 in number) would be the next source of growth for products in addition to being the new drivers of overall consumption increase.
4. The emergence of new models such as modern trade will continue to weigh on the conventional model of partner management while categories amenable to e-commerce will witness rapid growth due to COVID-19 impact.
5. Accelerated adoption of alternative distribution channels such as Udaan and last-mile delivery partners such as Zomato and Dunzo will facilitate the growth of direct-to-consumer distribution model.
6. Growth in the rural consumption demand is set to revive due to reverse migration of ~40 million internal migrants post nationwide lockdown.
7. Essential hygiene segment to witness significant boost with health and safety emerging as a top priority of consumers due to the onstage of COVID-19.

Key Trends in India's FMCG Market

1. Rural market to enhance FMCG growth

FMCG companies have been increasingly targeting rural India, to fuel growth.

Even though consumption growth in the rural India has been low for the past few quarters, it is expected to display a strong revival. This revival will be led by reverse migration of 40 million migrants amidst the crisis posed by the pandemic, good monsoon projections announced by the India Meteorological Department (IMD) and government stimulus to revive rural economic activity.

Pro-farmer government policies are improving the purchasing power of the rural population. Digital India movement and strengthening distribution infrastructure is widening FMCG industry's rural reach. Low ticket size by offering smaller packs and better brand awareness by higher promotional spends is likely to drive FMCG companies' growth in rural India.

[Source: Indian Brand Equity Foundation (IBEF)]

Indian FMCG sector grew by 9.7% in value terms in 2019, as against 13.5% growth registered in 2018. The lower growth was on account of a demand slump in both rural and urban markets.

2. Advancement in logistics

The implementation of GST has significantly streamlined the logistics of India by abolishing all checkposts. It has resulted in a significant reduction in transportation costs, time, and spoilage. The recent positive move by Union Transport Ministry of changing axle loading norms, permitting trucks to carry up to 20% more weight, as per the international standards will further enhance cost and time savings. Companies can invest these savings in improving distribution network and developing superior quality products, thus benefiting the final consumers.

(Source: CRISIL Report)

3. Market share shift from unorganised to organised

By removing the tax barriers across states, GST has made India a single market, making it more business efficient and bringing the unorganised market under the tax gamut. This has curbed rampant tax evasion prevalent in the Indian economy and reduced the price gap between organised and unorganised market. As a result, consumers are shifting from unorganised to organised players owing to their better product quality and differentiation, price competitiveness and superior distribution strength.

4. Revolution in the digitisation of India and e-commerce

E-commerce is reshaping the global retail market. It has opened up a whole new shopping world, providing millions of consumers with access to greater assortment and value opportunities satisfying their increasing demand for convenience.

The e-commerce industry in India is projected to grow to USD 4 billion by 2022, drastically higher than USD 1.2 billion in 2019. The growth would be largely driven by affordable internet access and proliferation of smartphones across the country. The ongoing digital transformation is increasing India's total internet user base to 829 million by 2021 from 687.6 million in 2019. This is supporting the growth of organised FMCG sector growth.

(Source: Nielsen, IBEF)

5. Increasing per capita consumption

Per capita FMCG consumption in India is amongst the lowest in the world, giving the industry a big headroom for growth. FMCG companies are offering smaller size packs along with effective promotional activities for better brand awareness to capture a larger share of rural consumption. On the urban side, the middle-class segment in India is expected to rise to 550 million by 2025, up from the current 483 million in 2019. This will boost the organised FMCG sale on account of better brand awareness of urban population along with purchasing power beyond their basic needs.

6. Premiumisation

Rising disposable income of aspirational youths, increasing urbanisation, a greater assortment of value products and easy availability of credit are driving growth for premium products. Premiumisation is helping companies to move up a value chain and earn better margins.

7. Growing demand for organic products

Increasingly, consumers are looking to buy brands that not only offer great quality at the right price but are also natural, organic, and eco-friendly. According to the International Lifestyles Survey 2019 by Euro Monitor, eco-friendliness of brands were ranked as the highest parameter influencing shoppers followed by natural and organic ingredients. FMCG companies that are catering to the health-conscious segment are well-positioned to benefit from this trend.

8. Health and Hygiene segment to support the industry's growth

Amidst the health crisis posed by the pandemic, the industry is capitalising opportunities in the health, hygiene and wellness categories by launching relevant and innovative products. Significant demand for hand wash, sanitisers, and disinfectants owing to the heightened consumer need for cleanliness is supporting the industry's growth even in challenging economic conditions.

9. 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. This will provide a much-needed growth impetus to the industry due to its established local manufacturing capabilities, local markets, and extensive local supply chains.

Key enablers for the growth in the FMCG Industry

a) Government stimulus to boost economic activity

Government of India has announced several reformative policies to revamp Indian economic growth and to fulfil the Hon'ble Prime Minister's vision to become a USD 5 trillion economy by 2024. Initiatives such as National Infrastructure Pipeline, liberalisation of FDI norms in select sectors, upfront investments in the public sector banks will help revive the Indian economy. Whereas, ₹ 20 Lakh Crore fiscal stimulus under Self-Reliant movement provided by the government would greatly assist the Indian economy to come out of COVID-19 crisis successfully. Furthermore, it's well-targeted broader schemes such as Make in India, Skill India, Digital India, Start-up India and Smart Cities Mission will culminate in better employment rates and more disposable income.

b) Government's growth impetus to revive rural consumption

According to Nielsen estimates, rural India contributed around 36% to the overall FMCG spends in 2019. It has historically been growing faster than its urban counterpart by around 3 to 5%. Despite its lacklustre performance in FY 2019-20, it is poised to grow at a healthy rate on account of a series of initiatives by the government to alleviate distress and increase rural income.

An allocation of ₹ 1.2 Lakh Crore has been made in the Union Budget 2020-21 to the Department of Rural Development. Schemes such as PM Kisan Yojana, MNREGA, and PM Awas Yojana, PM Fasal Bima Yojana, etc. will help fructify Prime Minister's vision to double farmer's income by 2022. Better purchasing power supported by these schemes and government stimulus is likely to revive rural demand and grow rural consumption at a healthy rate.

c) Rapidly growing workforce to provide significant growth headroom

Indian FMCG industry is well poised to benefit from the demographic transition the country is going through. India has the second-largest population in the world, half of which is under the age group of 25 years. It is projected to have the world's largest workforce by 2027, sufficiently large to accommodate aggressive growth of the FMCG industry in the distant future.

d) Rising disposable incomes and aspirational levels

India is likely to witness a surge in its middle-class on account of rapid economic development of the country. It is forecasted that over 500 million will move into the middle- and high-income bracket by 2030, with every 1 in 2 households being from the segment. With superior purchasing power and improving standard of living, consumers will increasingly aspire value-added and lifestyle brands. This will trigger a tremendous increase in consumer spending, projected to reach nearly USD 6 trillion by 2030 from USD 1.5 trillion in 2019.

(Source: Bain & Company)

e) Increasing penetration of E-Commerce facilitating further growth

Supported by secure digital payments, superior data-driven predictions, personalised advertising, and last-mile delivery capabilities, the e-commerce industry in India is growing rapidly.

Interestingly, e-commerce is not just cannibalising the sales from the general trade but supporting the overall growth of the FMCG industry as well. This is because most of the companies are using e-commerce as an additional channel to enhance sales along with deepening their traditional distribution presence.

INDUSTRY OUTLOOK

As per the CRISIL report, the FMCG sector is expected to witness a 2-3% revenue decline in FY 2020-21 on account of both supply and demand shock induced by COVID-19 pandemic. Lower manufacturing output, immobility of supply chain, and logistical constraints which would obstruct smooth resumption of industry supply, while reduced income levels, lower spend on discretionary products would weigh on consumption demand. Within the FMCG sector, CRISIL expects food and beverage segment to mirror overall industry growth, while the personal care, having the highest share of discretionary products, is likely to experience the steepest decline. On the other hand, the home care segment, in the backdrop of increased safety and hygiene requirement, would witness strong traction in the demand in the foreseeable future. Furthermore, reverse migration from urban to rural India due to COVID-19 pandemic coupled with normal monsoon projections by The India Meteorological Department (IMD) would support higher consumption demand from the rural areas.

In spite of the short-term slowdown in the economy and the disruptions caused by the pandemic COVID-19, the long-term outlook for the FMCG industry remains optimistic. India's consistent rise in the World Bank ease of doing business rankings to 63rd place in 2019, has made it an attractive foreign investments destination. This coupled with the Indian government's further stimulus to economic activity is likely to boost production, employment and consumer sentiments, which in turn will trigger higher consumption levels. Additionally, the superior distribution network will be able to fulfil the demands of changing lifestyle of India. Evolving demographic profiles, increasing disposable incomes and premiumisation will drive urban growth. Whereas, favourable monsoon, pro-farmer policies by the government, and rising aspirations will drive rural growth. The FMCG industry is well-positioned to grow backed by these structural growth drivers.

(Source: Nielsen, World Bank)

COMPANY OVERVIEW

Jyothy Labs Limited (hereinafter referred to as 'your Company' or 'Jyothy Labs') was founded in 1983 by Mr. M. P. Ramachandran in Thrissur, Kerala. With a humble beginning as a single-unit, single-product manufacturing company, your Company has grown significantly to become a leading FMCG player with a pan-India presence and several household brands. Your Company has 27 state-of-the-art plants across 23 locations and an extensive distribution network of 0.86 million outlets directly reachable, through which it serves and delights millions of Indians every day. Your Company has a wide basket of products marketed under six power brands that cater to diverse household requirement – Ujala and Henko in the fabric care, Exo and Pril in the dishwash segment, Maxo in the household insecticides, and Margo in the personal care.

In August 2008, your Company forayed into a synergistic laundry services segment with the launch of Fabricspa in Bengaluru and currently operates 150 outlets across India.

Your Company has created a distinct identity for itself with its ability to identify unaddressed consumer demands. It has also earned a reputation of catering to these evolving needs by delivering high-quality, innovative and affordable products developed at its state-of-the-art R&D facilities.

Focus on Innovation

Your Company's strategic objective is to drive consistent innovations in products and processes and create a unique identity for itself. It gives your Company a distinctive competitive advantage in terms of a loyal consumer base and pricing power. To align itself with changes and trends in the market, it is always working on developing new products and revamping the existing ones. Your Company also focusses on adopting newer techniques and mechanisms to optimise productivity, resource usage and costs.

R&D Initiatives

R&D remains one of the key strengths of your Company which enables it to achieve product differentiation and offer unique value to its consumers. It has three advanced in-house R&D facilities. The underlying objective of the R&D function is to identify everyday pain points in the consumers' life and develop appropriate products to address them.

Highlights of the key R&D accomplishments in FY 2019-20:

- Launched revolutionary sub-category in dishwash segment - Exo Dishwash Super Gel that combines the benefits of both Exo Bar and Exo Liquid
- Launched India's first Neem Paste Face Wash in West Bengal
- Relaunched T-Shine with revised formulation to get better traction in the market
- Launched Margo Hand Wash with the goodness of 1000 Neem Leaves
- Launched alcohol-based hand sanitiser with Neem extracts under Margo Brand

Growing Sustainably

Your Company has come a long way through progressive development and supported from its extensive distribution network of 6,100+ stockists/sub-stockists. Our products are available across 2.8 million retail outlets, your Company has upped its game in the modern trade. Its products are being sold across major modern retail chains and e-commerce sites. This makes your Company insulated to geographical, trade channel and segmental concentration risks.

Brand building has been an important agenda for your Company. Each of its brands is built around the objective of bringing meaningful difference in the consumers' life. Today, they have become a household name with top of the mind recall and strong market share. They touch and enhance the lives of several million consumers with innovative products.

Your Company has successfully created strong brand equity through impactful marketing and brand promotion activities. Well-targeted investments in advertising and promotional activities have facilitated it to rapidly expand footprint across India and enjoy a strong franchise with 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 a responsible corporate entity and committed to contributing to the sustainable growth of India. With around 70% of the population residing in the hinterlands of the country, your Company has strategically set-up plants in rural areas to boost rural economy by generating local employment and business opportunities, with special focus on women empowerment. It continues to focus on increasing its rural penetration by associating with more stockists and sub-stockist. These efforts assist your Company with better product availability and enhanced brand visibility. By developing a robust pipeline of great products that are based on extensive market research, your Company constantly aims to create a distinctive competitive identity for itself. This unwavering focus to develop top-notch products coupled with extensive advertising and promotional campaigns will not only help your Company to maintain its market share but will also help grow sustainably.

Sustainability Practices

- Your Company follows environmentally sustainable practices while it strives to contribute to nation-building and the betterment of the society
- All the processes, products and manufacturing activities are employed with a commitment to maintaining hazardous by-products production well below the prescribed law limits while maintaining a sustainable profit-led growth trajectory. It is accredited with the certifications such as ISO 9001 for quality, ISO 14001 for the environment, and ISO 18001 for health and safety
- It is 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 received 'SWACHHATA AWARDS 2019' recognition for corporate social responsibility initiatives in Puducherry region
- It operates to deliver sustainable growth to all its key stakeholders including shareholders, employees, suppliers, and business partners while providing the best possible solutions to its consumers
- Your Company undertakes several CSR activities for the upliftment of community and conservation of the environment. It prudently optimises its CSR spending to achieve the most effective output while ensuring its growth requirements are duly met
- It sources raw materials sustainably and has adopted measures and mechanisms to conserve natural resources

Human Capital

Human capital is core to your Company's growth. It has developed a unique organisational culture that places family values at its core and yet is driven by professionalism. Such culture respects, values and empowers employees while motivating them to perform. It is supported by a robust HR system and employee-friendly policies that promotes the holistic development of its human resources.

Your Company has comprehensive, well-structured, and well-documented policies in place that are employed to instil trust, transparency, motivation, and a sense of teamwork. These policies enable your Company to provide a safe, conducive, and productive work environment with freedom to express views and ensure growth opportunities based on meritocracy. This, in turn, assists your Company in its talent acquisition and retention processes, thereby building a strong and dedicated workforce.

It has an open-door policy and transparent communication with 'all for one, one for all' philosophy to promote accountability, integrity, commitment, and positive attitude across business verticals. It ensures equal access to opportunities regardless of their gender, age, racial/ethnic background, religion or social status and has established robust policy systems to prevent any discrimination and harassment. It has a well-defined Whistle Blower Policy to promote reporting of any violation of the code of conduct. Your Company has also introduced "Safety Health & Environment Policy" called as SHE Policy to ensure safety & health of personnel by involving employees at all levels through consultation, communication, training and by adopting latest hazard identification risk assessment & control methods.

Your Company carries out extensive internal as well as external upskilling programmes. They are targeted at enhancing existing skillsets and productivity of the employees or repurposing employees for suitable roles in case of redundancy due to process or system automation. Your Company offers performance-based incentives and promotions through well-defined Key Results Areas (KRA) aligned to organisational goals.

Keeping up with the digital revolution, your Company continues to invest in upgrading its J-connect platform, an online employee portal and a mobile app that can be accessed from anywhere. It is digitising HR functions and processes while promoting employee engagement along the way.

Information Technology (IT)

Your Company has deployed an efficient and agile IT ecosystem that has streamlined many of its functions and processes. It plays a crucial role in assisting your Company in minimising duplication/errors, thus improving productivity and efficiency level. It has made possible more accurate demand forecasting, which in turn, is helping your Company to have superior control over its working capital management.

Your Company initiated Project Udaan and indigenously developed ERP system with the cutting-edge SAP S/4 HANA platform and deployed it across 27 manufacturing units at 23 locations. SAP S/4 HANA business suite, operational since April 2017, covers all critical 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. SAP BI/BO provides superior insights through data analytics enabling your Company in prompt and informed decision-making and enhancing its market responsiveness.

Your Company's implemented Sales Force Automation (SFA) tool which has played a critical role in improving the Company's on-field sales team productivity and efficiency.

As a practice to continuously enhance operational efficiency, error reduction, and transparency, your Company has undertaken multiple new IT initiatives during the year.

Your Company implemented Sales Force Automation (SFA) tool which has played a critical role in improving the Company's on-field sales team productivity and efficiency. SFA has enabled your Company to generate and communicate accurate data pertaining to retail shop, orders, and delivery with its 2,000+ sales representatives promptly and has yielded positive results in terms of enhanced sales growth.

Your Company has also deployed Distributor Management System (DMS) and has synced it with SAP S/4 HANA. This enables your Company to keep real-time track order related activities at its 6,100+ Stockist/ Sub stockist such as primary sales, secondary sales, inventory levels, etc.

Your Company has also automated its entire freight management chain from manufacturing to warehouses to distributors. This has streamlined your Company's logistics activities and has enabled it to become agile in inventory management and prompt 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.

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

Additionally, your Company has also deployed Robotic Process Automation (RPA) and Business Intelligence (BI) systems to handle financial transactions and initiated GST-compliant E-invoicing. Its J connect platform implemented for employee communication, employee attendance, and expense management is assisting HR functioning well. It has also set up Compliance tools to ensure real-time monitoring of compliances of all departments of the Company to meet statutory norms.

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 relate primarily to the consolidated accounts of your Company.

Review of FY 2019-20 (Based on Consolidated financial)

Revenue from operations

Net Revenue from operations registered a de-growth of 5.6% at ₹ 1,711.2 Crore in FY 2019-20 due to impact of lower sales in Q4FY20 on account of disruption in business operations because of COVID-19.

Cost of Goods Sold (COGS)

The Cost of Goods Sold of your Company is at ₹ 900.9 Crore in FY 2019-20.

Employee Cost

During the year under review, employee cost grew by 5.6% over FY 2018-19 to ₹ 219.3 Crore.

Advertisement and Sales Promotion

Advertisement and sales promotion expense increased by 8.9% to ₹ 122.7 Crore in FY 2019-20 from ₹ 112.7 Crore in FY 2018-19. As a percentage to net sales, advertisement and sales promotion costs stood at 7.2% in FY 2019-20.

Other Expenses

The other expenses were lower by 10.1% at ₹ 217.1 Crore in FY 2019-10 as against ₹ 241.5 Crore in FY 2018-19.

Depreciation

During the year, depreciation increased by 73.1% to ₹ 52.9 Crore in FY 2019-20 from ₹ 30.6 Crore in FY 2018-19. The Company has adopted a modified retrospective approach as per Ind AS 116 – Leases. The increase in depreciation amount is due to adoption of IND AS 116 "Accounting for Leases".

Finance Cost

For the full year, finance cost decreased by 6.6% to ₹ 32.9 Crore in FY 2019-20 as against ₹ 35.2 Crore in FY 2018-19 due to a reduction in debts. The Interest Coverage Ratio stood at 6.03 in FY 2019-20 as compared to 7.11 in FY 2018-19.

Tax Expense

The tax expenses were lower by 58.4% at ₹ 18.9 Crore in FY 2019-20 as against ₹ 45.4 Crore in FY 2018-19. Your Company has paid income tax under MAT.

Margins

Operating EBITDA margin stood at 14.7% in FY 2019-20. EBITDA stood at ₹ 251.1 Crore in FY 2019-20 as against ₹ 281.1 Crore in FY 2018-19. PAT stood at ₹ 162.6 Crore in FY 2019-20 as against ₹ 197.6 Crore in FY 2018-19 due to impact of lower sales in Q4FY20 on account of disruption in business operations because of COVID-19. Net profit margin stood at 9.5% in FY 2019-20.

Share Capital

The paid-up share capital stood at ₹ 36.7 Crore as on March 31, 2020.

Own Funds

The net worth of your Company stood at ₹ 1,199.5 Crore as on March 31, 2020, from ₹ 1,305.1 Crore as on March 31, 2019 since in this financial year final dividend of ₹ 132.8 Crore (including Dividend distribution tax) of 2018-19 as well as interim dividend of ₹ 132.8 Crore (including Dividend distribution tax) of FY19-20 has been accounted in the same year. Return on Capital Employed (Excluding Goodwill) is at 39.3% in FY 2019-20.

Loan Funds

Net Debts for your Company stood at ₹ 254 Crore as on March 31, 2020, as against ₹ 78.3 Crore as on March 31, 2019. The Net Debt-Equity ratio stood at 0.21 as at March 31, 2020, as against 0.06 as at March 31, 2019,

Net Block

Net Block for your Company stood at ₹ 1,173.7 Crore as on March 31, 2020, as against ₹ 1,114.9 Crore as on March 31, 2019.

Net Operating Working Capital

Net Operating Working Capital for your Company stood at ₹ 162.3 Crore as on March 31, 2020, as against ₹ 115.4 Crore as on March 31, 2019. This translates to 35 days of working capital as against 23 days in FY 2018-19. Current Ratio increased to 1.63 on March 31, 2020, as against 1.38 as on March 31, 2019.

Inventory

Inventory of your Company stood at ₹ 225.1 Crore as on March 31, 2020, compared to ₹ 202.3 Crore as on March 31, 2019. Inventory Turnover for your Company stood at 48 days as of March 31, 2020, as against 41 days as of March 31, 2019.

Trade Receivables

Trade Receivables of your Company stood at ₹ 122.4 Crore as on March 31, 2020. Debtors turnover stood at 26 days as of March 31, 2020, as against 31 days as of March 31, 2019.

Cash and Bank Balances

Cash and bank balances of your Company stood at ₹ 28.9 Crore as on March 31, 2020.

Provisions

Provisions of your Company stood at ₹ 78.3 Crore as on March 31, 2020, against ₹ 68 Crore as on March 31, 2019.

Other Liabilities

Other Liabilities of your Company stood at ₹ 57 Crore as on March 31, 2020, against ₹ 65 Crore as on March 31, 2019.

Shareholder Value: Dividend

In an endeavour to maximise the returns to its shareholders, your Company had declared and paid an interim dividend of ₹ 3 per equity share (300% dividend ratio) of ₹ 1 each for FY 2019-20. The Board has not recommended any additional dividend, interim dividend will be considered as final dividend for 2019-20.
The dividend payout ratio was 81.7% (including Dividend distribution tax) of PAT as compared to 67.2% in FY 2018-19.

RISK AND MITIGATION

Your Company places utmost importance to the identification and mitigation of the risks it entails. These risks may emanate from internal as well as external factors and can be controllable or uncontrollable in nature. Your Company has adopted robust mechanisms and processes to identify these risks well in advance. It endeavours to avoid or curtail these risks wherever possible. Mitigating key risks within time helps your Company to safeguard itself from a permanent loss of capital and to maintain the long-term growth trajectory of the business performance.

Economic Risk

Your Company's performance and the growth is linked to the consumption levels which in turn is connected to the overall economic growth of the country.

Risk Mitigation

Your Company has successfully developed a diversified and relatively non-cyclical business model. Its wide portfolio comprises products catering to diverse segments of FMCG and that are daily essentials. This makes them relatively non-discretionary in nature and hence create steady order flow. Your Company's pan-India focus makes it less susceptible to unfavourable developments in any particular location. Despite the current challenges, the long-term outlook of the country remains strong on the back of its strong fundamentals. The Government of India has also announced several reformative policy initiatives in the past few years to make revive the economy and take it to USD 5 trillion by 2024.

Compliance Risk

Failing to adhere to the statutory rules and regulations set forth by the Company Law and Indian regulatory bodies may lead to cancellation of licence and materially hamper the business.

Risk Mitigation

Your Company has robust and reliable internal control systems, keeping the cognisance of its size and the complexity of its business operations. This ensures that your Company stays well within the bounds of the statutory rules and regulations and proactively takes corrective actions when required.

Supply Chain Risk

A robust supply chain infrastructure and its smooth functioning is key to your Company's operations. Any disruption in the supply chain can adversely impact production and finished goods distribution and thus impact its revenue.

Risk Mitigation

The family like approach of conducting business has paid off well for your Company. It continues to nurture and deepen its long-standing relationship with all the stakeholders from suppliers to retailers and from warehouses to the logistics personnel. The robust IT framework that your Company has invested has streamlined functions across the supply value chain and is helping in better management – right from accurate demand forecasting to raw material management to production and final products distribution.

Raw Material Risk

Unavailability of the key raw material at the right time, in the right quantity and at the competitive prices may adversely impact sales margins.

Risk Mitigation

Long-standing relationships with the suppliers and strong vendor management skills help your Company secure an uninterrupted and timely supply of critical raw materials at competitive rates. Your Company, with its robust data gathering and analytics capabilities, generates better insights pertaining to raw material prices trend. This enables your Company to be agile and more effective in raw material procurement planning.

Competition Risk

FMCG sector's lucrative growth opportunity and low entry barriers have attracted several strong global players and new competition. Your Company faces the risk of declining market share and profitability on account of rising competition intensity.

Risk Mitigation

Your Company has established itself as a pan-India dominant player, and through strategic investments in branding and promoting its differentiated innovative products, have become a household brand. Your Company has created a loyal consumer base with a significant mindshare and it continues to enhance it. Alongside this, your Company ensures high quality and service standards, which helps it protect its market share and profitability. Extensive advertising and a strong focus on innovation help it to keep its products relevant and fresh.

Human Resource Risk

Talented employee pool and its retention is integral to your Company's sustainable growth. High attrition levels in human capital may affect its normal functioning.

Risk Mitigation

Your Company strives to develop and maintain family like culture across all the hierarchy and promote an engaging and satisfactory work environment. It has strong HR policies and procedures in place to encourage meritocracy and minimise the attrition rate. Periodical training and skill upgradation programmes make way for the smooth progression of all employees and strives to align employee's personal and professional goals. Also, your Company encourages new talent acquisition to upgrade the talent pool.

Seasonal Risk

Unexpected seasonal changes remain an external risk that may impact your Company's operations and its performance.

Risk Mitigation

Your Company has a diversified product portfolio that caters to the day-to-day needs of millions of Indian consumers and hence largely insulates itself from the seasonality effect.

COVID-19 IMPACT

Your Company's operations were severely disrupted from March 2020 onwards with ceased manufacturing and sales activities. This was due to a nationwide lockdown imposed by the Government to contain COVID-19 outbreak. However, our product portfolio comprises 'Essentials Goods' and form part of the day-to-day household consumption which are sold from grocery chains. We were recognised as 'Company with nationwide supply' by MHA, your Company was able to partially resume its operations since mid-April 2020. With 85-90% of the product portfolio comprising day-to-day essential household goods, your Company witnessed good market demand for its products which enabled it to ramp up its production back to 80% of the pre-COVID-19 levels. Furthermore, resilient, agile and dedicated manufacturing, supply chain and sales team coupled with the majority of the general trade channels resuming operations, your Company could service the needs of consumers in a short period of time.

Your Company, in light of the challenges posed by the pandemic, promptly redesigned its short-term business priorities in 3 key areas – Product Portfolio, Consumer Trends, and Distribution.

- **Product Portfolio:** Your Company intends to leverage its essential household brands with more focus on catering to middle-class in urban India and gaining market share in rural India across all brands.

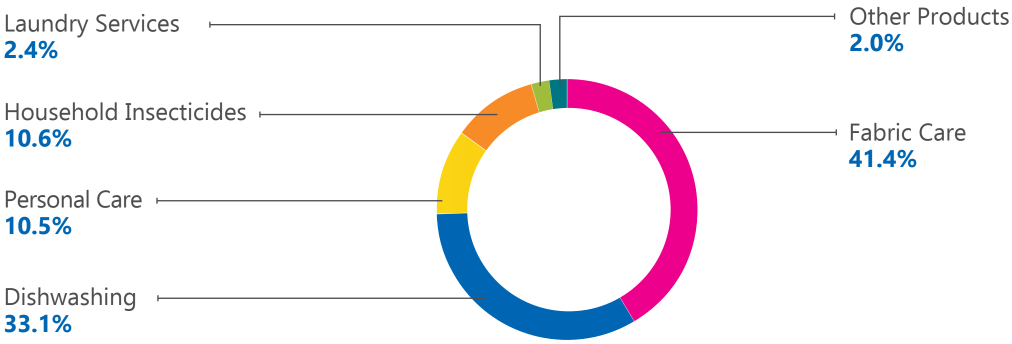
- **Consumer Trend:** Recognising the need of an hour, your Company renewed its focus on essential hygiene portfolio that enhances safety, health and hygiene of its consumers. Additionally, it has ramped up manufacturing and distribution efforts to cater to a growing demand for smaller SKUs of ₹ 5 and ₹ 10 across all brands.

- **Distribution:** Your Company, in the wake of COVID-19 crisis, is emphasising on prudent and strict working capital management by ensuring cash sales without additional credit and higher focus on secondary sales. It is also leveraging data analytical capabilities to improve distribution efficiencies to maintain growth and profitability while gaining market share across the brands.

BUSINESS SEGMENT REVIEW

REVENUE BREAK-UP

(Based on Consolidated Financial)



FABRIC CARE SEGMENT

Brands: Ujala, Henko, Mr. White and More Light

Revenue FY 2019-20: ₹ 708 Crore

New Products Launched: Ujala Fast Wash in a new packaging design launched

Overview

Ujala, your Company's flagship brand, is available across categories such as fabric whitener, detergent powder, and fabric enhancer. Ujala Supreme Fabric Whitener has an unshakable reputation as the most effective solution for imparting the best shade of white and is a market leader. Ujala Detergent Powder, in the washing powder category, maintains its leadership position in the state of Kerala in a mid-priced range segment. Ujala Crisp & Shine, the post-wash fabric enhancer, is a first-of-its-kind product that imparts a finishing touch to fabrics making it crisp and shinier. The product is currently available in Kerala and Tamil Nadu.

Henko, a household name in the country, is a premium laundry powder known for its superior care attributes with its ingenious Nano-fibre lock technology. It is available in machine wash (both top and front load) and premium bucket wash variants.

Portfolio

Ujala Supreme - Fabric Whitener | Ujala Detergent Powder | Ujala Crisp & Shine - Fabric Enhancer
Ujala Fast Wash Laundry Soap | Henko - Bar & Detergent Powder | Henkomatic - Detergent Powder
Mr. White - Detergent Powder | More Light - Fabric Whitener & Detergent Powder

Key Highlights FY 2019-20

- Ujala Supreme Fabric Whitener, in spite of the overall market slowdown, improved its market share at 81.9% in FY 2019-20. Your Company continues to enhance the brand's visibility through Dangler Packs
- Launched a consumer activation campaign to showcase the superiority of the Ujala Supreme over lower-cost mimics, enhancing brand visibility
- Ujala Crisp & Shine was introduced in a new variant 'Gold Collection' generating excellent consumer traction that helped in FY 2019-20
- Ujala Detergent firmed with its unique instant dirt dissolving (IDD) attributes, up its position and improved market leadership to 15.7% at the end of FY 2019-20 in Kerala in the mid-priced detergent brand segment
- Your Company roped in Kerala superstar Manju Warrier as a brand ambassador for Ujala detergent and launched a successful TVC campaign in Kerala
- Ujala Fast Wash Bar in a new packaging design launched. The brand continues its high growth trajectory
- To improve the brand visibility of Henko Franchise, your Company undertook below-the-line (BTL) marketing activities such as dealer boards and in-shop boards. It also tied up with electronic chains to offer free samples on purchase of new washing machines to garner new consumers

Outlook

- Ujala Supreme Fabric Whitener will continue to dominate the post-wash fabric whitener market, given its superior performance, substantial brand equity and an all-India distribution capabilities
- Ujala Detergent powder, with a significant market share in Kerala, will continue to receive an increased market focus
- Your Company will continue focussing on extending its dominant position by premiumisation, developing new markets and strengthening existing ones

DISH WASH SEGMENT

Brands: Exo, Pril

Revenue FY 2019-20: ₹ 567 Crore

New Products Launched: Exo Super Gel

Overview

Your Company has affirmed its leadership position in the dish wash segment on the back of extensive consumer-led research, quality-driven products, and leading-edge solutions. In an extremely fragmented market, your Company's marquee products Exo bar and Pril Liquid hold an enviable position in the dish wash segment by commanding a market share of 11.2% and 16% respectively as at the end of calendar year 2019. The anti-bacterial feature in Exo Bar continues to be its unique selling point. It has a distinct edge in the market with its 'Touch and Shine' formula that ensures the finest cleaning, extra shine, and hygiene.

Pril, a pioneer in tamper-proof packing in this category, has been a huge market success with its differentiated quality and world-class design. Pril Bar, introduced in a solid tub container to minimise melting wastage, is a pioneer in tamper-proof packing in this category, and remains well accepted by consumers. The product also contains active booster granules for superior de-greasing attribute. The double-action of lime and vinegar provides the utensils all-round cleanliness with lime de-greasing all the burnt marks with ease and vinegar removing the residual food odour.

Since its launch in 1999, Pril Liquid continues to be a heavyweight in the dishwashing liquid sub-category segment in India. With its advanced German active molecules, it continues to be consumer's preference due to its instant grease-cutting properties.

Portfolio

- Exo Dishwash Bar & Rounds, Exo Dishwash Super Gel, Exo Bacto Scrub, Exo Safai Steel Scrubber, Exo Dishwash Powder
- Pril Liquid (Tamarind, Lime and Kraft variants), Pril Bar, Pril Dura Scrub
- Pril Liquid is available in Pouch and Bottle formats

Pril Tamarind Shine Specialist is a revolutionary product in dishwash liquid space where the goodness of Tamarind is incorporated in the product. It has visible Active Power Boosters suspended in the liquid which bursts while cleaning giving more abrasive cleaning power. This makes dishwashing relatively easier. Pril Tamarind is 10 times more concentrated and comes in a classy and stylish packaging.

Key Highlights FY 2019-20

- Launched the revolutionary Exo Super Gel in liquid dish wash category in Kerala. Launched with the punch line 'power of bar meets the shine of liquid', the multi active concentrate of this gel straddles benefit of both bar and liquid. It has the goodness of ginger and power of cyclozan
- Strategy to launch smaller size packs to boost rural demand proved successful and helped reach new consumers
- Pril Tamarind continues to witness strong traction in the market. A smaller SKU – ₹ 20 pouch – was launched to induce trials and is helping the cause
- During the COVID-19 lockdown phase, your Company undertook focussed media activities for Exo such as advertising space while Hon'ble Prime Minister addressed the nation and during the telecast of Ramayana and Mahabharata on Doordarshan

Outlook

- Push for affordable smaller packs will help reach more consumers and sales
- Pril Tamarind to drive sales of Pril Liquid category
- Launch of Exo Super Gel Dishwash in Kerala to drive sales in the dishwash category

HOUSEHOLD INSECTICIDE SEGMENT

Brands: Maxo A Grade and Maxo Genius

Revenue FY 2019-20: ₹ 181 Crore

Overview

The household insecticide segment is extremely competitive. Incumbent large players fight for higher market share with better products. Your Company has created a strong market presence in an otherwise competitive market by launching a differentiated brand Maxo. It is positioned as a brand that offers a smart, intelligent solution to tackle increasing mosquito menace. The brand is currently offered in Coil, Agarbatti, and Liquid Vaporiser format.

Your Company, with its unique market insights based on extensive feedback-led market research, has developed several breakthrough innovations in the segment like Maxo A Grade Liquid Vaporiser, Maxo A Grade Coil, Maxo Genius Liquid Vaporiser, Maxo A Grade Agarbattis.

Maxo A-grade liquid vaporiser came with a differentiated proposition of fitting into all machines as against other vaporisers that fit into machines from the same brand. This helped consumers overcome the trouble of finding the right vaporiser or investing in new machines. Your Company's approach helped it capture market share by ingeniously breaking the switching cost barrier.

Maxo Genius machine is another breakthrough innovation. Powered by Intellichip, it automatically switches between attack (high) and protect (low) modes based on usual timings of intensity of mosquitoes, thus providing steady protection and uninterrupted sleep to consumers. This unique technique ensures optimum use of liquid, thus lasts longer and saves cost for the consumers, making it a true value for money product.

Portfolio

- Maxo A Grade Liquid Vaporiser
- Maxo A Grade Coil
- Maxo Genius Liquid Vaporiser
- Maxo A Grade Agarbattis

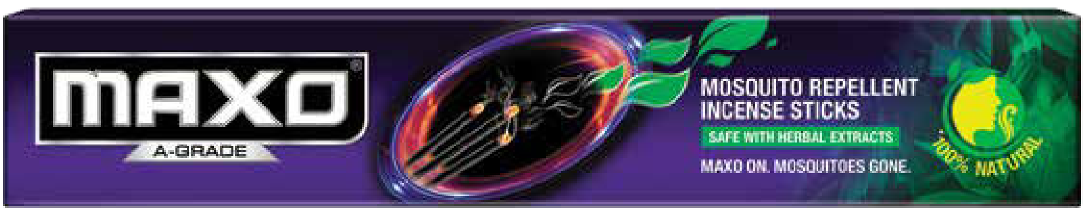
Maxo Mosquito Agarbattis or incense sticks come with a proposition of being 100% natural, made from herbal extracts and completely bio-degradable. This product is in response to the cheaper insecticide-led incense sticks available in the market which are harmful to consumers. Your Company is collaborating with the government agencies to create awareness and tackle the growth of such products. A key breakthrough was achieved in the segment with the government moving incense sticks imports to the restricted list, to curb imports. This will help your Company in capturing unorganised market share in this fast-growing segment.

Key Highlights FY 2019-20

- Mosquito repellent market is now dominated by three formats - coils, liquid vaporisers and recently agarbattis
- Maxo Liquid vaporiser grew its market share to 8.1% in calendar year 2019 as against 7.6% in calendar year 2018
- Maxo coil maintained its market share at 21.1% in CY-2019. This was commendable as the coil segment was affected due to spurious incense sticks segment
- Maxo Genius Combi witnessed strong growth at 25% in FY 2019-20 led by continuous brand promotional activities in select geographies
- The Company undertook media activities for Maxo as well during the Prime Minister addressal to the country during the lockdown period and during the telecast of Ramayana and Mahabharata on Doordarshan

Outlook

- Increasing footprint
- Winning through innovations



PERSONAL CARE SEGMENT

Brands: Margo, Neem, Fa

Revenue FY 2019-20: ₹ 180 Crore

New Product Launched: Margo Neem Face Wash, Margo Hand Wash, Margo Sanitizer

Overview

The beauty and personal care industry is undergoing a revolution with rapidly shifting consumer preferences to natural and organic ingredients and away from the harmful ingredients. Consumer's willingness to pay a premium is paving the way for an optimistic growth in the organic personal care product segment. Your Company is well poised to tap this opportunity by revamping its 100+ year old brand Margo to target the new age and younger consumers. The product repositioned by featuring its uniqueness of 'Goodness of 1000 Neem Leaves' in every soap bar. With Vitamin-E added for extra moisturising, the product is made from 100% original neem and is manufactured through a unique process.

With the objective of providing added moisturisation during winters, your Company introduced a new variant Margo Glycerine. Having the benefits of existing product, this variant has pure glycerine that maintains the skin's natural moisture balance. Launched in an attractive new pack, the nature-inspired fragrance of the brand completes the sensory experience.

Portfolio

- Margo Original Neem
- Margo Glycerine
- Margo Face Wash
- Margo Hand wash
- Margo Hand Sanitizer
- Neem Active Toothpaste
- FA Deo, Shaving Cream and Talc

Key Highlights FY 2019-20

- Visibility drives and trade activations across principal towns
- Undertook geographical extension of Margo Glycerine in Tamil Nadu and Kerala
- Launched India's first neem paste facewash, under Margo Brand, in West Bengal which has received positive feedback

Outlook

- Prioritising supply of Margo Hand Sanitizer to states with higher COVID-19 cases

LAUNDRY SERVICES SEGMENT

Brands: Fabricspa, Expert, Snoways, Clickwash

Market Status: Largest laundry chain in India with over 150 operational units

Operating regions: Bengaluru, Delhi, Mumbai, Pune, Chennai, Ahmedabad, Goa, Telangana, Andhra Pradesh

Revenue FY 2019-20: ₹41.3 Crore

Overview

Your Company forayed into the synergistic premium laundry services segment in August 2008 through its subsidiary, Jyothy Fabricare Services Limited (JFSL). It provides specialised fabric care services across multiple cities in India. Backed by highly sophisticated infrastructure, your Company has developed the expertise to cater from regular daily-wear garments care to high-end designer wears, carpet, home linens etc.

Your Company, with a strong commitment to provide a best-in-class wash quality and superior service, aspires to become the world's largest laundry company. It has made progressive improvements in digital technology and state-of-the-art facilities that are strategically located.

Your Company also strenuously works to protect the environment by installing water recycling and rainwater harvesting methodologies to recycle and reuse resources. 60% to 70% of the processed water gets treated, recycled and reuse for the process again. Your Company also follows 9-step extra care for clothes.

Competitive Advantages

- It provides door-to-door pick-up/delivery as well as physically available for walk-in people
- Tech driven business through Fabricspa mobile application, Website and Social media
- State-of-the-art machines imported from Europe, US and technology-enabled infrastructure facilitates in delivering exceptional wash quality and superior service
- A comprehensive and unified platform for skilling and upskilling India's USD 76 billion laundry industry. Distinct training programmes are conducted for ironing, washing, Process Managers and Store Managers
- With a diverse garment profile handled, your Company is the perfect test bed for new machine trials. Its benchmarked processes are rated as "gold standard" in terms of laundry processes
- Only one in India to have three ISO certifications (ISO 9001, 14001, 18001), showcasing its genuine commitment towards quality processes, work safety, and a clean and safe work environment
- Better brand presence with a pan-India recognition and long-standing trust with consumers

Key Highlights FY 2019-20

- Complete focus on Retail Business
- Brand Consolidation – Fabricspa launched in Delhi after converting all Wardrobe and Four Seasons stores into Fabricspa
- Fabricspa – Presence expanded to new states like Telangana, Goa and Andhra Pradesh
- Introduced loyalty points for customer retention programme
- Digital Push
  - o 50k+ customers downloaded Fabricspa App
  - o 182% jump in scheduling pick-up though digital medium
- CSR
  - o Campaign #RayOfHope – washed, packed and distributed more than 10,000 garments donated by customers to Assam and Karnataka flood victims

Outlook

- Laundry is a necessary and time-consuming task for the working-class population specifically for a family of double income group. The traditional laundry shops cannot meet the expectation from these set-ups. The organised players do not have demographic presence across the cities. Your Company vastly presented in many potential locations. Huge opportunities ahead and very well prepared for any competitive eventuality.

Corporate Information

DIRECTORS

Mr. M. P. Ramachandran
Chairman & Managing Director up to March 31, 2020
Chairman Emeritus with effect from April 1, 2020
(DIN: 00553406)

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

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

Ms. M. R. Jyothy
Whole-time Director & Chief Marketing Officer
up to March 31, 2020
(Managing Director with effect from April 1, 2020)
(DIN: 00571828)

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 29th Annual Report of your Company together with the Audited Financial Statements for the Financial Year ended March 31, 2020. During the year under review, the name of your Company has been changed from '**Jyothy Laboratories Limited**' to '**Jyothy Labs Limited'** vide fresh Certificate of Incorporation dated July 11, 2019.

FINANCIAL PERFORMANCE

Your Company's financial performance on standalone basis for the Financial Year ended March 31, 2020 compared with previous Financial Year is summarised below:

(₹ in Lacs)

Financial results	Financial Year ended March 31, 2020	Financial Year ended March 31, 2019
Revenue from Operations	1,66,537.94	1,76,887.38
Earnings before Interest, Tax, Depreciation and Amortization	**24,982.90**	**28,578.40**
Finance Cost	2,477.88	2,782.36
Other Income	2,004.76	2,782.98
Depreciation on Tangible Assets	2,887.52	2,702.56
Amortization of Intangible Assets	3,132.15	3,126.04
Depreciation of right of use assets	1,553.45	-
Profit before exceptional item and tax	**16,936.66**	**22,750.42**
Exceptional items	377.83	-
Profit before tax	**16,558.83**	**22,750.42**
Provision for tax		
- Current tax	2,663.00	4,690.64
- Deferred Tax Charge/ (Credit)	(1,873.45)	(1,257.50)
Profit after tax	**15,769.28**	**19,317.28**
Earning Per Share (Basic) (In ₹)	4.29	5.29
Earning Per Share (Diluted) (In ₹)	4.29	5.29
Dividend (including interim dividend of ₹ 3/-) Per Share of face value of ₹ 1/- (In ₹)	3.00	3.00

The above mentioned financial performance highlights are an abstract of the Financial Statements of your Company for the Financial Year 2019-20. The detailed Financial Statements of your Company forms part of this Annual Report and are also uploaded on both new and old 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 2019-20 was down by 5.85% and stood at ₹ 1,66,537.94 Lacs compared to ₹ 1,76,887.38 Lacs in the previous financial year. The net profit for the financial year 2019-20 amounted to ₹ 15,769.28 Lacs, registering a decrease of 18.37% over the previous year.

The consolidated revenue from operations of your Company for the year under review stood at ₹ 1,71,117.27 Lacs as against ₹ 1,81,357.66 Lacs in the previous year, reporting a negative growth of 5.65%. The consolidated profit after tax for the financial year under review stood at ₹ 16,258.14 Lacs against ₹ 19,759.84 Lacs in the previous financial year, decrease by 17.72% over the previous financial year.

IMPACT ON BUSINESS OPERATIONS OF YOUR COMPANY ON ACCOUNT OF COVID-19 PANDEMIC

The sudden spread of Covid-19 pandemic and consequent Country wide lockdown since March 2020 has affected the world economy adversely and has also impacted temporarily your Company's manufacturing locations, warehouses and distributor godowns and as also sales in the last fortnight of the Financial Year. To safeguard interest of the public at large from this epidemic, the Indian Government including various State Governments and Municipal Authorities have issued various advisory directives including restrictions on movement of public and other means of transport. In accordance with the directives of the Government and in order to ensure health and well-being of all employees, your Company's offices/ factories across India were shut down and Work from Home policy was brought in place for your Company's employees. While this adversely impacted the sales in the last fortnight of March 2020, your Company's product portfolio primarily comprises of Essential Hygiene goods which forms part of day to day household consumption sold from grocery chains. Since mid-April 2020, your Company has started resuming its operations in compliance with the directives issued by the Government authorities. In the short term, your Company has adequate resources to sustain the impact of Covid-19. Your Company does not foresee any material adverse impact in the medium to long term on its business.

While the operations were being run at reduced capacity, your Company took utmost precaution and implemented strict measures like ensuring social distancing, hygiene practices, transportation of workers and deep cleansing of premises to ensure the safety of its workers and staff at its manufacturing and supply chain locations. Your Company also took an initiative to supply its products to the Local Household Kirana and Grocery Stores with the help of e-passes issued by the State governments. Further, to enhance direct delivery to retailers, your Company also launched retailer app to facilitate orders directly from retail outlets. Also, your Company tried out newer ways of reaching the consumers by partnering with online delivery service providers and alternate distribution channels.

Your Company announced the launch of its Hand Sanitizer under the brand name "Margo". The launch comes after its recent foray into the hand wash segment under the same brand. Margo hand Sanitizer is alcohol based and is infused with Neem Extracts which gives 99.9% germ kill.

DIVIDEND

Your Company had paid in March 2020, an interim dividend of ₹ 3/- (Rupees Three only) per equity share of ₹ 1/- each for the Financial Year 2019-20. The aforesaid interim dividend involved a total payout of ₹ 13,280.68 Lacs (inclusive of Dividend Distribution Tax of ₹ 2,264.42 Lacs). The said interim dividend payout was in accordance with your Company's Dividend Distribution Policy.

On March 24, 2020, the said interim dividend was paid electronically i.e. through RTGS/NEFT, etc. to the shareholders whose bank account details were updated with your Company. However, due to the pandemic of COVID-19 and consequent lockdown in several States, your Company was not able to dispatch the physical interim dividend warrants 2019-20 to the concerned shareholders, on account of non-operation of Postal and Dispatch services. Your Company will dispatch the interim dividend warrants 2019-20 to the concerned shareholders immediately once the Postal and Dispatch services are fully operational.

In view of the interim dividend for the Financial Year 2019-20, your Board does not recommend Final Dividend for the Financial Year 2019-20.

During the previous financial year, your Company had paid a total dividend of ₹ 3/- (Rupees Three only) per equity share of ₹1/- each for the financial year 2018-19. The aforesaid dividend involved a total payout of ₹ 13,280.68 Lacs (inclusive of Dividend Distribution Tax of ₹ 2,264.42 Lacs).

DIVIDEND DISTRIBUTION POLICY

The Board of Directors of your Company has 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 Dividend Distribution Policy is annexed to this report as **"Annexure – A"** and can be accessed from your Company's website at the link: http://www.jyothylaboratories.com/management-policies.php

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 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, 2020 stood at ₹ 36,72,08,644/-. Further, as on March 31, 2020, 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 2019-20.

EXTRACT OF ANNUAL RETURN

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 prescribed Form MGT-9 is annexed to this report as **"Annexure – B"**.

NUMBER OF MEETINGS OF THE BOARD

Your Company's Board of Directors met 5 (five) times during the financial year ended March 31, 2020 in accordance with the provisions of the Act and Rules made thereunder. Also, the Board of Directors of your Company passed a resolution by circulation dated May 14, 2019 for change of the name of your Company.

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, 2020, the Board of Directors hereby confirms that:

a. in the preparation of the annual accounts for the financial year ended March 31, 2020, 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, 2020 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. Based on the questionnaire prepared, an annual performance evaluation was carried out on May 7, 2019.

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. 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: http://www.jyothylaboratories.com/management-policies.php

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. M. P. Ramachandran on May 7, 2019 placed his resignation as a Director before the Board of Directors of your Company and thereby he ceased to be the Chairman & Managing Director of your Company from the closing hours of March 31, 2020. Mr. M. P. Ramachandran is the driving force behind your Company's progress since its inception. With his vision and understanding of the customers' pulse, Mr. Ramachandran has led your Company emerging as a formidable player in the FMCG segment in India. Considering his vast experience and in the interest of your Company to avail his services and valuable knowledge from time to time in an advisory and mentoring role, your Board, based on recommendation of Nomination, Remuneration and Compensation Committee, requested Mr. M. P. Ramachandran to be the Chairman Emeritus of your Company with effect from April 1, 2020 and be permanent invitee to all the Board, Committee and Annual General Meetings to be held after the said date.

In view of Mr. Ramachandran's resignation as the Chairman & Managing Director and considering the qualification and experience of Ms. M. R. Jyothy in your Company and as a measure of the succession planning and based on the recommendation of the Nomination, Remuneration and Compensation Committee at their meeting held on May 7, 2019, Ms. M. R. Jyothy (DIN – 00571828) was appointed as the Managing Director of your Company for a period of 5 years commencing from April 1, 2020 to March 31, 2025 (both days inclusive). Appointment of Ms. M. R. Jyothy as the Managing Director of your Company was also approved by the members of your Company at its 28th Annual General Meeting held on July 23, 2019.

Further, based on the recommendation of the Nomination, Remuneration and Compensation Committee of your Company, the Board at its meeting held on May 7, 2019 approved the appointment of Ms. M. R. Deepthi (DIN – 01746698) as the Whole-time Director of your Company for a period of 5 years commencing from April 1, 2020 to March 31, 2025 (both days inclusive). The said appointment of Ms. M. R. Deepthi as the Whole Time Director of your Company was also approved by the members of your Company at its 28th Annual General Meeting held on July 23, 2019.

Mr. Ramakrishnan Lakshminarayanan, Independent Director (DIN – 00238887) of your Company has been appointed as the Chairman of the Board of Directors of your Company with effect from April 1, 2020, which has been approved by the Board of Directors of your Company based on the recommendation of the Nomination, Remuneration and Compensation Committee at their respective meetings held on May 7, 2019.

Further, in accordance with the provisions of Section 152 of the Act, Mr. K Ullas Kamath, Joint Managing Director (DIN – 00506681) of your Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

DECLARATION OF INDEPENDENT DIRECTORS

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

MEETING OF INDEPENDENT DIRECTORS

Your Company's Independent Directors meet at least once in every financial year without the presence of the Executive Directors or Management Personnel of your Company and the Meeting is conducted informally. During the year under review, one meeting of Independent Directors was held on May 7, 2019.

REMUNERATION POLICY

Your Company follows the policy on Nomination and Remuneration/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: http://www.jyothylaboratories.com/management-policies.php. 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 has 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

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 2020-21. Your Company has obtained Secretarial Audit Report for the Financial Year 2019-20 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.

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 2020-21. 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 29th 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, 2019, 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 19, 2019. The Cost Audit Report for the financial year ended March 31, 2020 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, 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 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:
http://www.jyothylaboratories.com/management-policies.php

Attention of Members is also drawn to Note 34 to the financial statements for the year ended March 31, 2020 which sets out the related party disclosures as per 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 2019-20 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, 2020:

1. Mr. M. P. Ramachandran, Chairman & Managing Director as Chairman;
2. Mr. K. Ullas Kamath, Joint Managing Director as Member;
3. Ms. M. R. Jyothy, Whole-time Director & Chief Marketing Officer as Member;
4. Mr. T. Ananth Rao, Head - Operations as Member; and
5. Mr. Ravi Razdan, Head - Systems & HR as Member.

The Board of Directors of your Company at its meeting held on March 12, 2020 appointed Ms. M. R. Deepthi as a Member of the Committee with effect from April 1, 2020 on account of cessation of Mr. M. P. Ramachandran as the Chairman & Managing Director of your Company.

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 of 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 2019-20 i.e. on January 22, 2020.

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 & Managing Director 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 2019-20 was required to spend an amount of ₹ 386.62 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 2019-20 has spent ₹ 388.09 Lacs which was higher than the statutory requirement of 2% of the average net profits for the last three financial years.

The pandemic of COVID-19 has hit many States of our Country and in order to extend support to the Central and the State Government(s) to fight this epidemic and provide relief for COVID-19, your Company has come forward and contributed in aggregate a sum of

₹ 5,05,00,000/- (Rupees Five Crores and Five Lacs only) towards the Kerala CM Fund, Maharashtra CM Fund, Assam CM Fund, Uttarakhand CM Fund and the Prime Minister's Citizen Assistance and Relief in Emergency Situations (PMCARES) Fund. In addition to the aforesaid contribution directly made by your Company, the senior executives of your Company have also contributed their one day's salary to the PM CARES Fund for this cause.

The Annual Report on CSR activities that includes details about CSR Policy developed and implemented by your Company and CSR initiatives taken during the financial year 2019-20 in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 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:
http://www.jyothylaboratories.com/management-policies.php.

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: http://www.jyothylaboratories.com/management-policies.php

No company has become or ceased to be your Company's subsidiary, Joint venture or associate company during the financial year 2019-20.

From the end of the Financial Year up to the date of this Report, Jyothy Fabricare Services Limited, Subsidiary of your Company, has filed an application before the National Company Law Tribunal, Mumbai Bench, for seeking their approval to the proposed amalgamation of its two Wholly Owned Subsidiaries viz. Snoways Laundrers & Drycleaners Private Limited (First Transferor Company) and Four Seasons Drycleaning Services Private Limited (Second Transferor Company) with Jyothy Fabricare Services Limited (Transferee Company) along with the Scheme of Amalgamation. The Board of Directors of Jyothy Fabricare Services Limited has fixed April 1, 2019 as the Appointed Date for the purpose of 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, 2020.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

INTERNAL FINANCIAL CONTROLS

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

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

M/s. MGB Business Advisors Private Limited 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

The Securities and Exchange Board of India (SEBI), vide amendment to Regulation 34(2)(f) of the Listing Regulations on December 22, 2015, had extended the applicability of Business Responsibility Reports to top 500 listed companies based on market capitalization. Your Company being one of the top 500 listed Companies is required to report on Business Responsibility. Accordingly, the report on Business Responsibility forms an integral part of this report.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

REMUNERATION/ COMMISSION FROM ANY OF ITS SUBSIDIARIES

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

EMPLOYEE STOCK OPTION SCHEME (ESOS)

During the financial year under review, no options were granted, vested or exercised and hence, the disclosure as required under Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and Regulation 14 of the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is not required to be furnished. Accordingly, your Company is also not required to obtain certificate from the Statutory Auditors in respect of implementation of erstwhile Jyothy Laboratories Employee Stock Option Scheme 2014-A and erstwhile Jyothy Laboratories Employee Stock Option Scheme 2014 for the Financial Year 2019-20.

The relevant details for the previous financial years are available on your Company's website at the links: www.jyothylabs.com and www.jyothylaboratories.com.

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: http://www.jyothylaboratories.com/management-policies.php.

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 a toll free 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 ensure 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 Privates Limited which ensures compliance with the provisions of all applicable laws to your Company adequately and effectively.

TRANSFER 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 the 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, 3,449 shares of 75 members of your Company were transferred to Demat Account of IEPF Authority on October 12, 2019. Your Company had sent individual notice to all the aforesaid 75 members and has also published the notice in the leading English and Marathi newspapers. The details of the aforesaid 75 members are available on both new and old 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 for the year 2011-12 which remained unpaid and unclaimed for a period of 7 years has been already transferred by your Company to the IEPF.

Your Company has uploaded the details of unclaimed/ unpaid dividend for the financial year 2011-12 onwards on its website viz., www.jyothylabs.com and www.jyothylaboratories.com and on website of the Ministry of Corporate Affairs viz., 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 dividend amount pertaining to the financial year 2012-13 and interim dividend for the financial year 2013-14 will be transferred to IEPF during the Financial Year 2020-21.

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, 2020 is annexed herewith as **"Annexure – I"** to this Report.

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 : June 5, 2020	(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 has 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 needs 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, 2020

[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:-

Sr. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the Company
1	Soaps	20231	52
2	Detergents	20233	15
3	Mosquito Repellent	20211	12

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. 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)
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 01/04/2019				No. of Shares held at the end of the year i.e. as on 31/03/2020				% 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	3,00,00,000	-	3,00,00,000	8.17	1,45,00,000	-	1,45,00,000	3.95	-4.22
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):-	**24,64,34,669**	**-**	**24,64,34,669**	**67.11**	**23,09,34,669**	**-**	**23,09,34,669**	**62.89**	**-4.22**
(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)	**24,64,34,669**	**-**	**24,64,34,669**	**67.11**	**23,09,34,669**	**-**	**23,09,34,669**	**62.89**	**-4.22**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2,93,23,983	1,100	2,93,25,083	7.98	4,88,15,702	1,100	4,88,16,802	13.29	5.31
b) Banks / Financial Institutions	42,141	3,732	45,873	0.01	5,66,553	3,732	5,70,285	0.16	0.15
c) Central Government	840	-	840	0.00	840	-	840	0.00	-
d) State Government (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	4,00,000	-	4,00,000	0.11	76,72,228	-	76,72,228	2.09	1.98
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Portfolio Investor (Corporate)	5,81,11,443	-	5,81,11,443	15.83	5,39,73,801	-	5,39,73,801	14.70	-1.13
Alternate Investment Funds	15,97,793	-	15,97,793	0.44	8,80,937	-	8,80,937	0.24	-0.20
Foreign Banks	138	-	138	0.00	138	-	138	0.00	-
Sub-total (B)(1):-	**8,94,76,338**	**4,832**	**8,94,81,170**	**24.37**	**11,19,10,199**	**4832**	**11,19,15,031**	**30.48**	**6.11**

Category of Shareholders	No. of Shares held at the beginning of the year i.e. as on 01/04/2019				No. of Shares held at the end of the year i.e. as on 31/03/2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	1,23,54,596	5,664	1,23,60,260	3.36	20,19,156	5,614	20,24,770	0.55	-2.81
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto 1 lakh	1,47,72,086	14,58,407	1,62,30,493	4.42	1,80,50,832	13,80,924	1,94,31,756	5.29	0.87
ii) Individual shareholders holding nominal share capital in excess of 1 lakh	9,75,567	-	9,75,567	0.27	7,80,488	-	7,80,488	0.21	-0.06
c) Others (specify)									
1. IEPF	8,442	-	8,442	0.00	11,891	-	11,891	0.00	-
2. Trusts	874	-	874	0.00	10,072	-	10,072	0.00	-
3. Hindu Undivided Family	5,40,070	414	5,40,484	0.14	6,00,910	414	6,01,324	0.16	0.02
4. Non-Resident Individuals (Repatriable)	6,39,208	15,917	6,55,125	0.17	8,66,181	15,842	8,82,023	0.24	0.07
5. Non-Resident Individuals (Non-Repatriable)	2,90,719	-	2,90,719	0.08	3,52,609	-	3,52,609	0.10	0.02
6. Clearing Members	1,36,271	-	1,36,271	0.04	2,42,011	-	2,42,011	0.06	0.02
5. NBFCs registered with RBI	94,570	-	94,570	0.03	22,000	-	22,000	0.01	-0.02
Sub-total (B)(2):-	**2,98,12,403**	**14,80,402**	**3,12,92,805**	**8.51**	**2,29,56,150**	**14,02,794**	**2,43,58,944**	**6.62**	**-1.89**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**11,92,88,741**	**14,85,234**	**12,07,73,975**	**32.88**	**13,48,66,349**	**14,07,626**	**13,62,73,975**	**37.10**	**4.22**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**36,57,23,410**	**14,85,234**	**36,72,08,644**	**100**	**36,58,01,018**	**14,07,626**	**36,72,08,644**	**100**	**-**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding 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	15.95	14,36,40,871	39.12	5.36	0.00
2	SAHYADRI AGENCIES LIMITED	3,00,00,000	8.17	0.00	1,45,00,000*	3.95	0.00	-4.22
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

**On November 1, 2019 Sahyadri Agencies Limited sold 1,55,00,000 equity shares of ₹ 1/- each.*

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

There was no change in Promoter's holding during the specified period i.e. 2019-20, except:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01/04/2019)		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.	SAHYADRI AGENCIES LIMITED	3,00,00,000	8.17	01/04/2019	-	-	3,00,00,000	8.17
				01/11/2019	-1,55,00,000	Sale	1,45,00,000	3.95
	As on 31/03/2020						1,45,00,000	3.95

(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 - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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**	**12565134**	**3.4218**			**12565134**	**3.4218**
	Transfer			05 Apr 2019	198100	12763234	3.4757
	Transfer			12 Apr 2019	700000	13463234	3.6664
	Transfer			19 Apr 2019	495969	13959203	3.8014
	Transfer			26 Apr 2019	4031	13963234	3.8025
	Transfer			03 May 2019	100000	14063234	3.8298
	Transfer			10 May 2019	1000000	15063234	4.1021
	Transfer			17 May 2019	500000	15563234	4.2383
	Transfer			26 Jul 2019	531	15563765	4.2384
	Transfer			02 Aug 2019	323359	15887124	4.3265
	Transfer			09 Aug 2019	576641	16463765	4.4835
	Transfer			16 Aug 2019	179690	16643455	4.5324
	Transfer			23 Aug 2019	20310	16663765	4.5380
	Transfer			06 Sep 2019	150000	16813765	4.5788
	Transfer			13 Sep 2019	100000	16913765	4.6060
	Transfer			25 Oct 2019	250000	17163765	4.6741
	Transfer			06 Dec 2019	100000	17263765	4.7014
	Transfer			13 Dec 2019	400000	17663765	4.8103
	Transfer			03 Jan 2020	200000	17863765	4.8647
	Transfer			10 Jan 2020	100000	17963765	4.8920
	Transfer			21 Feb 2020	123926	18087691	4.9257
	Transfer			28 Feb 2020	776074	18863765	5.1371
	AT THE END OF THE YEAR					**18863765**	**5.1371**
2	**MIRAE ASSET EMERGING BLUECHIP FUND**	**5301682**	**1.4438**			**5301682**	**1.4438**
	Transfer			17 May 2019	420000	5721682	1.5582
	Transfer			24 May 2019	725000	6446682	1.7556
	Transfer			29 Jun 2019	209667	6656349	1.8127
	Transfer			13 Sep 2019	500000	7156349	1.9489
	Transfer			18 Oct 2019	296941	7453290	2.0297
	Transfer			08 Nov 2019	1600000	9053290	2.4654
	Transfer			06 Dec 2019	350000	9403290	2.5607
	Transfer			13 Dec 2019	1530000	10933290	2.9774
	Transfer			20 Dec 2019	60000	10993290	2.9937
	AT THE END OF THE YEAR					**10993290**	**2.9937**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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
3	**RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA SMALL CAP FUND**	**0**	**0.0000**			**0**	**0.0000**
	Transfer			08 Nov 2019	6920000	6920000	1.8845
	Transfer			15 Nov 2019	15000	6935000	1.8886
	Transfer			29 Nov 2019	13300	6948300	1.8922
	Transfer			06 Dec 2019	100000	7048300	1.9194
	Transfer			31 Jan 2020	100000	7148300	1.9467
	Transfer			28 Feb 2020	929750	8078050	2.1999
	Transfer			20 Mar 2020	15200	8093250	2.2040
	AT THE END OF THE YEAR					**8093250**	**2.2040**
4	**ABERDEEN STANDARD SICAV I - ASIAN SMALLER COMPANIES FUND**	**5870161**	**1.5986**			**5870161**	**1.5986**
	Transfer			26 Apr 2019	430000	6300161	1.7157
	Transfer			29 Jun 2019	505000	6805161	1.8532
	Transfer			06 Dec 2019	(112779)	6692382	1.8225
	Transfer			13 Dec 2019	(529381)	6163001	1.6783
	Transfer			20 Dec 2019	(57840)	6105161	1.6626
	Transfer			13 Mar 2020	46588	6151749	1.6753
	Transfer			20 Mar 2020	372328	6524077	1.7767
	AT THE END OF THE YEAR					**6524077**	**1.7767**
5	**EMBLEM FII**	**6089056**	**1.6582**			**6089056**	**1.6582**
	AT THE END OF THE YEAR					**6089056**	**1.6582**
6	**THE INDIA FUND INC**	**4134940**	**1.1260**			**4134940**	**1.1260**
	Transfer			29 Jun 2019	961000	5095940	1.3878
	Transfer			13 Mar 2020	59189	5155129	1.4039
	Transfer			20 Mar 2020	297183	5452312	1.4848
	Transfer			27 Mar 2020	543628	5995940	1.6328
	AT THE END OF THE YEAR					**5995940**	**1.6328**
7	**UTI-DIVIDEND YIELD FUND**	**1232692**	**0.3357**			**1232692**	**0.3357**
	Transfer			10 May 2019	15000	1247692	0.3398
	Transfer			17 May 2019	20000	1267692	0.3452
	Transfer			06 Sep 2019	89308	1357000	0.3695
	Transfer			25 Oct 2019	235662	1592662	0.4337
	Transfer			01 Nov 2019	100000	1692662	0.4610
	Transfer			08 Nov 2019	2187800	3880462	1.0567
	Transfer			22 Nov 2019	128000	4008462	1.0916
	Transfer			06 Dec 2019	510691	4519153	1.2307
	Transfer			13 Dec 2019	136000	4655153	1.2677
	Transfer			03 Jan 2020	37800	4692953	1.2780
	Transfer			07 Feb 2020	14050	4707003	1.2818
	Transfer			21 Feb 2020	24692	4731695	1.2886
	AT THE END OF THE YEAR					**4731695**	**1.2886**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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
8	**ICICI LOMBARD GENERAL INSURANCE COMPANY LTD**	**0**	**0.0000**			**0**	**0.0000**
	Transfer			13 Sep 2019	1027458	1027458	0.2798
	Transfer			20 Sep 2019	1000449	2027907	0.5522
	Transfer			27 Sep 2019	350000	2377907	0.6476
	Transfer			01 Nov 2019	500000	2877907	0.7837
	Transfer			08 Nov 2019	1440000	4317907	1.1759
	AT THE END OF THE YEAR					**4317907**	**1.1759**
9	**PARI WASHINGTON INDIA MASTER FUND, LTD.**	**0**	**0.0000**			**0**	**0.0000**
	Transfer			28 Feb 2020	4310300	4310300	1.1738
	AT THE END OF THE YEAR					**4310300**	**1.1738**
10	**ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL CAP FUND**	**3783560**	**1.0304**			**3783560**	**1.0304**
	Transfer			31 May 2019	100000	3883560	1.0576
	Transfer			12 Jul 2019	35000	3918560	1.0671
	Transfer			02 Aug 2019	(321606)	3596954	0.9795
	Transfer			30 Aug 2019	(92400)	3504554	0.9544
	AT THE END OF THE YEAR					**3504554**	**0.9544**

(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 01/04/2019 and at the end of the year 31/03/2020)		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. M. P. Ramachandran*	14,36,40,871	39.12	01/04/2019	-	-	14,36,40,871	39.12
	As on 31/03/2020	14,36,40,871	39.12				14,36,40,871	39.12
2.	Mr. K. Ullas Kamath	29,02,760	0.79	01/04/2019	-	-	29,02,760	0.79
	As on 31/03/2020	29,02,760	0.79				29,02,760	0.79
3.	Ms. M. R. Jyothy#	95,37,874	2.60	01/04/2019	-	-	95,37,874	2.60
	As on 31/03/2020	95,37,874	2.60				95,37,874	2.60
4.	Mr. Nilesh Mehta	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2020	NIL	NIL				NIL	NIL

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the (beginning of the year as on 01/04/2019 and at the end of the year 31/03/2020)		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
5.	Mr. R. Lakshminarayanan^	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2020	NIL	NIL				NIL	NIL
6.	Ms. Bhumika Batra	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2020	NIL	NIL				NIL	NIL
7.	Mr. Sanjay Agarwal	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2020	NIL	NIL				NIL	NIL
8.	Mr. Shreyas Trivedi	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2020	NIL	NIL				NIL	NIL

** Mr. M. P. Ramachandran resigned as the Director of the Company and thereby ceased to be the Chairman & Managing Director of the Company with effect from the closing hours of March 31, 2020 and has been appointed as the Chairman Emeritus 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

^ Mr. R. Lakshminarayanan has been appointed as the Chairman of the Board of Directors 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 01/04/2019					
i)	Principal Amount	2,14,00,00,000	-	-	2,14,00,00,000
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	1,37,25,973	-	-	1,37,25,973
Total (i+ii+iii)		**2,15,37,25,973**	**-**	**-**	**2,15,37,25,973**
Change in Indebtedness during the financial year					
•	Addition (Principal)	4,37,43,87,955	73,73,00,000	-	5,11,16,87,955
•	Reduction (Principal)	4,31,59,94,415	73,73,00,000	-	5,05,32,94,415
Net Change		**5,83,93,540**	**-**	**-**	**5,83,93,540**
Indebtedness at the end of the financial year as on 31/03/2020					
i)	Principal Amount	2,19,83,93,540	-	-	2,19,83,93,540
ii)	Interest due but not paid	1,10,44,448	-	-	1,10,44,448
iii)	Interest accrued but not due	-	-	-	-
Total (i+ii+iii)		**2,20,94,37,988**	**-**	**-**	**2,20,94,37,988**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amt. in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		M.P. Ramachandran	K. Ullas Kamath	M.R. Jyothy	
		Chairman and Managing Director*	Joint Managing Director	Whole-time Director & Chief Marketing Officer#	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1	3,00,00,000	1,98,00,000	4,98,00,001
	(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	3,56,59,050	3,20,93,145	-	6,77,52,195
	- others, specify...	-	-	-	-
5.	Others, please specify				
	Provident Fund	-	36,00,000	21,60,000	57,60,000
	Superannuation	-	30,00,000	-	30,00,000
	Total (A)	**3,56,59,051**	**6,86,93,145**	**2,19,60,000**	**12,63,12,196**
	Ceiling as per the Act	10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013			

** Mr. M. P. Ramachandran resigned as the Director of the Company and thereby ceased to be the Chairman & Managing Director of the Company with effect from the closing hours of March 31, 2020 and has been appointed as the Chairman Emeritus 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.

B. Remuneration To Other Directors

(Amt. in ₹)

Sr. 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	5,25,000	4,25,000	15,25,000
	• Commission	12,00,000	12,00,000	12,00,000	36,00,000
	• Others, please specify	-	-	-	-
	Total (1)	**17,75,000**	**17,25,000**	**16,25,000**	**51,25,000**
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**	**17,25,000**	**16,25,000**	**51,25,000**
	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 ₹)

Sr. 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	73,99,424	2,31,20,904	3,05,20,328
	(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	4,53,912	13,20,000	17,73,912
	Superannuation	-	-	-
	Total(C)	**78,53,336**	**2,44,40,904**	**3,22,94,240**

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/-	Sd/-
	M. R. Jyothy	**K. Ullas Kamath**
Place : Mumbai	Managing Director	Joint Managing Director
Date : June 5, 2020	(DIN: 00571828)	(DIN: 00506681)

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, 2020

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 the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Jyothy Labs Limited (Formerly known as 'Jyothy Laboratories Limited') (hereinafter referred to as '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, 2020, 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 2020, 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**'):

i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and

iii. 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:-

i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

iv. 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;

v. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and

vi. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

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:

i. Legal Metrology Act, 2009

ii. Legal Metrology (Packaged commodities) Rules, 2011

iii. Environment (Protection) Act, 1986

iv. Hazardous Wastes (Management And Handling) Rules, 1989

v. Insecticides Act, 1968

vi. 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 except as provided in the Annual Secretarial Compliance Report prescribed by the Securities and Exchange Board of India.

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.

Based on the information provided, we further report that the name of the Company was changed from 'Jyothy Laboratories Limited' to 'Jyothy Labs Limited' vide Fresh Certificate of Incorporation pursuant to change of name dated 11th July, 2019 issued by the office of Registrar of Companies, Maharashtra, Mumbai.

Apart from the above, there were no other actions having a major bearing on the Company's affairs during the period under report.

For and on behalf of
RATHI & ASSOCIATES
COMPANY SECRETARIES

Sd/-
HIMANSHU S. KAMDAR
PARTNER
M NO.: FCS 5171
C.P. NO.: 3030
UDIN: F005171B000307858

Place: Mumbai
Date: June 5, 2020

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, 2019.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, and Corporate Social Responsibility Committee along with the respective Attendance Registers held during the financial year under report.
4. Minutes of General Body Meetings and Postal Ballot exercise convened 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. Policies framed by the Company:
   - Policy on Related Party Transactions,
   - Policy on Material Subsidiaries,
   - Vigil Mechanism,
   - Corporate Social Responsibility Policy,
   - Nomination & Remuneration Policy,
   - Risk Management Policy & Procedures,
   - Policy for Determination of Material Events
   - Code of Conduct for Independent Directors,
   - Code of Conduct for prevention of Insider Trading,
   - Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information,
   - Archival Policy
   - Dividend Distribution Policy
   - Preservation of Records Policy
   - Business Responsibility Policy
8. Statutory Registers viz.
   - Register of Charges (Form No. CHG-7);
   - Register of Directors & Key Managerial Personnel;
   - Register of Directors' Shareholding;
   - Register of Employee Stock Options;
   - Register of Contracts with Related Parties; and contracts and Bodies etc. in which directors are interested (Form No. MBP-4), and
   - Register of loans, guarantees and security and acquisition made by the Company (Form No. MBP-2),
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. Documents filed with Stock Exchanges;
19. Compliance Certificate placed before the Board of Directors from time to time;
20. 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 and on behalf of
RATHI & ASSOCIATES
COMPANY SECRETARIES

Sd/-
HIMANSHU S. KAMDAR
PARTNER
M NO.: FCS 5171
C.P. NO.: 3030

Place: Mumbai
Date: June 5, 2020

ANNEXURE – E

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

(PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013)

Amount Outstanding as at March 31, 2020

Particulars	(₹ in lacs)
Loans given	670.79
Guarantee Given (Financial exposure)	6,204.44
Investment (Current and Non-Current)	13,931.33

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 : June 5, 2020

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 : June 5, 2020

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. The Company has initiated the use of In-mould labelling (IML) Polypropylene (PP) container for Exo Round which is 100% recyclable. This has resulted in:

   a. Reduction of sleeves – 200 Tonnes per annum

   b. Virgin Paper Label – 60 Tonnes per annum (without release paper).

ii. The Company has reduced weight of Mosquito Repellent Liquid Vaporiser bottle from average 10 grams to 9 grams. This translates to a savings of approximate 18 Tonnes of Polyethylene terephthalate (PET) material per year.

iii. The Company has initiated the process of installation of roof top solar panels across its factories. In Silvassa unit, the Company has already closed the deal with Tata Power Solar and is in discussion for the similar installations in other plants.

iv. The Company has installed best in class Effluent Treatment Plant and Sewage Treatment Plant systems across its manufacturing units. The Company ensures 100% usage of these treated water for gardening and in toilets.

v. The Company has installed wet scrubbers in all its industrial exhausts, which are effective air pollution control devices for removing particles and/or gases from exhaust.

(B) TECHNOLOGY ABSORPTION-

i. The Company has introduced In-mould labelling (IML) Polypropylene (PP) container for Exo Round. The Company has eliminated the usage of printed Poly Vinyl Chloride (PVC) sleeve, transparent tamper evident top PVC sleeve and Paper top label from the Company's earlier packaging of High Impact Polystyrene (HIPS) container with this. The IML PP container is 100% recyclable.

ii. The Company has implemented real time data monitoring system to calculate and measure line efficiencies (OEE) at its Baddi Plant. This system will also be extended to other plants of the Company.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(₹ in Lacs)

Particulars	2019-20	2018-19
Foreign exchange earnings	3,558.05	3,577.85
Foreign exchange outgo	3,239.90	3,319.90

ANNEXURE – H

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of project or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs.

   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 and can be accessed at the web link provided below:

   http://www.jyothylaboratories.com/management-policies.php

   The Company has undertaken projects in the rural area development, enhancing vocational skills, disaster management, Eradicating of hunger, conservation of natural resources and environment sustainability as a part of its CSR Initiative for the financial year 2019-20. 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;

   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 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) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

   x) rural development projects;

   xi) slum area development;

   xii) such other projects as may be specified by the Central Government from time to time.

2. **The CSR Committee as on March 31, 2020 comprises of following Members:**

   - Mr. M. P. Ramachandran, Chairman (Chairman & Managing Director)
   - Mr. Nilesh Mehta, Member (Independent Director)
   - Ms. M. R. Jyothy, Member (Whole Time Director & Chief Marketing Officer)

Mr. M. P. Ramachandran ceased to be the Director of the Company with effect from the closing hours of March 31, 2020 and accordingly also ceased to be the member of the CSR Committee from the said date.

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

3. **Average net profit of the Company for last three Financial years:**

Financial Year	Net Profit as per Section 198 of the Companies Act, 2013 (₹ in Lacs)
2016-17	16,635.10
2017-18	18,772.97
2018-19	22,584.79
Average net profits of last three years	19,330.95
2% of the average net profits of last three years	386.62

4. **Prescribed CSR expenditure:** The Company has spent an amount of ₹ 388.09 lacs as against prescribed 2% of the average net profit of last three years which works out to be ₹ 386.62 lacs.

5. Details of CSR spent during the financial year 2019-20

a) **Total amount to be spent for the financial year:** ₹ 386.62 Lacs

b) **Amount unspent, if any:** Nil

c) Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR projects or activities identified	Sector in which the project is covered	Projects or programs 1) Local areas or other 2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) project or programs wise (₹ in lacs)	Amount spent on the projects or programs (₹ in lacs) Sub-heads 1) District expenditure on projects or programs. 2) Overheads	Cumulative Expenditure upto reporting period (₹ in lacs)	Amount Spent: Direct or through implementing agency
1	Housing in Adivasi area in Trichur	Rural development	Kandanassery, Kerala	183.14	158.86	158.86	Direct
2	Imparting Skill Development Training, Lecturers salary, providing desks and benches	Promoting Education and enhancing vocational skills	Various States	195.81	195.81	195.81	Direct
3	Disaster Management	Disaster Management including relief, rehabilitation	Odisha and Kerala	-	25.60	25.60	Implementing Agency
4	Groceries for blind federation	Eradicating hunger	Kandanassery, Kerala	2.24	2.39	2.39	Direct
5	Canal Desilting	Environmental sustainability	Karaikal, Puducherry	4.08	4.08	4.08	Direct
6	Construction of rain water harvesting structure	Conservation of natural resources	Karaikal, Puducherry	1.35	1.35	1.35	Direct
Total				**386.62**	**388.09**	**388.09**	

6. **Reason for not spending:** N.A.

7. The Chairman of the CSR committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

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)

Place: Mumbai
Date: June 5, 2020

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 2019-20 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
Mr. M.P.RAMACHANDRAN	74	Postgraduate Degree in Financial Management	Chairman and Managing Director*	15-01-1992	45 years	3,56,59,051	Proprietor – Jyothy Laboratories
Mr. K.ULLAS KAMATH	57	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	34 years	6,86,93,145	Practicing Chartered Accountant
Ms. M. R. JYOTHY	42	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.	Whole Time Director and Chief Marketing Officer#	01-01-2004	16 years	2,19,60,000	-
Mr. SANJAY AGARWAL	44	Chartered Accountant, Cost Accountant, EDP- Wharton Business School, USA	Chief Financial Officer	18-04-2018	20 years	2,44,40,904	Adani Capital – Executive Director
Mr. S SOMASUNDARAM	50	B. Sc.	VP - SUPPLY SOURCING & MANUFACTURING	17-08-2012	25 years	1,28,02,792	Kumar Organic Product Limited - Vice President Operation

** Mr. M. P. Ramachandran resigned as the Director of the Company with effect from the closing hours of March 31, 2020 and thereby ceased to be the Chairman & Managing Director from the said date.*

 # 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 2019-20 WITH AN AGGREGATE SALARY NOT LESS THAN ₹ 8,50,000/- PER MONTH:

Name	Age	Qualification	Designation	Date of Commencement of employment	Experience (years)	Total Gross Remuneration (Amt in ₹)	Previous Employment
Mr. Rajnikant Sabnavis	53	B.E. (Mech), MBA.	Chief Operating Officer*	21-10-2013	29 years	2,74,10,792	Unilever / Regional Category Vice President (Hair Care - South Asia)

** Mr. Rajnikant Sabnavis ceased to be the Chief Operating Officer of the Company with effect from the closing hours of November 30, 2019.*

Note:

1. All appointments are contractual and terminable by notice on either side.
2. None of the employees mentioned above is related to any director of the Company except Mr. M. P. Ramachandran and Ms. M. R. Jyothy, who are related to each other.
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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

Sr. No.	Name of Director/ Chief Financial Officer/ Company Secretary	Designation	Remuneration Current Year	% increase in Remuneration in the financial year 2019-20	Ratio of remuneration of each Director/ CFO/CS to median remuneration of employees
1	Mr. M. P. Ramachandran	Chairman and Managing Director*	3,56,59,051	-26.07%	105 : 1
2	Mr. K. Ullas Kamath	Joint Managing Director	6,86,93,145	-14.14%	203 : 1
3	Ms. M. R. Jyothy	Whole Time Director & Chief Marketing Officer#	2,19,60,000	0%	65 : 1
4	Mr. Nilesh B. Mehta	Independent Director	17,75,000	47.30%	5 : 1
6	Mr. R. Lakshminarayanan	Independent Director	17,25,000	43.15%	5 : 1
7	Ms. Bhumika Batra	Independent Director	16,25,000	0%	5 : 1
8	Mr. Shreyas Trivedi	Head – Legal & Company Secretary	78,53,336	9.12%	23 : 1
9	Mr. Sanjay Agarwal	Chief Financial Officer	2,44,40,904	31.52%	72 : 1

** Mr. M. P. Ramachandran resigned as the Director of the Company with effect from the closing hours of March 31, 2020 and thereby ceased to be the Chairman & Managing Director from the said date.*

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

(ii) In the financial year, there was an increase of 11.41 % in the median remuneration of employees;

(iii) There were 2596 permanent employees on the rolls of Company as on March 31, 2020;

(iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 8.02% whereas the managerial remuneration for the same financial year decreased by 8.80%.

(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	2019-20 (for the Financial Year ended March 31, 2020)
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	20211 – Mosquito liquid Vaporiser, Mosquito Repellent and Toilet Cleaner; 20231 – Soaps, Dish wash bar, Dish wash liquid and Floor Cleaner; 20233 – Detergents, Fabric Whitner and Fabric Stiffner; 20235 – Tooth Paste; 20237 – Body soap (Toilet Soap), Deo, Talcum powder, Face 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 18 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, 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 - 904 (Rear Wing), Manipal Centre, Dickenson Road ,Bangalore – 560 042, For details of manufacturing plant/locations, please refer Corporate Governance report forming part of the Annual Report 2019-20.
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, 2020)	₹ 3,672.09 (36,72,08,644 Equity shares of ₹ 1/- each)
2. Total Turnover (For the financial year 2019-20)	₹ 166,392.96 (Standalone)
3. Total Profit after Tax (For the financial year 2019-20)	₹ 15,769.28 (Standalone)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.46% (₹ 388.09 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?[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?[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?[3]	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link to view the policy online.[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?[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?[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, Transparency and Accountability at present covers the Company only. 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 2019-20, no substantiated 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' Ginger is known for its medicinal properties and has been used as home remedy for stomach ache, soar throat etc. The goodness of it in Exo helps to amplify the Antibacterial efficacy of Exo. In addition – Exo has Cyclozan, a highly active anti-bacterial agent (often used in toothpastes hence safe ingredient) that is tough against germs that cause food poisoning, gives Exo the power of science. Exo Dishwash Bar comes in 2 shapes Rectangles and Rounds. 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 melting 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 fine perfume scent that gives you a whole new washing experience while giving one's clothes a new look and protecting it from ageing. 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 fibres 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 gone hand in hand 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 100% Neem Oil and Vitamin E, Margo Original Neem is just the soap for those looking for healthy skin and has high standards for hygiene. **Pril Liquid – Dish Wash** Pril Liquid has a unique formula making it non messy and gentle to the skin, thus leaving both the dishes as well as hands clean, smooth and pleasant. 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 revolutionary product in dishwash liquid space where the 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)	a) 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. b) 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 and at the same time ensures 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 for 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 plastics. 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, 2020.	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, 2020, the Company has total 2596 permanent employees of which 487 are women employees and 6 employees are having disabilities. The Company during the year under review has hired 4681 employees on temporary/contractual/casual basis. At present there is a management recognized employee association which has approximately 8.51% of the permanent employees as its member.
2.	Total number of employees hired on temporary/contractual/casual basis as on March 31, 2020.	
3.	Total number of permanent women employees	
4.	Total number of permanent employees with disabilities	
5.	Do you have an employee association that is recognized by the Management?	
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 2019-20 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?	26.76% 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 2019-20.

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 high regards for 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.

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 and ambient air monitoring 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 initiatives are undertaken on these occasions. During the year also, the Company has circulated the safety pocket guide & Dos & Don'ts to 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 a Risk Management 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 at JLL 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.
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, 2020.

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. 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.
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?	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 ₹ 388.09 Lacs in various CSR activities during the financial year 2019-20. The details of the amount spent and areas covered are given in the 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 2019-20, 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 our 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 would continue 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 is in compliance with all the regulations stipulated by the Companies Act, 2013 and Rules thereof 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.

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 fifty percent of the Board of Directors comprising of non-executive directors and 2 (two) 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, as on March 31, 2020, 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. Mr. M. P. Ramachandran is the Promoter and the Chairman & Managing Director of your Company, however, Mr. Ramachandran ceased to be the Director of your Company with effect from the closing hours of March 31, 2020 and accordingly also ceased to be the Chairman and Managing Director and member of the Committees constituted by the Board of Directors of your Company from the said date. Further, based on the recommendation of the Nomination, Remuneration and Compensation Committee at its meeting held on May 7, 2019, the Board of Directors of your Company appointed Mr. M. P. Ramachandran as the Chairman Emeritus of your Company with effect from April 1, 2020. In view of the resignation of Mr. M. P. Ramachandran, as the Chairman & Managing Director and considering the qualification and experience of Ms. M. R. Jyothy in your Company and as a measure of the succession planning, Ms. M. R. Jyothy has been appointed as the Managing Director of your Company for a term of 5 years commencing from April 1, 2020 up to March 31, 2025. Further, Ms. M. R. Deepthi has also been appointed as the Whole-time Director of your Company for a term of 5 years with effect from April 1, 2020 up to March 31, 2025. Both the aforesaid appointments have been approved by the members of your Company at its 28th Annual General Meeting held on July 23, 2019.

The SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated May 9, 2018 required top 500 listed entities, with effect from April 1, 2020, to have a Chairperson who is a non-executive director and is not related to the Managing Director or the Chief Executive Officer of the Company as per the definition of the term "relative" defined under the Companies Act, 2013. In compliance with the said provision the Board of Directors of your Company, based on the recommendation of the Nomination, Remuneration and Compensation Committee, on May 7, 2019, appointed Mr. Ramakrishnan Lakshminarayanan, Non-executive Independent Director of your Company as the Chairman of the Board of Directors of your Company with effect from April 1, 2020.

However, SEBI vide its Notification in Official Gazette dated January 10, 2020, notified the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2020, which states that the requirement of having a Chairperson who is a non-executive director and is not related to the Managing Director or the Chief Executive Officer of the Company as per the definition of the term "relative" defined under the Companies Act, 2013, shall be applicable with effect from April 1, 2022.

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 year ended on March 31, 2020, the Board of Directors of your Company met five times and the gap between the meetings did not exceed 120 days. The meetings were held on May 7, 2019, July 23, 2019, October 22, 2019, February 5, 2020 and March 12, 2020. Also, during the financial year 1 (one) Circular Resolution was passed on May 14, 2019. The last Annual General Meeting (AGM) of your Company was held on Tuesday, July 23, 2019.

The details of the Directors on the Board of your Company as on March 31, 2020 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. M. P. Ramachandran^	Promoter/ Chairman & Managing Director	14,36,40,871	5	Yes	3	1	-
Mr. K. Ullas Kamath	Joint Managing Director	29,02,760	5	Yes	3	2	-
Ms. M. R. Jyothy$	Whole Time Director & Chief Marketing Officer	95,37,874	5	Yes	1	-	-
Mr. Nilesh B. Mehta	Independent Non-executive Director	-	5	Yes	11	-	1
Mr. R. Lakshminarayanan#	Independent Non-executive Director	-	5	Yes	2	2	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.*

^ *Mr. M. P. Ramachandran resigned as the Director of your Company with effect from the closing hours of March 31, 2020 and thereby also ceased to be the Chairman & Managing Director and member of the Committees constituted by the Board of Directors of your Company from the said date. Further, Mr. M. P. Ramachandran has been appointed as the Chairman Emeritus of your Company with effect from April 1, 2020.*

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

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

As per 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, 2020:

Name of the Director	Name of the Listed companies	Category of Directorship
Mr. K. Ullas Kamath	V-guard Industries Limited	Non-executive Independent Director
Mr. R. Lakshminarayanan	Wonderla Holidays 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), Mr. M. P. Ramachandran, Ms. M. R. Jyothy and Mr. Nilesh B. Mehta did not hold Directorship in any other listed company as on March 31, 2020.

As on March 31, 2020, none of the Directors were related to each other except Ms. M. R. Jyothy, who is related to Mr. M. P. Ramachandran, Chairman & Managing Director of your Company, being his daughter.

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: http://www.jyothylaboratories.com/management-policies.php

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 Mr. M. P. Ramachandran
b)	Business Strategy/ Business Management	Mr. M. P. Ramachandran and Ms. M. R. Jyothy
c)	Sales and Marketing	Mr. R. Lakshminarayanan and Ms. M. R. Jyothy
d)	Finance and Accounting	Mr. K. Ullas Kamath and Mr. Nilesh B. Mehta
e)	Legal, regulatory framework, corporate governance	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, 2019 to March 31, 2020, 5 (five) meetings of the Audit Committee were held on May 7, 2019, July 23, 2019, October 22, 2019, February 5, 2020 and on March 12, 2020 respectively. The Composition of the committee and attendance of each Committee Member during 2019-20 is as under:

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

Mr. Sanjay Agarwal, Chief Financial Officer of your Company is the permanent invitee to all the Audit Committee meetings. 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, 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, 2020 the Nomination, Remuneration and Compensation Committee of your Company comprise of the following four 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, 2020 i.e. on May 7, 2019 and on October 22, 2019. 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. M. P. Ramachandran*	Member	2
3	Mr. R. Lakshminarayanan	Member	2
4	Ms. Bhumika Batra	Member	2

**Mr. M. P. Ramachandran ceased to be member of the Nomination, Remuneration and Compensation Committee with effect from the closing hours of March 31, 2020.*

Further, Ms. M. R. Jyothy has been appointed as a permanent invitee to the Nomination, Remuneration and Compensation Committee with effect from April 1, 2020.

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 Remuneration policy of your Company, the Independent Directors will be evaluated on six criterias 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 criterias will be further divided into sub-criteria, not exceeding five for each of the criteria. These will 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 will provide score for each of the Independent Director. The evaluating Director will give score for each of the sub-criteria comprising each of the criteria mentioned above. The score will be based on the rating scale as mentioned above.

The evaluator will 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 will be arrived at in the manner given below:

i) The score for each of the criteria will be 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 will be 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

   The Company at its ensuing Annual General Meeting is seeking approval of the members of the Company by way of Special Resolution, for payment of aggregate annual remuneration to Mr. M. P. Ramachandran, Mr. K. Ullas Kamath, and Ms. M.

R. Jyothy, Executive Directors who are Promoters/ Members of Promoter group, exceeding 5 per cent of the net profits of the Company, for the financial year ended March 31, 2020 and to Mr. K. Ullas Kamath, Ms. M. R. Jyothy and Ms. M. R. Deepthi, Executive Directors who are Promoters/Members of Promoter group, exceeding 5 per cent of the net profits of the Company, from the financial year ending March 31, 2021 onwards.

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 to 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, 2020:
Executive Directors

(Amount in ₹)

Name of the Director	Salary including Benefits & Perquisites	Provident Fund	Superannuation	Commission payable	Stock Options	Total
Mr. M. P. Ramachandran	1	0	0	3,56,59,050	0	3,56,59,051
Mr. K. Ullas Kamath	3,00,00,000	36,00,000	30,00,000	3,20,93,145	0	6,86,93,145
Ms. M. R. Jyothy	1,98,00,000	21,60,000	0	0	0	2,19,60,000

For further details, please refer to Note No. 34 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 of the Companies Act, 2013 in such manner as may be determined by the Board of Directors from time to time within the said limits.

Details of sitting fees & commission paid to the Independent Directors during the year 2019-20 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. Nilesh B. Mehta	5,75,000	12,00,000	-
2	Mr. R. Lakshminarayanan	5,25,000	12,00,000	-
3	Ms. Bhumika Batra	4,25,000	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 3 (three) members as stated below. During the year ended March 31, 2020, this Committee had 4 meetings which were held on May 7, 2019, July 23, 2019, October 22, 2019 and February 5, 2020 and attended by the members as under:

Sr. No.	Name of Members	Position	No. of Meetings attended
1	Mr. Nilesh B. Mehta	Chairman	4
2	Mr. M. P. Ramachandran*	Member	4
3	Mr. R. Lakshminarayanan	Member	4

**Mr. M. P. Ramachandran ceased to be the member of the Stakeholders' Relationship Committee with effect from the closing hours of March 31, 2020.*

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 11 complaints from shareholders and all of them were disposed off to the satisfaction of the shareholders. As on March 31, 2020 there was no complaint which remained unresolved.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility (CSR) Committee was constituted pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, on May 22, 2014. The Composition of the Committee and attendance of the members of the Committee at the meetings held is as below. The CSR Committee met 2 (two) times during the financial year ended March 31, 2020 i.e. on May 7, 2019 and October 22, 2019.

Sr. No.	Name of Members	Position	No. of Meetings attended
1	Mr. M. P. Ramachandran*	Chairman	2
2	Mr. Nilesh B. Mehta	Member	2
3	Ms. M. R. Jyothy	Member	2

**Mr. M. P. Ramachandran ceased to be the member of the CSR Committee with effect from the closing hours of March 31, 2020.*

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.

Your Company has formulated a CSR Policy and the same is uploaded on the website of your Company, which can be accessed at the web link –

http://www.jyothylaboratories.com/management-policies.php

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 monitor the expenditure incurred on the specified activities; and

(d) 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. Accordingly, the Board at its meeting held on March 14, 2019 has constituted Risk Management Committee w.e.f. April 1, 2019 which comprises of Mr. M. P. Ramachandran, Chairman & Managing Director as Chairman and Mr. K. Ullas Kamath, Joint Managing Director, Ms. M. R. Jyothy, Whole Time Director & Chief Marketing Officer, Mr. T. Ananth Rao, Head – Operations and Mr. Ravi Razdan, Head – Systems & HR as Members. During the financial year under review the Risk Management Committee met once time i.e. on January 22, 2020.

Sr. No.	Name of Members	Position	No. of Meetings attended
1	Mr. M. P. Ramachandran*	Chairman	1
2	Mr. K. Ullas Kamath	Member	1
3	Ms. M. R. Jyothy	Member	1
4	Mr. T. Ananth Rao	Member	1
5	Mr. Ravi Razdan	Member	1

**Mr. M. P. Ramachandran ceased to be the member of the Risk Management Committee with effect from the closing hours of March 31, 2020.*

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. 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 role 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
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 ratifications 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.
2017- 26th AGM	July 11, 2017	11.00 a.m.	No Special Resolution passed

All the above meetings 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 26th, 27th and 28th Annual General Meetings were passed through e-voting and physical ballots cast at the respective AGM.

Postal Ballot

During the year under review, Members had passed Special Resolution approving change of name of your Company from **'Jyothy Laboratories Limited'** to **'Jyothy Labs Limited'** through the Postal Ballot exercise.

The Board had appointed Mr. Himanshu S. Kamdar, Partner, Rathi & Associates, Company Secretaries, as the scrutinizer to conduct the postal ballot voting process in fair and transparent manner. Details of Voting Pattern are as below:

Sr. No.	Particulars	Resolution	
		No. of Ballots/ E-voting	No. of Shares voted
a.	Votes casted through postal ballot forms	87	19,234
b.	e-Voting Confirmations received	258	32,43,50,717
	Total	**345**	**32,43,69,951**
c.	Less: Invalid Postal Ballot forms	13	917
d.	**Net valid Physical Ballot forms/e-Voting confirmations**	**332**	**32,43,69,034**
	(i) Postal Ballot forms/e-Voting with assent for the Resolution	322	32,43,67,268
	% of Assent		99.999*
	(ii) Postal Ballot forms/e-Voting with dissent for the Resolution	10	1,766
	% of dissent		0.001*

Rounded off to the nearest number

Procedure for postal ballot

In compliance with Regulation 44 of the Listing Regulations and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, your Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. Your Company engaged the services of CDSL for the purpose of providing remote e-voting facility to all its Members. Members had the option to vote either by physical ballot or through remote e-voting.

Your Company on Monday, May 27, 2019, dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its Members whose names appeared in the Register of Members/list of beneficiaries as on the cut-off date i.e. Friday, May 17, 2019. The postal ballot notice was sent to Members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/your Company's Registrar and Share Transfer Agent (in case of physical shareholding). Your Company on Tuesday, May 28, 2019, also published a notice in English language newspaper viz. Business Standard and Marathi language newspaper viz. Sakal, declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable Rules.

Voting rights were reckoned on the number of equity shares registered in the name of Member(s) as on the cut-off date i.e. Friday, May 17, 2019. The voting, both through Postal Ballot and electronic mode commenced on Tuesday, May 28, 2019 at 9:00 a.m. (IST) and ended on Wednesday, June 26, 2019 at 5:00 p.m. (IST). Member(s) desiring to exercise their votes by physical postal ballot forms were requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period i.e. Wednesday, June 26, 2019 by 5:00 p.m. (IST). Member(s) desiring to exercise their votes by electronic mode were requested to vote before close of voting period i.e. Wednesday, June 26, 2019 by 5:00 p.m. (IST).

The scrutinizer submitted his report dated June 27, 2019 to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot were then announced by the Chairman & Managing Director on the same date. The results were also displayed on the website of your Company i.e. www.jyothylaboratories.com, besides being communicated to the stock exchanges, the depositories and Registrar and the Share Transfer Agent. The date of declaration of the results by your Company was deemed to be the date of passing of the resolutions i.e. June 26, 2019.

Further, from the financial year ended March 31, 2020 till the date of this report, no special resolution is proposed to be conducted 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. 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. 20/ 2020 dated May 5, 2020, the 29th Annual General Meeting of your Company will be held through Video Conferencing (VC) or any other mode of audio-visual means (OAVM) on August 7, 2020 at 12 noon.

b) **The Financial year covered by this Annual Report:** April 1, 2019 to March 31, 2020.

c) **Book Closure Dates:** From July 31, 2020 to August 7, 2020 (both days inclusive).

d) **Dividend Payment Date:** The Board of Directors of your Company has not recommended a Final Dividend for the Financial Year 2019-20 for consideration of shareholders. Interim Dividend for the Financial Year 2019-20 was paid electronically i.e. NEFT/RTGS, etc., to the shareholders who had updated their Bank Account details with your Company, on March 24, 2020. However, due to the pandemic of COVID-19 and consequent lockdown in most part of India, your Company was not able to dispatch the physical interim dividend warrants for the Financial Year 2019-20 to the concerned shareholders, on account of non-operation of Postal and Dispatch services. Once the Postal Department becomes fully functional, the physical interim dividend warrants for the Financial Year 2019-20 will be dispatched.

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 2020-21 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:**

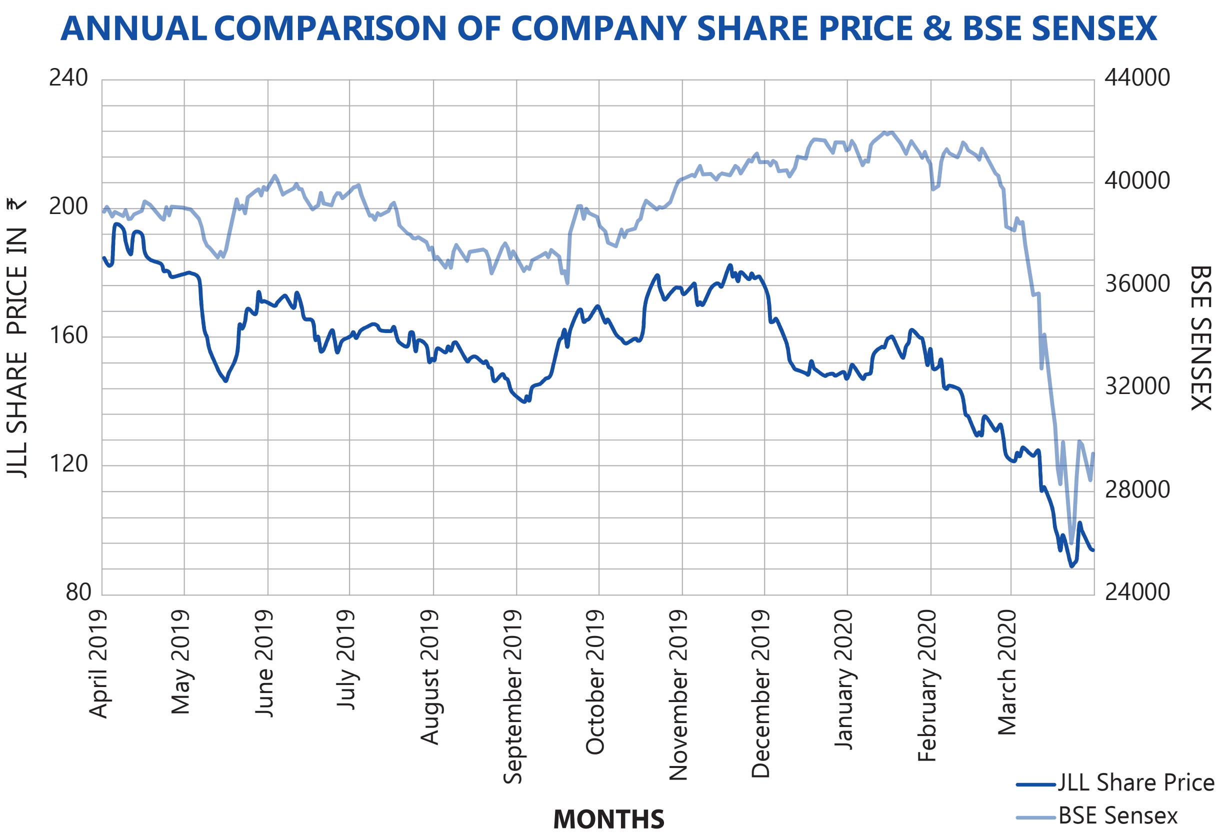
Share Transfers are registered and returned by the Registrars & Share Transfer Agent within a period of 15 days from the date of receipt of the documents, provided the same are in order. Your Company has constituted Securities Transfer Committee which considers the transfer proposals generally on a regular 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, 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 National Stock Exchange of India Limited (NSE) from April 1, 2019 to March 31, 2020 are given below:

Month	BSE Market Price (₹)		NSE Market Price (₹)	
	High	Low	High	Low
April - 2019	199.85	174.75	200.40	174.60
May - 2019	183.50	143.10	183.00	142.90
June - 2019	176.00	149.95	176.00	149.60
July - 2019	165.20	149.55	165.50	149.20
August - 2019	161.75	138.85	161.50	138.35
September - 2019	171.80	138.20	172.00	138.70
October - 2019	183.65	153.00	182.90	156.90
November - 2019	184.15	167.55	184.50	167.50
December - 2019	180.00	145.80	180.00	145.95
January - 2020	164.90	146.00	165.00	145.00
February - 2020	159.00	119.00	155.85	119.00
March - 2020	130.60	86.20	130.65	85.00

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



j) **Shareholding Pattern as on March 31, 2020:**

Shareholding pattern of your Company's equity shares in broad categories as on March 31, 2020 are given below:

Sr. No.	Category of Shareholder	As on 31.03.2020	
		Total Number of Shares	%
1	**Promoter and Promoter's Group**	230934669	62.89
	Sub-total - 1	**230934669**	**62.89**
2	**Institutions**		
	a. Mutual Funds	48816802	13.29
	b. Alternate Investment Funds	880937	0.24
	c. Venture Capital Funds	0	-
	d. Foreign Portfolio Investor	53973801	14.70
	e. Financial Institutions/ Banks	570285	0.16
	f. Insurance Companies	7672228	2.09
	g. Foreign Bank	138	0.00
	Sub-Total - 2	**111914191**	**30.48**
3	**Central Government/ State Government(s)**	840	0.00
	Sub-Total - 3	**840**	**0.00**
4	**Non-institutions**		
	a. Individuals & HUF	20813568	5.67
	b. NBFC Registered with RBI	22000	0.01
	c. IEPF	11891	0.00
	d. Trusts	10072	0.00
	e. Non Resident Indians (Non Repat)	352609	0.10
	f. Non Resident Indians (Repat)	882023	0.24
	g. Clearing Members	242011	0.07
	h. Bodies Corporates	2024770	0.55
	Sub-Total - 4	**24358944**	**6.63**
	Total	**367208644**	**100.00**

k) **Distribution of Shareholding as on March 31, 2020:**

Sr. No	Slab of shareholding		Shareholders		Shares Value	
	No. of Equity shares held		Number	In %	Face Value (₹)	In %
	From	To				
1.	1	500	97633	99.48	17094765	4.66
2.	501	1000	232	0.24	1680125	0.46
3.	1001	2000	121	0.12	1746045	0.48
4.	2001	3000	32	0.03	799648	0.22
5.	3001	4000	20	0.02	711864	0.19
6.	4001	5000	6	0.01	292928	0.08
7.	5001	10000	18	0.02	1352292	0.37
8.	10001	& Above	86	0.09	343530977	93.55
Total			**98148**	**100.00**	**367208644**	**100.00**

l) **Dematerialization of shares and Liquidity:** As on March 31, 2020, 99.62% 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.

m) **Outstanding GDRs / ADRs / Warrants or any convertible instruments:** During the year 2019-20, your Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments.

n) **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

o) **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:

   http://www.jyothylaboratories.com/management-policies.php

   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:

   http://www.jyothylaboratories.com/management-policies.php

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:

   http://www.jyothylaboratories.com/management-policies.php

9. During the year under review, your Company has not raised funds through preferential allotment or qualified institutions 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 ₹ 1,14,04,855 /- (Rupees One Crore Fourteen Lakhs Four Thousand Eight Hundred and Fifty Five 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.

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.

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 29, 2020 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, 2020. The said certificate is annexed and forms part of this Annual Report.

DISCLOSURE IN RELATION WITH 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, 2019 to March 31, 2020)	Nil
Number of complaints disposed off during the financial year (i.e. from April 1, 2019 to March 31, 2020)	Nil
Number of complaints pending as on end of the financial year (i.e. as on March 31, 2020)	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 : June 5, 2020

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, 2020 viz.

Sr. No.	Name of the Director	DIN
1.	Mr. Ramachandran Panjan Moothedath	00553406
2.	Mr. Kasaragod Ullas Kamath	00506681
3.	Ms. Jyothy Ramchandran	00571828
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, 2020, 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: F005171B000293525

Date: May 29, 2020
Place: Mumbai

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 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, 2020.

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 : June 5, 2020	(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, 2020 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 : June 5, 2020	(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, 2020, 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
COP NO.: 3030
UDIN: F005171B000308331

Date: June 5, 2020
Place: Mumbai

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 2020, 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 2020, 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 Refer note 2.2(d) of accounting policies and notes 22 and 47 of standalone financial statements. Revenue is recognized when control of the underlying products has been transferred to the customer. Sales contracts with customers have distinct terms and conditions relating to recognition of revenue and entitlement to sales rebates. Revenue is a key performance indicator for the Company. There is risk of revenue being fraudulently recognized 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, 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 matters.	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 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 intangible assets, goodwill and investment in subsidiaries Refer note 2.2(l) of accounting policies and notes 3d and 4 of standalone financial statements Intangible assets, goodwill and investment in subsidiaries are assessed for impairment when triggers are identified. CGUs to which goodwill is allocated are assessed for impairment annually. The recoverable amount of the CGUs, being the 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, potential product obsolescence, new product launches 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 assets, impairment assessment of intangible assets, goodwill and investments has been considered as a key audit matter.	Our audit procedures in respect of impairment assessment of intangible assets, goodwill and 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; • Evaluating the assumptions used including discount rates and terminal growth rates by involving our valuation specialists; • Challenged business assumptions used such as sales growth, costs, product obsolescence and impact of the potential economic slowdown caused by Covid 19 on these assumptions; • Performing 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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 2020 on its financial position in its standalone financial statements - Refer Note 36 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

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 2020.

(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
Membership No: 111410
UDIN-20111410AAAAAY5622

Mumbai
5 June 2020

Annexure - A

TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2020

(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 2020 (₹ in lacs)	33.23	656.13
Net block as at 31 March 2020 (₹ in lacs)	33.23	527.71

(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 one subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loan is not prejudicial to the Company's interest.

(b) The Company has granted loan that is re-payable on demand. During the year, Company has not demanded repayment of principal and payment of interest.

('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 Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans to, or provided any guarantees or security on behalf of the parties covered under Section 185 of the Act during the year. The Company has complied with the provisions of Section 186 of the Act, in respect grant of loans, making investments and providing guarantees and securities, as applicable.

(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 2020 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 2020, 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 explanation 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 2020 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-20111410AAAAAY5622

Mumbai
5 June 2020

ENCLOSURE I TO ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2020

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	1998-00	5	-	-	5
		2007-18	655	-	-	655
		2011-17	-	3,111	-	3,111
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	1,408	136	278	1,822
		2009-16	379	258	599	1,236
		2016-18	187	-	-	187
		2019-20	85	-	-	85
The Goods and Services Tax Act, 2017		2019-20	49	-	-	49
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			**3,959**	**6,476**	**1,614**	**12,049**

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 2020.

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 2020 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 2020, 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-20111410AAAAAY5622

Mumbai
5 June 2020

Standalone Balance Sheet

as at March 31, 2020

₹ In Lacs

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3a	26,998.87	27,150.97
Capital work in progress	3b	2,374.27	1,415.85
Right-of-use assets	3c	4,525.43	-
Goodwill	3d	10,287.69	10,287.69
Other intangible assets	3d	6,598.86	9,679.42
Financial assets			
Investment in subsidiaries	4	13,928.74	14,192.34
Other investments	4	2.59	2.59
Loans	6	919.31	783.41
Other financial assets	7	363.48	60.72
Deferred tax assets (net)	8	9,621.99	7,600.97
Non-current tax assets (net)	9	992.11	159.80
Other non-current assets	10	8,392.90	9,834.64
		85,006.24	**81,168.40**
Current assets			
Inventories	11	22,258.76	20,063.89
Financial assets			
Investments	12	-	10,012.07
Trade receivables	5	11,956.18	14,826.59
Cash and cash equivalents	13a	686.15	6,683.85
Bank balances other than cash and cash equivalents	13b	1,321.00	2,070.36
Loans	6	670.79	-
Other financial assets	7	315.82	638.42
Other current assets	10	6,698.64	5,743.98
		43,907.34	**60,039.16**
TOTAL ASSETS		**1,28,913.58**	**1,41,207.56**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	3,672.09	3,672.09
Other equity	15	70,655.64	81,722.50
Total equity		**74,327.73**	**85,394.59**
Non-current liabilities			
Financial liabilities			
Other financial liabilities	18	2,900.25	-
Provisions	20	5,287.66	4,330.85
Other non-current liabilities	19	302.73	353.92
		8,490.64	**4,684.77**
Current liabilities			
Financial liabilities			
Borrowings	16	22,094.38	21,537.26
Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		1,022.95	3,813.45
Total outstanding dues of creditors other than micro enterprises and small enterprises		11,656.17	13,666.30
Other financial liabilities	18	3,714.93	3,773.32
Other current liabilities	19	5,314.04	5,768.69
Provisions	20	2,246.61	2,222.46
Current tax liabilities (net)	21	46.13	346.72
		46,095.21	**51,128.20**
Total liabilities		**54,585.85**	**55,812.97**
TOTAL EQUITY AND LIABILITIES		**1,28,913.58**	**1,41,207.56**
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

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

Sreeja Marar
Partner
Membership No: 111410

M.R. Jyothy
Managing Director
DIN: 00571828

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
Date: June 05, 2020

Mumbai
Date: June 05, 2020

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

₹ In Lacs

Particulars	Note	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Income			
Revenue from operations	22	1,66,537.94	1,76,887.38
Other income	23	2,004.76	2,782.98
Total income (I)		**1,68,542.70**	**1,79,670.36**
Expenses			
Cost of raw material and components consumed	24	69,230.32	70,422.57
Purchase of Stock in Trade		23,148.82	26,782.58
Changes in inventories of finished goods, stock in trade and work-in-progress	25	(3,177.66)	(1,025.04)
Employee benefits expense	26	20,032.10	18,860.34
Finance costs	27	2,477.88	2,782.36
Depreciation and amortisation expense	28	7,573.12	5,828.60
Other expenses	29	32,321.46	33,268.53
Total expense (II)		**1,51,606.04**	**1,56,919.94**
Profit before exceptional item and tax (I-II)		**16,936.66**	**22,750.42**
Exceptional item (Note 48)		377.83	-
Profit before tax		**16,558.83**	**22,750.42**
Income tax	30		
Current tax		2,663.00	4,690.64
Deferred tax (credit) /charge		(1,873.45)	(1,257.50)
Total Income tax		**789.55**	**3,433.14**
Profit for the year attributable to equity shareholders (A)		**15,769.28**	**19,317.28**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) of post employment benefit obligation		(422.34)	(173.32)
Income tax relative to items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) of post employment benefit obligation	30	147.57	60.56
Other comprehensive income for the year net of tax, attributable to equity shareholders (B)		**(274.77)**	**(112.76)**
Total comprehensive income for the year net of tax, attributable to equity shareholders (A+B)		**15,494.51**	**19,204.52**
EARNINGS PER SHARE (EPS)	39		
Basic (₹)		4.29	5.29
Diluted (₹)		4.29	5.29
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: June 05, 2020

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: June 05, 2020

Standalone Statement of Changes in Equity

For the year ended March 31, 2020

₹ In Lacs

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019
Equity shares of ₹ 1 each issued, subscribed and fully paid		
At the beginning of the period	3,672.09	1,817.94
Issue of share capital	-	1,854.15
At the end of the period	**3,672.09**	**3,672.09**

For further details, Refer Note 14

B. OTHER EQUITY

Particulars	Retained earnings	Capital reserves	Securities premium	Debenture redemption reserve (DRR)	General reserves	Employee stock option outstanding	Total
As at April 1, 2018	2,224.38	6,514.46	49,128.44	5,000.00	460.67	3,199.59	66,527.54
Profit for the year	19,317.28	-	-	-	-	-	19,317.28
Other comprehensive income -Re-measurement gains/ (losses) of post employment benefit obligation	(112.76)	-	-	-	-	-	(112.76)
Total comprehensive income	19,204.52	-	-	-	-	-	19,204.52
Transfer from DRR	5,000.00	-	-	(5,000.00)	-	-	-
Transaction with owners recorded directly in equity							
Contribution by and distribution to owners							
Issue of bonus share	-	-	(1,817.94)	-	-	-	(1,817.94)
Cash Dividends (Note 15)	(1,817.94)	-	-	-	-	-	(1,817.94)
Dividend Distribution Tax on Cash Dividends (Note 15)	(373.68)	-	-	-	-	-	(373.68)
Exercise of share options (Note 45)	-	-	3,199.59	-	-	(3,199.59)	-
As at March 31, 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
Transaction with owners recorded directly in equity							
Contribution by and distribution to owners							
Cash Dividends (Note 15)	(22,032.52)	-	-	-	-	-	(22,032.52)
Dividend Distribution Tax on Cash Dividends (Note 15)	(4,528.85)	-	-	-	-	-	(4,528.85)
As at March 31, 2020	**13170.42**	**6,514.46**	**50,510.09**	**-**	**460.67**	**-**	**70,655.64**

Standalone Statement of Changes in Equity

for the year ended March 31, 2020

B. OTHER EQUITY (Contd...)

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) Debenture redemption reserve (DRR) - The money set aside can be used for payment of interest or redeemable debentures maturing during the year.

(e) 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.

(f) Employee stock option outstanding - The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

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: June 05, 2020

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: June 05, 2020

Standalone Statement of Cash Flows

For the year ended March 31, 2020

₹ In Lacs

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	16,558.83	22,750.42
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and impairment of property, plant and equipment	2,887.52	2,702.56
Depreciation of right-of-use assets	1,553.45	-
Amortisation and impairment of intangible assets	3,132.15	3,126.04
Lease rent income	(10.25)	(11.60)
Loss on sale of fixed assets	29.12	47.52
Net change in fair value of finacial assets measured at FVTPL	119.00	(12.07)
Profit on sale of current investments	(146.55)	(159.28)
Finance costs	2,477.88	2,782.36
Interest income	(276.90)	(393.69)
Share of (profit) / loss from investment in partnership firm	1.73	(31.82)
Unrealised Foreign exchange fluctuation gain (net)	(0.92)	(1.86)
Investment subsidy income	(72.22)	(71.53)
Operating profit before working capital changes	**26,252.84**	**30,727.05**
Movements in working capital :		
Decrease / (increase) in loans	(806.69)	(24.60)
Decrease / (increase) in trade receivables	2,871.33	1,453.65
Decrease / (increase) in other financials assets	322.60	147.37
Decrease / (increase) in inventories	(2,194.87)	(1,368.39)
Decrease / (increase) in other assets	365.55	(1,447.99)
Increase/ (decrease) in trade payables	(4,800.63)	2,824.93
Increase/ (decrease) in other financial liabilities	(1,802.97)	1,230.58
Increase/ (decrease) in other liabilities	(433.62)	500.51
Increase / (decrease) in provisions	558.62	530.84
Cash generated from operations	**20,332.16**	**34,573.95**
Taxes paid (net)	(3,795.90)	(4,100.54)
Net cash generated from operating activities (A)	**16,536.26**	**30,473.41**
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress and capital advances	(3,922.04)	(3,906.17)
Proceeds from sale of fixed assets	33.98	128.34
Proceeds from sale of Mutual funds	47,908.61	73,395.80
Sale of assets held for sale	-	54.33
Investment in Mutual funds	(37,750.00)	(72,850.00)
(Investment in)/ maturity proceeds from fixed deposit (net)	484.17	5,208.00
Withdrawal from /(Investment) in partnership firm (net)	142.87	(0.50)
Interest income received	298.24	424.06
Lease rent income	10.25	11.60
Net cash provided by investing activities (B)	**7,206.08**	**2,465.46**

Standalone Statement of Cash Flows (Contd...)

for the year ended March 31, 2020

₹ In Lacs

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:		
Finance cost paid	(2,076.94)	(3,357.06)
Proceeds from exercise of share options	-	36.20
Repayment of Debentures	-	(20,000.00)
Repayment of borrowing	(50,532.94)	(56,100.00)
Proceeds from short-term borrowings	51,116.88	50,000.00
Payment of principal portion of lease liabilities	(1,685.67)	-
Dividend paid	(22,032.52)	(1,817.94)
Dividend tax paid	(4,528.85)	(373.68)
Net cash (used in) financing activities (C)	**(29,740.04)**	**(31,612.48)**
D. Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	**(5,997.70)**	**1,326.38**
E. Cash and cash equivalents at the beginning of the year	6,683.85	5,357.47
F. Cash and cash equivalents at the end of the year	**686.15**	**6,683.85**
G. Components of cash and cash equivalents		
Cash in hand	16.10	12.05
Balance with scheduled banks - Current account	670.05	6,671.80
Cash and cash equivalents considered for cash flow statement	**686.15**	**6,683.85**

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, 2019	Cash flow (Net)	Non-Cash changes/ Fair Value adjustment	As at March 31, 2020
Current Borrowings (Refer Note -16)	21,537.26	583.94	(26.82)	22,094.38
Total	**21,537.26**	**583.94**	**(26.82)**	**22,094.38**

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: June 05, 2020

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: June 05, 2020

Notes

to the standalone financial statements for the year ended March 31, 2020

NOTE 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 June 05, 2020

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The Standalone financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value. (Refer accounting policy regarding financial instruments)

The Standalone financial statements are presented in INR and all values are rounded to the nearest lacs, except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Notes

to the standalone financial statements for the year ended March 31, 2020

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.

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.

Notes

to the standalone financial statements for the year ended March 31, 2020

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.

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

Notes

to the standalone financial statements for the year ended March 31, 2020

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.

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

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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.

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

Notes

to the standalone financial statements for the year ended March 31, 2020

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 35b

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.

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

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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 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.

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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 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.

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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 reduction 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 using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

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

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

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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 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

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integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL and are measured at fair value with all changes recognised in the profit or loss. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when :

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) The Company has transferred substantially all the risks and rewards of the asset, or
  - (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

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ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Investment in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below :

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

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.

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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 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, 2020.

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₹ In Lacs

NOTE 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, 2018	**4,578.82**	**237.24**	**12,990.41**	**12,244.86**	**882.90**	**435.98**	**613.96**	**626.26**	**32,610.43**
Additions	5.36	-	418.84	3,113.86	384.29	34.84	84.78	105.65	4,147.62
Disposals	-	-	10.98	571.75	45.65	0.83	2.35	4.49	636.05
As at March 31, 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**
Depreciation and impairment									
As at April 1, 2018	**-**	**11.24**	**1,605.81**	**3,966.66**	**335.89**	**219.95**	**326.33**	**262.78**	**6,728.66**
Depreciation charge for the year	-	3.74	660.59	1,635.93	162.98	44.23	111.46	83.63	2,702.56
Disposals	-	-	9.47	399.57	45.54	0.81	0.98	3.82	460.19
As at March 31, 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**
Net book value									
As at March 31, 2020	**4,584.18**	**0.00**	**10,966.84**	**9,630.80**	**921.65**	**322.26**	**261.34**	**311.80**	**26,998.87**
As at March 31, 2019	**4,584.18**	**222.26**	**11,141.34**	**9,583.95**	**768.21**	**206.62**	**259.58**	**384.83**	**27,150.97**

@ Freehold land and building includes asset which are not transferred in the name of the company amounting to ₹ 689.36 (2019 - ₹ 678.01) 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 (2019 -₹ 374.31) 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 note16 for details of property, plant and equipment pledged as security for loans obtained.

c. Refer note 35 for details of assets given on lease.

NOTE 3B CAPITAL WORK IN PROGRESS

Capital work in progress as at March 31, 2020 is ₹ 2,374.27 (March 31, 2019 ₹ 1,415.85).

For contractual commitment with respect to property, plant and equipment refer note 36A.

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 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**
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**
Net book value			
As at March 31, 2020	**231.30**	**4,294.13**	**4,525.43**
As at March 31, 2019	-	-	-

NOTE 3D INTANGIBLE ASSETS

Particulars	Goodwill	Other intangible assets			Total Other intangible assets
		Brands	Trademarks and Copyrights@	Softwares and Licences	
Cost					
As at April 1, 2018	**10,287.69**	**21,256.20**	**85.48**	**782.38**	**22,124.06**
Additions	-	-	-	47.84	47.84
Disposals	-	-	-	-	-
As at March 31, 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**
Amortisation and impairment					
As at April 1, 2018	**-**	**9,109.80**	**83.16**	**173.48**	**9,366.44**
Amortisation charge for the year	-	3,036.60	0.05	89.39	3,126.04
Disposals	-	-	-	-	-
As at March 31, 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**
Net book value					
As at March 31, 2020	**10,287.69**	**6,073.20**	**2.27**	**523.39**	**6,598.86**
As at March 31, 2019	**10,287.69**	**9,109.80**	**2.27**	**567.35**	**9,679.42**

@ Includes trademarks and copyrights of ₹ 81.22 (2019 - ₹ 81.22) pending for registration in the name of the Company.

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 3D INTANGIBLE ASSETS (Contd...)

IMPAIRMENT

Goodwill is tested for impairment annually as at March 31st. No impairment charges were identified as at March 31, 2020.

Goodwill of ₹ 10,037.59 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 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% (2019 - 5%)
Growth rate	- 1% - 12% (2019 - 9% - 17%)
Weighted Average Cost of Capital % (WACC) (Discount rate)	- 13% (2019 - 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.

We have performed sensitivity analysis around the base assumptions and have concluded that no reasonable change in key assumptions would cause the recoverable amount of CGU to be less than the carrying value.

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 4 INVESTMENTS

Particulars	NON-CURRENT	
	As at March 31, 2020	As at March 31, 2019
Unquoted (fully paid)		
Investment in subsidiaries (at cost)		
Jyothy Fabricare Services Limited@		
9,800,000 (2019 - 9,800,000 equity shares of ₹ 10 (2019 - ₹ 10) each fully paid up	-	-
3,300,000 (2019 - 3,300,000) compulsory convertible preference shares of ₹ 100 (2019 - ₹ 100) each fully paid up	-	-
Jyothy Kallol Bangladesh Limited^		
8,485,431 (2019 - 8,485,431) equity shares of BDT 10 (2019 - BDT 10) each fully paid up	580.47	580.47
M/s JFSL - JLL (JV) -Partnership Firm (Note 38)	23.27	167.87
Investment in subsidiaries (at fair value through profit and loss)		
Jyothy Fabricare Services Limited #		
7,500,000 (2019- 7,500,000) 2% optionally convertible preference share of ₹ 10 (2019 - ₹ 10) each fully paid up	13,325.00	13,444.00
	13,928.74	**14,192.34**
Investment in Others (at fair value through profit and loss)		
Henkel SPIC Employees Co-operative Thrift and Credit Society Limited*		
2,000(2019 - 2,000) equity shares of ₹ 100 (2019 - ₹ 100)each fully paid up	2.00	2.00
Capexil (Agencies) Ltd*		
5 (2019 -5) equity shares of ₹ 10,000 (2019- ₹ 10,000) each fully paid up	-	-
Madras Industrial Cooperative Analytical Laboratory Limited*		
2 (2019-2) equity shares of ₹ 500 (2019- ₹ 500) each fully paid up	-	-
Investment in Government Securities (at fair value through profit and loss)		
Indira Vikas Patra*	0.02	0.02
National Saving Certificates (Pledged with Government authorities)*	0.57	0.57
	2.59	**2.59**
	13,931.33	**14,194.93**
Aggregate value of unquoted investments	13,931.33	14,194.93

 # 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. Since the amount is not material, the fair value disclosure have not been made. For others, Refer Note 41 and 42.*

@ Jyothy Fabricare Services Limited is incorporated in India. The company is holding 75.1% equity shares as at March 31, 2020 (2019 - 75.1%)

^ Jyothy Kallol Bangladesh Limited is incorporated in Bangladesh. The company is holding 75% equity shares as at March 31, 2020 (2019 - 75%)

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 5 TRADE RECEIVABLES (UNSECURED)

Particulars	CURRENT	
	As at March 31, 2020	As at March 31, 2019
Considered good	11,956.18	14,826.59
Credit impaired	1,003.09	1,020.27
Significant increase in credit risk	171.25	154.07
Less: Loss allowance	(1,174.34)	(1,174.34)
	11,956.18	**14,826.59**

The above balance of trade receivable includes balance receivable from related party.(Refer Note 34)

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 34.

The Company's exposure to credit and currency risk, and loss allowance related to trade receivables are disclose in note 43.

NOTE 6 LOANS (UNSECURED)

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Intercorporate loan				
Loan to JFSL JLL JV*	-	-	670.79	-
Security deposit considered good	919.31	783.41	-	-
	919.31	**783.41**	**670.79**	**-**

**The Company has given loan for short term working capital requirement @12% interest rate per annum. (Refer note 34)*

NOTE 7 OTHER FINANCIAL ASSETS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Fixed deposit with Banks having remaining maturity of more than 12 months (Note 13(b))	363.48	60.72	-	-
Investment Subsidy Receivable	-	-	265.67	568.51
Staff Loans	-	-	50.15	69.91
	363.48	**60.72**	**315.82**	**638.42**

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

Break up of financial assets carried at amortised cost

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Investment in subsidiaries (at cost) (Note 4)	603.74	748.34	-	-
Trade receivables (Note 5)	-	-	11,956.18	14,826.59
Loans (Note 6)	919.31	783.41	670.79	-
Other financial assets (Note 7)	363.48	60.72	315.82	638.42
Cash and cash equivalent and other bank balances(Note 13(a) and 13(b))	-	-	2,007.15	8,754.21
Total financial assets carried at amortised cost	**1,886.53**	**1,592.47**	**14,949.94**	**24,219.22**

NOTE 8 DEFERRED TAX ASSETS (NET)

Particulars	NON CURRENT	
	As at March 31, 2020	As at March 31, 2019
a) Deferred tax liability		
Depreciation	8,027.97	8,968.93
Right-of-use assets	1,500.54	-
Fair value adjustments	-	4.22
	9,528.51	**8,973.15**
b) Deferred tax assets		
Provision for gratuity	1,435.03	1,150.88
Provision for leave encashment	475.76	417.12
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 50)	535.04	-
Lease liability	1,602.50	-
Tax credit (MAT)	13,796.90	13,700.85
	19,150.50	**16,574.12**
Net deferred tax assets	**9,621.99**	**7,600.97**

NOTE 9 NON-CURRENT TAX ASSETS (NET)

Particulars	NON CURRENT	
	As at March 31, 2020	As at March 31, 2019
Advance income tax (net of provisions of ₹ 24,674.84 (2019 - ₹ 22,005.90))	992.11	159.80
	992.11	**159.80**

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 10 OTHER ASSETS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Capital Advances	136.90	258.43	-	-
Advance to suppliers *	494.85	494.85	1,429.36	1,082.04
Balance with government authorities and protest payments	7,656.60	8,976.81	4,613.12	4,252.57
Prepaid Expenses	-	-	609.34	350.27
Other receivables	599.40	599.40	46.82	59.10
Less: Loss allowance	(494.85)	(494.85)	-	-
	8,392.90	**9,834.64**	**6,698.64**	**5,743.98**

** Advances to suppliers amounting to ₹ 494.85 (2019 - ₹ 494.85) which are considered doubtful and fully provided for.*

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

Particulars	CURRENT	
	As at March 31, 2020	As at March 31, 2019
Raw and packing materials	4,485.21	5,045.85
Work in progress	1,403.20	1,956.21
Finished goods	13,570.50	9,758.46
Stock in trade (including goods in transit ₹ 24.16 (2019- ₹ 278.54))	2,288.86	2,370.23
Stores and spare parts	510.99	440.10
Promotion materials	-	493.04
	22,258.76	**20,063.89**

Inventories are net of provision of ₹ 933.29 (2019 - ₹ 916.13) on account of damage and slow moving inventories. Inventories pledge as a securities for borrowing (Refer Note 16)

NOTE 12 INVESTMENTS

Particulars	CURRENT	
	As at March 31, 2020	As at March 31, 2019
Investment at Fair value through profit and loss		
Axis Liquid Fund - Growth		
Nil (2019 - 4,82,852.834) units of ₹ Nil (2019 - ₹ 1,000) each	-	10,012.07
	-	**10,012.07**
Aggregate book and market value of quoted investments	-	10,012.07

For determination of fair values, refer Note 41

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 13 CASH AND BANK BALANCES

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
(a) Cash and cash equivalents				
Cash in hand	-	-	16.10	12.05
Balance with banks - Current account	-	-	670.05	6,671.80
			686.15	**6,683.85**
(b) Bank balances other than cash and cash equivalents				
Unclaimed dividend accounts	-	-	264.66	160.70
Deposits with original maturity for more than 3 months and maturing within 12 months*	-	-	1,056.34	1,909.66
Deposits with original and remaining maturity for more than 12 months*	363.48	60.72	-	-
Amount disclosed under 'other financial assets' (Note 7)	(363.48)	(60.72)	-	-
	-	**-**	**1,321.00**	**2,070.36**
	-	**-**	**2,007.15**	**8,754.21**

** Includes deposits provided as securities against bank guarantees and toward debenture redemption reserves - ₹ 434.61 (2019 - ₹ 1,649.64)*

NOTE 14 SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019
AUTHORISED CAPITAL		
2,720,000,000 (2019 - 2,720,000,000) equity shares of ₹ 1 (2019 - ₹ 1) each	27,200.00	27,200.00
30,000 (2019 - 30,000) 11% cumulative preference shares of ₹ 100 (2019 - ₹ 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 standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 14 SHARE CAPITAL (Contd...)

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

Particulars	As at March 30, 2020		As at March 31, 2019	
	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	18,17,94,087	1,817.94
Issued during the year	-	-	18,54,14,557	1,854.15
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 30, 2020		As at March 31, 2019	
	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%
Sahyadri Agencies Limited	1,45,00,000	3.95%	3,00,00,000	8.17%

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, 2020 No.	As at March 31, 2019 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, 2020

₹ In Lacs

NOTE 15 OTHER EQUITY

A. Other Equity consist of following :

Particulars	As at March 31, 2020	As at March 31, 2019
Retained earnings		
Balance, beginning of the year	24,237.28	2,224.38
Profit for the year	15,769.28	19,317.28
Other Comprehensive Income - Re-measurement gains/ (losses) of post employment benefit obligation	(274.77)	(112.76)
Cash dividend (Note 15(b))	(22,032.52)	(1,817.94)
Dividend distributions tax (DDT) (Note 15(b))	(4,528.85)	(373.68)
Transfer from Debenture Redemption Reserve	-	5,000.00
Net surplus in the statement of profit and loss	**13,170.42**	**24,237.28**
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	49,128.44
Add: Increase on issuance of share capital under ESOP scheme (Note 45)	-	3,199.59
Less: Issue of bonus share	-	(1,817.94)
Balance, end of the year	**50,510.09**	**50,510.09**
Debenture Redemption Reserve (DRR)		
Balance, beginning of the year	-	5,000.00
Less: Amount transferred to retained earning	-	(5,000.00)
Balance, end of the year	**-**	**-**
General reserves		
Balance, beginning of the year	460.67	460.67
Balance, end of the year	**460.67**	**460.67**
Employee stock option outstanding (Note 45)		
Balance, beginning of the year	-	3,199.59
Less: Transfer to securities premium on exercise of stock options	-	(3,199.59)
	-	**-**
	70,655.64	**81,722.50**

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 15 OTHER EQUITY (Contd...)

B. Distribution made and Proposed

Particulars	As at March 31, 2020	As at March 31, 2019
Cash dividend on equity shares declared and paid :		
Final dividend for the year ended March 31, 2019 ₹ 3 per share (2018 ₹ 0.50 per share on the proposed expanded capital base (post bonus))	11,016.26	1,817.94
Dividend distribution tax on final dividend	2,264.43	373.68
Interim dividend for the year ended March 31, 2020 ₹ 3 per share, (2019 - ₹ Nil)	11,016.26	-
Dividend distribution tax on final dividend	2,264.43	-
	26,561.37	**2,191.62**
Proposed dividends on equity shares :		
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	-	2,264.42
	-	**13,280.68**

NOTE 16 BORROWINGS

Particulars	CURRENT	
	As at March 31, 2020	As at March 31, 2019
Term Loan from Bank (Secured) (Note a below)	7,539.46	10,066.25
Term Loan from Bank (Secured) (Note b below)	3,101.97	3,915.91
Working Capital Loan from Bank (Secured) (Note c below)	7,948.07	7,555.10
Bank overdraft / Cash Credit facility (Secured) (Note c below)	3,504.88	-
	22,094.38	**21,537.26**

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 6.00% - 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.

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 17 TRADE PAYABLES

Particulars	CURRENT As at March 31, 2020	CURRENT As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 37 for details of dues to micro and small enterprises)	1,022.95	3,813.45
Total outstanding dues of creditors other than micro enterprises and small enterprises	11,656.17	13,666.30
	12,679.12	**17,479.75**

NOTE 18 OTHER FINANCIAL LIABILITIES

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial guarantee liabilities	-	-	33.78	78.83
Security deposits	-	-	62.10	20.10
Payable to Employees *	-	-	1,488.72	2,277.99
Payable to bank - Factoring arrangement**	-	-	-	1,055.70
Unclaimed dividend ***	-	-	264.66	160.70
Lease liabilities****	2,900.25	-	1,685.67	-
Deferred payment liability (unsecured)*****	-	-	180.00	180.00
	2,900.25	**-**	**3,714.93**	**3,773.32**

** Payable to employees includes balance payable to related party (Refer Note 34).*

*** Money received from customer on behalf of bank in respect of factored debts.*

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

*****'For disclosures on lease liabilities refer note 35*

******Deferred payment liability represent amount payable under the memorandum of understanding (MOU) entered into with the DRDE/DRDO of the Ministry of Defence, Government of India 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 43

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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Borrowings (Note 16)	-	-	22,094.38	21,537.26
Trade payables (Note 17)	-	-	12,679.12	17,479.75
Other financial liabilities (Note 18)	2,900.25	-	3,714.93	3,773.32
Total of financial liabilities carried at amortised cost	**2,900.25**	**-**	**38,488.43**	**42,790.33**

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 19 OTHER LIABILITIES

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Statutory dues	-	-	1,158.59	1,976.40
Deferred investment subsidy (a)	302.73	353.92	73.76	71.53
Advances from customers	-	-	1,033.79	300.87
Contractual Obligation	-	-	3,047.90	3,419.89
	302.73	**353.92**	**5,314.04**	**5,768.69**

(a) The Company has been awarded grants on account of Central capial investment subsidy (CCIS) of ₹ 568.51 lacs and grants recognised as deferred income, is being amortised over the useful life of the assets in proportion to the usage of the related assets.

NOTE 20 PROVISIONS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits				
Provision for leave encashment	1,181.01	1,037.35	180.48	156.33
Provision for gratuity (Note 31(i))	4,106.65	3,293.50	-	-
	5,287.66	**4,330.85**	**180.48**	**156.33**
Other provisions #				
Provision for litigation*	-	-	2,066.13	2,066.13
	5,287.66	**4,330.85**	**2,246.61**	**2,222.46**

* 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.

 # Movements in other provisions

Particulars	CURRENT	
	As at March 31, 2020	As at March 31, 2019
Balance as at 1st April	2,066.13	2,175.59
Arising during the year	-	-
Reversal during the year	-	(109.46)
Balance as at 31st March	**2,066.13**	**2,066.13**

NOTE 21 CURRENT TAX LIABILITIES (NET)

Particulars	CURRENT	
	As at March 31, 2020	As at March 31, 2019
Provision for income tax (net of advance tax of ₹ 4,698.85 (2019 ₹ 4,398.26))	46.13	346.72
	46.13	**346.72**

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 22 REVENUE FROM OPERATIONS

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Sale of goods	1,66,392.96	1,76,769.63
	1,66,392.96	**1,76,769.63**
Other operating revenues		
Sale of scrap	144.98	100.41
Others	-	17.34
	144.98	**117.75**
	1,66,537.94	**1,76,887.38**

NOTE 23 OTHER INCOME

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Lease rent income (Note 35)	10.25	11.60
Foreign exchange fluctuation gain (net)	-	14.48
Net change in fair value of financial assets measured at FVTPL	-	12.07
Profit on sale of current investments	146.55	159.28
Share of profit in partnership firm	-	31.82
Investment subsidy income	72.22	71.53
Interest on fixed deposit	120.16	290.51
Interest on loan give in partnership firm	11.31	-
Interest on capital invested in partnership firm	10.54	12.99
Interest on Income tax Refund	-	264.72
Interest others	134.89	90.19
Budgetary support benefit under GST	1,464.88	1,746.22
Export incentives	32.51	75.65
Miscellaneous income	1.45	1.92
	2,004.76	**2,782.98**

NOTE 24 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Inventory at the beginning of the year	5,045.85	4,728.90
Add: Purchases	68,669.68	70,739.52
	73,715.53	**75,468.42**
Less: Inventory at the end of the year	4,485.21	5,045.85
	69,230.32	**70,422.57**

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 25 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Closing 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**
Opening inventory		
Finished goods	9,758.46	8,735.00
Traded goods	2,370.23	2,409.78
Work in progress	1,956.21	1,915.08
	14,084.90	**13,059.86**
Total	**(3,177.66)**	**(1,025.04)**

NOTE 26 EMPLOYEE BENEFITS EXPENSE

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Salaries, wages and bonus	16,161.61	14,838.21
Contribution to provident and other funds	1,180.25	1,070.26
Gratuity (Note 31(i))	548.01	516.36
Staff welfare expenses	411.49	418.42
Directors' remuneration (Note 34)	1,181.52	1,414.39
Field staff incentives	549.22	602.70
	20,032.10	**18,860.34**

NOTE 27 FINANCE COST

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Interest on bank overdraft and loan	2,021.53	2,578.55
Redemption Premium / Interest accrued on debentures	-	113.97
Interest on lease liability	454.02	-
Interest on Income tax	-	54.33
Other borrowing cost	2.33	35.51
	2,477.88	**2,782.36**

NOTE 28 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Depreciation on tangible assets	2,887.52	2,702.56
Amortization of intangible assets	3,132.15	3,126.04
Depreciation of right of use assets	1,553.45	-
	7,573.12	**5,828.60**

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 29 OTHER EXPENSES

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Power and fuel expenses	2,721.97	2,565.60
Rent* (Note 35)	74.53	1,613.45
Insurance	218.10	188.40
Repairs and maintenance		
- Building	33.95	26.29
- Plant and machinery	288.16	251.30
- Others	231.30	231.39
Consumption of stores and spares	471.48	325.86
Printing and stationery	57.52	82.27
Communication costs	210.48	220.40
Legal and professional fees (Note 32(A))	988.43	997.26
Rates and taxes	148.35	160.66
Directors' sitting fees (Note 34(c))	15.25	6.05
Vehicle maintenance	166.47	153.79
Loss on fixed assets discarded / sold	29.12	47.52
Conversion charges	6.25	14.22
Advertisement and sales promotion expense	11,992.69	10,933.35
Freight, handling and forwarding charges	10,212.20	11,182.35
Field staff expenses	1,667.62	1,674.53
Net change in fair value of financial assets measured at FVTPL	119.00	-
Travelling and conveyance	547.29	371.48
Royalty	306.18	327.76
Corporate social responsibility expenses (Note 32(B))	388.09	421.08
Share of (profit)/loss in partnership firm	1.73	-
Miscellaneous expenses	1,425.30	1,473.52
	32,321.46	**33,268.53**

**Current year expenses pertains to short-term lease and low value assets*

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 30 INCOME TAX

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are :

Particulars		April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
a.	**Profit or loss**		
	Income tax expenses		
	Current tax		
	Current period	2,663.00	4,690.64
	Adjustment of tax relating to earlier periods	-	-
		2,663.00	**4,690.64**
	Deferred tax		
	Relating to origination and reversal of temporary differences	(1,873.45)	(1,257.50)
		789.55	**3,433.14**
b.	**OCI**		
	Deferred tax related to items recognised in OCI during the year :		
	Net loss /(gain) on remeasurements of defined benefit plans	147.57	60.56
		147.57	**60.56**
c.	**Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate**		
	Accounting profit before tax	16,558.83	22,750.42
	Tax rate	34.94%	34.94%
	Tax at statutory rate	5,786.32	7,949.91
	Less:		
	Tax impact :- Profit exempt from tax	(4,595.48)	(5,003.08)
	Corporate social responsibility expenditure disallowed	135.50	147.14
	Differential tax rate (Note 50)	(535.04)	-
	Others	(1.74)	339.16
	Adjusted tax expense	**789.55**	**3,433.14**
	Tax expense	**789.55**	**3,433.14**
d.	**Deferred tax Assets and Liabilities**		
	Net deferred tax assets and (liabilities)	9,621.99	7,600.97

e. Movement in Deferred tax Assets and Liabilities

Movement during the year ended March 31, 2019	As at March 31, 2018	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2019
Deferred tax assets /(liability)				
Depreciation	(9,950.62)	981.69	-	(8,968.93)
Fair value adjustments	(15.74)	11.52	-	(4.22)
Provision for gratuity	926.55	163.77	60.56	1,150.88
Provision for leave encashment	357.08	60.04	-	417.12
Provision for doubtful debts	410.36	-	-	410.36
Provision for doubtful advances	174.80	(1.88)	-	172.92
Other provisions	760.24	(38.25)	-	721.99
Other disallowances	46.12	(46.12)	-	-
Tax credit (MAT)	13,574.12	126.73	-	13,700.85
	6,282.91	**1,257.50**	**60.56**	**7,600.97**

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 30 INCOME TAX (Contd...)

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 50)	-	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**

NOTE 31(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, 2020 Gratuity Funded	March 31, 2019 Gratuity Funded
(A) Summary of the Actuarial Assumptions		
Mortality	IALM (2012-14) Ult.	IALM (2006-08) Ult.
Discount rate	6.60%	7.55%
Rate of increase in compensation	8.00%	8.00%
Withdrawal rates	9.00%	9.00%
Rate of return (expected) on plan assets	7.27%	7.59%
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	3,450.01	2,917.53
Interest cost	261.03	230.32
Current Service Cost	298.88	259.32
Benefits Paid	(187.46)	(116.37)
Past Service Cost	-	-
Actuarial changes arising from changes in demographic assumptions	0.36	-
Re-measurment changes arising from changes in financial assumptions	251.89	76.46
Experience adjustments	150.76	82.75
PVO at end of period	4,225.47	3,450.01

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 31(I) GRATUITY (Contd...)

	Particulars	March 31, 2020 Gratuity Funded	March 31, 2019 Gratuity Funded
(C)	**Changes in fair value of plan assets**		
	Fair value of plan assets at the beginning of period	156.51	265.99
	Investment Income	11.84	21.00
	Benefit paid	(30.20)	(116.37)
	Return on plan assets	(19.33)	(14.11)
	Fair value of plan assets at end of period	118.82	156.51
(D)	**Expenses recognised in the statement of profit and loss**		
	Current service cost	298.88	259.32
	Past Service Cost	-	-
	Net Interest cost on the Net Defined Benefit Liability / (Asset)	249.19	209.32
	Benefits paid directly by company	(0.06)	47.72
	Expense recognised in the statement of profit and loss	548.01	516.36
(E)	**Remeasurement gains/(losses) in other comprehensive income**		
	Return on plan assets	19.33	14.11
	Actuarial changes arising from changes in demographic assumptions	0.36	-
	Re-measurment changes arising from changes in financial assumptions	251.89	76.46
	Experience adjustments	150.76	82.75
	Total amount recognised in OCI	422.34	173.32
(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	(4,225.47)	(3,450.01)
	Fair value of plan assets at end of period	118.82	156.51
	Funded status (deficit in fair value of plan assets over PVO)	(4,106.65)	(3,293.50)
	Net assets / (Liability) recognised in the balance sheet	(4,106.65)	(3,293.50)

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, 2020	March 31, 2019
Defined Benefit Obligation (Base)	4,225.47	3,450.01

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 31(I) GRATUITY (Contd...)

Particulars	March 31, 2020		March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	4,522.04	3,960.20	3,685.92	3,238.73
(% change compared to base due to sensitivity)	7.00%	-6.30%	6.80%	-6.10%
Salary Growth Rate (- / + 1%)	3,978.27	4,493.17	3,249.98	3,665.70
(% change compared to base due to sensitivity)	-5.90%	6.30%	-5.80%	6.30%
Attrition Rate (- / + 50% of attrition rates)	4,322.58	4,158.29	3,467.21	3,436.82
(% change compared to base due to sensitivity)	2.30%	-1.60%	0.50%	-0.40%
Mortality Rate (- / + 10% of mortality rates)	4,225.82	4,225.12	3,450.01	3,450.01
(% 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	589.27
- 2 to 5 years	1,731.79
- 6 to 10 years	2,108.72
- More than 10 years	2,611.01

c) The Company expects to contribute ₹ Nil (2019- ₹ Nil) to gratuity fund.

NOTE 31(II) SUPERANNUATION

The Company Contributed ₹ 40.95 lacs and ₹ 39.79 lacs to the superannuation plan during the years ended March 31, 2020 and March 31, 2019, respectively and same has been recognized in the Statement of Profit and Loss under the head employee benefit expense.

NOTE 31(III) PROVIDENT FUND AND OTHER FUNDS

The Company Contributed ₹ 1139.30 lacs and ₹ 1,030.47 lacs to the employee provident fund and other funds during the years ended March 31, 2020 and March 31, 2019, respectively and same has been recognized in the Statement of Profit and Loss under the head employee benefit expense.

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 32 A) PAYMENT TO AUDITORS (EXCLUDING GST)

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
As Auditors		
Audit fee	40.00	35.00
Tax audit fees and certification	8.04	6.04
Limited review of quarterly results	48.00	45.00
Reimbursement of expenses	4.54	4.51
	100.58	**90.55**

B) Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII is as given below:

	April 1, 2019 to March 31, 2020			April 1, 2018 to March 31, 2019		
(a) Gross amount required to be spent during the year			386.62			365.47
	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	158.86	-	158.86	43.54	-	43.54
Imparting Skill Development Training	194.40	-	194.40	377.54	-	377.54
Contribution to Disaster Management	21.00	-	21.00	-	-	-
Others	13.83	-	13.83	-	-	-
Total	**388.09**	**-**	**388.09**	**421.08**	**-**	**421.08**

NOTE 33 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, 2020

NOTE 34 RELATED PARTY DISCLOSURES

a) Parties where control exists

Individual having control

M.P. Ramachandran	Chairman and Managing Director upto March 31, 2020, Chairman Emeritus w.e.f April 01, 2020

The Managing Director of the Company is an individual having control and hence not separately disclosed as a Key management personnel.

Other Subsidiaries

Jyothy Kallol Bangladesh Limited

Four Seasons Drycleaning Company Private Limited

Snoways Laundrers & Drycleaners Private Limited

Jyothy Fabricare Services Limited

M/S JFSL-JLL (JV) - Partnership firm

b) Related party relationships where transactions have taken place during the year

Firm / HUF in which the relatives of individual having control are partners / members / proprietor

Quilon Trading Co.

M.P. Divakaran - H.U.F.

M.P. Sidharthan - H.U.F.

Jaya Trust

Relative of individual having control

M.P. Sidharthan	
M.R. Jyothy	Appointed as Managing Director w.e.f. April 01, 2020
M.R. Deepthi	Appointed as Whole time Director w.e.f. April 01,2020
Ananth Rao T	
Ravi Razdan	
M. G. Santhakumari	
M.P. Divakaran	

Enterprises significantly influenced by key management personnel or their relatives

Sahyadri Agencies Ltd.

Gagangiri Containers Limited

Key management personnel as per IND-AS / Companies Act, 2013

K. Ullas Kamath	Joint Managing Director
M.R. Jyothy	Whole time Director & Chief Marketing Officer upto March 31, 2020 (Appointed as Managing Director w.e.f. April 1, 2020)
M.R. Deepthi	Whole Time Director (Appointed w.e.f. April 1, 2020)
Rajnikant Sabnavis	Chief Operating Officer upto November 30, 2019
Sanjay Agarwal	Chief Financial Officer
Nilesh B. Mehta	Independent Director
R. Lakshminarayanan	Independent Director
K. P. Padmakumar	Independent Director upto March 31, 2019
Bhumika Batra	Independent Director
Shreyas Trivedi	Head-Legal & Company Secretary

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 34 RELATED PARTY DISCLOSURES (Contd...)

c) **Transactions with related parties during the year**

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
M.P. Ramachandran		
Remuneration*	₹1 only	₹1 only
Commission	356.59	482.34
Dividend	8,618.45	701.37
Sahyadri Agencies Limited		
Dividend	1335.00	150.00
Gagangiri Containers Limited		
Purchase of Land	11.40	-
Quilon Trading Company		
Rent expenses	1.20	1.20
M.P. Divakaran - H.U.F.		
Dividend	228.48	19.04
M.P. Sidharthan - H.U.F.		
Dividend	158.40	13.20
Jaya Trust		
Dividend	261.00	21.75
Jyothy Fabricare Services Limited		
Reimbursement of expenses	35.84	20.63
Sale of Finished goods (net of sales return)	2.85	3.45
M/S JFSL-JLL (JV)		
(Profit)/loss in partnership	1.73	(31.82)
Interest on partner capital	10.54	12.99
Interest on loan given	11.31	-
Loan given to JFSL-JLL(JV)	670.79	-
Investment /(Withdrawal) of capital	142.88	0.50
Jyothy Kallol Bangladesh Limited		
Sales of raw materials and packing material and finished goods	120.03	102.69
Relatives of individual having control		
Remuneration*		
M.R. Jyothy	219.60	219.60
M P Sidharthan	24.00	24.00
M R Deepthi	59.29	54.36
Ananth Rao T	94.87	83.28
Ravi Razdan	65.07	62.23
M.P. Divakaran	-	12.00

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 34 RELATED PARTY DISCLOSURES (Contd...)

c) Transactions with related parties during the year (Contd...)

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Dividend -Relatives of individual having control	3,122.27	260.19
Key management personnel		
Remuneration*		
K. Ullas Kamath	336.00	336.00
Sanjay Agarwal	244.41	185.82
Rajnikant Sabnavis	274.11	371.88
Shreyas Trivedi	78.53	71.97
Dividend		
K. Ullas Kamath	174.17	14.51
Contribution to Superannuation fund		
K. Ullas Kamath	30.00	30.00
Fee for attending board / committee meetings		
Nilesh B. Mehta	5.75	2.05
R. Lakshminarayanan	5.25	2.05
K. P. Padmakumar	-	1.45
Bhumika Batra	4.25	0.50
Commission		
K. Ullas Kamath	320.93	434.10
Nilesh B. Mehta	12.00	10.00
R. Lakshminarayanan	12.00	10.00
K. P. Padmakumar	-	10.00
Bhumika Batra	12.00	-

** As the future liabilities for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.*

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 34 RELATED PARTY DISCLOSURES (Contd...)

d) Related party balances

Particulars	As at March 31, 2020	As at March 31, 2019
Amounts receivable		
Trade receivables :		
Jyothy Kallol Bangladesh Limited	-	16.81
Amounts payable		
Other financial liabilities :		
Individual having control		
M.P. Ramachandran	356.59	482.34
Key management personnel		
K. Ullas Kamath	320.93	434.10
Nilesh B. Mehta	12.00	10.00
R. Lakshminarayanan	12.00	10.00
K. P. Padmakumar	-	10.00
Bhumika Batra	12.00	-
Loans to associate		
Loan to JFSL-JLL (JV)	670.79	-
Corporate guarantees issued by the Company to the bankers of subsidiary companies		
Jyothy Fabricare Services Limited	6,000.00	6,000.00
M/S JFSL-JLL (JV)	202.44	377.44

Terms and conditions of transactions with related parties

The Sales to / purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

NOTE 35 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	Leasehold Land	Building	Total
As at April 1, 2019	**-**	**5,023.98**	**5,023.98**
Additions	-	819.86	819.86
Accretion of interest	-	427.75	427.75
Payments	-	(1,685.67)	(1,685.67)
As at March 31, 2020	**-**	**4,585.92**	**4,585.92**
Current	-	1,685.67	1,685.67
Non current	-	2,900.25	2,900.25

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 35 IN CASE OF ASSETS TAKEN ON LEASE (Contd...)

The maturity analysis of lease liabilities is disclosed below:

Maturity analysis of contractual undiscounted cash flow	₹
Less than 1 year	1,633.59
1 to 2 years	1,427.10
2 to 3 years	1,008.68
3 to 4 years	589.54
4 to 5 years	365.17
More than 5 years	518.68
Total undiscounted lease liabilities	**5,542.76**

c **Total cash outflow**

The Company has a total cash outflow (including short term and low value assets) for leases of ₹ 1,772.98 in 2019-20 (2018-19 - ₹ 1,613.45). The Company also had non cash additions to right to use assets and lease liabilities of ₹ 5,843.84 in 2019-20 (2018-19 - ₹ Nil).

d **Lease commitments for leases accounted as short term lease**

The company is committed to ₹ 74.53 (2018-19- ₹ Nil) for short term leases.

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, 2019 to March 31, 2020
(A) Decrease in Rent expenses	(1,685.67)
(B) Increase in Depreciation	1,553.45
(C) Increase in Interest expenses	427.75
(D) Decrease in Profit before tax	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, 2020 was ₹ 10.25 (2019 – ₹ 11.60).

NOTE 36 COMMITMENTS AND CONTINGENCIES

A) Capital Commitments (Net of Advances)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	28.29	216.32
Other Commitments (Refer note 35d)	74.53	-
	102.82	**216.32**

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, 2020	As at March 31, 2019
(I) Tax matters		
(a) Disputed sales tax demands – matters under appeal	1,467.56	1,356.01
(b) Disputed GST demands – matters under appeal	45.18	-
(c) Disputed excise duty and service tax demand - matter under appeal	2,488.24	4,083.22
(d) Disputed income tax demand - matter under appeal *	278.87	278.87
(II) Amount outstanding in respect of financial guarantees	6,202.44	6,377.44

** 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.*

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 36 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.

NOTE 37 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSMED')

The disclosure pursuant to the said Act is as under :

Particular	As at March 31, 2020	As at March 31,2019
Principal amount due to suppliers under MSMED Act	1,022.95	3,813.45
Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount, unpaid	0.32	1.20
Interest paid to suppliers under the MSMED Act	-	-
Interest due and payable towards suppliers under MSMED Act towards payment already made	-	-
Interest accrued and remaining unpaid at the end of accounting year	0.32	1.20

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE 38 DETAILS OF INVESTMENTS IN PARTNERSHIP FIRM

Particular	Share of partner in profits (%)	
	As at March 31, 2020	As at March 31, 2019
Name of Partner		
Share of partner in profits (%)		
Jyothy Fabricare Services Limited	75.00%	75.00%
Jyothy Laboratories Limited	25.00%	25.00%
Total capital of the firm	93.08	671.51

NOTE 39 EARNING PER SHARE (₹)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 39 EARNING PER SHARE (₹) (Contd...)

The following reflects the income and share data used in the basic and diluted EPS computations:

Particular	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Net Profit for calculation of basic and diluted EPS	15,769.28	19,317.28
Weighted average number of shares for calculation of basic EPS (i)	**36,72,08,644**	**36,49,37,171**
Effect of dilution :		
Stock option granted under ESOP scheme	-	-
Weighted average number of shares for calculation of diluted EPS (ii)	**36,72,08,644**	**36,49,37,171**
Basic EPS (₹)	4.29	5.29
Diluted EPS (₹)	4.29	5.29
(i) Weighted average number of equity shares (Basic)		
Weighted average number of shares for calculation of basic EPS	36,72,08,644	36,35,88,174
Effect of share option exercised	-	13,48,997
Weighted average number of shares for calculation of basic EPS	**36,72,08,644**	**36,49,37,171**
(ii) Weighted average number of equity shares (Diluted)		
Weighted average number of shares for calculation of basic EPS	36,72,08,644	36,49,37,171
Effect of share option exercised	-	-
Weighted average number of shares for calculation of diluted EPS	**36,72,08,644**	**36,49,37,171**

NOTE 40 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 protest payment made in earlier years towards Vat/Excise duty matters. The Company has received favourable orders from the Honourable Supreme Court / High Court in these matters and accordingly assessed 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 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.

Notes

to the standalone financial statements for the year ended March 31, 2020

NOTE 40 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Contd...)

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.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 45

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.

Futher, the Company has recognised Minimum Alternate tax Credit (MAT) which can utilised for a period of 15 years from the assessment year to which it relates to. Based on future projections of taxable profit and MAT, the Company has assessed that the entire MAT credit can be utilised.

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 41 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Assets				
Investment	13,931.33	24,207.00	13,931.33	24,207.00
Loans	1,590.10	783.41	1,590.10	783.41
Total	**15,521.43**	**24,990.41**	**15,521.43**	**24,990.41**
Financial Liabilities				
Borrowings	22,094.38	21,537.26	22,094.38	21,537.26
Financial guarantee contracts	33.78	78.83	33.78	78.83
Total	**22,128.16**	**21,616.09**	**22,128.16**	**21,616.09**

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 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.

NOTE 42 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 :

Particular	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 disclosed					
Investment *	March 31, 2020	13,327.59	-	-	13,327.59
Financial guarantee	March 31, 2020	33.78	-	-	33.78
Investment *	March 31, 2019	23,458.66	10,012.07	-	13,446.59
Financial guarantee	March 31, 2019	78.83	-	-	78.83

* Fair value measured by using discounted cash flow (DCF) method

There have been no transfers between Level 1 and Level 2 during the period.

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 42 FAIR VALUES HIERARCHY (Contd...)

Significant unobservable inputs used in level 3 fair values:

As at March 31, 2020	Significant unobservable inputs	Sensitivity of input to fair value measurement
Investment(Optionally convertible redeemable preference share)	Terminal value growth rate: 5%	1% increase will increase fair value by ₹ 1,545 lacs and 1% decrease will decrease fair value by ₹ 1,290 lacs
	Discount Rate: 15%	1% increase will decrease fair value by ₹ 2,032 lacs and 1% decrease will increase fair value by ₹ 2,425 lacs
Financial guarantee	Risk premium 0.75%	0.25% increase and decrease will increase and decrease fair value by ₹ 45 lacs.

NOTE 43 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, 2020 and March 31, 2019. 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, 2020				
Borrowings and Other financial liabilities	28,709.56	-	-	28,709.56
Trade and other payables	12,679.12	-	-	12,679.12
	41,388.68	**-**	**-**	**41,388.68**
As at March 31, 2019				
Borrowings and Other financial liabilities*	25,310.58	-	-	25,310.58
Trade and other payables	17,479.75	-	-	17,479.75
	42,790.33	**-**	**-**	**42,790.33**

** 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 16), the same has been presented as current maturity in the financial statements.*

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to the standalone financial statements for the year ended March 31, 2020

NOTE 43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

B. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk exist mainly on account of borrowings of the Company. However, all these borrowings are at fixed interest rate and hence the exposure to change in interest rate is insignificant.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant foreign currency risk as at the respective reporting dates.

Price risk

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

C. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and other financial assets.

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, 2020 and March 31, 2019 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.

NOTE 44 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.

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to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 44 CAPITAL MANAGEMENT (Contd...)

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.

Particulars	March 31, 2020	March 31, 2019
Borrowings	22,094.38	21,537.26
Less: Cash and cash equivalents, other bank balances and mutual fund investments (Note 12,13a and 13b)	(2,007.15)	(18,766.28)
Net debt (A)	20,087.23	2,770.98
Equity	74,327.73	85,394.59
Capital and Net Debt (B)	94,414.96	88,165.57
Gearing ratio (A/B)	21%	3%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31. 2020 and March 31, 2019

NOTE 45 SHARE-BASED PAYMENTS

On August 16, 2014 the Remuneration and Compensation Committee of the Board of Directors of the Company approved the Employee Stock Option Scheme 2014 ("ESOS-2014") for issue of stock options to the key employees and Employee Stock Option Scheme 2014-A ("ESOS- 2014-A") for issue of stock options to Whole Time Director & CEO of the Company. According to the scheme, whole time Director and CEO and eligible employees selected by the Remuneration and Compensation Committee will be entitled to options from time to time, subject to satisfaction of prescribed vesting conditions. The relevant terms of the grant are as below : -

Particulars	(“ESOS-2014”) Grant – I	("ESOS-2014-A")
Date of Grant	August 16, 2014	August 16, 2014
Number of options granted	5,03,445	27,15,352
Vesting period	33% - Year 1	66.67% - Year 1
	33% - Year 2	16.67% - Year 2
	34% - Year 3	16.66% - Year 3
Exercise period	5 years from the respective dates of vesting	
Exercise Price - Per share	₹ 1	₹ 1
Market price at grant date - Per share	₹ 188.70	₹ 188.70
Average life of option	3.5 years	

The fair value of option granted is estimated at the grant date using Black Scholes valuation model, taking into account the term and conditions upon which the share options were granted.

The following table illustrates the number and movements in share options during the year,

Particulars	(“ESOS-2014”) Grant – I	("ESOS-2014-A")
Exercisable at March 31, 2018	-	18,10,235
Exercised during 2018-19	-	18,10,235
Outstanding at March 31, 2019	-	-
Outstanding at March 31, 2020	-	-

For option exercised during the period, Weighted Average Exercise price of ₹ Nil (2019- ₹ 1) and weighted average share price at the exercise date was ₹ Nil per share (2019 - ₹ 185.66).

No new stock option have been granted by the company in the current year.

Notes

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₹ In Lacs

NOTE 45 SHARE-BASED PAYMENTS (Contd...)

The following table list inputs to the model used for the year ended March 31, 2020 and March 31, 2019 :

Variables	("ESOS -2014")- Grant – I		
	Vest 1	Vest 2	Vest 3
	August 16, 2015	August 16, 2016	August 16, 2017
Volatility	36.19%	37.32%	40.33%
Risk-free Rate	8.73%	8.72%	8.72%
Exercise Price (₹)	1.00	1.00	1.00
Dividend yield	1.59%	1.59%	1.59%
Option fair Value vest wise of per stock option granted (₹)	**177.75**	**174.99**	**172.27**

Variables	("ESOS -2014 - A")		
	Vest 1	Vest 2	Vest 3
	August 16, 2015	August 16, 2016	August 16, 2017
Volatility	36.19%	37.32%	40.33%
Risk-free Rate	8.73%	8.72%	8.72%
Exercise Price (₹)	1.00	1.00	1.00
Dividend yield	1.59%	1.59%	1.59%
Option fair Value vest wise of per stock option granted (₹)	**177.75**	**174.99**	**172.27**

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

NOTE 46 IMPACT OF CORONAVIRUS OUTBREAK (COVID-19)

With the recent and rapid development of the COVID-19 outbreak, many countries have required entities to limit or suspend business operations and implemented travel restrictions and quarantine measures. These measures and policies have significantly disrupted (or are expected to disrupt) the activities of many entities. Disruptions are more immediate and pronounced in certain industries such as tourism, hospitality, transportation, retail, and entertainment, while there are also anticipated knock-on effects on other sectors such as manufacturing and financial sector. As the outbreak continues to progress and evolve, it is challenging at this juncture, to predict the full extent and duration of its business and economic impact. Consequently, these circumstances may impose entities with challenges when preparing their financial statements.

The company's operation disrupted due to COVID19 from 20 March 2020 onwards. All factories and sales operations were halted and primary sales were stopped. The lockdown led to impact on sales of approximately ₹ 15,000 lacs based on forecasted sales for the month. Our product portfolio falls in the category of 'Essential Goods' and forms part of day to day household consumption which are sold from grocery chains. As per MHA order dated 12 April 2020 - factories, depots and inter-state transportation of goods were permitted to operate with restrictions. In alignment with CII, Jyothy Labs is recognised as 'Company with nation-wide supply' hence, corporate State-wise E-passes were allowed to be issued by us directly for our supply chain, i.e. manufacturing plant workers, CFA/distributors' s staff, our sales staff, transporter, etc. Hence, operations were partially resumed since mid-April 2020. Production commenced in mid-April and the temporary shut-down did not have any significant impact on the valuation of inventories.

Notes

to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 46 IMPACT OF CORONAVIRUS OUTBREAK (COVID-19) (Contd...)

While there were challenges with respect to resources, these were proactively managed to ensure minimal disruption to operations. All staff were working remotely and adequate controls were put in place to ensure control environment is not compromised. collections from sales in the subsequent period continues to be strong and hence management does not see any constraints arising from cash flows. Sales in the subsequent period have also met expectations considering the company sells essential hygiene related products.

In the short term, Company has adequate resources to sustain the impact of Covid-19. We do not foresee any material adverse impact in the medium to long term on the business. Based on our current assessment, no significant impact on carrying value on goodwill, inventory, trade receivables, intangible assets, investments and other financial assets is expected. The actual impact of global pandemic could be different from estimated, as the COVID scenario evolves in India. The company will continue to closely monitor any material changes to future economic conditions.

NOTE 47 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, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Gross Sales	2,01,252.14	2,12,445.22
Less : Scheme, discounts, rebates, price adjustments and returns	(34,859.18)	(35,675.59)
Net Sales	**1,66,392.96**	**1,76,769.63**

b. Disaggregation of revenue-Segment wise

Particulars		April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
A.	Fabric Care	70,347.50	72,522.54
B.	Dishwashing	56,669.55	58,728.30
C.	Household Insecticides	18,135.69	22,424.52
D.	Personal Care	18,041.54	19,185.97
F.	Others	3,198.68	3,908.30
		1,66,392.96	**1,76,769.63**

Revenue from one customer amounted to ₹ 25,568.84 (2019 - ₹ 22,040.52) arising from sales in various segments

NOTE 48 EXCEPTIONAL ITEM

Exceptional item includes one time expenses related to change in brand identity of the Company including its logo and name.

NOTE 49

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

NOTE 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. Impact due to such restatement, deferred tax assets of ₹ 535.04 lacs recognized in FY 2019-20.

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to the standalone financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 51	PREVIOUS YEAR FIGURES HAVE BEEN REGROUPED/RECLASSIFIED, WHERE NECESSARY, TO CONFORM TO THIS YEAR CLASSIFICATION.

Particulars	Note no.	Amount as per previous period financials	Adjustments	Revised amount for previous year
Balance sheet				
Non Current				
Provisions	20	3,449.83	881.02	4330.85
Current				
Provisions	20	3,103.48	(881.02)	2222.46
Cash and cash equivalent	13a	6,844.55	(160.70)	6,683.85
Bank balances other than cash and cash equivalents	13b	1,909.66	160.70	2,070.36

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: June 05, 2020

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: June 05, 2020

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 2020, 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 2020, 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 Refer note 2.2(d) of accounting policies and notes 23 and 52 of consolidated financial statements. Revenue is recognized when control of the underlying products has been transferred to the customer. Sales contracts with customers have distinct terms and conditions relating to recognition of revenue and entitlement to sales rebates. Revenue is a key performance indicator for the Company. There is risk of revenue being fraudulently recognized 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, 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 matters.	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 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 intangible assets and goodwill Refer note 2.2(l) of accounting policies and note 4d of consolidated financial statements Intangible assets and goodwill are assessed for impairment when triggers are identified. CGUs to which goodwill is allocated are assessed for impairment annually. The recoverable amount of the CGUs, being the 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, potential product obsolescence, new product launches 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 assets, impairment assessment of intangible assets and goodwill has been considered as a key audit matter.	Our audit procedures in respect of impairment assessment of intangible assets and goodwill 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; • Evaluating the assumptions used including discount rates and terminal growth rates by involving our valuation specialists; • Challenged business assumptions used such as sales growth, costs, product obsolescence and impact of the potential economic slowdown caused by Covid 19 on these assumptions; • Performing 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 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 ₹ 2,039 lacs as at 31 March 2020, total revenues (before consolidation adjustments) of ₹ 1,635 lacs and net cash inflows amounting to ₹ 145.32 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 subsidiary companies is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their country and which have been audited by another auditor under generally accepted auditing standards applicable in their country. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their 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 2020 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 2020 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 2020 on the consolidated financial position of the Group. Refer Note 37 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 2020.

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 2020.

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 2020

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 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-20111410AAAAAX1859

Mumbai
5 June 2020

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 2020.

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 2020, 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 2020, 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.

AUDITORS' RESPONSIBILITY

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-20111410AAAAAX1859

Mumbai
5 June 2020

Consolidated Balance Sheet

as at March 31, 2020

₹ In Lacs

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4a	30,536.40	30,807.86
Capital work in progress	4b	2,449.56	1,434.61
Right of use assets	4c	5,158.31	-
Goodwill	4d	78,633.19	78,633.19
Other Intangible assets	4d	590.02	618.91
Financial assets			
Investments	5	2.59	2.59
Loans	7	1,087.72	948.24
Other financial assets	8	372.62	62.69
Non current tax assets (net)	9	1,234.99	406.99
Deferred tax assets (net)	10	10,269.79	9,280.98
Other non-current assets	11	8,412.45	9,850.37
		1,38,747.64	**1,32,046.43**
Current assets			
Inventories	12	22,506.78	20,229.00
Financial assets			
Investments	13	-	10,442.37
Trade receivables	6	12,238.41	15,338.42
Cash and cash equivalents	14a	1,491.74	7,483.78
Bank balances other than cash and cash equivalents	14b	1,402.52	2,153.65
Loans	7	54.61	45.97
Other financial assets	8	315.82	638.42
Other current assets	11	6,861.53	5,849.69
		44,871.41	**62,181.30**
TOTAL ASSETS		**1,83,619.05**	**1,94,227.73**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	3,672.09	3,672.09
Other Equity	16	1,19,191.72	1,28,980.59
Equity attributable to equity holders of the parent		**1,22,863.81**	**1,32,652.68**
Non-controlling interests		(2,912.22)	(2,146.46)
Total equity		**1,19,951.59**	**1,30,506.22**
Non-current liabilities			
Financial Liabilities			
Borrowings	17	27.44	202.44
Other financial liabilities	21	3,324.48	-
Provisions	18	5,551.80	4,552.07
Other non-current liabilities	19	302.73	353.92
		9,206.45	**5,108.43**
Current liabilities			
Financial liabilities			
Borrowings	17	22,094.37	21,537.26
Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		1,057.51	3,821.56
Total outstanding dues of other than micro enterprises and small enterprises		11,918.19	14,061.64
Other financial liabilities	21	11,717.77	10,799.15
Other current liabilities	19	5,349.43	5,798.51
Provisions	18	2,277.61	2,248.24
Current tax liabilities (net)	22	46.13	346.72
		54,461.01	**58,613.08**
Total liabilities		**63,667.46**	**63,721.51**
TOTAL EQUITY AND LIABILITIES		**1,83,619.05**	**1,94,227.73**
Summary of significant accounting policies	2		

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

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

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

Sreeja Marar
Partner
Membership No: 111410

M.R. Jyothy
Managing Director
DIN: 00571828

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
Date: June 05, 2020

Mumbai
Date: June 05, 2020

Consolidated Statement of Profit and loss

for the year ended March 31, 2020

₹ In Lacs

Particulars	Note	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Income			
Revenue from operations	23	1,71,117.27	1,81,357.66
Other income	24	2,000.08	2,765.80
Total income (I)		**1,73,117.35**	**1,84,123.46**
Expenses			
Cost of raw material and components consumed	25	70,194.37	71,316.89
Purchases of stock in trade		23,148.82	26,782.58
Changes in inventories of finished goods, stock in trade and work-in-progress	26	(3,251.31)	(1,029.31)
Employee benefits expense	27	21,932.65	20,762.82
Finance costs	28	3,288.49	3,521.99
Depreciation and amortisation expense	29	5,291.94	3,056.92
Other expenses	30	33,984.04	35,408.80
Total expense (II)		**1,54,589.00**	**1,59,820.69**
Profit before exceptional item and tax (I-II)		**18,528.35**	**24,302.77**
Exceptional item (Refer Note 50)		377.83	-
Profit before tax		**18,150.52**	**24,302.77**
Income tax	31		
Current tax		2,728.41	4,735.81
Adjustment of tax relating to earlier periods		-	3.51
Deferred tax (credit) /charge		(836.03)	(196.39)
Total Income tax		**1,892.38**	**4,542.93**
Profit for the year (A)		**16,258.14**	**19,759.84**
Other comprehensive income			
Items that will be reclassified to profit or loss			
Foreign Currency Translation Reserve		32.68	27.88
		32.68	**27.88**
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) of post employment benefit obligation		(436.86)	(212.43)
Income tax relative to items that will not be reclassified to profit or loss	31		
Re-measurement gains/ (losses) of post employment benefit obligation		147.57	60.56
		(289.29)	**(151.87)**
Other comprehensive income for the year, net of tax (B)		**(256.61)**	**(123.99)**
Total comprehensive income for the year, net of tax (A+B)		**16,001.53**	**19,635.85**
Non controlling interest		(771.51)	(751.62)
Total Comprehensive income attributable to equity holders of the parent		**16,773.04**	**20,387.47**
Profit for the year		**16,258.14**	**19,759.84**
Attributable to :			
Equity holders of the parent		17,034.21	20,508.69
Non-controlling interests		(776.07)	(748.85)
Total comprehensive income		**16,001.53**	**19,635.85**
Attributable to :			
Equity holders of the parent		16,773.04	20,387.47
Non-controlling interests		(771.51)	(751.62)
Earnings per share (EPS)	36		
Basic (₹)		4.64	5.62
Diluted (₹)		4.64	5.62
Nominal value per share (₹)		1.00	1.00
Summary of significant accounting policies	2		

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

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

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

Sreeja Marar
Partner
Membership No: 111410

M.R. Jyothy
Managing Director
DIN: 00571828

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
Date: June 05, 2020

Mumbai
Date: June 05, 2020

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

A. EQUITY SHARE CAPITAL

₹ In Lacs

Particulars	As at March 31, 2020	As at March 31, 2019
Equity shares of ₹ 1 each issued, subscribed and fully paid		
At the beginning of the period	3,672.09	1,817.94
Issue of share capital	-	1,854.15
At the end of the period	**3,672.09**	**3,672.09**

For further details, Refer Note 15

B. OTHER EQUITY

Particulars	Attributable to equity holders of the parent								Non Controlling Interest	Total Equity
	Retained earnings	Foreign Currency Translation Reserve	Capital reserves	Securities premium	Debenture redemption reserve (DRR)	General reserves	Employee stock option outstanding	Total		
As at April 1, 2018	**49,503.21**	**(20.35)**	**5,480.32**	**49,025.83**	**5,000.00**	**414.08**	**3,199.59**	**1,12,602.68**	**(1,394.84)**	**1,11,207.84**
Profit for the year	20,508.69	-	-	-	-	-	-	20,508.69	(748.85)	19,759.84
Other Comprehensive Income										
Re-measurement gains/ (losses) of post employment benefit obligation	(149.10)	-	-	-	-	-	-	(149.10)	(2.77)	(151.87)
Foreign Currency Translation Reserve	-	27.88	-	-	-	-	-	27.88	-	27.88
Total comprehensive income	**20,359.59**	**27.88**	**-**	**-**	**-**	**-**	**-**	**20,387.47**	**(751.62)**	**19,635.85**
Transfer from DRR	5,000.00	-	-	-	(5,000.00)	-	-	-	-	-
Transaction with owners recorded directly in equity										
Contribution by and distibution to owners										
Cash dividends (Note 16 (B))	(1,817.94)	-	-	-	-	-	-	(1,817.94)	-	(1,817.94)
Dividend Distribution Tax on cash dividend (Note 16(B))	(373.68)	-	-	-	-	-	-	(373.68)	-	(373.68)
Issue of Bonus Shares	-	-	-	(1,817.94)	-	-	-	(1,817.94)	-	(1,817.94)
Exercise of share options	-	-	-	3,199.59	-	-	(3,199.59)	-	-	-
As at March 31, 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)

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

B. OTHER EQUITY (Contd...)

₹ In Lacs

Particulars	Attributable to equity holders of the parent								Non Controlling Interest	Total Equity
	Retained earnings	Foreign Currency Translation Reserve	Capital reserves	Securities premium	Debenture redemption reserve (DRR)	General reserves	Employee stock option outstanding	Total		
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 16(B))	(22,032.52)	-	-	-	-	-	-	(22,032.52)	-	(22,032.52)
Dividend Distribution Tax on cash dividend (Note 16(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**

C. NATURE AND PURPOSE OF RESERVES

a) Retained earnings - Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

b) Capital reserves - During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

c) Securities premium - The amount received in excess of face value of the equity shares is recognised in Securities Premium. 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) Debenture redemption reserve (DRR) - The money set aside can be used for payment of interest or redeemable debentures maturing during the year.

e) 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.

f) Employee stock option outstanding - The fair value of the equity-settled share based payment transactions with employees is recognised in Consolidated Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

g) 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 16.

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: June 05, 2020

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: June 05, 2020

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

₹ In Lacs

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	18,150.52	24,302.77
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and amortisation expense	3,349.65	3,056.92
Depreciation of right-of-use assets	1,942.29	-
Loss on fixed assets discarded /sold	31.54	44.79
Net change in fair value of Financial assets measured at FVTPL	-	(23.50)
Profit on sale of current investments	(163.88)	(170.51)
Finance costs	3,288.49	3,521.99
Interest income	(246.24)	(379.69)
Unrealised foreign exchange fluctuation gain (net)	(4.06)	(1.86)
Provision for doubtful debts and advances written back	-	(15.61)
Investment subsidy income	(72.22)	(71.53)
Lease rent income	(0.58)	(1.93)
Operating profit before working capital changes	**26,275.51**	**30,261.84**
Movements in working capital :		
Increase / (decrease) in trade payables	(4,905.39)	2,806.07
Increase / (decrease) in provisions	624.92	542.22
Increase / (decrease) in other liabilities	(428.05)	495.93
Increase / (decrease) in other financial liabilities	(1,885.26)	1,285.78
Decrease / (increase) in trade receivables	3,101.98	1,420.90
Decrease / (increase) in inventories	(2,277.78)	(1,394.24)
Decrease / (increase) in loans	(148.12)	63.84
Decrease / (increase) in other financial assets	322.60	158.53
Decrease / (increase) in other assets	324.10	(1,310.08)
Cash generated from operations	**21,004.51**	**34,330.79**
Taxes paid (net)	(3,857.02)	(4,179.39)
NET CASH PROVIDED BY OPERATING ACTIVITIES (A)	**17,147.49**	**30,151.40**
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress and capital advances	(4,200.90)	(3,993.45)
Proceeds from sale of fixed assets	48.60	161.93
Proceeds from sale of investment property	-	54.33
Maturity proceeds from / (Investment in) fixed deposit (net)	545.16	5,278.21
Proceeds from sale of Mutual Fund	58,356.25	75,407.39
Investment in Mutual Fund	(47,750.00)	(74,346.89)
Interest income received	246.24	463.60
Lease rent income	0.58	1.93
NET CASH PROVIDED BY INVESTING ACTIVITIES (B)	**7,245.93**	**3,027.05**

Consolidated Statement of Cash Flows (Contd...)

for the year ended March 31, 2020

₹ In Lacs

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:		
Interest and finance charges paid	(2,119.63)	(3,414.89)
Payment of lease liabilities	(2,113.39)	-
Proceeds from exercise of share options	-	36.21
Repayment of Debentures and long term loans	(175.00)	(20,175.00)
Proceeds from short-term borrowings	51,116.88	50,000.00
Repayment of short-term borrowings	(50,532.95)	(56,100.00)
Dividend paid	(22,032.52)	(1,817.94)
Dividend tax paid	(4,528.85)	(373.68)
NET CASH (USED IN) FINANCING ACTIVITIES (C)	**(30,385.46)**	**(31,845.30)**
D. Net increase / (decrease) in cash and cash equivalents (A+B+C)	(5,992.04)	1,333.15
E. Cash and cash equivalents at the beginning of the year	7,483.78	6,150.63
F. Cash and cash equivalents at the end of the year	**1,491.74**	**7,483.78**
G. Components of cash and cash equivalents		
Cash in hand	45.31	52.55
Balance with scheduled banks - Current account	885.95	6,959.99
- Deposit account	560.48	471.24
Cash and cash equivalents (Note 14a)	**1,491.74**	**7,483.78**
Cash and cash equivalents considered for cash flows statement	1,491.74	7,483.78

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, 2019	Cash flow (Net)	Non-Cash changes/ Fair Value adjustment	As at March 31, 2020
Non Current Borrowings (Refer Note 17)	202.44	(175.00)	-	27.44
Current Borrowings (Refer Note 17)	21,537.26	583.93	(26.82)	22,094.37
Total	**21,739.70**	**408.93**	**(26.82)**	**22,121.81**

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: June 05, 2020

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: June 05, 2020

Notes

to the consolidated financial statements for the year ended March 31, 2020

NOTE 1 CORPORATE INFORMATION

Jyothy Labs Limited ('the Company') is a public company domiciled in India. Its shares are listed on two stock exchanges in India. The registered office of the company is located at Ujala House , Ramkrishna Mandir Road, Kondivita, Andheri (E) Mumbai.

The Consolidated financials statement comprise the financial statements of Jyothy Labs Limited ('the Company') and its subsidiaries hereinafter referred to as 'the Group'. The Group is principally engaged in manufacturing and marketing of fabric care, dishwashing, personal care, household insecticides products and also provides laundry and dry cleaning services.

These Financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors on June 5, 2020.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified, under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value. (Refer accounting policy regarding financial instruments).

The consolidated financial statements are presented in INR and all values are rounded to nearest lacs except where otherwise indicated.

Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Notes

to the consolidated financial statements for the year ended March 31, 2020

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, 2020	March 31, 2019
(a) Direct Subsidiaries			
1. Jyothy Fabricare Services Limited	India	75.10	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	75.10	75.10
4. Four Seasons Dry Cleaning Co. Private Limited	India	75.10	75.10
5. JFSL-JLL(JV) - partnership firm	India	81.32	81.32

** Effective holding % of Company directly and indirectly through its subsidiaries.*

Note :

I. *As at March 31, 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 March 31, 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, 2020

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 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.

Notes

to the consolidated financial statements for the year ended March 31, 2020

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.

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.

Notes

to the consolidated financial statements for the year ended March 31, 2020

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 statement of consolidated profit and loss.

e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

f. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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:

Notes

to the consolidated financial statements for the year ended March 31, 2020

- 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

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

Notes

to the consolidated financial statements for the year ended March 31, 2020

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 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.

Notes

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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 37(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

Notes

to the consolidated financial statements for the year ended March 31, 2020

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.

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.

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to the consolidated financial statements for the year ended March 31, 2020

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.

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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.

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 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.

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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. Share-based payments

Employees (including senior executives) of the Group 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 Group's best estimate of the number of equity instruments that will ultimately vest. The Consolidated 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 Group'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 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 Group commits to purchase or sell the asset.

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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.

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When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

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.

q. 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.

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.

NOTE 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, 2020.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 4A PROPERTY, PLANT AND EQUIPMENTS

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, 2018	**4,545.78**	**254.93**	**14,740.76**	**15,442.90**	**882.76**	**599.47**	**100.62**	**749.01**	**702.59**	**38,018.82**
Additions	5.36	-	419.24	3,115.42	384.29	36.02	17.99	95.72	105.65	4,179.69
Disposals	-	-	10.35	1,303.10	45.65	1.19	29.00	4.97	6.35	1,400.61
As at March 31, 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**
Depreciation and Impairment										
As at April 1, 2018	**-**	**12.07**	**1,770.11**	**5,003.11**	**335.89**	**297.39**	**93.13**	**414.06**	**313.81**	**8,239.57**
Depreciation charge for the year	-	4.04	681.37	1,791.12	162.98	68.15	11.27	135.61	89.82	2,944.36
Disposals	-	-	10.35	1,100.32	45.54	1.16	29.00	3.40	4.12	1,193.89
As at March 31, 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**
Net Book Value										
As at March 31, 2020	**4,551.14**	**-**	**12,532.94**	**11,449.44**	**921.51**	**367.20**	**71.52**	**309.10**	**333.55**	**30,536.38**
As at March 31, 2019	**4,551.14**	**238.82**	**12,708.52**	**11,561.31**	**768.07**	**269.92**	**14.21**	**293.49**	**402.38**	**30,807.86**
As at April 1, 2018	**4,545.78**	**242.86**	**12,970.65**	**10,439.79**	**546.87**	**302.08**	**7.49**	**334.95**	**388.78**	**29,779.25**

@ Freehold land, leasehold land and building includes asset which are not transferred in the name of the company amounting to ₹ 882.57 (Gross block) (2019 - ₹ 871.22). These are held in the name of the entities which have been merged with the company in earlier years.

 # Includes ₹ 374.31 (2019 - Rs 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 17 for details of property, plant and equipment pledged as security for loans obtained.

For details of assets given on lease, refer Note 37A.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 4B CAPITAL WORK IN PROGRESS

Capital work in progress as at March 31, 2020 is ₹ 2,449.56 (March 31, 2019 - ₹ 1,434.61).

For contractual commitment with respect to property, plant and equipment refer note 37B.

NOTE 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
Disposals	-	-	-
Reclassification of lease hold land (Note 4a)	254.93	-	254.93
As at March 31, 2020	**267.71**	**6,853.04**	**7,120.75**
Depreciation and impairment			
As at April 1, 2019	**-**	**-**	**-**
Depreciation charge for the year	-	1,942.29	1,942.29
Disposals	-	-	-
Reclassification of lease hold land (Note 4a)	20.15	-	20.15
As at March 31, 2020	**20.15**	**1,942.29**	**1,962.44**
Net book value			
As at 31 March 2020	**247.56**	**4,910.75**	**5,158.31**
As at 31 March 2019	**-**	**-**	**-**

NOTE 4D INTANGIBLE ASSETS

Particulars	Other Intangible assets			Total other intangible assets
	Goodwill	Trademarks and Copyrights $	Softwares and Licences	
Cost				
As at April 1, 2018	**78,633.19**	**104.77**	**859.17**	**963.94**
Additions	-	-	73.40	73.40
Disposals	-	-	11.87	11.87
As at March 31, 2019	**78,633.19**	**104.77**	**920.70**	**1,025.47**
Additions	-	-	91.94	91.94
Disposals	-	-	-	-
As at March 31, 2020	**78,633.19**	**104.77**	**1,012.64**	**1,117.41**
Amortisation and impairment				
As at April 1, 2018	**-**	**95.66**	**210.21**	**305.87**
Amortisation charge for the year	-	4.17	108.39	112.56
Disposals	-	-	11.87	11.87
As at March 31, 2019	**-**	**99.83**	**306.73**	**406.56**
Amortisation charge for the year	-	3.62	117.21	120.83
Disposals	-	-	-	-
As at March 31, 2020	**-**	**103.45**	**423.94**	**527.39**
Net book value				
As at March 31, 2020	**78,633.19**	**1.32**	**588.70**	**590.02**
As at March 31, 2019	78,633.19	4.94	613.97	618.91
As at March 31, 2018	78,633.19	9.11	648.96	658.07

$ Includes trademarks and copyrights of ₹ 81.22 (2019 - ₹ 81.22) pending for registration in the name of the Company and ₹ 20.23 (2019 - ₹ 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, 2020

₹ in Lacs

NOTE 4D INTANGIBLE ASSETS (Contd...)

Impairment

Goodwill is tested for impairment annually as at March 31st. No impairment charges were identified as at March 31, 2020.

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% (2019 - 5%)
Growth rate	-	1% - 12% (2019 - 9% - 17%)
Weighted Average Cost of Capital % (WACC) (Discount rate)	-	13% (2019 - 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.

We have performed sensitivity analysis around the base assumptions and have concluded that no reasonable change in key assumptions would cause 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% (2019 - 5%)
Growth rate	-	14% - 88% (2019 - 35% - 90%)
Weighted Average Cost of Capital % (WACC) (Discount rate)	-	16.10% (2019 - 15%)

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.

We have performed sensitivity analysis around the base assumptions and have concluded that no reasonable change in key assumptions would cause the recoverable amount of CGU to be less than the carrying value.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 5 INVESTMENTS

Particulars	NON CURRENT	
	As at March 31, 2020	As at March 31, 2019
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 (2019 - 2,000) equity shares of ₹ 100 (2019 - ₹ 100) each fully paid up	2.00	2.00
Capexil (Agencies) Ltd		
5 (2019 - 5) equity shares of ₹ 10,000 (2019 - ₹ 10,000) each fully paid up	-	-
Madras Industrial Cooperative Analytical Laboratory Limited		
2 (2019 - 2) equity shares of ₹ 500 (2019 - ₹ 500) each fully paid up	-	-
	2.00	**2.00**
b) Investment in Government Securities (at fair value through profit and loss) Indira Vikas Patra		
Indira Vikas Patra	0.02	0.02
National Saving Certificates (Pledged with Government authorities)	0.57	0.57
	0.59	**0.59**
	2.59	**2.59**
Aggregate value of unquoted investments	**2.59**	**2.59**

** Investment at fair value through profit or loss reflect investment in unquoted equity securities. Since the amount is not material, the fair value disclosure have not been made.*

NOTE 6 TRADE RECEIVABLES (UNSECURED)

Particulars	CURRENT	
	As at March 31, 2020	As at March 31, 2019
Considered good	12,238.41	15,338.42
Credit impaired	1,014.37	1,034.72
Significant increase in credit risk	171.25	154.07
	13,424.03	**16,527.21**
Less: Loss allowance	(1,185.62)	(1,188.79)
	12,238.41	**15,338.42**

Movements of Loss allowance	As at March 31, 2020	As at March 31, 2019
Balance as at 1st April	(1,188.79)	(1,219.53)
Provision no longer required write back	3.17	30.74
Balance as at 31st March	**(1,185.62)**	**(1,188.79)**

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 45.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 7 LOANS (UNSECURED, CONSIDERED GOOD)

Particulars	NON-CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Security Deposits considered good	1,087.72	948.24	54.61	45.97
	1,087.72	**948.24**	**54.61**	**45.97**

NOTE 8 OTHER FINANCIAL ASSETS

Particulars	NON-CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Fixed deposit with Banks having remaining maturity of more than 12 months (Note 14b)	372.62	62.69	-	-
Investment Subsidy Receivable	-	-	265.67	568.51
Staff Loans	-	-	50.15	69.91
Other receivables	5.25	5.25	-	-
Less: Loss allowance	(5.25)	(5.25)	-	-
	372.62	**62.69**	**315.82**	**638.42**

Particulars	NON-CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Breakup of financial assets carried at amortised cost				
Trade receivable (Note 6)	-	-	12,238.41	15,338.42
Loans (Note 7)	1,087.72	948.24	54.61	45.97
Other financial assets (Note 8)	372.62	62.69	315.82	638.42
Cash and cash equivalents and other bank balances (Note 14a & 14b)	-	-	2,894.26	9,637.43
Total financial assets carried at amortised cost	**1,460.34**	**1,010.93**	**15,503.10**	**25,660.24**

NOTE 9 NON CURRENT TAX ASSETS (NET)

Particulars	NON-CURRENT	
	As at March 31, 2020	As at March 31, 2019
Advance income tax (net of provisions of ₹ 24,674.84) (2019 - ₹ 22,005.90)	1,234.99	406.99
	1,234.99	**406.99**

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 10 DEFERRED TAX ASSETS (NET)

Particulars	NON-CURRENT	
	As at March 31, 2020	As at March 31, 2019
a) Deferred tax liability		
Depreciation	7,530.11	7,436.72
Right-of-use assets	1,500.54	-
Fair value adjustments	-	7.22
	9,030.65	**7,443.94**
b) Deferred tax assets		
Provision for gratuity	1,482.41	1,189.81
Provision for leave encashment	505.12	442.41
Provision for doubtful debts	413.29	414.12
Provision for doubtful advances	176.57	184.46
Other provisions	786.19	790.84
Differential tax rate (Refer Note 51)	535.04	-
Lease liability	1,602.50	-
Tax Credits (MAT)	13,799.32	13,703.28
	19,300.44	**16,724.92**
Net deferred tax asset	**10,269.79**	**9,280.98**

NOTE 11 OTHER ASSETS

Particulars	NON-CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Capital Advances	156.45	258.43	-	-
Advance to suppliers*	494.85	494.85	1,456.15	1,175.61
Balance with government authorities and protest payments	7,656.60	8,976.81	4,709.71	4,284.49
Prepaid Expenses	-	15.73	660.23	380.13
Other receivables	599.40	599.40	49.48	56.86
Less: Loss allowance	(494.85)	(494.85)	(14.04)	(47.40)
	8,412.45	**9,850.37**	**6,861.53**	**5,849.69**

** Advances to suppliers amounting to ₹ 508.89 lacs (2019 - ₹ 542.25 lacs) is considered doubtful and fully provided for.*

NOTE 12 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

Particulars	NON-CURRENT	
	As at March 31, 2020	As at March 31, 2019
Raw and packing materials	4,612.97	5,171.52
Work in progress	1,403.20	1,956.21
Finished goods	13,633.42	9,762.73
Stock in Trade (including goods in transit ₹ 24.16 (2019 - ₹ 278.54)	2,288.86	2,355.23
Promotion materials	-	493.04
Stores, Operating supplies and spare parts	568.33	490.27
	22,506.78	**20,229.00**

Inventories are net of provision of ₹ 933.29 lacs (2019 - ₹ 916.13 lacs) on account of damage and slow moving inventories.

Inventories are pledged as securities for borrowings. (Refer Note 17)

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 13 INVESTMENTS

Particulars	NON-CURRENT	
	As at March 31, 2020	As at March 31, 2019
Investment at fair value through profit and loss		
Axis Liquid Fund - Growth		
Nil (2019 - 482,852.834) units of ₹ Nil (2019 - ₹ 1,000) each	-	10,012.07
Axis Liquid Fund - Direct Growth		
Nil (2019 - 9,810.902) units of ₹ Nil (2019 - ₹ 1,000) each	-	203.43
Axis Treasury Advantage Fund - Direct Growth		
Nil (2019 - 332.837) units of ₹ Nil (2019 - ₹ 1,000) each	-	7.14
TSTG Liquid Fund Regular Plan - Growth		
Nil (2019 - 7497.841) units of ₹ Nil (2019 - ₹ 1,000) each	-	219.73
	-	**10,442.37**
Aggregate book and market value of quoted investments	**-**	**10,442.37**

For determination of fair values, refer Note 43

NOTE 14 CASH AND BANK BALANCES

Particulars	NON-CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
a) Cash and cash equivalents				
Cash in hand	-	-	45.31	52.55
Balance with banks				
- Current account	-	-	885.95	6,959.99
- Deposit account (Original maturity of less than three months)	-	-	560.48	471.24
	-	**-**	**1,491.74**	**7,483.78**
b) Bank balances other than cash and cash equivalents				
Unclaimed dividend accounts	-	-	264.66	160.70
Deposits with original maturity for more than 3 months and maturing within 12 months*	-	-	1,137.86	1,992.95
Deposits with original and remaining maturity for more than 12 months*	372.62	62.69	-	-
Amount disclosed under 'Other financial assets' (Note 8)	(372.62)	(62.69)	-	-
	-	**-**	**1,402.52**	**2,153.65**
	-	**-**	**2,894.26**	**9,637.43**

** Includes deposits provided as securities against bank guarantees and towards debenture redemption reserves ₹ 525.27 lacs (2019- ₹ 1,734.90 lacs)*

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 15 SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019
AUTHORISED CAPITAL		
2,720,000,000 (2019 - 2,720,000,000) equity shares of ₹ 1 (2019 - ₹ 1) each	27,200.00	27,200.00
30,000 (2019 -30,000) 11% cumulative preference shares of ₹ 100 (2019 - ₹ 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 at the beginning and at the end of the reporting period

Particulars	As at March 31, 2020		As at March 31, 2019	
	No.	Amount	No.	Amount
ISSUED EQUITY CAPITAL				
At the beginning of the period	36,72,08,644	3,672.09	18,17,94,087	1,817.94
Issued during the year	-	-	18,54,14,557	1,854.15
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, 2020		As at March 31, 2019	
	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%
Sahyadri Agencies Limited	1,45,00,000	3.95%	3,00,00,000	8.17%

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, 2020	As at March 31, 2019
	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 has issued 43,91,061 equity shares during the period of five years immediately preceding the reporting date on exercise of option granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 16 OTHER EQUITY

A. Other Equity consist of following:

Particulars	As at March 31, 2020	As at March 31, 2019
Retained earnings		
Balance, beginning of the year	72,671.18	49,503.21
Adjustment for earlier years Deferred Tax Asset	(0.54)	-
Profit for the year	17,034.21	20,508.69
Other Comprehensive Income - Re-measurement gains/(losses) of post employment benefit obligation	(293.85)	(149.10)
Less : Appropriations		
Cash dividend (Note 16(B))	(22,032.52)	(1,817.94)
Dividend distributions tax (DDT) (Note 16(B))	(4,528.85)	(373.68)
Transfer from Debenture Redemption Reserve	-	5,000.00
Net surplus in the consolidated statement of profit and loss	**62,849.63**	**72,671.18**
Other Reserves		
Foreign Currency Translation Reserve		
Balance, beginning of the year	7.53	(20.35)
Add: Addition during the year	32.68	27.88
Balance, end of the year	**40.21**	**7.53**
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	49,025.83
Less: Issue of bonus share	-	(1,817.94)
Add: Increase on issuance of share capital under ESOP scheme (Note 33)	-	3,199.59
Balance, end of the year	**50,407.48**	**50,407.48**
Debenture Redemption Reserve		
Balance, beginning of the year	-	5,000.00
Less: Transferred to retained earning	-	(5,000.00)
Balance, end of the year	**-**	**-**
General reserves		
Balance, beginning of the year	414.08	414.08
Balance, end of the year	**414.08**	**414.08**
Employee Stock Option Outstanding		
Balance, beginning of the year	-	3,199.59
Less: Transfer to securities premium on exercise of stock options	-	(3,199.59)
Balance, end of the year	**-**	**-**
	1,19,191.72	**1,28,980.59**

B. Distribution made and Proposed

Particulars	As at March 31, 2020	As at March 31, 2019
Cash dividend on equity shares declared and paid		
Final dividend for the year ended March 31, 2019 - ₹ 3 per share, (2018 - ₹ 0.50 per share) on the proposed expanded capital base (post bonus)	11,016.26	1,817.94
Dividend distribution tax on final dividend	2,264.42	373.68
Interim dividend for the year ended March 31, 2020 - ₹ 3 per share, (2019 - ₹ Nil per share)	11,016.26	-
Dividend distribution tax on final dividend	2,264.42	-
	26,561.36	**2,191.62**
Proposed dividends on equity shares		
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	-	2,264.42
	-	**13,280.68**

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 17 BORROWINGS

Particulars	NON-CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Term Loan from Bank (Secured) (Note (a) below)	27.44	202.44	175.00	175.00
Term Loan from Bank (Secured) (Note (b) below)	-	-	7,539.46	10,066.25
Term Loan from Bank (Secured) (Note (c) below)	-	-	3,101.96	3,915.91
Working Capital Loan from Banks (Secured) (Note (d) below)	-	-	7,948.07	7,555.10
Bank overdraft / Cash Credit facility (Secured) (Note (d) below)	-	-	3,504.88	-
Unsecured Redeemable Zero Coupon Non Convertible Debentures				
600 (2019 - 600) Debentures of ₹ 10,00,000 (2019 - Rs 10,00,000) each (Note (e) below)	-	-	6,000.00	6,000.00
Amount disclosed under 'Other Financial Liabilities' (Note 21)	-	-	(6,175.00)	(6,175.00)
	27.44	**202.44**	**22,094.37**	**21,537.26**

Details of loan:

a) The term loan from bank consists of ₹ 202.44 lacs (2019 - ₹ 377.44 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 6.00% - 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 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.

d) 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.

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 has a put / call option at the end of every 6 months from the date of allotment. Accordingly the debenture has been classified as current as at March 31, 2020. The Debentures are unsecured and covered by corporate guarantee given by the Company.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 18 PROVISIONS

Particulars	NON-CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits				
Provision for leave encashment	1,278.47	1,120.82	195.93	170.14
Provision for gratuity (Note 32)	4,273.33	3,431.25	15.55	11.97
	5,551.80	**4,552.07**	**211.48**	**182.11**
Other provisions#				
Provision for litigation*	-	-	2,066.13	2,066.13
	-	**-**	**2,066.13**	**2,066.13**
	5,551.80	**4,552.07**	**2,277.61**	**2,248.24**

** 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.*

 # Movement in other provisions

Particulars	CURRENT	
	As at March 31, 2020	As at March 31, 2019
As at 1st April	2,066.13	2,175.59
Reversal during the year	-	(109.46)
As at 31st March	**2,066.13**	**2,066.13**

NOTE 19 OTHER LIABILITIES

Particulars	NON-CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Statutory Dues	-	-	1,193.31	2,005.56
Deferred Investment Subsidy^	302.73	353.92	73.76	71.53
Advances from customers	-	-	1,034.46	301.53
Contractual Obligation	-	-	3,047.90	3,419.89
	302.73	**353.92**	**5,349.43**	**5,798.51**

^ The Company has been awarded grants on account of Central capital investment subsidy (CCIS) and grants recognised as deferred income, is being amortised over the useful life of the assets in proportion to the usage of the related assets.

NOTE 20 TRADE PAYABLES

Particulars	CURRENT	
	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 38 for details of dues to micro enterprises and small enterprises)	1,057.51	3,821.56
Total outstanding dues of creditors other than micro enterprises and small enterprises	11,918.19	14,061.64
	12,975.70	**17,883.20**

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 21 OTHER FINANCIAL LIABILITIES

Particulars	NON-CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on loans	-	-	1,474.45	789.90
Security deposits	-	-	66.40	22.60
Unclaimed dividend*	-	-	264.66	160.70
Creditors for capital goods	-	-	105.88	16.81
Deferred Payment Liability (Unsecured)****	-	-	180.00	180.00
Current maturities of Long Term Borrowings (Note 17)	-	-	6,175.00	6,175.00
Payable Others - Employees	-	-	1,525.08	2,398.44
Payable to bank - Factoring arrangement**	-	-	-	1,055.70
Lease Liability***	3,324.48	-	1,926.30	-
	3,324.48	**-**	**11,717.77**	**10,799.15**

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

*** Money received from customer on behalf of bank in respect of factored debts.*

****For disclosures on lease liabilities refer note 37A.*

*****Deferred payment liability represent amount payable under the memorandum of understanding (MOU) entered into with the DRDE/DRDO of the Ministry of Defence, Government of India for transfer of technology for certain products. These are due for payment as per the Agreement.*

Particulars	NON-CURRENT		CURRENT	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Breakup of financial liabilities carried at amortised cost				
Borrowing (Note 17)	27.44	202.44	22,094.37	21,537.26
Trade payable (Note 20)	-	-	12,975.70	17,883.20
Other financial liabilities (Note 21)	3,324.48	-	11,717.77	10,799.15
Total financial liabilities carried at amortised cost	**3,351.92**	**202.44**	**46,787.84**	**50,219.61**

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 credit risk management processes, refer Note 45.

NOTE 22 CURRENT TAX LIABILITIES (NET)

Particulars	CURRENT	
	As at March 31, 2020	As at March 31, 2019
Provision for income tax (net of advance tax of ₹ 4,698.85 (2019 - ₹ 4,398.26)	46.13	346.72
	46.13	**346.72**

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 23 REVENUE FROM OPERATIONS

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Sale of goods	1,66,852.50	1,77,214.96
Sale of Services	4,119.79	4,024.95
	1,70,972.29	**1,81,239.91**
Other Operating Income		
Sale of scrap	144.98	100.41
Others	-	17.34
	144.98	**117.75**
	1,71,117.27	**1,81,357.66**

NOTE 24 OTHER INCOME

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Lease rent income (Note 37A)	0.58	1.93
Foreign exchange fluctuation gain (net)	-	14.48
Net change in fair value of financial assets measured at FVTPL	-	23.50
Profit on sale of current investments	163.88	170.51
Investment subsidy income	72.22	71.53
Interest on fixed deposit	156.39	334.55
Interest on Income tax refund	4.53	264.76
Interest on others	103.62	45.14
Budgetary support benefit under Goods and Services Tax	1,464.88	1,746.22
Export incentives	32.51	75.65
Provision for Doubtful Advances written back	-	0.67
Provision for Doubtful Debts written back	-	14.94
Miscellaneous income	1.47	1.92
	2,000.08	**2,765.80**

NOTE 25 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Inventory at the beginning of the year	5,171.52	4,837.65
Add: Purchases	69,635.82	71,650.76
	74,807.34	**76,488.41**
Less: Inventory at the end of the year	4,612.97	5,171.52
	70,194.37	**71,316.89**

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 26 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Closing inventory		
Finished goods	13,633.42	9,762.73
Traded Goods	2,288.86	2,355.23
Work in progress	1,403.20	1,956.21
Sub-total (A)	**17,325.48**	**14,074.17**
Opening inventory		
Finished goods	9,762.73	8,735.00
Traded Goods	2,355.23	2,394.78
Work in progress	1,956.21	1,915.08
Sub-total (B)	**14,074.17**	**13,044.86**
Total (A-B)	**(3,251.31)**	**(1,029.31)**

NOTE 27 EMPLOYEE BENEFITS EXPENSES

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Salaries, wages and bonus	17,905.03	16,582.71
Contribution to provident and other funds	1,249.72	1,148.58
Gratuity (Note 32 I)	582.99	550.01
Staff welfare expenses	464.17	464.43
Directors' remuneration (Note 39(c))	1,181.52	1,414.39
Field staff incentives	549.22	602.70
	21,932.65	**20,762.82**

NOTE 28 FINANCE COST

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Interest on term loan and bank overdraft	2,056.50	2,634.01
Redemption premium / Interest accrued on debentures	686.30	797.51
Interest on Income tax	-	54.33
Interest on lease	542.55	-
Other borrowing cost	3.14	36.14
	3,288.49	**3,521.99**

NOTE 29 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Depreciation on tangible assets	3,228.82	2,944.36
Amortization of intangible assets	120.83	112.56
Depreciation of right of use assets	1,942.29	-
	5,291.94	**3,056.92**

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 30 OTHER EXPENSES

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Power and fuel expenses	3,082.55	2,931.34
Rent* (Note 37A)	146.35	2,134.72
Insurance	218.10	188.93
Repairs and maintenance		
- Building	34.04	29.28
- Plant and machinery	338.46	283.46
- Others	254.77	245.65
Consumption of stores and spares	471.48	325.86
Printing and stationery	71.48	95.84
Communication costs	241.91	254.10
Legal and professional fees (Note 34)	1,046.93	1,050.28
Rates and taxes	175.01	185.09
Directors' sitting fees (Note 39(c))	15.25	6.05
Vehicle maintenance	316.76	307.59
Loss on fixed assets discarded / sold	31.54	44.79
Conversion charges	6.25	14.22
Exchange loss, net	5.61	-
Advertisement and Sales Promotion expense	12,271.42	11,268.82
Freight, handling and forwarding charges	10,328.50	11,276.47
Field staff expenses	1,667.62	1,674.53
Travelling and conveyance	584.30	424.91
Royalty	306.18	327.76
Corporate social responsibility expenses (Note 35)	388.09	421.08
Bad Debt Written Off	7.79	-
Miscellaneous expenses	1,973.65	1,918.03
	33,984.04	**35,408.80**

Current year expense pertains to short-term lease and low value assets

NOTE 31 INCOME TAX

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
a. Profit or loss		
Income tax expense		
Current tax		
Current period	2,728.41	4,735.81
Adjustment of tax relating to earlier periods	-	3.51
	2,728.41	**4,739.32**
Deferred tax		
Relating to origination and reversal of temporary differences	(836.03)	(196.39)
	1,892.38	**4,542.93**
b. OCI		
Deferred tax related to items recognised in OCI during the year		
Net loss /(gain) on remeasurements of defined benefit plans	147.57	60.56
	147.57	**60.56**

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 31 INCOME TAX (Contd...)

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
c. Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate		
Accounting profit before tax	18150.52	24,302.77
Tax rate	34.944%	34.944%
Tax at statutory rate	6342.52	8,492.36
Less:		
Tax impact : - Profit exempt from tax	(4,595.48)	(5,003.08)
Corporate social responsibility expenditure disallowed	135.61	147.14
Differential tax rate (Refer Note 51)	(535.04)	-
Adjustment to current tax of prior periods	-	3.51
Unrecognised deferred tax asset on loss of subsidiaries	591.99	588.44
Others	(47.23)	314.56
Adjusted tax expense	**1,892.38**	**4,542.93**
Tax expense	**1,892.38**	**4,542.93**

d. Movement in Deferred Tax Assets and Liabilities

Particulars	Opening Balance	Credit / (charge) in the Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	Closing Balance
Movement during the year ended March 31, 2019				
Depreciation	(7,342.91)	(93.81)	-	(7,436.72)
Fair value adjustments	(54.02)	46.80	-	(7.22)
Provision for gratuity	962.76	166.49	60.56	1,189.81
Provision for leave encashment	378.70	63.71	-	442.41
Provision for doubtful debts	422.00	(7.88)	-	414.12
Provision for doubtful advances	184.36	0.10	-	184.46
Other provisions	850.49	(59.65)	-	790.84
Other disallowances	46.12	(46.12)	-	-
Tax credit (MAT)	13,576.53	126.75	-	13,703.28
	9,024.03	**196.39**	**60.56**	**9,280.98**

Particulars	Opening Balance	Credit / (charge) in the Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	Closing Balance
Movement during the year ended March 31, 2020				
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 51)	-	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 Rs. 5.21 lacs adjusted through reserves and surplus.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 31 INCOME TAX (Contd...)

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, 2020		As at March 31, 2019	
	Gross Amount	Tax	Gross Amount	Tax
Accumulated Tax Losses	16,476.47	4,283.87	16,984.61	4,415.99

Breakup of Tax losses

Particulars	As at March 31, 2020			As at March 31, 2019		
	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)	1,974.89	513.47	2021-22	1,924.75	500.44	2020-21
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	562.48	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)	1,528.21	397.33	2027-28	1,362.42	354.23	2026-27
Brought forward losses (allowed to carry forward for specific period)	1,446.94	376.20	2028-29	1,528.21	397.33	2027-28
Unabsorbed depreciation (allowed to carry forward for infinite period)	4,093.67	1,064.35	NA	4,124.00	1,072.24	NA
	16,476.47	**4,283.87**		**16,984.61**	**4,415.99**	

Further, as at March 31, 2020, there was no recognised deferred tax liability (2019 - Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries. The Group has determined that undistributed profits of the subsidiaries will not be distributed in the foreseeable future.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 32 (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, 2020	March 31, 2019
		Gratuity	**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	5.95%-6.60%	7.10% - 7.55%
	Rate of increase in compensation	8% - 10%	8% - 10%
	Withdrawal rates	9% - 15%	9% - 15%
	Rate of return (expected) on plan assets	7.27%-7.65%	7.59%
	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	3,609.15	3,066.90
	Interest cost	272.35	241.52
	Current Service Cost	323.22	282.43
	Benefits Paid	(204.45)	(180.02)
	Remeasurement gains/(losses) arising from changes in demographic assumptions	0.41	-
	Remeasurement gains/(losses) arising from changes in financial assumptions	265.38	80.36
	Experience adjustments	151.74	117.96
	PVO at end of period	4,417.80	3,609.15
(C)	**Changes in fair value of plan assets**		
	Fair value of plan assets at the beginning of period	165.93	274.75
	Investment Income	12.52	21.66
	Benefit paid	(30.20)	(116.37)
	Return on plan assets	(19.33)	(14.11)
	Fair value of plan assets at end of period	128.92	165.93
(D)	**Expenses recognised in the consolidated statement of profit and loss**		
	Current service cost	323.22	282.43
	Net Interest cost on the Net Defined Benefit Liability / (Asset)	259.83	219.86
	Benefits paid directly paid by the group	(0.06)	47.72
	Expense recognised in the statement of profit and loss	582.99	550.01

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 32 (I) GRATUITY (Contd...)

Particulars		March 31, 2020	March 31, 2019
		Gratuity	Gratuity
(E)	**Remeasurement gains/(losses) in other comprehensive income**		
	Return on plan assets	19.33	14.11
	Remeasurement gains/(losses) arising from changes in demographic assumptions	0.41	-
	Remeasurement gains/(losses) arising from changes in financial assumptions	265.38	80.36
	Experience adjustments	151.74	117.96
	Total amount recognised in OCI	436.86	212.43
(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	(4,417.80)	(3,609.15)
	Fair value of plan assets at end of period	128.92	165.93
	Funded status (deficit in fair value of plan assets over PVO)	(4,288.88)	(3,443.22)
	Net asset / (liability) recognised in the balance sheet	**(4,288.88)**	**(3,443.22)**

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, 2020	March 31, 2019
Defined Benefit Obligation (Base)	4,417.80	3,609.15

Particulars	March 31, 2020		March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	4,727.68	4,140.69	3,855.64	3,388.44
(% change compared to base due to sensitivity)	7.01%	-6.27%	6.83%	-6.12%
Salary Growth Rate (- / + 1%)	4,159.07	4,698.15	3,399.84	3,835.03
(% change compared to base due to sensitivity)	-5.86%	6.35%	-5.80%	6.26%
Attrition Rate (- / + 50% of attrition rates)	4,546.22	4,335.99	3,645.22	3,586.79
(% change compared to base due to sensitivity)	2.91%	-1.85%	1.00%	-0.62%
Mortality Rate (- / + 10% of mortality rates)	4,418.21	4,417.41	3,609.19	3,609.14
(% change compared to base due to sensitivity)	0.01%	-0.01%	0.00%	0.00%

(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).

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 32 (I) GRATUITY (Contd...)

(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	614.93
2 to 5 years	1,820.61
6 to 10 years	2,190.38
More than 10 years	2,718.12

c) The Group expects to contribute ₹ Nil (2019 - ₹ Nil) to gratuity fund.

NOTE 32 (II) SUPERANNUATION

The Group contributed ₹ 40.95 lacs and ₹ 39.79 lacs to the superannuation plan during the years ended March 31, 2020 and March 31, 2019 respectively and same has been recognized in the Statement of Profit and Loss under the head Employee benefit expense.

NOTE 32 (III) PROVIDENT FUND AND OTHER FUNDS

The Group contributed ₹ 1,208.77 lacs and ₹ 1,108.79 lacs to the employee provident fund during the years ended March 31, 2020 and March 31, 2019, respectively and same has been recognized in the Statement of Profit and Loss under the head Employee benefit expense.

NOTE 33 SHARE-BASED PAYMENTS

On August 16, 2014 the Remuneration and Compensation Committee of the Board of Directors of the Company approved the Employee Stock Option Scheme 2014 ("ESOS-2014") for issue of stock options to the key employees and Employee Stock Option Scheme 2014-A ("ESOS- 2014-A") for issue of stock options to Whole Time Director & CEO of the Company. According to the scheme, whole time Director and CEO and eligible employees selected by the Remuneration and Compensation Committee will be entitled to options from time to time, subject to satisfaction of prescribed vesting conditions. The relevant terms of the grant are as below : -

Particulars	**(ESOS-2014)**	**(ESOS-2014-A)**
	Grant -I	
Date of Grant	August 16, 2014	August 16, 2014
Number of options granted	5,03,445	27,15,352
Vesting period	33% - Year 1 33% - Year 2 34% - Year 3	66.67% - Year 1 16.67% - Year 2 16.66% - Year 3
Exercise period	5 years from the respective dates of vesting	
Exercise Price - Per share	₹ 1	₹ 1
Market price at grant date - Per share	₹ 188.70	₹ 188.70
Average life of option	3.5 years	

The fair value of option granted is estimated at the grant date using Black Scholes valuation model, taking into account the term and conditions upon which the share options were granted.

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to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 33 SHARE-BASED PAYMENTS (Contd...)

The following table illustrates the number and movements in share options during the year

Particulars	(ESOS-2014)	(ESOS-2014-A)
	Grant -I	
Exercisable at March 31, 2018	-	18,10,235
Exercised during 2018-19	-	18,10,235
Outstanding at March 31, 2019	-	-
Outstanding at March 31, 2020	-	-

For option exercised during the period, weighted average exercise price was Re 1 (2019- Re 1) and weighted average share price at the exercise date was ₹ Nil per share (2019 - ₹ 185.66).

No new stock option have been granted by the company in the current year.

The following table list inputs to the model used for the year ended March 31, 2020 and March 31, 2019:

Particulars	("ESOS -2014")- Grant – I		
	Vest 1	Vest 2	Vest 3
	August 16, 2015	August 16, 2016	August 16, 2017
Volatility	36.19%	37.32%	40.33%
Riskfree Rate	8.73%	8.72%	8.72%
Exercise Price (₹)	1.00	1.00	1.00
Time To Maturity (In Years)	3.50	4.50	5.50
Dividend yield	1.59%	1.59%	1.59%
Option fair Value vest wise of per stock option granted (₹)	**177.75**	**174.99**	**172.27**

Particulars	(ESOS-2014-A)		
	Vest 1	Vest 2	Vest 3
	August 16, 2015	August 16, 2016	August 16, 2017
Volatility	36.19%	37.32%	40.33%
Riskfree Rate	8.73%	8.72%	8.72%
Exercise Price (₹)	1.00	1.00	1.00
Time To Maturity (In Years)	3.50	4.50	5.50
Dividend yield	1.59%	1.59%	1.59%
Option fair Value vest wise of per stock option granted (₹)	**177.75**	**174.99**	**172.27**

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

NOTE 34 PAYMENT TO AUDITORS (EXCLUDING GST)

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
As Auditors		
Audit fee	47.00	42.00
Tax audit fees and certification	14.51	9.04
Limited review of quarterly results	48.00	45.00
Reimbursement of expenses	4.54	4.51
Total	**114.05**	**100.55**

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 35 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, 2019 to March 31, 2020			April 1, 2018 to March 31, 2019		
(a) Gross amount required to be spent during the year			386.62			365.47
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
(b) Amount spent during the year						
Rural/slum area development	158.86	-	158.86	43.54	-	43.54
Imparting Skill Development Training	194.40	-	194.40	377.54	-	377.54
Contribution for Disaster Management	21.00	-	21.00	-	-	-
Others	13.83	-	13.83	-	-	-
Total	**388.09**	**-**	**388.09**	**421.08**	**-**	**421.08**

NOTE 36 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, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Net Profit for calculation of basic and diluted EPS	17,034.21	20,508.69
Weighted average number of shares for calculation of basic EPS	**36,72,08,644**	**36,49,37,171**
Effect of dilution :		
Stock options outstanding	-	-
Weighted average number of shares for calculation of diluted EPS	36,72,08,644	36,49,37,171
Basic EPS (₹)	4.64	5.62
Diluted EPS (₹)	4.64	5.62
(i) Weighted average number of equity shares (Basic)		
Weighted average number of shares for calculation of basic EPS	36,72,08,644	36,35,88,174
Effect of share option exercised	-	13,48,997
Weighted average number of shares for calculation of basic EPS	**36,72,08,644**	**36,49,37,171**
(ii) Weighted average number of equity shares (Diluted)		
Weighted average number of shares for calculation of Diluted EPS	36,72,08,644	36,49,37,171
Effect of share option exercised	-	-
Weighted average number of shares for calculation of diluted EPS	**36,72,08,644**	**36,49,37,171**

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 37 COMMITMENTS AND CONTINGENCIES

A) 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	Leasehold Land	Building	Total
As at 1 April 2019	**-**	**5,972.08**	**5,972.08**
Additions	-	880.96	880.96
Accretion of interest	-	511.13	511.13
Payments	-	(2,113.39)	(2,113.39)
As at 31 March 2020	**-**	**5,250.78**	**5,250.78**
Current	**-**	**1,926.30**	**1,926.30**
Non current	**-**	**3,324.48**	**3,324.48**

The maturity analysis of lease liabilities is disclosed below: **Maturity analysis of contractual undiscounted cash flow**	**Amount**
Less than 1 year	1,979.69
1 to 2 years	1,627.73
2 to 3 years	1,126.29
3 to 4 years	637.98
4 to 5 years	395.59
More than 5 years	545.82
Total undiscounted lease liabilities	**6,313.10**

iii. **Total cash outflow**

The Group has a total cash outflow (including short term lease and low value assets) for leases of ₹ 2,202.18 (2019 - ₹ 2,134.72). The Group also had non cash additions to right to use assets and lease liabilities of ₹ 6,853.04 (2019 - ₹ Nil).

iv. **Lease commitments for leases accounted as short term lease**

The Group is committed to ₹ 146.35 (2019- ₹ Nil) for short term leases.

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, 2019 to March 31, 2020**
(A) Decrease in Rent expense	(2,113.39)
(B) Increase in Depreciation expense	1,946.03
(C) Increase in Interest expense	516.28
(D) Decrease in Profit before tax	348.92

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, 2020 was ₹ 0.58 (2019 - ₹ 1.93). There is no escalation clause in the lease agreement and the lease is cancellable. There are no restrictions imposed by lease arrangements.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 37 COMMITMENTS AND CONTINGENCIES (Contd...)

B) Capital commitments (net of advances)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	28.29	216.32
Other commitments (Refer Note 37A (iv))	66.34	-
	94.63	216.32

C) Contingent liabilities

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 :

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Tax matters		
(a) Disputed sales tax demands – matters under appeal	1,467.56	1,356.01
(b) Disputed GST demands – matters under appeal	45.18	-
(c) Disputed excise duty and service tax demand - matter under appeal	2,489.35	4,084.33
(d) Disputed income tax demand - matter under appeal*	278.87	278.87
(ii) Claims against the Group not acknowledged as debts.	6,202.44	6,377.44

** 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.*

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.

NOTE 38 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSMED')

The disclosure pursuant to the said Act is as under:

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount due to suppliers under MSMED Act	1,057.51	3,821.56
Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount, unpaid	0.32	1.21
Interest paid to suppliers under the MSMED Act	-	-
Interest due and payable towards suppliers under MSMED Act towards payment already made	-	-
Interest accrued and remaining unpaid at the end of accounting year	0.32	1.21

The above information has been determined to the extent such parties have been identified on the basis of information available with the Group.

Notes

to the consolidated financial statements for the year ended March 31, 2020

NOTE 39 RELATED PARTY DISCLOSURES

a) Parties where control exists

Individual having control

M.P. Ramachandran	Chairman and Managing Director upto March 31, 2020, Chairman Emeritus w.e.f April 01, 2020

b) Related party relationships where transactions have taken place during the year

Firm / HUF in which the relatives of individual having control are partners / members / proprietor

Quilon Trading Co.

M.P. Divakaran - H.U.F.

M.P. Sidharthan - H.U.F.

Jaya Trust

Relative of individual having control

M.G.Santhakumari	
M.R. Jyothy	Appointed as Managing Director w.e.f. April 1, 2020
M.R. Deepthi	Appointed as Whole Time Director w.e.f. April 1, 2020
Ananth Rao T	
Ravi Razdan	
M.P. Sidharthan	
M.P. Divakaran	

Enterprises significantly influenced by key management personnel or their relatives

Sahyadri Agencies Ltd.

Gagangiri Containers Limited

Enterprises under common control

Kallol Trading Corporation

Key management personnel as per IND-AS / Companies Act, 2013

K. Ullas Kamath	Joint Managing Director
M.R. Jyothy	Whole time Director & Chief Marketing Officer upto March 31, 2020 (Appointed as Managing Director w.e.f. April 1, 2020)
M.R. Deepthi	Whole Time Director (Appointed w.e.f. April 1, 2020)
Rajnikant Sabnavis	Chief Operating Officer upto November 30, 2019
Sanjay Agarwal	Chief Financial Officer
Nilesh B. Mehta	Independent Director
R. Lakshminarayanan	Independent Director
K. P. Padmakumar	Independent Director upto March 31, 2019
Bhumika Batra	Independent Director
Shreyas Trivedi	Head-Legal & Company Secretary

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 39 RELATED PARTY DISCLOSURES (Contd...)

c) **Transactions with related parties during the year**

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
M.P. Ramachandran		
Remuneration*	₹ 1 only	₹ 1 only
Commission	356.59	482.34
Dividend	8,618.45	701.37
Quilon Trading Company		
Rent Expense	1.20	1.20
M.P. Divakaran - H.U.F.		
Dividend	228.48	19.04
M.P. Sidharthan - H.U.F.		
Dividend	158.40	13.20
Jaya Trust		
Dividend	261.00	21.75
Sahyadri Agencies Ltd.		
Dividend	1,335.00	150.00
Gagangiri Containers Limited		
Purchase of Land	11.40	-
Kallol Trading Corporation		
Sale of finished goods	663.66	250.39
Relatives of individuals having control		
Remuneration*		
M R Jyothy	219.60	219.60
M R Deepthi	59.29	54.36
Ananth Rao T	94.87	83.28
Ravi Razdan	65.07	62.23
M P Sidharthan	24.00	24.00
M. P. Divakaran	-	12.00
Dividend - Relative of individual having control	3,122.27	260.19
Key management personnel		
Remuneration*		
K. Ullas Kamath	336.00	336.00
Sanjay Agarwal	244.41	185.82
Rajnikant Sabnavis	274.11	371.88
Shreyas Trivedi	78.53	71.97
Dividend		
K. Ullas Kamath	174.17	14.51
Contribution to Superannuation fund		
K. Ullas Kamath	30.00	30.00
Fee for attending board / committee meetings		
Nilesh B. Mehta	5.75	2.05
R. Lakshminarayanan	5.25	2.05
K. P. Padmakumar	-	1.45
Bhumika Batra	4.25	0.50
Commission		
K. Ullas Kamath	320.93	434.10
Nilesh B. Mehta	12.00	10.00
R. Lakshminarayanan	12.00	10.00
K. P. Padmakumar	-	10.00
Bhumika Batra	12.00	-

**As the future liabilities for gratuity is provided on an actuarial basis for the Group as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.*

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ in Lacs

NOTE 39 RELATED PARTY DISCLOSURES (Contd...)

d) Related party balances

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Amounts receivable		
Enterprises under common control		
Kallol Trading Corporation	56.57	62.01
Amounts payable		
Other financial liabilities		
Individual having control		
M.P. Ramachandran	356.59	482.34
Key management personnel		
K. Ullas Kamath	320.93	434.10
Nilesh B. Mehta	12.00	10.00
R. Lakshminarayanan	12.00	10.00
K. P. Padmakumar	-	10.00
Bhumika Batra	12.00	-

NOTE 40 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 and moisturiser.
5. Laundry services includes drycleaning and laundry.
6. Others includes incense sticks, toilet cleaner and floor shine.

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and fixed assets. Assets at corporate level are not allocable to segments on a reasonable basis and thus the same have not been allocated. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liability.

Goodwill identifiable to operating segments are included in segment assets. However, where goodwill relates to multiple operating segments and it is not practicable to allocate between segments, it is included in unallocated assets. Finance cost, finance income and fair value gains and loss on financial assets are not allocated to any operating segments as the Group reviews the treasury and finance cost at the group level.

Accordingly , borrowings are also considered in unallocated liabilities.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to segments as they are also managed on group basis.

Capital expenditure consists of addition of property, plant and equipment and intangible assets.

Transfer pricing between operating segments are on as arm length basis in a manner similar to transaction with third parties.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 40 SEGMENT REPORTING (Contd...)

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, 2020

Particulars	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	4200.90

Year ended March 31, 2019

Particulars	Fabric care	Dishwashing	Household insecticides	Personal care	Laundry services	Other products	Total Operating segments	Adjustments and eliminations	Total segments
Revenue									
External revenue	72,968.31	58,728.30	22,424.52	19,185.97	4,024.95	4,025.61	1,81,357.66	-	1,81,357.66
Total revenue from operation	**72,968.31**	**58,728.30**	**22,424.52**	**19,185.97**	**4,024.95**	**4,025.61**	**1,81,357.66**	**-**	**1,81,357.66**
Income/(Expenses)									
Depreciation and amortisation	(1,140.87)	(404.99)	(445.47)	(207.73)	(449.11)	(32.13)	(2,680.30)	(376.62)	(3,056.92)
Segment profit	**16,291.58**	**7,312.21**	**329.93**	**5,671.60**	**(959.89)**	**(266.34)**	**28,379.09**	**(4,076.32)**	**24,302.77**
Total assets	**31,665.28**	**18,415.49**	**14,929.92**	**6,831.09**	**12,573.47**	**1,383.43**	**85,798.68**	**1,08,429.05**	**1,94,227.73**
Total liabilities	**12,584.17**	**10,816.31**	**5,997.34**	**3,293.97**	**765.12**	**550.30**	**34,007.21**	**29,714.30**	**63,721.51**
Capital expenditure	1,849.84	1,131.15	275.93	385.50	77.94	24.79	3,745.15	248.30	3,993.45

Reconciliations to amount reflected in the financial statements :

Particulars		April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
A)	**Reconciliation of profit**		
	Segment profit	24,132.64	28,379.09
	Other Income (Note 24)	264.54	644.45
	Other unallocable income	270.66	361.30
	Gain on financial assets fair valued through profit or loss (Note 24)	-	23.50
	Finance cost (Note 28)	(3,288.49)	(3,521.99)
	Exceptional Item	(377.83)	-
	Other unallocable expenses	(2,851.00)	(1,583.58)
	Profit before tax	**18,150.52**	**24,302.77**

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 40 SEGMENT REPORTING (Contd...)

Particulars	As at March 31, 2020	As at March 31, 2019
B) Reconciliations of assets		
Segment operating assets	87,232.43	85,798.68
Investment (Note 5 and 13)	2.59	10,444.96
Other financial assets (Note 8)	372.62	62.69
Non current tax assets (net) (Note 9)	1,234.99	406.99
Deferred tax asset (net) (Note 10)	10,269.79	9,281.00
Cash and cash equivalent	2,079.53	8,837.50
Other unallocable assets	1,551.71	1,464.13
Tangible and Intangible assets	80,875.39	77,931.78
Total assets	**1,83,619.05**	**1,94,227.73**
C) Reconciliations of liabilities		
Segment operating liabilities	30,171.01	34,007.21
Borrowings	28,296.81	27,914.70
Current tax liabilities (net) (Note 22)	46.13	346.72
Interest accrued but not due on loans (Note 21)	1,474.45	789.90
Other unallocable liabilities	3,679.06	662.98
Total liabilities	**63,667.46**	**63,721.51**

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Revenue from external customers		
India	1,66,155.27	1,76,285.64
Outside India	4,962.00	5,072.02
Total revenue per consolidated statement of profit or loss	**1,71,117.27**	**1,81,357.66**

The revenue information above is based on the location of the customers.

Revenue from one customer amounted to ₹ 25,568.84 (2019 - ₹ 22,040.52) arising from sales in various segment.

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current operating assets		
India	1,17,348.95	1,11,494.09
Outside India	18.53	0.48
Total	**1,17,367.48**	**1,11,494.57**

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress and intangible assets.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 41 INFORMATION REQUIRED FOR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013

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**

Particulars	31-Mar-19							
	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	93.85%	1,24,492.04	108.54%	21,447.06	90.94%	(112.76)	108.65%	21,334.30
Subsidiaries								
Indian								
Jyothy Fabricare Services Limited	3.29%	4,361.10	-5.53%	(1,092.31)	23.69%	(29.37)	-5.71%	(1,121.68)
Snoways Laundrers & Drycleaners Private Limited	0.14%	180.94	-0.03%	(5.27)	-	-	-0.03%	(5.27)
Four Seasons Drycleaning Company Private Limited	0.10%	127.72	-0.02%	(3.09)	-	-	-0.02%	(3.09)
M/s JFSL JLL JV (Partnership Firm)	0.50%	666.28	0.73%	145.03	-	-	0.74%	145.03
Foreign								
Jyothy Kallol Bangladesh Limited	0.51%	678.14	0.09%	17.27	-16.86%	20.91	0.19%	38.18
Non controlling interest	1.62%	2,146.46	-3.79%	(748.85)	2.23%	(2.77)	-3.83%	(751.62)
GRAND TOTAL	**100.00%**	**1,32,652.68**	**100.00%**	**19,759.84**	**100.00%**	**(123.99)**	**100.00%**	**19,635.85**

Net assets and share of profits and losses reported in the above table have been considered from the respective audited financial statements after making necessary changes for consolidation adjustments having impact on the consolidated net assets and net profits.

Notes

to the consolidated financial statements for the year ended March 31, 2020

NOTE 42 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group'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 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 protest payment made in earlier years towards Vat/Excise duty matters. The Group has received favourable orders from the Honourable Supreme Court / High Court in these matters and accordingly assessed 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 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, 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 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.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 42 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Contd...)

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

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).

NOTE 43 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Assets				
Investment	2.59	10,444.96	2.59	10,444.96
Loans	1,142.33	994.21	1,142.33	994.21
Total	**1,144.92**	**11,439.17**	**1,144.92**	**11,439.17**
Financial Liabilities				
Borrowings	28,296.81	27,914.70	28,296.81	27,914.70
Total	**28,296.81**	**27,914.70**	**28,296.81**	**27,914.70**

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.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 43 FAIR VALUES (Contd...)

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.

NOTE 44 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 :

Particulars	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, 2020**	2.59	-	-	2.59
	March 31, 2019	10,444.96	10,442.37	-	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.

NOTE 45 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, 2020 and 31st March, 2019. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

For long term borrowings, the Group also focuses on maintaining / improving its credit ratings to ensure that appropriate refinancing options are available on the respective due dates.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	Less than 1 Year	1 to 5 years	5 years and above	Total
As at March 31, 2020				
Borrowings and Other financial liabilities *	37,164.06	-	-	37,164.06
Trade and other payables	12,975.70	-	-	12,975.70
	50,139.76	**-**	**-**	**50,139.76**
As at March 31, 2019				
Borrowings and Other financial liabilities *	32,538.85	-	-	32,538.85
Trade and other payables	17,883.20	-	-	17,883.20
	50,422.05	**-**	**-**	**50,422.05**

** 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 17), 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, 2020 and March 31, 2019 is the carrying value of each class of financial assets.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

NOTE 46 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, 2020	March 31, 2019
Borrowings	28,296.81	27,914.70
Less: Cash and cash equivalents, other bank balances and mutual fund investments (Note 13, 14a and 14b)	(2,894.26)	(20,079.80)
Net debt (A)	**25,402.55**	**7,834.90**
Equity	1,22,863.81	1,32,652.68
Capital and net debt (B)	**1,48,266.36**	**1,40,487.58**
Gearing ratio (A/B)	17%	6%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

NOTE 47

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

NOTE 48 IMPACT OF CORONAVIRUS OUTBREAK (COVID-19)

With the recent and rapid development of the COVID-19 outbreak, many countries have required entities to limit or suspend business operations and implemented travel restrictions and quarantine measures. These measures and policies have significantly disrupted (or are expected to disrupt) the activities of many entities. Disruptions are more immediate and pronounced in certain industries such as tourism, hospitality, transportation, retail, and entertainment, while there are also anticipated knock-on effects on other sectors such as manufacturing and financial sector. As the outbreak continues to progress and evolve, it is challenging at this juncture, to predict the full extent and duration of its business and economic impact. Consequently, these circumstances may impose entities with challenges when preparing their financial statements.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 48 IMPACT OF CORONAVIRUS OUTBREAK (COVID-19) (Contd...)

The Group's operation disrupted due to COVID19 from 20 March 2020 onwards. All factories and sales operations were halted and primary sales were stopped. The lockdown led to impact on sales of approximately ₹ 15,000 lacs (Jyothy Fabricare Services Limited - ₹ 170 lacs) based on forecasted sales for the month. Our product portfolio falls in the category of 'Essential Goods' and forms part of day to day household consumption which are sold from grocery chains. As per MHA order dated 12 April 2020 - factories, depots and inter-state transportation of goods were permitted to operate with restrictions. In alignment with CII, Jyothy Labs is recognised as 'Company with nation-wide supply' hence, Corporate State-wise E-passes were allowed to be issued by us directly for our supply chain, i.e. manufacturing plant workers, CFA/distributors' s staff, our sales staff, transporter, etc. Hence, operations were partially resumed since mid-April 2020. Production commenced in mid-April and the temporary shut-down did not have any significant impact on the valuation of inventories. Our Jyothy Fabricare Services Limited business also have started resuming operations putting adequate safety measures across facility centres and retail stores.

While there were challenges with respect to resources, these were proactively managed to ensure minimal disruption to operations. All staff were working remotely and adequate controls were put in place to ensure control environment is not compromised. Collections from sales in the subsequent period continues to be strong and hence management does not see any constraints arising from cash flows. Sales in the subsequent period have also met expectations considering the company sells essential hygiene related products.

In the short term, Group has adequate resources to sustain the impact of Covid-19. We do not foresee any material adverse impact in the medium to long term on the business. Based on our current assesment, no significant impact on carrying value on goodwill, inventory, trade receivables, intangible assets, investments and other financial assets is expected. The actual impact of global pandemic could be different from estimated, as the COVID scenario evolves in India. The Group will continue to closely monitor any material changes to future economic conditions.

NOTE 49

The Board of Directors of the Group at its meeting held on February 5, 2020 approved the proposal of Amalgamation of its Wholly Owned Subsidiaries viz. Snoways Laundrers & Drycleaners Private Limited (First Transferor Company) and Four Seasons Drycleaning Services Private Limited (Second Transferor Company) with Jyothy Fabricare Services Limited (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 Group 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 Application has been filed before the National Company Law Tribunal, Bench, at Mumbai for seeking their approval to the said Amalgamation.

NOTE 50 EXCEPTIONAL ITEM

Exceptional item includes one time expenses related to change in brand identity of the Company including its logo and name.

NOTE 51

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. Impact due to such restatement, deferred tax assets of ₹ 535.04 lacs recognized in FY 2019-20. There is no material impact in other subsidiary companies; hence not recognised.

Notes

to the consolidated financial statements for the year ended March 31, 2020

₹ In Lacs

NOTE 52 IND AS 115 : REVENUE FROM CONTRACTS WITH CUSTOMERS

a. Reconciliation the amount of revenue recognised in the consolidated statement of profit and loss

Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
Gross Sales	2,01,711.68	2,12,890.55
Sale of Services	4,119.79	4,024.95
Less : Scheme, discounts, rebates, price adjustments and returns	(34,859.18)	(35,675.59)
Net Sales	**1,70,972.29**	**1,81,239.91**

b. Disaggregation of revenue-segment wise

	Particulars	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
A	Fabric Care	70,800.29	72,968.31
B	Dishwashing	56,669.55	58,728.30
C	Household Insecticides	18,135.69	22,424.52
D	Personal Care	18,041.54	19,185.97
E	Laundry Service	4,126.54	4,024.95
F	Others	3,198.68	3,907.86
		1,70,972.29	**1,81,239.91**

Revenue from one customer amounted to ₹ 25,568.84 (2019 - ₹ 22,040.52) arising from sales in various segments

NOTE 53

Previous year figures have been regrouped / reclassified , where necessary, to conform to this year classification.

Particulars	Note	Amount as per previous period financials	Adjustments	Revised amount for previous year
Consolidated Balance sheet				
Non current				
Provisions	18	3,671.05	881.02	4,552.07
Current				
Provisions	18	3,129.26	-881.02	2,248.24
Cash and cash equivalent	14a	7,644.48	-160.70	7,483.78
Bank balances other than cash and cash equivalents	14b	1,992.95	160.70	2,153.65
Consolidated Statement of Profit & Loss				
Other income	24	2,775.47	-9.67	2,765.80
Other expenses	30	35,418.47	-9.67	35,408.80

Signatures to Notes 1 to 53

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: June 05, 2020

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: June 05, 2020

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 Co. Private Limited#
	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, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020
	Local Currency	INR	BDT	INR	INR
	Exchange rate as on March 31, 2020	-	1BDT = 0.86 INR	-	-
1	Share Capital	1,635.00	801.84	100.00	496.57
2	Reserves & Surplus	-18,882.25	30.05	-24.45	-492.28
3	Total Assets	5,051.50	848.53	128.37	4.59
4	Total Liabilities	22,298.75	16.64	52.82	0.30
5	Details of Investment (except investment in subsidiaries)	-	-	-	-
6	Turnover (Net)	3,067.39	575.66	-	-
7	Profit / (Loss) before taxation	-3,231.15	165.66	-5.51	-1.73
8	Provision for taxation	-	44.52	-	-
9	Profit / (Loss) after taxation	-3,231.15	121.14	-5.51	-1.73
10	Proposed / Interim Dividend	Nil	Nil	Nil	Nil
11	% of shareholding	86.37%	75.00%	86.37%	86.37%

#Snoways Laundrers and Drycleaners Pvt. Limited, Four Seasons Dry-Cleaning Co. Pvt. Limited are subsidiaries of Jyothy Fabricare Services Limited

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.

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, 2020
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:	N.A.
1. No.	23.27
2. Amount of Investment in Joint Venture	25%
3. Extent of Holding (%)	
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
Net worth attributable to Shareholding as per latest audited Balance Sheet	93.09
Profit / Loss for the year	-6.91
i. Considered in Consolidation	-6.91
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
June 05, 2020

Jyothy Labs Limited (Formerly known as Jyothy Laboratories Limited)

CIN: L24240MH1992PLC128651

Corporate & Registered Office

Ram Krishna Mandir Road, Kondivita,
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Concept, Content & Design WYATT Prism COMMUNICATIONS (info@wyatt.co.in)

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 29th Annual General Meeting (AGM) of the Members of Jyothy Labs Limited (Formerly known as Jyothy Laboratories Limited) will be held on **Friday, August 7, 2020** at **12:00 noon** 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, 2020, comprising of the Audited Balance Sheet as at March 31, 2020, the Statement of Profit & Loss and Cash Flow Statement for the Financial Year April 1, 2019 to March 31, 2020 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, 2020, comprising of the Audited Consolidated Balance Sheet as at March 31, 2020, the Statement of Consolidated Profit & Loss and Cash Flow Statement for the Financial Year April 1, 2019 to March 31, 2020 including its Schedules and the Notes attached thereto and forming part thereof along with the report of the Statutory Auditors thereon.

2. To confirm the payment of interim dividend on the equity shares of the Company which was declared on March 12, 2020 as the final dividend for the Financial Year 2019-20.

3. To appoint a Director in place of Mr. K. Ullas Kamath (DIN: 00506681), who retires by rotation and being eligible, offers himself 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 the provisions of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Schedule V of the Companies Act, 2013 and based on the recommendation of the Nomination, Remuneration and Compensation Committee and approval of the Board of Directors of the Company at their respective meetings held on June 5, 2020, consent of the members of the Company be and is hereby accorded for payment of aggregate annual remuneration to Mr. M. P. Ramachandran, Mr. K. Ullas Kamath and Ms. M. R. Jyothy, Executive Directors who are Promoters/Members of Promoter group, exceeding 5 per cent of the net profits of the Company, for the financial year ended March 31, 2020 and to Mr. K. Ullas Kamath, Ms. M. R. Jyothy and Ms. M. R. Deepthi, Executive Directors who are Promoters/Members of Promoter group, exceeding 5 per cent of the net profits of the Company, from the financial year ending March 31, 2021 onwards till their respective tenure of appointment(s);

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any one of the Directors of the Company or the Company Secretary of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard."

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, 2021, be paid a remuneration amounting to ₹ 3,50,000/- (Rupees Three Lacs Fifty Thousand 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: June 5, 2020

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 COVID-19 Pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular no. 20/ 2020 dated May 5, 2020 has allowed the companies to conduct their Annual General Meeting (AGM), during the calendar year 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 29th 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 29th 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 join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting i.e. on Friday, August 7, 2020 from 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).

3. The aforesaid MCA General Circular dated May 5, 2020 read with MCA General Circular dated April 13, 2020 and 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 2019-20 and Notice convening 29th 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, July 3, 2020.

4. For Members who have not registered their e-mail address and those members who have become the members of the Company after July 3, 2020, being the cut-off date for sending soft copy of the Notice of 29th AGM and Annual Report, may refer to the Notice of 29th 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 29th AGM and the Annual Report for the financial year 2019-20, in Portable Document Format (PDF), will also be available on the Company's website 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 29th 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 29th 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 29th 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 29th 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 31, 2020 to Friday, August 7, 2020** (both days inclusive) for the purpose of AGM.

10. In terms of Section 152 of the Companies Act, 2013, Mr. K. Ullas Kamath (DIN: 00506681) Joint Managing Director of the Company, retires by rotation at the AGM and being eligible, offers himself 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. In view of the interim dividend for the Financial Year 2019-20, the Board of Directors of the Company does not recommend Final Dividend for the Financial Year 2019-20, for consideration of members.

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 securities 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 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.

    For updating the email ids of the members, the Company during the Financial Year, had availed the facility of National Securities Depository Limited (NSDL) for sending messages through sms service to those members whose mobile number were registered with NSDL, requesting them to update their email id(s) with the Company/Registrar and Share Transfer Agent/ Depository Participant.

15. In case of remittance of dividend in future 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 registered addresses.

16. Members who have not encashed their dividend warrants for the dividends declared for the financial years 2012-13 onwards upto 2018-19 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 2011-12 to 2017-18 lying with the Company as on March 31, 2019 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 2012-13 and Interim Dividend 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, 2020 and March, 2021, respectively, 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 2012-13 to 2018-19 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 shareholder 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 shareholders 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 31, 2020.**

25. **PROCESS FOR THOSE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

(i) For Physical members- please provide necessary details like Folio No., Name of member, 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 at the Company's email id i.e. secretarial@jyothy.com / RTA's email id i.e. rnt.helpdesk@linkintime.co.in.

(ii) For members holding shares in Demat mode - 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) by email at the Company's email id i.e. secretarial@jyothy.com / RTA's email id i.e. rnt.helpdesk@linkintime.co.in.

(iii) The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned members.

26. **INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

(i) Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/ OAVM will be available in shareholders/members login where the EVSN of the Company will be displayed.

(ii) Members are encouraged to join the Meeting through Laptops/IPads for better experience.

(iii) Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the AGM.

(iv) 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.

(v) To avoid restriction on the number of members attending the meeting, the Company will conduct its AGM through VC/ OAVM and accordingly, there will be no Speaker Shareholder for the ensuing AGM.

(vi) Members who would like to express their views/ask questions during the meeting may send it in advance to the Company at secretarial@jyothy.com any time **prior to the AGM** mentioning their name, demat account number/folio number, email id, mobile number. 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 by the Company suitably by email/during VC/OVAM.

27. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its members, facility to exercise their right to vote on resolutions proposed to be considered at the 29th AGM by electronic means and the business may be transacted through remote e-Voting Services. The facility of casting votes by the members using an electronic voting system on a day other than the day of AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

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.

A. THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

(i) The voting period begins on **Tuesday, August 4, 2020 at 9:00 a.m.** and ends on **Thursday, August**

6, 2020 at 5:00 p.m. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. July 31, 2020, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Members who have already voted prior to the meeting date would not be entitled to vote on the day of AGM through e-voting.

(iii) A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

(iv) The members should log on to the e-voting website www.evotingindia.com.

(v) Click on "Shareholders/Members" module.

(vi) 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. members holding shares in Physical Form should enter Folio Number registered with the Company.

(vii) Next enter the Image Verification as displayed and Click on Login.

(viii) 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.

(ix) If you are a first time user, follow the steps given below:

	For members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat members as well as physical members) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is provided in the email body in 'PAN/ Sequence Number' field. • Members whose email id and PAN are not registered with the Company can avail the 'Sequence Number' by raising a request to the Company's RTA viz. Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in. Members are requested to mention their details like Folio Number/DP ID/Client ID and name of the Company, in their request.
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 (vi).

(x) After entering these details appropriately, click on "SUBMIT" tab.

(xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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 account 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**.

(xii) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xiii) Click on the EVSN for the relevant <Jyothy Labs Limited> on which you choose to vote.

(xiv) 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.

(xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xvi) 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.

(xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xviii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xix) 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 and enter the details as prompted by the system.

Members can also cast their vote using CDSL's mobile app "**m-Voting".** The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

B. INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

(i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

(ii) Only those members, 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.

(iii) If any Votes are cast by the members through the e-voting available during the AGM and if the same members 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 members attending the meeting.

(iv) Members who have voted through remote e-voting will be eligible to attend the AGM, however, they will not be eligible to vote at the AGM.

C. NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

(i) Non-Individual members (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.

(ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

(iii) 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.

(iv) 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.

(v) 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.

(vi) Alternatively Non-Individual members 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 same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding remote e-voting or e-voting at the time of AGM, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. Alternatively, Members can contact Mr. Rakesh Dalvi, Manager, CDSL, by writing to him at A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compounds, N.M.Joshi Marg, Lower Parel (East), Mumbai - 400 013 or contact at 1800225533.

The results on voting of resolutions will be declared not later than forty-eight hours from conclusion of the AGM. 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.

28. Since the 29th 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:

In terms of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the fees or compensation payable to the Executive Directors who are Promoters or members of the Promoter group, shall be subject to the approval of the members by way of Special Resolution in general meeting, where there is more than one Executive Director and the aggregate annual remuneration to such Executive Directors exceeds 5 per cent of the net profits of the Company. The approval of the Members under the said provision shall be valid till the expiry of the term of each such respective Executive Director(s).

As on March 31, 2020, the Company had 3 (three) Executive Directors who are Promoters/members of the Promoter group viz. Mr. M.P. Ramachandran, Mr. K. Ullas Kamath and Ms. M.R. Jyothy. Further, Ms. M.R. Deepthi has also been appointed as the Whole Time Director of the Company with effect from April 1, 2020 and she too belongs to the Promoter group of the Company.

For the Financial Year 2019-20, the aggregate annual remuneration drawn by the Executive Directors belonging to the Promoter group, amounted to ₹ 1263.12 Lacs which constituted to 8.01% of the net profits of the Company for the Financial Year 2019-20. Based on the recommendation of the Nomination, Remuneration and Compensation Committee of the Company, the Board of Directors of the Company at its meeting held on June 5, 2020 approved the payment of aggregate annual remuneration to the Executive Directors in terms of Regulation 17(6)(e) of the Listing Regulations for the Financial Year 2019-20 onwards, till the expiry of the respective term of the Executive Directors.

Accordingly, the Board of Directors of the Company recommends passing of Special Resolution as set out in item number 4 of the accompanying Notice for approval of members for payment of aggregate annual remuneration to Mr. M. P. Ramachandran, Mr. K. Ullas Kamath, and Ms. M. R. Jyothy, Executive Directors who are Promoters/ Members of Promoter group, exceeding 5 per cent of the net profits of the Company, for the financial year ended March 31, 2020 and to Mr. K. Ullas Kamath, Ms. M. R. Jyothy and Ms. M. R. Deepthi, Executive Directors who are Promoters/Members of Promoter group, exceeding 5 per cent of the net profits of the Company, from the financial year ending March 31, 2021 onwards and such Special Resolution shall be valid till the expiry of tenure of each such Executive Directors, respectively.

Other than the above named Executive Directors of the Company and their relatives, no other Director, Key Managerial Personnel or their respective relatives are in any way concerned or interested or deemed to be concerned or interested, financially or otherwise, in the proposed resolution as set out at item no. 4 of the Notice.

ITEM NO. 5:

The Board of Directors at its meeting held on June 5, 2020 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, 2021, at a remuneration amounting to ₹ 3,50,000 (Rupees Three Lacs Fifty Thousand 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	Mr. K. Ullas Kamath
Date of Birth	January 1, 1963
Date of Appointment on the Board	March 26, 1997
Qualifications	A Member of the Institute of Chartered Accountants of India, Institute of Company Secretaries of India and holds a Bachelor's Degree in Law and Master's degree in Commerce. He has participated in Advanced Management Programme at Wharton Business School and at Harvard Business School. He has completed Masters in Global Management (M.Sc.) from London School of Economics.
Experience and nature of his expertise	Business Development, New Projects, Financial Management and formulation of strategies for growth.
Terms/Conditions of appointment/re-appointment	Appointed for a period of 5 years commencing from January 23, 2017 to January 22, 2022 (both days inclusive). Other terms and conditions are as per the Agreement entered with the Company.
Details of remuneration sought to be paid	₹ 3,00,00,000/- per annum other details as per the Agreement entered into with the Company.
Remuneration last drawn	₹ 6,86,93,145/- per annum (including Salary and Commission)
Shareholding in the Company	29,02,760 Equity Shares
Relationship with other Directors and Key Managerial Personnel	None
Number of meetings of Board attended during the financial year 2019-20	5 of 5
Directorship held in other Public Company	a. Jyothy Fabricare Services Limited b. Jyothy Kallol Bangladesh Limited c. V-guard Industries Limited
Chairmanships/ Memberships of Committee across	1. Member of Audit Committee in:- a. V-guard Industries Limited b. Jyothy Fabricare Services Limited 2. Member in Nomination and Remuneration Committee of V-guard Industries 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: June 5, 2020

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