



Purpose-led, future-fit

Hindustan Unilever Limited - Subsidiary Companies
Annual Report 2021-22



Hindustan Unilever Limited

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Unilever India Exports Limited Report of Board of Directors

BOARD OF DIRECTORS		AUDITORS	REGISTERED OFFICE
Wilhelmus Uijen	Director	M/s. BSR & Co. LLP, Chartered Accountants.	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai –400099 CIN - U51900MH1963PLC012667
Ravishankar A.	Director		
Asha Gopalakrishnan	Director		
V. Kannan	Independent Director		
Nikhilesh Panchal	Independent Director		

To the Members,

Your Directors are pleased to present the 58th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2022.

FINANCIAL RESULTS

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
		(₹ lakhs)
Revenue from operations	1,30,413.01	1,19,384.49
Profit before tax	17,508.15	20,145.34
Profit for the year	12,771.66	15,146.56
Dividend	(10,025.75)	(9,668.75)
Profit & Loss Account balance brought forward from previous year	10,716.82	5,239.01
Profit & Loss Account balance carried forward	13,462.73	10,716.82

OPERATIONAL REVIEW

The Company is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) and is engaged in FMCG exports business. The focus of the FMCG exports operation is two-fold: to develop overseas markets by driving distribution of brands, such as Vaseline, Dove, Pears, BRU, Red Label, Lakmé, Horlicks, Boost and to effectively provide cross-border sourcing of FMCG products to other Unilever companies across the world.

The topline growth of the Company was driven by robust growth in Personal Wash, Personal Care, and Culinary products portfolio. Brands like Dove, Vaseline, Lakmé, Glow and Lovely (GAL), Horlicks, Lifebuoy, Knorr and Kissan have registered healthy growth in the focused markets.

DIVIDEND

During the year, the Board of Directors of your Company declared interim dividend twice, ₹202/- per Equity Share of face value of ₹10/- each, aggregating to ₹60,09,50,000/- on 20th September, 2021 and of ₹135/- per Equity Share of face value of ₹10/- each, aggregating to ₹40,16,25,000/- on 16th March, 2022. The total dividend paid for the financial year ended 31st March, 2022 was ₹1,00,25,75,000/-.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary or joint venture company. Further, Hindustan Unilever Foundation is an associate company of the Company as per the Companies Act, 2013. In terms of Section 129(3) of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014, a statement related to Associate Companies and Joint Ventures in Part B of AOC-1 is appended as an annexure to this Annual Report.

THE BOARD OF DIRECTORS

The Board of your Company is a good and diverse mix of Directors and the same is in line with the applicable provisions of the Companies Act, 2013. As on date of this Report, the Board consists of five Directors comprising three Non-Executive Directors and two Independent Directors.

Report of Board of Directors

In terms of the requirements of the Companies Act, 2013 the Independent Directors of the Company were re-appointed for a further period of five years commencing from 30th March, 2020 based on the recommendation of the Nomination and Remuneration Committee of the Company.

The Independent Directors have given the Certificate of Independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and hold highest standards of integrity.

During the year, Mr. Amit Sood resigned as a Director of your Company with effect from 30th April, 2021. The Board placed on record, its sincere appreciation for the services rendered by Mr. Amit Sood during his tenure as a Director of the Company.

Further, Mr. Ravishankar A. was appointed as an Additional Director on the Board of the Company with effect from 30th April, 2021 to hold office upto the 57th Annual General Meeting of the Company. Based on the recommendation of the Board, the Shareholders of the Company approved the above mentioned appointment at the 57th Annual General Meeting of the Company held on 3rd August, 2021.

Except as mentioned above, there was no change in the Board of Directors of the Company during the year under review.

In accordance with Article 108 of the Articles of Association of the Company and the Companies Act, 2013, one-third of the total Directors, other than Independent Directors of the Company, shall retire by rotation at every Annual General Meeting and accordingly, Ms. Asha Gopalakrishnan shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's operations, policies and strategy apart from other Board business. The Board and Committee Meetings are pre-scheduled and a tentative calendar of each of the Board and Committee Meetings is circulated to the Directors and Committee Members well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the Meetings. However, in case of a special and urgent business need, the approval of the Board or Committee is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed at the subsequent Board or Committee Meeting.

The notice of Board and Committee Meetings is given well in advance to all the Directors and Committee Members. Usually, Meetings of the Board and Committees are held in Mumbai. The Agenda is circulated a week prior to the date of the Meeting. The Agenda for the Board and Committee Meetings include detailed notes on the items to be discussed at the Meeting to enable the Directors and Members to take an informed decision. During the year, in terms of various circulars issued by Ministry of Corporate Affairs because of COVID 19, all the Meetings were held through audio – video means.

During the financial year ended 31st March, 2022, four Board Meetings were held on 26th April, 2021, 14th July, 2021, 14th October, 2021 and 19th January, 2022. The interval between any two Meetings was well within the maximum allowed gap of 120 days.

MEETING OF INDEPENDENT DIRECTORS

During the financial year ended 31st March, 2022, the Independent Directors of the Company met once on 26th April, 2021.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulations and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are performed by Members of the Board, as a part of good governance practice. The Board is informed about the summary of the discussions held in the Committee Meetings. The Minutes of Meetings of all the Committees are placed before the Board for review. The Board Committees can request special invitees to join the Meeting, as appropriate.

The Board has established the following statutory Committees:

Audit Committee

In accordance with the provisions of Section 177 of the Companies Act, 2013, the Audit Committee of your Company comprises Mr. Nikhilesh Panchal, Mr. V. Kannan and Ms. Asha Gopalakrishnan as its Members. In succession to Mr. Sanjiv Chatterji, Ms. Asha Gopalakrishnan had joined the Audit Committee as a Member effective 12th July, 2021.

The power, role and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Companies Act, 2013, based on other

terms as defined by the Board of Directors. The Minutes of each Audit Committee Meeting are placed at the subsequent meeting of the Committee and the Board.

The Audit Committee met four times during the financial year ended 31st March, 2022 on 26th April, 2021, 14th July, 2021, 14th October, 2021 and 19th January, 2022.

Nomination and Remuneration Committee

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee comprises Mr. Wilhelmus Uijen, Ms. Asha Gopalakrishnan, Mr. V. Kannan and Mr. Nikhilesh Panchal as its Members.

The power, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Section 178 of the Companies Act, 2013.

The Minutes of each Nomination and Remuneration Committee Meeting are placed at the subsequent Meeting of the Committee and the Board.

During the financial year ended 31st March, 2022, the Nomination and Remuneration Committee of the Company met once on 26th April, 2021.

Board Membership Criteria

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- composition of the Board which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a Public Company.
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Non-Executive Independent and Non-Executive Directors consistent with requirements of the law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;

- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

Reward Policy

The Reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and reinforces the performance culture of the Company. This philosophy is set forth into practice by various policies governing the different elements of total reward. The intent of all these policies is to ensure that the principles of Reward philosophy are followed in entirety, thereby facilitating the Company to recruit and retain the best talent. The ultimate objective is to gain competitive advantage by creating a reward proposition that inspires employees to deliver Company's promise to consumers and achieve superior operational results.

The guiding principles for the Company's reward policies / practices are as follows:

1. Open, Fair and Consistent: increase transparency and ensure fairness and consistency in reward framework;
2. Insight and Engagement: make reward truly relevant to the employees by using leading edge tools that help the Company 'hear' how employees feel about their reward;
3. Innovation: continuously improve the Company's reward through innovations based on insight, analytics and Unilever's expertise;
4. Simplicity, Speed and Accuracy: simplify reward plans and processes and deliver the information employees need quickly, clearly and efficiently;
5. Business Results: Company's business results are the ultimate test of whether reward solutions are effective and sustainable.

Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee comprises Mr. Wilhelmus Uijen, Ms. Asha Gopalakrishnan, Mr. V. Kannan and Mr. Nikhilesh Panchal as its Members.

The power, role and terms of reference of the Corporate Social Responsibility Committee covers the areas as contemplated under Section 135 and Schedule VII of the Companies Act, 2013, based on other terms as defined by the Board of Directors.

Report of Board of Directors

The Minutes of each Corporate Social Responsibility Committee Meeting are placed at the subsequent Meeting of the Committee and the Board.

During the financial year ended 31st March, 2022, the Corporate Social Responsibility Committee of the Company met once on 26th April, 2021.

A Report on Corporate Social Responsibility activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended by The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 effective from 22nd January, 2021 is appended as an Annexure to this Annual Report.

Vigil Mechanism Policy for the Directors and Employees

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed 'Vigil Mechanism Policy' for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimisation on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

Committee for Prevention of Sexual Harassment

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, your Company has constituted Internal Committees (IC). The scope of our Prevention of Sexual Harassment (POSH) Policy has been expanded to make it more inclusive and gender neutral, detailing the governance mechanisms for prevention of sexual harassment issues relating to employees across genders including employees who identify themselves with LGBTQI+ community.

While maintaining the highest governance norms, the Company has appointed external independent persons who have prior experience in the areas of women empowerment and POSH, as Chairpersons of each of the

Internal Committees. During the year, no complaint with allegations of sexual harassment was received by the Company. To build awareness in this area, the Company has been conducting induction / refresher programmes in the organisation on a continuous basis. During the year, your Company organised offline training sessions for all blue collared employees across the Company which included POSH as one of the topics of training.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

PERSONNEL

Disclosures with respect to remuneration of employees as per Section 197(12) of the Companies Act, 2013 and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2022 have been appended as an Annexure to this Annual Report.

ANNUAL EVALUATION

In terms of the requirement of the Companies Act, 2013, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and

the Committees. The criteria of performance evaluation of Board, its Committees and Individual Directors was being adopted by the Board of Directors. For Independent Directors, evaluation is carried out based on the criteria viz. the considerations which led to the selection of the Director on the Board and the delivery against the same, contribution made to the Board / Committees, attendance at the Board / Committee Meetings, impact on the performance of the Board / Committees, etc.

During the year, Board Evaluation cycle was completed by the Company, which included the Evaluation of the Board as a whole, Board Committees and Peer Evaluation of the Directors. The exercise was led by the Nomination and Remuneration Committee of the Company. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board, improving Board effectiveness, performance of Board Committees, Board knowledge sessions and time allocation for strategic issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board Members from different backgrounds bring diverse experiences that help the Board discussions to be rich and value adding. It was also noted that the Committees are functioning well and important issues are brought up and discussed in the Committees.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details relating to Loans, Guarantees and Investments are provided in the Notes to Financial Statements.

RELATED PARTY TRANSACTIONS

All related party transactions entered during the year were in the ordinary course of business and on arm's length basis. In terms of Section 134(3)(h) of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014, the details of contracts or arrangements entered into with related parties in Form AOC-2 is appended as an Annexure to this Annual Report.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of Companies Act, 2013 during the financial year 2021-22.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company does not have any website, thus it is not required to upload its Annual Return on the website and a copy of the Annual Return shall be filed with the Registrar.

SCHEME OF AMALGAMATION

The scheme of amalgamation was filed under the provisions of Sections 230 to 232 of the Companies Act, 2013 providing for amalgamation of Pond's Exports Limited (PEL) and Jamnagar Properties Private Limited (JPPL) into Unilever India Exports Limited (UIEL) on 3rd December, 2020 before the Hon'ble National Company Law Tribunal (NCLT), Mumbai. Further, the NCLT vide its order dated 5th May, 2021, dispensed with the meetings of Creditors and Shareholders of the Merger Entities. Subsequently, your Company along with JPPL and PEL, filed the Company Petitions respectively, with the NCLT on 1st July, 2021. The Company Petitions were admitted by NCLT vide order dated 1st October, 2021. As on date, the matter is pending for further hearing at NCLT and the next date of hearing is scheduled on 28th June, 2022.

Except as mentioned above, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

DECLARATIONS AND CONFIRMATIONS

The Company has adequate internal financial control system in place with reference to the Financial Statements which operates effectively. According to the Directors of your Company, elements of risks that threaten the existence of your Company are very minimal. Hence, no separate Risk Management Policy is formulated.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to maintain Cost Records under Rule 3 of the said Rules. Accordingly, the Company has duly maintained the Cost Records in the format prescribed in Form CRA-1 under Rule 5 of the said Rules.

There were no other material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

The Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively issued by Institute of Company Secretaries of India.

Report of Board of Directors

SECRETARIAL AUDIT

Your Company had appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries (ICSI Unique Code: P1991MH040400), to carry out Secretarial Audit for the financial year 2021-22. A detailed report on the same is appended as an Annexure to this Annual Report. There has been no qualification, reservation or adverse remark given by Secretarial Auditors of the Company.

AUDITORS

M/s. BSR & Co. LLP, Chartered Accountants (Firm’s Registration No: 101248W/W-100022), were re-appointed as Statutory Auditors of your Company for a second term of five consecutive years at the Annual General Meeting held on 25th June, 2019.

The Report given by the Auditors on the financial statements of the Company is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

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

The information required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is given below:

Conservation of energy

Your Company strives cautiously to conserve energy by adopting innovative measures to change to eco-friendly and cheaper fuels, reducing wastage and optimising consumption. Some of the specific measures undertaken are listed below:

- Replacement of fuels from High Speed Diesel and Furnace Oil of Steam Boilers and Hot Air Generators with Bio Mass, eco-friendly fuel;

- Putting upgraded technology in utilities area – Air Compressors, Chillers, Vacuum Pumps;
- Installation of Variable Frequency Drives for power optimisation where loads are varying;
- Installation of energy efficient lighting on the shop floors and warehouses;
- Use of skylight in day time on the shop floors;
- Installation of energy efficient pumps and heat recovery systems;
- Recovery of condensate and recovering heat and water in the process plant;
- Use of solar energy for hot water generation.

Above key measures have delivered significant savings in power and fuel to your Company and the journey of your Company on the effective utilisation of energy conservation continues.

Technology Absorption

Your Company maintains interaction with Unilever internationally. There have been multiple training programmes for the Manufacturing units in evolving and upgrading the ways for better technology absorption. The programme includes setting out governing guidelines pertaining to identifying areas of research, agreeing timelines, resource requirements etc.; scientific research based on hypothesis testing and experimentation which leads to new / improved / alternative technologies; support the development of launch ready product formulation based on research and implementation of the launch ready product formulations in specific markets.

Your Company is receiving support and guidance from Hindustan Unilever Limited, the Holding Company and Unilever to drive functional excellence in marketing, supply management, media buying and IT, among others, which helps your Company in product improvement, cost reduction, product development / import substitution as also to remain competitive and further step-up its overall business performance. Unilever is committed to ensuring that the support in terms of new products, innovations,

technologies and services is commensurate with the needs of your Company and enables it to win in the marketplace.

There was no expenditure incurred on Research and Development during the year under review.

Details of foreign exchange earnings and outgo as per the Companies Act, 2013, are given below:

(₹ lakhs)		
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I Earnings	1,23,432.16	1,15,983.62
II Outgo	5,235.31	6,263.06

Mumbai, 25th April, 2022

ENVIRONMENT, SAFETY, HEALTH AND QUALITY

The Company is committed to excellence in safety, health, environment and quality management. It accords the highest priority to the health and safety of its employees, customers and other stakeholders as well as to protection of the environment. The management of your Company is strongly focused on continuous improvement in these areas which are fundamental to the sustainable growth of the Company.

ACKNOWLEDGEMENTS

The Directors take this opportunity to thank all the stakeholders for their support and co-operation.

On behalf of the Board

Ravishankar A.
Director
DIN: 09136289

Asha Gopalakrishnan
Director
DIN: 08383915

Annexure to the Report of Board of Directors

Statement of Disclosure of remuneration under Section 197(12) of the Companies Act, 2013 and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Age	Qualification	Date of employment	Designation / Nature of duties	Remuneration received		Experience	Last employment
					Gross (₹)	Net (₹)		
Meghna Bhatt*	39	PGDIE – NITIE, Mumbai	01.09.2018	UI SC Director, S. Asia & Global Innovations	74,22,631	51,35,623	16.5 years	J & J Medical
Neha Khandelwal*	34	M. Tech, B. Tech in Mechanical Engineering, IIT Bombay	22.04.2013	Planning Manager – Deos, Skin & Hair - Unilever International	15,54,003	9,14,651	12 years	ITC Limited
Piyush Ahuja	38	PGDM IIM Indore, B.E. (CSE)	04.05.2009	Head - UI South Asia and Ethnic Brands	1,04,80,675	67,45,565	15 years	Tata Consultancy Services

*employed for only part of the year

- Remuneration received gross includes salary, allowances, commission, performance linked variable pay disbursed, taxable value of perquisites and the Company’s contribution to provident fund. Remuneration received net includes Gross Remuneration less income tax, professional tax and employees contribution to provident fund.
- Remuneration excludes provision for / contributions to pension, gratuity and leave encashment, special awards, payments made in respect of earlier years including those pursuant to settlements during the year, payments made under voluntary retirement schemes and stock options granted. However, contributions to pension in respect of employees who have opted for contribution defined scheme have been included.
- Nature of employment is permanent for employees.
- Other terms and conditions as per Company’s Rules.
- None of these employees are related to any Director of the Company.
- None of the employees are covered under Rule 5(3)(viii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Section 197 of the Companies Act, 2013.

On behalf of the Board

Ravishankar A.
Director
DIN: 09136289

Asha Gopalakrishnan
Director
DIN: 08383915

Mumbai, 25th April, 2022

Annexure to the Report of Board of Directors

Annual Report on Corporate Social Responsibility

[Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time]

1. BRIEF OUTLINE OF THE COMPANY’S CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMMES PROPOSED TO BE UNDERTAKEN:

A belief that ‘sustainable business drives superior performance’ lies at the heart of our work at Unilever India Exports Limited. We seek to deliver long-term sustainable growth while driving change on urgent issues like climate and nature, social inequality, and health and wellbeing. We need to bridge the divide to a fairer, more socially inclusive world. A world where we all live with, rather than at the expense of, nature and the environment.

Water Conservation Project:

During the year, your Company has contributed towards the Water Conservation Project of Hindustan Unilever Foundation (HUF), a not-for-profit Company that anchors water management related community development and sustainability initiatives of Hindustan Unilever Limited (HUL).

HUF operates the ‘Water for Public Good’ programme, with a specific focus on water conservation, building local community institutions to govern water resources and enhancing farm-based livelihoods through adoption of judicious water practices. HUF’s programmes currently reach over 10,000 villages* in 46 districts in 8 states and 2 union territories across India in partnership through 15 NGO partners and multiple co-funders. The Company also supports several knowledge initiatives in water conservation, governance and behaviour change.

By the end of financial year 2020-21, the cumulative and collective achievements through partnered programmes of the Company (independently assured) include:

- **Water Conservation:** Over 1.9 trillion litres of water potential created.
- **Crop Yield:** Additional agriculture production of over 1.3 million tonnes has been generated.
- **Livelihoods:** Over 60 million person-days of employment have been created though water conservation and increased agriculture production*.

2. COMPOSITION OF CSR COMMITTEE:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. V. Kannan	Independent Director	1	1
2	Mr. Nikhilesh Panchal	Independent Director	1	1
3	Mr. Wilhelmus Uijen	Non-Executive Director	1	1
4	Ms. Asha Gopalakrishnan	Non-Executive Director	1	1

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

The Company does not have a website. Hence, this is not applicable to the Company.

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Not Applicable	

*The significant reach and livelihood impact are on account of HUF’s support to MGNREGS programme partnership in West Bengal with PRADAN, a reputed non-profit organisation. This programme reaches out to over 7,000 villages across 54 blocks in 6 districts.

Annexure to the Report of Board of Directors

6.	Average net profit of the Company as per Section 135(5):	(in ₹) 1,29,49,67,136/-
7.	a) Two percent of average net profit of the Company as per section 135(5):	2,58,99,343/-
	b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year:	NIL
	c) Amount required to be set-off for the financial year, if any:	NIL
	d) Total CSR obligation for the financial year (7a + 7b – 7c):	2,58,99,343/-

8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
2,60,00,000	NIL		NIL		

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

1	2	3	4	5		6	7	8	9	10	11
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency
				State	District						

Not Applicable

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

1	2	3	4	5		6	7	8	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.		Amount spent in the current financial Year (in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR registration Number
1	Water conservation	VII (iv)*	-	PAN India		2,60,00,000	No	Hindustan Unilever Foundation (HUF)	CSR00001805
TOTAL						2,60,00,000			

* 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]

d) Amount Spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹2,60,00,000/-

(g) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	2,58,99,343
(ii)	Total amount spent for the financial year	2,60,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,00,657
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	

Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing

Not Applicable

10. In case of creation or acquisition of Capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

On behalf of the Board

V. Kannan
Independent Director
DIN: 07031155

Asha Gopalakrishnan
Director
DIN: 08383915

Mumbai, 25th April, 2022

Annexure to the Report of Board of Directors

Salient features of the financial statement of associate companies

FORM AOC-1

[Pursuant to Section 129(3) of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014]

PART A : SUBSIDIARIES - NIL
PART B : ASSOCIATES AND JOINT VENTURES

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

Particulars	
1. Name of Associate	Hindustan Unilever Foundation
2. Latest audited Balance Sheet Date	31.03.2022
3. Shares of Associate held by the company on the year end (in numbers)	
i. Number	2,400
ii. Amount of Investment in Associate	₹ 24,000/-
iii. Extent of Holding %	24%
4. Description of how there is significant influence	As per Section 2(6) of the Companies Act, 2013, 'significant influence' means control of at least 20% of total voting power, or control of or participation in business decisions under an agreement. The Company holds 24% shares of Hindustan Unilever Foundation.
5. Reason why the associate is not consolidated	Hindustan Unilever Limited (HUL) is the Holding Company of both Unilever India Exports Limited and Hindustan Unilever Foundation and it shall consolidate in HUL's consolidated financial statements.
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 39,64,663/-
7. Profit / Loss for the year	
i. Considered in Consolidation	Not Applicable
ii. Not Considered in Consolidation	(₹ 77,40,356/-)

Names of associates/ joint ventures which are yet to commence operations: Not Applicable

Names of associates/joint ventures which have been liquidated or sold during the year: Not Applicable

On behalf of the Board

Ravishankar A.
Director
DIN: 09136289

Asha Gopalakrishnan
Director
DIN: 08383915

Mumbai, 25th April, 2022

Annexure to the Report of Board of Directors

Particulars of contracts/arrangements with Related Parties

FORM AOC-2

[Pursuant to Section 134(3)(h) 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: Not Applicable
2. Details of material contracts or arrangements or transactions at arm's length basis:

Name of Related Party	Nature of relationship	Nature of contract*	Amount
Unilever PLC	Ultimate holding company	Royalty (Technology)	566.36
		Fees for central services	250.70
		Reimbursement of expenses paid by ultimate holding company	40.00
Hindustan Unilever Limited	Holding Company	Purchase of finished goods/raw materials	59,092.75
		Rent Income	12.00
		Sale of Property, Plant and Equipment	59.76
		Sale of finished goods/raw materials	54.32
		Sale of Export incentives	1,421.20
		Expenses for use of common facilities	1,507.72
		Reimbursement of expenses paid by holding company	1,542.00
		Dividend paid	10,025.75
Unilever Asia Private Limited	Fellow Subsidiary	Interest on Inter corporate deposits taken	519.32
		Sale of finished goods/raw materials	55,801.36

*All transactions are in the Ordinary Course of Business, at Arm's Length basis and are of on-going nature. All transactions are placed before the Audit Committee of the Company. The terms of these transactions are governed by the respective agreements/terms of purchase.

On behalf of the Board

Ravishankar A.
Director
DIN: 09136289

Asha Gopalakrishnan
Director
DIN: 08383915

Mumbai, 25th April, 2022

Annexure to the Report of Board of Directors

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[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]

To,
The Members,
Unilever India Exports Limited
CIN: U51900MH1963PLC012667
Unilever House, B D Sawant Marg,
Chakala, Andheri (East), Mumbai – 400099.

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **Unilever India Exports Limited** (hereinafter called 'the Company') for the **Financial Year ended 31st March, 2022**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and papers, minute 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, 2022** complied with 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.

We have examined the books and papers, minute books, forms and returns filed and other records maintained by the Company for the **Financial Year ended 31st March, 2022** according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder – **Not applicable as Securities of the Company were not listed on any Stock Exchange during the period under review;**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder – **Not applicable as securities of the Company are held in physical form;**

- (iv) Foreign Exchange Management Act, 1999 and rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable as there was no reportable event during the period under review;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): **Not applicable as Securities of the Company were not listed on any Stock Exchange during the period under review**
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 15th August, 2021);
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (up to 9th June, 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June, 2021);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

- (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August, 2021); and
- (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Management has identified and confirmed the following laws as being specifically applicable to the Company:
 - (a) The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
 - (b) The Insecticide Act, 1968;
 - (c) The Drugs and Cosmetics Act, 1940;
 - (d) The Legal Metrology Act, 2009;
 - (e) The Legal Metrology (Packaged Commodities) Rules, 2011;
 - (f) Food Safety and Standards Act, 2006 and Rules 2011 with allied rules and Regulations;
 - (g) The Customs Act, 1962;
 - (h) The Foreign Trade Development and Regulation Act, 1992;
 - (i) The Foreign Trade Policy;
 - (j) The Conservation of Foreign Exchange, Prevention of Smuggling Activities Act, 1974;
 - (k) The Medicinal and Toilet Preparations (Excise Duties) Act, 1955.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with the stock exchanges – **Not applicable as Securities of the Company were not listed on any Stock Exchange during the period under review.**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors, Independent Directors including a Woman

Director. Changes in the composition of Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Act;

- (ii) Adequate notice is given to all Directors to schedule Board and Committee 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 agenda items before the meeting and for meaningful participation at the meeting;
- (iii) All the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Director and taken on record by the Board of Directors at their meeting(s), we are of the opinion there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

We further report that during the financial year under review, the following events/ actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred:

- The Scheme of merger of amalgamation of Ponds Exports Limited (First Transferor Company) and Jamnagar Properties Private Limited (Second Transferor Company) into the Company (Transferee Company) was filed with the Hon'ble National Company Law Tribunal (NCLT), Mumbai. Subsequently, during the year, the Company along with the aforesaid two Transferor Companies, filed the Company Petitions respectively, with the NCLT on 1st July, 2021. As on date, the Final Order is awaited.

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

For S. N. ANANTHASUBRAMANIAN & Co.

Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No. : 606/2019

Aparna Gadgil
Partner

ACS: 14713 | COP No.: 8430

Thane, 21st April, 2022

ICSI UDIN: A014713D000176974

Annexure to the Report of Board of Directors

ANNEXURE A TO SECRETARIAL AUDITORS' REPORT

To,
The Members,
Unilever India Exports Limited
CIN: U51900MH1963PLC012667
Unilever House, B D Sawant Marg,
Chakala, Andheri (East), Mumbai – 400099.

compliance of laws, rules and regulations and
happening of events etc.

Our Secretarial Audit Report for Financial Year ended 31st March, 2022 of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Disclaimer

5. Wherever required, we have obtained reasonable assurance about whether the statements prepared, documents or records, in relation to Secretarial Audit, maintained by the Auditee, are free from misstatement.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. Wherever required, we have obtained the management's representation about the

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No. : 606/2019

Aparna Gadgil
Partner
ACS: 14713 | COP No.: 8430
ICSI UDIN: A014713D000176974

Thane, 21st April, 2022

Independent Auditor's Report

To the Members of Unilever India Exports Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Unilever India Exports Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the 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 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 financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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



Independent Auditor’s Report

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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act; and
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

3. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 20 to the financial statements;
 - (b) The Company did not have any long-term contracts for which there were any material foreseeable losses. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on derivative contracts - Refer Note 45 to the financial statements;
 - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (d)
 - (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
 - (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including

foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement; and
 - (e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
4. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

According to the information and explanations given to us and based on our examination of the records, there is no remuneration paid to the directors during the current year. 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

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHUCGK1608

Mumbai,
25th April 2022



Annexure A

To the Independent Auditor’s report on the financial statements of Unilever India Exports Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i)

(a)

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

All amounts in ₹ lakhs

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the company Also indicate if in dispute
Leasehold land	235.56	Tata Oil Mills Company Limited	No	19 years	Ongoing litigation
Freehold land	2.26	Tata Oil Mills Company Limited	No	15 years	Ongoing litigation
Freehold building	62.48	MIDC	No	22 years	Pending application

- (d)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. The Company does not have any intangible assets.
- (e)

According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)

(a)

The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

- (iii)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and granted unsecured loans to other parties, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.

(a)

According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity.

(b)

According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of unsecured loans are, prima facie, not prejudicial to the interest of the Company.

(c)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of unsecured loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of unsecured loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party during the year.

(f)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Sections 185 and 186 of the Companies Act, 2013 (“Act”). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v)

The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- (vi)

We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods by the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii)

(a)

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods and Services Tax.

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 Goods and Services Tax, Provident fund, Employees’ State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, Provident fund, Employees’ State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

Annexure A

- (b) According to the information and explanations given to us, statutory dues relating to Sales Tax, Value Added Tax, Income-Tax, Duty of Customs, Duty of Excise or Cess or other statutory dues which have not been deposited on account of any dispute are as per Annexure I to this Report.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate as defined under the Act. The Company does not hold any investment in any subsidiary or joint venture (as defined under the Act) during the year ended 31 March 2022.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate (as defined under the Act). The Company does not hold any investment in any subsidiary or joint venture (as defined under the Act) during the year ended 31 March 2022.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.



- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

Mumbai,
25th April 2022

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

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHUCGK1608

Annexure A

Annexure I

All amount in ₹ lakhs					
Name of the Statute	Nature of dues	Amount Demanded	Amount Paid	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom Duty (Including Interest and Penalty, if applicable)	570.00	189.00	2011-2012	Supreme Court
Customs Act, 1962	Custom Duty (Including Interest and Penalty, if applicable)	481.00	-	2012 to 2021	Adjudating authority
The Central Excise Act, 1994	Excise Duty (Including Interest Penalty, if applicable)	35.00	9.00	2014-2015, 2015-2016	Revisionary authority, Mumbai
Central Sales Tax Act and Local Sales Tax Act	Sales Tax (Including Interest and Penalty, if applicable)	2.09	-	1987-1988	High Court
Central Sales Tax Act and Local Sales Tax Act	Sales Tax (Including Interest and Penalty, if applicable)	6.78	-	1999-2000	Commissioner of Sales Tax
Maharashtra Value Added Tax Act, 2002	Value Added tax (Including Interest and Penalty, if applicable)	14.26	-	2012-2013	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax, (Including Interest and Penalty, if applicable)	20,524.11	1,205.02	2011-2012 2012-2013	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax, (Including Interest and Penalty, if applicable)	10,047.26	105.00	2014-2015	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax, (Including Interest and Penalty, if applicable)	11,566.45	-	2015-2016	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax, (Including Interest and Penalty, if applicable)	3.69	-	2016-2017	Income Tax Appellate Tribunal



Annexure B

To the Independent Auditor’s report on the financial statements of Unilever India Exports Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Section 143(3)(i) of the Companies Act, 2013

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Unilever India Exports Limited (“the Company”) as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

MANAGEMENT’S 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 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”).

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

Annexure B

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 105149

ICAI UDIN: 22105149AHUCGK1608

Mumbai,
25th April 2022



Balance Sheet
as at 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	8,625.53	5,460.59
Capital work-in-progress	3	3,498.38	4,048.55
Financial assets			
Investment in Associate	4A	0.24	0.24
Investment	4B	-	-
Loans	5	244.78	216.48
Other financial assets	11	471.06	480.16
Non- current tax assets (net)	31D	1,723.62	1,539.37
Deferred tax assets (net)	31C	429.01	974.18
Other non-current assets	6	293.72	1,038.45
Total - Non-current assets (A)		15,286.34	13,758.02
Current assets			
Inventories	7	13,162.46	13,451.71
Financial assets			
Investments	4B	-	600.09
Trade receivables	8	34,967.51	22,766.22
Cash and cash equivalents	9	4,306.11	2,839.09
Bank balances other than cash and cash equivalents mentioned above	10	401.63	-
Loans	5	42.18	21.80
Other financial assets	11	4,183.94	5,578.62
Other current assets	12	4,259.80	3,863.73
Total - Current assets (B)		61,323.63	49,121.26
TOTAL ASSETS (A) + (B)		76,609.97	62,879.28
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13A	297.50	297.50
Other equity	13B	25,893.56	23,147.65
Total - Equity (A)		26,191.06	23,445.15
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	22,215.00	-
Lease liabilities	15	1,318.70	1,106.82
Other financial liabilities	16	2,002.77	2,272.67
Provisions	18	1,472.81	1,472.11
Non- current tax liabilities (net)	31D	176.13	132.30
Total - Non-current liabilities (B)		27,185.41	4,983.90
Current liabilities			
Financial liabilities			
Borrowings	14	-	9,500.00
Lease liabilities	15	468.93	290.69
Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		202.18	139.21
Total outstanding dues of creditors other than micro enterprises and small enterprises		20,192.61	22,617.79
Other financial liabilities	16	1,393.39	989.31
Provisions	18	56.83	150.54
Other current liabilities	19	919.56	762.69
Total - Current liabilities (C)		23,233.50	34,450.23
TOTAL EQUITY AND LIABILITIES (A) + (B) + (C)		76,609.97	62,879.28
Basis of preparation, measurement and significant accounting policies	2		
Contingent Liabilities and commitments	20 , 21		

The accompanying notes are an integral part of these financial statements 1 to 50

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, 25th April, 2022

For and on behalf of Board of Directors of Unilever India Exports Limited
CIN : U51900MH1963PLC012667

Asha Gopalakrishnan
Director
DIN: 08383915

Mumbai, 25th April, 2022

Ravishankar A.
Director
DIN: 09136289

Statement of Profit and Loss
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
INCOME			
Revenue from operations	22	1,30,413.01	1,19,384.49
Other income	23	1,335.81	1,801.64
TOTAL INCOME		1,31,748.82	1,21,186.13
EXPENSES			
Cost of materials consumed	24	33,397.63	29,683.70
Purchases of stock-in-trade	25	60,393.86	54,027.89
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	26	(198.50)	(1,727.93)
Employee benefits expense	27	4,774.00	3,788.87
Finance costs	28	832.21	533.16
Depreciation expense	29	1,590.71	1,394.60
Other expenses	30A	13,336.70	13,281.67
TOTAL EXPENSES		1,14,126.61	1,00,981.96
Profit before exceptional items and tax		17,622.21	20,204.17
Exceptional items	30B	(114.06)	(58.83)
Profit before tax		17,508.15	20,145.34
Tax expenses			
Current tax	31	(4,191.32)	(4,888.76)
Deferred tax charge	31	(545.17)	(110.02)
PROFIT FOR THE YEAR (A)		12,771.66	15,146.56
OTHER COMPREHENSIVE INCOME		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		12,771.66	15,146.56
Earnings per equity share			
Basic and Diluted (Face value of ₹10 each)	32	429.30	509.13
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements 1 to 50

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, 25th April, 2022

For and on behalf of Board of Directors of Unilever India Exports Limited
CIN : U51900MH1963PLC012667

Asha Gopalakrishnan
Director
DIN: 08383915

Mumbai, 25th April, 2022

Ravishankar A.
Director
DIN: 09136289



Statement of Changes in Equity
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	As at 31st March, 2022	As at 31st March, 2021
Balance as at the beginning of the year	13A	297.50	297.50
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year	13A	297.50	297.50
Changes in equity share capital during the year		-	-
Balance as at the end of the year	13A	297.50	297.50

B. OTHER EQUITY

	Reserves and Surplus					
	Capital Reserve	Securities Premium	Export Profit Reserve	General Reserve	Retained Earnings	Total
As at 31st March, 2020	1.23	6,965.70	4.45	5,459.45	5,239.01	17,669.84
Changes due to prior period error	-	-	-	-	-	-
Restated balance as at 1st April, 2020	1.23	6,965.70	4.45	5,459.45	5,239.01	17,669.84
Profit for the year	-	-	-	-	15,146.56	15,146.56
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	15,146.56	15,146.56
Dividend on equity shares for the year (Note 33)	-	-	-	-	(9,668.75)	(9,668.75)
As at 31st March, 2021	1.23	6,965.70	4.45	5,459.45	10,716.82	23,147.65
Changes due to prior period error	-	-	-	-	-	-
Restated balance as at 1st April, 2021	1.23	6,965.70	4.45	5,459.45	10,716.82	23,147.65
Profit for the year	-	-	-	-	12,771.66	12,771.66
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	12,771.66	12,771.66
Dividend on equity shares for the year (Note 33)	-	-	-	-	(10,025.75)	(10,025.75)
As at 31st March, 2022	1.23	6,965.70	4.45	5,459.45	13,462.73	25,893.56

The accompanying notes are an integral part of these financial statements 1 to 50

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, 25th April, 2022

For and on behalf of Board of Directors of Unilever India Exports Limited
CIN : U51900MH1963PLC012667

Asha Gopalakrishnan
Director
DIN: 08383915

Mumbai, 25th April, 2022

Ravishankar A.
Director
DIN: 09136289

Statement of Cash Flows
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	17,508.15	20,145.34
Adjustments for:		
Restructuring costs	114.06	58.83
Provision / (Write back) of inventory	244.25	(221.71)
Write back of Provision for doubtful receivables during the year	(1,225.00)	(324.49)
Provision for doubtful exports benefits receivable	6.08	1,225.00
Depreciation expense	1,590.71	1,394.60
Fair value (gain)/loss on investments	(0.62)	2.60
Unrealised (gain)/loss on foreign currency fluctuation (net)	(200.33)	(1,031.83)
Net gain on sale of Investments	(47.50)	(208.63)
(Profit) / Loss on sale of property, plant and equipment	(13.01)	4.00
Interest income	(15.00)	(133.47)
Interest expense	696.36	361.49
Unwinding of discount on employee and ex-employee related liabilities	135.85	171.66
Allowance/(Reversal) for credit impairment	137.64	28.85
Bad debts written off	-	9.52
Cash flows Generated from Operations before working capital changes	18,931.64	21,481.77
Changes in Working capital:		
Decrease/ (Increase) in Non-Current Assets	779.22	(463.85)
Increase in Current Assets	(10,815.01)	(18,843.27)
Decrease/ (Increase) in Inventories	45.00	(6,419.07)
Increase/(Decrease) in Non-Current Liabilities	151.09	(749.91)
Increase/(Decrease) in Current Liabilities	(2,252.92)	15,491.81
Cash generated from Operations	6,839.02	10,497.48
Taxes paid (net of refunds)	(4,331.74)	(3,503.94)
Net cash flows generated from operating activities - [A]	2,507.28	6,993.54
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(2,737.68)	(3,856.73)
Sale of property, plant and equipment	5.38	5.24
Purchase of investments	(18,289.06)	(1,38,296.95)
Sale proceeds of investments	18,937.18	1,38,431.96
Investments in bank deposits	(401.87)	-
Interest received	15.00	16.79
Net cash flows (used in)/generated from investing activities - [B]	(2,471.05)	(3,699.69)



(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings received	45,290.00	33,300.00
Borrowings repaid	(32,575.00)	(27,900.00)
Interest paid	(367.28)	(202.50)
Dividends paid	(10,025.75)	(9,668.75)
Principal repayment of leases	(742.25)	(669.90)
Interest payment on leases	(148.93)	(129.36)
Net cash flows generated from/(used in) financing activities - [C]	1,430.79	(5,270.51)
Net increase/(decrease) in cash and cash equivalents - [A+B+C]	1,467.02	(1,976.66)
Add: Cash and cash equivalents at the beginning of the year (Refer Note 9)	2,839.09	4,815.75
Cash and cash equivalents at the end of the year (Refer Note 9)	4,306.11	2,839.09

Note:

In addition to the above, there are no non cash movements for liabilities arising from financing activities except interest accrued.
The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes are an integral part of these financial statements 1 to 50

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, 25th April, 2022

For and on behalf of Board of Directors of Unilever India Exports Limited
CIN : U51900MH1963PLC012667

Asha Gopalakrishnan
Director
DIN: 08383915

Mumbai, 25th April, 2022

Ravishankar A.
Director
DIN: 09136289



Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

1. COMPANY INFORMATION

Unilever India Exports Limited (the 'Company') is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) domiciled in India with its registered office located at Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099. The Company (bearing CIN number U51900MH1963PLC012667) has various manufacturing plants in India and primarily exports Home care, Beauty & Personal care, Food & Refreshments goods across the world.

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;
- c. Expected to be realised within twelve months after the reporting period; or
- d. 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 treated as current when:

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

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian National Rupee (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Statement of Profit and Loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the statement of profit and loss.

The expenses in Statement of Profit and Loss are net of reimbursements (individually not material) received from Group Companies.

The Company has decided to round off the figures to the nearest lakhs. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0.00" in the relevant notes to these financial statements.

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 25th April, 2022.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities that are measured at fair value.

The accounting policies adopted are the same as those which were applied for the previous financial year. The Company has adopted amendments to Schedule III as specified under note 2.3 below.

2.2 Key Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- a. Measurement and likelihood of occurrence of provisions and contingencies - Notes 18 and 20
- b. Recognition of deferred tax assets - Note 31
- c. Measurement of Right of Use Asset and Lease liabilities - Note 3 and Note 15

2.3 Amendments to Schedule III of Companies Act, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021 and applied to the Financial Statements:

- a. Lease liabilities to be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

(All amounts in ₹ lakhs, unless otherwise stated)

- b. Certain additional disclosures in the Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- c. Additional disclosure for shareholding of promoters.
- d. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.
- e. Specific disclosure such as compliance with approved schemes of arrangements, title deeds of immovable property not held in the name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.
- f. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

2.4 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

- a. Ind AS 109: Annual Improvements to Ind AS (2021)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial Statements.

2.5 Significant Accounting Policies

The significant accounting policies used in preparation of the financial statements have been included in the relevant notes to the Financial Statements.

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Property, plant and equipment	As at 31st March, 2022	As at 31st March, 2021
Owned Assets	7,358.56	4,566.07
Leased Assets	1,266.96	894.52
Total	8,625.52	5,460.59
Total Capital work-in-progress	3,498.38	4,048.55

A Owned Assets

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the standalone Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Depreciation is calculated on pro rata basis on straight-line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. The useful life is as follows:

Asset	Useful life
Factory Building	60 years
Buildings (other than factory building)	30 years
Plant and equipment	3-21 years
Furniture and fixtures	10 years
Office equipment	5 years
Computer Equipment	3 years
Vehicles	5-10 Years

*In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets. The exception are as under:

- a) Plant and equipment is depreciated over 3 to 21 years based on the technical evaluation of useful life done by the management.
- b) Assets costing ₹5,000 or less are fully depreciated in the year of purchase.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

(All amounts in ₹ lakhs, unless otherwise stated)

	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Total
Gross Block								
Opening balance as 1st April, 2020	59.39	2,382.35	6,445.33	9.48	144.27	7.14	-	9,047.96
Additions	-	44.41	375.61	6.81	5.10	-	-	431.93
Disposals	-	(0.78)	(332.34)	(1.50)	(0.18)	-	-	(334.80)
Opening balance as 1st April, 2021	59.39	2,425.98	6,488.60	14.79	149.19	7.14	-	9,145.09
Additions	-	17.16	3,457.78	90.20	58.50	0.55	66.71	3,690.90
Disposals	-	(15.31)	(1,430.85)	(1.44)	(13.87)	(2.04)	-	(1,463.51)
Balance as at 31st March, 2022	59.39	2,427.83	8,515.53	103.55	193.82	5.65	66.71	11,372.48
Accumulated Depreciation								
Opening balance as 1st April, 2020	-	325.22	3,818.04	-	67.50	1.82	-	4,212.58
Additions [Refer note (b) below]	-	94.99	516.40	2.05	26.66	2.31	-	642.41
Disposals	-	(0.19)	(274.10)	(1.50)	(0.18)	-	-	(275.97)
Opening balance as 1st April, 2021	-	420.02	4,060.34	0.55	93.98	4.13	-	4,579.02
Additions [Refer note (b) below]	-	95.18	653.85	8.65	30.07	2.38	1.86	791.99
Disposals	-	(7.28)	(1,333.69)	(1.41)	(12.67)	(2.04)	-	(1,357.09)
Balance as at 31st March, 2022	-	507.92	3,380.50	7.79	111.38	4.47	1.86	4,013.92
Net Block								
Balance as at 31st March, 2021	59.39	2,005.96	2,428.26	14.24	55.21	3.01	-	4,566.07
Balance as at 31st March, 2022	59.39	1,919.91	5,135.03	95.76	82.44	1.18	64.85	7,358.56

Notes:

- (a) Buildings include ₹0.01 lakhs (31st March, 2021: ₹0.01 lakhs) being the value of shares in the co-operative housing society.
- (b) The Company has not revalued any of its property, plant and equipment
- (c) The title deeds of certain freehold land and building are in the process of perfection of title. Details of such freehold land and buildings are as follows:

Details as on 31st March, 2022

Relevant line item in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of company
Property, plant and equipment	Leasehold land	235.56	Tata Oil Mills Company Limited	No	29-Dec-03	Ongoing litigation
Property, plant and equipment	Freehold land	2.26	Tata Oil Mills Company Limited	No	27-Aug-07	Ongoing litigation
Property, plant and equipment	Freehold Building	62.48	MIDC	No	07-Jan-99	Pending application
		300.30				

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Details as on 31st March, 2021

Relevant line item in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of company
Property, plant and equipment	Leasehold land	235.56	Tata Oil Mills Company Limited	No	29-Dec-03	Ongoing litigation
Property, plant and equipment	Freehold land	2.26	Tata Oil Mills Company Limited	No	27-Aug-07	Ongoing litigation
Property, plant and equipment	Freehold Building	89.31	Ind Exports Limited	No	03-Jan-99	Pending application
Property, plant and equipment	Freehold Building	62.48	MIDC	No	07-Jan-99	Pending application
		389.61				

B Leased Assets

The Company’s lease asset classes primarily consist of leases for Land and Buildings and Plant & Equipment. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease Liability and Right-of-Use Asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.



(All amounts in ₹ lakhs, unless otherwise stated)

	Land and Buildings	Plant and Equipment	Total
Gross Block			
Opening balance as 1st April, 2020	1,231.45	32.83	1,264.28
Additions	580.77	261.97	842.74
Deletions	(555.83)	(247.26)	(803.09)
Opening balance as 1st April, 2021	1,256.39	47.54	1,303.93
Additions	691.62	522.60	1,214.22
Deletions	(336.82)	(137.02)	(473.84)
Balance as at 31st March, 2022	1,611.19	433.12	2,044.31
Accumulated Depreciation			
Opening balance as 1st April, 2020	336.13	24.98	361.11
Additions	569.56	182.63	752.19
Deletions	(532.87)	(171.02)	(703.89)
Opening balance as 1st April, 2021	372.82	36.59	409.41
Additions	536.45	262.27	798.72
Deletions	(318.50)	(112.28)	(430.78)
Balance as at 31st March, 2022	590.77	186.58	777.35
Net Block			
Balance as at 31st March, 2021	883.57	10.95	894.52
Balance as at 31st March, 2022	1,020.42	246.54	1,266.96

Notes:

- (a) The Company incurred ₹26.91 lakhs for the year ended 31st March, 2022 (31st March, 2021: ₹17.92 lakhs) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹918.09 lakhs for the year ended 31st March, 2022,(31st March, 2021: ₹817.18 lakhs) including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹148.93 lakhs for the year ended 31st March, 2022 (31st March, 2021: ₹129.36 lakhs).
- (b) The Company’s leases mainly comprise land and buildings and plant and equipment. The Company leases land and buildings for manufacturing and warehouse facilities.
- (c) Lease Commitments & Lease liabilities : Refer note 21(i) and Note 15 respectively.
- (d) The Company has not revalued any of its Right Of Use Assets.

C CAPITAL WORK-IN-PROGRESS

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Temporarily suspended projects do not include those projects where temporary suspension is a necessary part of the process of getting an asset ready for its intended use.

Ageing of Capital work in progress as at 31 March 2022

	Amount in CWIP for a period of				TOTAL
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	438.13	2,742.98	317.27	-	3,498.38
Projects temporarily suspended	-	-	-	-	-
TOTAL	438.13	2,742.98	317.27	0.00	3,498.38

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Amount
Projects which have exceeded their original timeline	3,371.81
Projects which have exceeded their original budget	-

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2022

	To be Completed in				TOTAL
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Under Progress (A)	3,371.81	-	-	-	3,371.81
Project at Kandla Factory	2,871.42	-	-	-	2,871.42
Others*	500.39	-	-	-	500.39
Temporarily Suspended (B)	-	-	-	-	-
Total (A+B)	3,371.81	-	-	-	3,371.81

*Others comprise of various projects with immaterial values.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2022

There are no projects which have exceeded their original budget as at 31st March, 2022.

Ageing of Capital work in progress as at 31 March, 2021

	Amount in CWIP for a period of				TOTAL
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	2,786.39	1,262.16	-	-	4,048.55
Projects temporarily suspended	-	-	-	-	-
TOTAL	2,786.39	1,262.16	-	-	4,048.55

	Amount
Projects which have exceeded their original timeline	3,837.95
Projects which have exceeded their original budget	-

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2021

	To be Completed in				TOTAL
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Under Progress (A)	-	3,837.95	-	-	3,837.95
Project at Kandla Factory	-	3,837.21	-	-	3,837.21
Others*	-	0.74	-	-	0.74
Temporarily Suspended (B)	-	-	-	-	-
Total (A+B)	-	3,837.95	-	-	3,837.95

*Others comprise of various projects with immaterial values.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2021

There are no projects which have exceeded their original budget as at 31st March, 2021.

For contractual commitment with respect to property, plant and equipment refer Note 21(ii).



(All amounts in ₹ lakhs, unless otherwise stated)

4 INVESTMENTS
4A INVESTMENT IN ASSOCIATE

Investments in associate 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 associate, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

	As at 31st March, 2022	As at 31st March, 2021
NON-CURRENT		
Unquoted		
Hindustan Unilever Foundation - 2,400 equity shares (31st March, 2021: 2,400 equity shares) of ₹10 each fully paid	0.24	0.24
Total (A)	0.24	0.24
4B INVESTMENTS		
NON-CURRENT		
Unquoted		
Pond's Export Limited - 19,90,015 equity shares (31st March, 2021: 19,90,015 equity shares) of Re. 1 each fully paid [net of impairment in value of ₹48.47 lakhs (31st March, 2021: ₹48.47 lakhs)]	-	-
CURRENT		
Fair value through profit or loss (Quoted)		
Investments in mutual funds	-	600.09
Total (B)	-	600.09
Total (A+B)	0.24	600.33
Aggregate amount of quoted investments	-	600.09
Aggregate Market value of quoted investments	-	600.09
Aggregate amount of unquoted investments	0.24	0.24
Aggregate amount of impairment in value of investments	48.47	48.47

Refer Note 36 and 37 for information about fair value measurement, credit risk and market risk of investments.

The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

INFORMATION ABOUT ASSOCIATE

Name of the Company	Country of Incorporation	Principal activities	As at 31st March, 2022	As at 31st March, 2021
Hindustan Unilever Foundation	India	Not-for-profit Company in the field of community development initiatives.	24	24

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

5 LOANS
(Unsecured considered good, unless otherwise stated)
Refer Note 36 for accounting policy on Financial Assets

	As at 31st March, 2022	As at 31st March, 2021
NON-CURRENT		
Loan to employees*	244.78	216.48
Total (A)	244.78	216.48
CURRENT		
Loan to employees*	42.18	21.80
Total (B)	42.18	21.80
Total (A+B)	286.96	238.28
Sub-classification of Loans:		
Loan Receivables considered good- Unsecured	286.96	238.28
Balance as at the end of the year	286.96	238.28

Refer Note 36 and 37 for information about fair value measurement, credit risk and market risk of financial assets.

* There are no loans or advances in the nature of loans granted to promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

- (a) repayable on demand; or
(b) without specifying any terms or period of repayment

There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

6 OTHER NON-CURRENT ASSETS

	As at 31st March, 2022	As at 31st March, 2021
Capital advances	-	739.68
Advances other than capital advances		
Security deposits with customs, port trust, excise and other Government authorities	293.72	298.77
	293.72	1,038.45

The Company has not given any advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

7 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis.

Cost of raw materials and stores and spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The aforesaid items are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss.

Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.



(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Raw materials	6,775.05	7,305.77
Packing materials	1,430.40	1,340.66
Work-in-progress	677.81	876.91
Finished goods [includes in transit: ₹2,504.88 lakhs (31st March, 2021: ₹3,310.73 lakhs)] (Refer note (a) below)	3,967.32	3,569.72
Stores and spares	311.88	358.65
	13,162.46	13,451.71

- (a) Finished goods includes good purchased for re-sale, as both are stocked together.
(b) During FY 2021-22 an amount of ₹244.25 lakhs (31st March, 2021: ₹ Nil) was charged to the Statement of Profit and Loss on account of damage and slow moving inventory. The reversal on account of above during the year amounted to ₹ Nil (31st March, 2021: ₹221.71 lakhs).

8 TRADE RECEIVABLES

(Unsecured unless otherwise stated)
Refer Note 36 for accounting policy on Trade Receivables.

	As at 31st March, 2022	As at 31st March, 2021
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured	35,176.95	22,838.02
Less: Allowance for expected credit loss (Refer (a) below)	(209.44)	(71.80)
Balance as at the end of the year	34,967.51	22,766.22
(a) The movement in allowance for credit impairment and expected credit loss is as follows:		
Balance as at beginning of the year	71.80	42.94
Add: Change in allowance for expected credit loss during the year	137.65	38.38
Less: Trade receivables written off during the year	-	(9.52)
Balance as at the end of the year	209.45	71.80

Refer Note 37 for information about credit risk and market risk of trade receivables.

Refer Note 39 for information about receivables from Related party.

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2022 is as follows:

	Unbilled/ Not due	Outstanding for following periods from due date of payment					TOTAL
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered good	30,819.39	4,357.56	-	-	-	-	35,176.95
Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
	30,819.39	4,357.56	-	-	-	-	35,176.95
Less :Allowance for expected credit loss							209.44
TOTAL							34,967.51

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2021 is as follows:

	Unbilled/ Not due	Outstanding for following periods from due date of payment					TOTAL
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered good	19,277.49	3,560.53	-	-	-	-	22,838.02
Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
	19,277.49	3,560.53	-	-	-	-	22,838.02
Less :Allowance for expected credit loss							71.80
TOTAL							22,766.22

There are no debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

	As at 31st March, 2022	As at 31st March, 2021
Balances with banks		
In current accounts	644.29	1,438.91
Term deposits with original maturity of less than three months	700.27	1,100.18
Others		
Investment in overnight mutual funds	2,961.55	300.00
	4,306.11	2,839.09

10 OTHER BANK BALANCES

	As at 31st March, 2022	As at 31st March, 2021
Earmarked balance with bank	401.63	-
	401.63	-



(All amounts in ₹ lakhs, unless otherwise stated)

11 OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

Refer Note 36 for accounting policy on Financial Assets

	As at 31st March, 2022	As at 31st March, 2021
NON CURRENT		
Duty drawback receivable	403.61	404.29
Security deposits	257.32	265.74
Less: Allowance for credit impairment (Refer (a) below)	(189.87)	(189.87)
Total (A)	471.06	480.16
CURRENT		
Investments in term deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	3.41	3.17
Fair value of Derivatives	228.58	105.91
Duty drawback receivable	499.54	132.76
GST refund receivable	3,346.60	5,234.19
Other receivables	105.81	102.59
Total (B)	4,183.94	5,578.62
Total (A+B)	4,655.00	6,058.78
Other financial assets considered good- Unsecured	4,655.00	6,058.78
Other financial assets- credit impaired	189.87	189.87
Less: Allowance for credit impairment (Refer (a) below)	(189.87)	(189.87)
Balance as at the end of the year	4,655.00	6,058.78
(a) The movement in allowance for credit impairment is as follows:		
Balance as at beginning of the year	189.87	189.87
Add: Allowance for credit impairment during the year	-	-
Balance as at the end of the year	189.87	189.87

Refer Note 36 and 37 for information about fair value measurement, credit risk and market risk of financial assets.

12 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Balances with Government authorities (GST, VAT, CENVAT, etc.)	3,612.51	3,621.36
Less: Provision for doubtful receivables (Refer (a) below)	(296.29)	(296.29)
Export benefits receivable	649.06	1,584.97
Less: Provision for doubtful exports benefits receivable (Refer (a) below)	(6.08)	(1,225.00)
Other advances (includes advances for materials, prepaid expenses etc.)	300.60	178.69
	4,259.80	3,863.73
(a) The movement in provision for doubtful receivables is as follows:		
Balance as at beginning of the year	1,521.28	620.78
Add: Provision for doubtful exports benefits receivable	6.08	1,225.00
Less: Reversal of provision for doubtful receivables during the year	(1,225.00)	(324.50)
Balance as at the end of the year	302.36	1,521.28

The Company has not given any advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

13A EQUITY SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Authorised		
30,00,000 (31st March, 2021: 30,00,000) equity shares of ₹10 each	300.00	300.00
Issued, subscribed and fully paid up		
29,75,000 (31st March, 2021: 29,75,000) equity shares of ₹10 each	297.50	297.50
	297.50	297.50

a) Reconciliation of the number of shares

Equity Shares:	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	29,75,000	297.50	29,75,000	297.50
Add : Shares issued during the year	-	-	-	-
Balance as at the end of the year	29,75,000	297.50	29,75,000	297.50

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Shares held by Holding Company and nominees of Holding Company in aggregate

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares of ₹10 each:		
29,75,000 (31st March, 2021: 29,75,000) shares are held by the Holding Company, Hindustan Unilever Limited and its nominees	297.50	297.50

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares held by the Holding Company, Hindustan Unilever Limited and its nominees		
Number of Shares held	29,75,000	29,75,000
% of Holding	100%	100%

e) Details of shareholdings by the Promoter's of the Company

Sr. No.	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its Nominees	29,75,000	100%	29,75,000	100%	-
	TOTAL	29,75,000	100%	29,75,000	100%	-

Sr. No.	Promoter Name	As at 31st March, 2021		As at 31st March, 2020		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its Nominees	29,75,000	100%	29,75,000	100%	-
	TOTAL	29,75,000	100%	29,75,000	100%	-



(All amounts in ₹ lakhs, unless otherwise stated)

13B OTHER EQUITY

A. Nature and purpose of reserves

(a) **Capital Reserve:** The Companies Act, 2013 requires the Company to create Capital Reserve based on statutory requirement.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	1.23	1.23
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	1.23	1.23

(b) **Securities Premium:** The amount received in excess of face value of the equity shares is recognised in Securities Premium.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	6,965.70	6,965.70
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	6,965.70	6,965.70

(c) **Export Profit Reserve:** Export Profit Reserve has been created to protect, from any losses due to volatility in business.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	4.45	4.45
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	4.45	4.45

(d) **General Reserve:** General Reserves forming part of retained earnings are reserves that were created and utilised in accordance with the erstwhile Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013. General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	5,459.45	5,459.45
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	5,459.45	5,459.45

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(e) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to the shareholder.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	10,716.82	5,239.01
Add: Profit for the year	12,771.66	15,146.56
Less: Dividend paid during the year	(10,025.75)	(9,668.75)
Balance at the end of the year	13,462.73	10,716.82

	Reserves and Surplus					
	Capital Reserve	Securities Premium	Export Profit Reserve	General Reserve	Retained Earnings	Total
Opening balance as at 1st April, 2020	1.23	6,965.70	4.45	5,459.45	5,239.01	17,669.84
Profit for the year	-	-	-	-	15,146.56	15,146.56
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	15,146.56	15,146.56
Dividend on equity shares for the year (Note 31)	-	-	-	-	(9,668.75)	(9,668.75)
Opening balance as at 1st April, 2021	1.23	6,965.70	4.45	5,459.45	10,716.82	23,147.65
Profit for the year 2021-22	-	-	-	-	12,771.66	12,771.66
Other comprehensive income for the year 2021-22	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	12,771.66	12,771.66
Dividend on equity shares for the year (Note 31)	-	-	-	-	(10,025.75)	(10,025.75)
As at 31st March, 2022	1.23	6,965.70	4.45	5,459.45	13,462.73	25,893.56

14 BORROWINGS

(Unsecured unless otherwise stated)

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. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

The Company is entitled to the scheme of "Interest Equalisation on Pre and Post Shipment rupee export credit loan" under which it receives interest subsidy. Grant in the nature of interest is initially recognised and measured at fair value and the grant is measured as the difference between the initial carrying value of the borrowing and the proceeds received. Such grants are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and reduced from corresponding cost. The borrowing is subsequently measured as per the accounting policy applicable to financial liabilities.



(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Loans from Related party		
Intercorporate deposits	22,215.00	9,500.00
Less: Current maturities of intercorporate deposits	-	(9,500.00)
Total (A)	22,215.00	-
Current		
Current maturities of Intercorporate deposits	-	9,500.00
Total (B)	-	9,500.00
Total (A+B)	22,215.00	9,500.00

Refer Note 37 for information about liquidity risk and market risk of borrowings.

Notes:

- The above are long term borrowings from Hindustan Unilever Limited, the Holding Company.
- This loan was used for working capital requirement. It is repayable over a period of 5 years with specified repayment schedule and carries an average rate of interest at 5.93% - 5.99% p.a. in 2021-22 (5.84% p.a in 2020-21).
- Unsecured loan taken from banks for export packing credit requirement amounting to ₹ Nil as at 31st March, 2022 (31st March, 2021: ₹ Nil). The loan was utilised for the purpose it was taken for.

15 LEASE LIABILITIES

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

	As at 31st March, 2022	As at 31st March, 2021
NON-CURRENT		
Lease liability	1,318.70	1,106.82
Total (A)	1,318.70	1,106.82
CURRENT		
Lease liability	468.93	290.69
Total (B)	468.93	290.69
Total (A+B)	1,787.63	1,397.51

The movement in Lease liabilities (Non-current and Current) is as follows:

	As at 31st March, 2022	As at 31st March, 2021
Balance as at beginning of the year	1,397.51	1319.86
Add: Addition	1,339.27	762.55
Add: Accretion of interest	148.93	129.36
Less: Payments (including foreclosure)	1,098.09	814.25
Closing at the end of the year	1,787.62	1,397.53

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

16 OTHER FINANCIAL LIABILITIES

Refer Note 36 for accounting policy on Other Financial liabilities

	As at 31st March, 2022	As at 31st March, 2021
NON-CURRENT		
Security deposits	46.24	16.27
Employee and ex-employee related liabilities	1,956.53	2,256.40
Total (A)	2,002.77	2,272.67
CURRENT		
Salaries, wages, bonus and other employee payables	958.05	698.32
Fair value of Derivatives	109.66	237.75
Interest accrued but not due on borrowings	233.39	53.24
Creditors for capital goods	92.29	-
Total (B)	1,393.39	989.31
Total (A+B)	3,396.16	3,261.98

Refer Note 37 for information about liquidity risk and market risk of other financial liability.

17 TRADE PAYABLES

Refer Note 36 for accounting policy on Trade payables

	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of Micro Enterprises and Small Enterprises	202.18	139.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	20,192.61	22,617.79
	20,394.79	22,757.00

Refer Note 37 for information about liquidity risk and market risk of trade payables.

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

	As at 31st March, 2022	As at 31st March, 2021
a (i) Principal amount remaining unpaid	202.18	139.21
(ii) Interest due thereon remaining unpaid	-	-
b. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	0.79	-
c. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d. Interest accrued and remaining unpaid	-	-
e. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Note: Identification of micro and small enterprises is basis information received from vendors

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022 is as follows:

	Not due	Outstanding for following periods from due date of payment				TOTAL
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	202.18	-	-	-	-	202.18
Undisputed dues of creditors other than micro enterprises and small enterprises	16,873.41	3,312.45	6.75	-	-	20,192.61
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	17,075.59	3,312.45	6.75	-	-	20,394.79

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2021 is as follows:

	Not due	Outstanding for following periods from due date of payment				TOTAL
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	120.71	18.31	0.17	0.02	-	139.21
Undisputed dues of creditors other than micro enterprises and small enterprises	12,202.63	10,259.41	154.85	0.90	-	22,617.79
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	12,323.34	10,277.72	155.02	0.92	-	22,757.00

18 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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

	As at 31st March, 2022	As at 31st March, 2021
NON-CURRENT		
Other provisions (including sales tax, excise and legal matters etc.) [Refer note (a) below]	1,472.81	1,472.11
Total (A)	1,472.81	1,472.11
CURRENT		
Provision for indirect tax matters [Refer note (a) below]	56.83	150.54
Total (B)	56.83	150.54
Total (A+B)	1,529.64	1,622.65

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

a) Movement in Other provisions (Non-Current and Current)

	Indirect taxes	Legal and others	Legal and others
Opening balance as at 1st April, 2020	711.65	1,035.43	1,747.08
Add: Provision/reclass during the year	68.00	-	68.00
Less: Amount utilised/reversed during the year	(30.00)	(162.43)	(192.43)
Opening balance as at 1st April, 2021	749.65	873.00	1,622.65
Add: Provision/reclass during the year	0.70	-	0.70
Less: Amount utilised/reversed during the year	(93.71)	-	(93.71)
Balance as at 31st March, 2022	656.64	873.00	1,529.64

The provisions for indirect taxes, legal and others are comprised of numerous separate cases that arise in the ordinary course of business. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution. The Company does not expect any reimbursements in respect of the above provisions.

19 OTHER CURRENT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Statutory dues (including provident fund, tax deducted at source and others)	919.56	762.52
Other payables	-	0.17
	919.56	762.69

20 CONTINGENT LIABILITIES

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

	As at 31st March, 2022	As at 31st March, 2021
Claims against the Company not acknowledged as debts		
Income tax matters	42,141.52	30,467.58
Indirect tax and other matters	23.13	54.05
	42,164.65	30,521.63

- (i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with Income Tax, Excise, Custom, Sales/VAT tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(All amounts in ₹ lakhs, unless otherwise stated)

21 COMMITMENTS

i) Lease commitments

Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets, leases which are less than twelve months and variable leases.

	As at 31st March, 2022	As at 31st March, 2021
Not later than one year	26.91	17.92
Later than one year and not later than five years	26.86	53.77
Later than five years	-	-
	53.77	71.69

ii) Capital commitments

	As at 31st March, 2022	As at 31st March, 2021
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	266.84	360.50
	266.84	360.50

22 REVENUE FROM OPERATIONS

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The performance obligation in the contracts are typically satisfied at the time of issue of Onboard Bill of Lading. Incase of sale of goods through ICD (Inland Container Depots) the performance obligation is satisfied at the time of issue of the Received for Shipment (RFS) Bill of Lading.

Revenue is measured at the contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Income from export incentives such as duty drawback and premium on sale of import licenses are recognised on accrual basis.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of products [Refer note (a) below]	1,25,490.26	1,16,901.25
Other operating revenue [Refer note (b) below]		
Income from services rendered to Group Companies	1,922.77	1,677.59
Export incentives	2,675.63	582.64
Scrap sales	324.35	223.01
	1,30,413.01	1,19,384.49

- (a) For revenue from sale of products, the reconciliation of contract price to revenue from sale of products is as below:

	Year ended 31st March, 2022	Year ended 31st March, 2021
Contract price	1,27,566.16	1,18,322.63
Less: Trade discounts, volume rebates, etc	(2,075.90)	(1,421.38)
Sale of products	1,25,490.26	1,16,901.25

- (b) There is no adjustment made to contract price for revenue recognised as other operating revenue.

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

23 OTHER INCOME

Interest income is recognised using the effective interest rate (EIR) method.

Dividend Income on investments is recognised when the right to receive the dividend is established.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest income		
From bank deposits	14.97	16.79
From others (Interest on Income Tax refund)	0.03	116.69
Other non-operating income		
Fair value gain/(loss) on investments measured at fair value through profit or loss*	48.12	206.03
Net gain on foreign currency transactions	1,272.69	1,315.64
Liabilities written back to the extent no longer required	-	134.49
Other miscellaneous income (includes rent, etc.)	-	12.00
	1,335.81	1,801.64

*Includes realised gain on sale of investment of ₹47.5 lakhs (31st March, 2021 : ₹208.63 lakhs)

24 COST OF MATERIALS CONSUMED

	Year ended 31st March, 2022	Year ended 31st March, 2021
Raw materials consumed	24,920.35	22,476.55
Packing materials consumed	8,477.28	7,207.15
	33,397.63	29,683.70

25 PURCHASES OF STOCK-IN-TRADE

	Year ended 31st March, 2022	Year ended 31st March, 2021
Purchases of stock-in-trade	60,393.86	54,027.89
	60,393.86	54,027.89

26 CHANGES IN INVENTORIES OF FINISHED GOODS (INCLUDING STOCK-IN-TRADE) AND WORK-IN-PROGRESS

	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening inventories		
Finished goods	3,569.72	2,019.52
Work-in-progress	876.91	699.18
Closing inventories		
Finished goods	(3,967.32)	(3,569.72)
Work-in-progress	(677.81)	(876.91)
	(198.50)	(1,727.93)



(All amounts in ₹ lakhs, unless otherwise stated)

27 EMPLOYEE BENEFITS EXPENSE

Short Term Employee Benefits

Short term employee benefits including salaries and performance incentives, are charged to statement of profit and loss on an undiscounted, accrual basis during the period of employment.

Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plans

In respect of certain employees, provident fund contributions are made to a trust administered by the Holding Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation.

The Company's Gratuity Fund Scheme is considered as defined benefit plans and the gratuity fund assets are being controlled by separate independent trust for entire Group i.e. Hindustan Unilever Limited and its subsidiaries including Unilever India Exports Limited. The Group's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at Balance Sheet date, made by independent actuaries.

As per Ind AS 19 Employee Benefits, in respect of Group plans that share risks between various enterprises under common control, the net defined benefit cost is recognised in the separate financial statements of the Group enterprise that is legally sponsoring employer for the plan. Hence, the gratuity plan assets, liabilities towards gratuity is recognised in the books of the Holding Company for the Group. Actuarial gains and losses in respect of the defined benefit plans are recognised in the Statement of Profit and Loss of the Holding Company in the year in which they arise.

Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring, are recognised in the Statement of Profit and Loss. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 Provisions, Contingent liabilities and Contingent Assets and involves the payment of termination benefits. Termination benefits which are an enhancement to post-employment benefits, are accounted as post-employment benefits.

If the termination benefits are not expected to be settled wholly before twelve months after the end of the annual reporting period, then they are accounted as long-term employee benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Share-Based Payments

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as ‘employee benefit expenses’ with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, wages, bonus etc.	4,088.42	3,145.91
Contribution to provident funds and other funds (Refer Note 34)	336.65	261.23
Workmen and staff welfare expenses	348.93	381.73
	4,774.00	3,788.87

28 FINANCE COSTS

The Company is entitled to the scheme of “Interest Equalisation on Pre and Post Shipment rupee export credit loan” under which it receives interest subsidy. Grant in the nature of interest is initially recognised and measured at fair value and the grant is measured as the difference between the initial carrying value of the borrowing and the proceeds received. Such grants are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and reduced from corresponding cost. The borrowing is subsequently measured as per the accounting policy applicable to financial liabilities.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest expense on Loan from banks under Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit*	21.09	163.46
Interest expense on Intercompany deposits	519.32	68.66
Interest expense on bank overdraft	-	0.02
Interest expense on lease liabilities	148.93	129.36
Unwinding of discount on employee and ex-employee related liabilities	135.85	171.66
Interest on Indirect taxes	7.02	-
	832.21	533.16

*Grant received in the form of interest subsidy amounting to ₹39.40 lakhs (31 March, 2021: ₹248.29 lakhs) are netted off from the finance cost.

29 DEPRECIATION EXPENSES

Refer Note 3 for accounting policy on Property, Plant and Equipment and Leases.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on property, plant and equipment (owned assets)	791.99	642.41
Depreciation on property, plant and equipment (leased assets)	798.72	752.19
	1,590.71	1,394.60



(All amounts in ₹ lakhs, unless otherwise stated)

30A OTHER EXPENSES

	Year ended 31st March, 2022	Year ended 31st March, 2021
Advertising and sales promotion	449.63	374.10
Carriage and freight	5,020.65	4,930.72
Consumption of stores & spares	325.42	170.58
Corporate social responsibility expense [Refer note (a) below]	260.00	164.00
Expenses for shared services	1,236.11	960.00
Expenses for use of common facilities	1,507.72	1,301.58
Power, fuel, light and water	1,285.43	957.83
Processing charges	392.70	524.10
Repairs and maintenance	344.96	369.06
Royalty (Technology)	566.36	608.27
Fees for central services from Ultimate Holding Company	250.70	1,145.82
Pymnt to Auditors' for:		
- Audit fees	19.00	19.00
- Tax audit fees	3.00	3.00
Miscellaneous expenses	1,675.02	1,753.61
	13,336.70	13,281.67

(a) The details of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 are as follows:

	Paid in cash	
	Year ended 31st March, 2022	Year ended 31st March, 2021
I. Amount required to be spent by the company during the year	258.99	163.17
II. Amount spent during the year on:	-	-
i) Construction/ acquisition of any asset		
ii) For purposes other than (i) above	260.00	164.00
III. Shortfall at the end of the year	-	-
IV. Total of previous years shortfall	-	-
V. Reason for shortfall	Not Applicable	Not Applicable

- VI. Social, economic and environmental issues such as water harvesting and water conservation projects undertaken by Hindustan Unilever Foundation.
- VII. Above includes a contribution of 260 lakhs (2020-21: 164 lakhs) to a fellow subsidiary Hindustan Unilever Foundation which is a Section 8 registered Company under Companies Act, 2013.
- VIII. The Company does not wish to carry forward any excess amount spent during the year.
- IX. The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

Notes

to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

30B EXCEPTIONAL ITEMS

	Year ended 31st March, 2022	Year ended 31st March, 2021
Restructuring costs	114.06	58.83
	114.06	58.83

31 INCOME TAXES

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in other income.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

A. COMPONENTS OF INCOME TAX EXPENSE

	As at 31st March, 2022	As at 31st March, 2021
I. Tax expense recognised in Profit and Loss		
Current tax		
Current year	3,926.80	4,933.18
Adjustments related to previous years - (net)	264.52	(44.42)
Total (A)	4,191.32	4,888.76
Deferred tax charge/(credit)		
Origination and reversal of temporary differences	545.17	110.02
Total (B)	545.17	110.02
Total (A+B)	4,736.49	4,998.78
II. Tax expense recognised in Other Comprehensive Income	-	-
Total	-	-
III. Tax expense recognised in Equity	-	-
Total	-	-



(All amounts in ₹ lakhs, unless otherwise stated)

B. RECONCILIATION OF EFFECTIVE TAX RATE

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

	Year ended 31st March, 2022	Year ended 31st March, 2021
Statutory income tax rate applicable for the year	25.17%	25.17%
Differences due to:		
Expenses not deductible for tax purposes	0.37%	0.20%
Others*	1.51%	-0.56%
Effective tax rate	27.05%	24.81%

* Others include prior period tax adjustment.

C. MOVEMENT IN DEFERRED TAX ASSETS AND LIABILITIES

Movements during the year ended 31st March, 2021	As at 31st March, 2020	Credit/(charge) in Profit and Loss	Credit/(Charge) in Other Comprehensive Income	As at 31st March, 2021
Deferred tax assets/(liabilities)				
Provision for post retirement benefits and other employee benefits	533.51	(294.93)	-	238.58
Provision for doubtful debts and advances	152.15	(1.77)	-	150.38
Expenses allowable for tax purposes when paid	232.46	9.32	-	241.78
Property Plant and Equipment	(143.74)	24.79	-	(118.95)
Fair value gain/(loss) on investments	(6.84)	6.84	-	-
Impact of Right of use assets and lease liabilities	104.87	21.72	-	126.59
Other temporary differences	211.79	124.01	-	335.80
	1,084.20	(110.02)	-	974.18

Movements during the year ended 31st March, 2022	As at 31st March, 2021	Credit/(charge) in Profit and Loss	Credit/(Charge) in Other Comprehensive Income	As at 31st March, 2022
Deferred tax assets/(liabilities)				
Provision for post retirement benefits and other employee benefits	238.58	(303.93)	-	(65.35)
Provision for doubtful debts and advances	150.38	34.64	-	185.02
Expenses allowable for tax purposes when paid	241.78	(9.85)	-	231.93
Property Plant and Equipment	(118.95)	9.24	-	(109.71)
Fair value gain/(loss) on investments	-	-	-	-
Impact of Right of use assets and lease liabilities	126.59	0.86	-	127.45
Other temporary differences	335.80	(276.13)	-	59.67
	974.18	(545.17)	-	429.01

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(All amounts in ₹ lakhs, unless otherwise stated)

D. Tax assets and liabilities

	As at 31st March, 2022	As at 31st March, 2021
Non-current tax assets (net of tax provisions)	1,723.62	1,539.37
Non-current tax liabilities (net of tax assets)	176.13	132.30

E. DISCLOSURE IN RELATION TO UNDISCLOSED INCOME

During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

32 EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Earnings Per Share has been computed as under:		
Profit for the year	12,771.66	15,146.56
Weighted average number of equity shares outstanding during the year	29,75,000	29,75,000
Earnings per share (₹) - basic and diluted (Face value of ₹10 per share)	429.30	509.13

33 DIVIDEND PER SHARE ON EQUITY SHARES

	Year ended 31st March, 2022	Year ended 31st March, 2021
Dividend on equity shares declared and paid during the year		
Interim dividend of ₹337 per share (2020-21 - ₹325 per share)	10,025.75	9,668.75
	10,025.75	9,668.75
Payout Ratio	78.50%	63.83%

34 DEFINED CONTRIBUTION PLANS

Refer Note 27 for accounting policy on Employee Benefits

The Company's defined contribution plans include:

- a) Provident fund and other funds
- b) Pension fund

During the year, the Company has recognised the following amounts in Statement of Profit and Loss

	Year ended 31st March, 2022	Year ended 31st March, 2021
Employer's contribution to provident fund and other funds	262.82	212.41
Employer's contribution to pension funds	73.83	48.82
	336.65	261.23



(All amounts in ₹ lakhs, unless otherwise stated)

35 DEFINED BENEFIT PLANS

Refer Note 27 for accounting policy on Employee Benefits

Gratuity assets are being controlled by separate independent Trusts for entire Hindustan Unilever Limited and its subsidiaries including Unilever India Exports Limited. These trusts maintain their assets at the group level and do not have assets identifiable specifically for Unilever India Exports Limited. Thus, all the disclosures required by Ind AS 19 "Employee Benefits" have been made in Hindustan Unilever Limited's Financial Statements.

36 FINANCIAL INSTRUMENTS

Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except during the period the Company changes its business model for managing financial assets.

Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(i) Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(ii) Measured at fair value through other comprehensive income (FVOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

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to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Measured at fair value through profit or loss (FVTPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Derivative Financial Instruments:

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered and are subsequently re-measured at fair value. Any changes therein are recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Offsetting 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 them on a net basis or to realise the assets and settle the liabilities simultaneously.

Impairment of Financial Asset

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortised cost (other than trade receivables)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.



(All amounts in ₹ lakhs, unless otherwise stated)

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

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 Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables. At each reporting date, the historically observed default rates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

Write - off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

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(All amounts in ₹ lakhs, unless otherwise stated)

A ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The carrying amounts and fair values of financial instruments by class are as follows:

	Note	Carrying value		Fair value	
		As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
FINANCIAL ASSETS					
Financial assets measured at fair value					
Investments in mutual funds measured at Fair Value through Profit or Loss	4B	-	600.09	-	600.09
Fair Value of Derivatives	11	228.58	105.91	228.58	105.91
Financial assets measured at amortised cost					
Loans	5	286.96	314.15		
Investments in term deposits	11	3.41	3.17		
Duty drawback receivable	11	903.16	537.05		
GST refund receivable	11	3,346.60	5,234.19		
Other receivables	11	105.81	102.59		
		4,874.51	6,897.15	228.58	706.00
FINANCIAL LIABILITIES					
Financial liabilities measured at fair value					
Fair Value of Derivatives	16	109.66	237.75	109.66	237.75
Financial liabilities measured at amortised cost					
Borrowings (Current maturities of intercorporate deposits)	14	22,215.00	9,500.00		
Lease Liability	15	1,787.63	1,397.51		
Security deposits	16	46.24	16.27		
Other payables	16	325.68	53.24		
Employee liabilities	16	2,914.58	2,954.72		
		27,398.79	14,159.49	109.66	237.75

The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents, trade receivables and trade payables because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.



(All amounts in ₹ lakhs, unless otherwise stated)

B INCOME, EXPENSES, GAINS OR LOSSES ON FINANCIAL INSTRUMENTS

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit and Loss are as follows:

	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
Financial assets measured at amortised cost			
Interest income	23	14.97	16.79
Bad debts written off	30A	-	9.52
Allowance for credit impairment written (back)/off	30A	137.64	28.85
Financial assets measured at fair value through profit or loss			
Fair value gain/(loss) on investments in mutual funds	23	48.12	206.03
Financial liabilities measured at amortised cost			
Finance costs	28	832.21	533.16
Derivatives - foreign exchange forward contracts			
Fair value gain	23	1,272.69	1,315.64

C FAIR VALUE HIERARCHY

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

As at 31st March, 2022	Level 1	Level 2	Level 3	Total
Assets at fair value				
Investments in mutual funds measured at Fair Value through Profit or Loss	-	-	-	-
Investment in overnight mutual funds	2,961.55	-	-	2,961.55
Fair Value of Derivatives	-	228.58	-	228.58
Liabilities at fair value				
Fair Value of Derivatives	-	109.66	-	109.66

As at 31st March, 2021	Level 1	Level 2	Level 3	Total
Assets at fair value				
Investments in mutual funds measured at Fair Value through Profit or Loss	600.09	-	-	600.09
Investment in overnight mutual funds	300.00	-	-	300.00
Fair Value of Derivatives	-	105.91	-	105.91
Liabilities at fair value				
Fair Value of Derivatives	-	237.75	-	237.75

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(All amounts in ₹ lakhs, unless otherwise stated)

D CALCULATION OF FAIR VALUES

The fair values of the financial assets and liabilities are defined as 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2021.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

1. The fair values of investment in mutual fund units classified as Level 1 is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
2. The fair values of the derivative financial instruments (foreign exchange forward contracts) classified as Level 2 has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

Other financial assets and liabilities

Cash and cash equivalents, trade receivables, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.

Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

SIGNIFICANT UNOBSERVABLE INPUTS USED IN LEVEL 2 FAIR VALUES

	Valuation techniques	Sensitivity of input to fair value measurement
Fair Value of Derivatives	Forward pricing:	As at 31st March, 2022 :
	The fair value is determined using quoted forward exchange rates at the reporting date.	A 10% increase in prices of open trades would have led to approximately ₹11.89 lakhs profit in Statement of Profit and Loss. A 10% decrease in rates would have led to an equal but opposite effect.
		As at 31st March, 2021 :
		A 10% increase in prices of open trades would have led to approximately ₹13.18 lakhs loss in Statement of Profit and Loss. A 10% decrease in rates would have led to an equal but opposite effect.

37 FINANCIAL RISK MANAGEMENT

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 the establishment and oversight of the Company's risk management framework. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

A MANAGEMENT OF 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. In doing this, management considers both normal and stressed conditions.

The Company has maintained a cautious funding strategy for the year ended 31st March, 2022 and 31st March, 2021. This was the result of cash delivery from the business. Cash flow from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis. The Company also obtains inter-corporate deposits from the Holding Company on a need basis to manage its cash flows.

(All amounts in ₹ lakhs, unless otherwise stated)

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 by the operating entities, over and above the amount required for working capital management and other operational requirements, are 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 to optimise its cash returns on investments. The said investments are made in instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

The following table shows the maturity analysis of the Company's financial assets & liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

	Undiscounted Amount			
	Carrying amount	<1 year	>1 year	Total
As at 31st March, 2022				
Financial Assets				
Non-derivative assets				
Loans	286.96	42.18	244.78	286.96
Trade Receivables	34,967.51	34,967.51	-	34,967.51
Investments in term deposits	3.41	3.41	-	3.41
Duty drawback receivable	903.15	499.54	403.61	903.15
GST refund receivable	3,346.60	3,346.60	-	3,346.60
Other receivables	105.81	105.81	-	105.81
Cash & Cash Equivalents	4,306.11	4,306.11	-	4,306.11
Derivative assets				
Fair Value of Derivatives	228.58	228.58	-	228.58
	44,148.13	43,499.74	648.39	44,148.13
Financial Liabilities				
Non-derivative liabilities				
Borrowings	22,215.00	-	23,325.75	23,325.75
Trade payables	20,394.79	20,394.79	-	20,394.79
Security deposits	46.24	-	46.24	46.24
Lease liability	1,787.63	468.93	1,668.21	2,137.14
Employee liabilities	2,914.58	958.05	2,554.17	3,512.22
Other payables	233.39	233.39	-	233.39
Derivative liabilities				
Fair Value of Derivatives	109.66	109.66	-	109.66
	47,701.29	22,164.82	27,594.37	49,759.19

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(All amounts in ₹ lakhs, unless otherwise stated)

	Undiscounted Amount			
	Carrying amount	<1 year	>1 year	Total
As at 31st March, 2021				
Financial Assets				
Non-derivative assets				
Investments in mutual funds measured at FVTPL	600.09	600.09	-	600.09
Loans	314.15	21.80	292.35	314.15
Trade Receivables	22,766.22	22,766.22	-	22,766.22
Investments in term deposits	3.17	3.17	-	3.17
Duty drawback receivable	537.05	132.76	404.29	537.05
GST refund receivable	5,234.19	5,234.19	-	5,234.19
Other receivables	102.59	102.59	-	102.59
Cash & Cash Equivalents	2,839.09	2,839.09	-	2,839.09
Derivative assets				
Fair Value of Derivatives	105.91	105.91	-	105.91
	32,502.46	31,805.82	696.64	32,502.46
Financial Liabilities				
Non-derivative liabilities				
Borrowings (Current maturities of intercorporate deposits)	9,500.00	9,500.00	-	9,500.00
Trade payables	22,757.00	22,757.00	-	22,757.00
Security deposits	16.27	-	16.27	16.27
Lease liability	1,397.51	290.69	1,535.90	1,826.59
Employee liabilities	2,954.71	698.32	3,012.94	3,711.26
Other payables	53.24	53.24	-	53.24
Derivative liabilities				
Fair Value of Derivatives	237.75	237.75	-	237.75
	36,916.48	33,537.00	4,565.11	38,102.11



(All amounts in ₹ lakhs, unless otherwise stated)

B MANAGEMENT OF MARKET RISK

Company’s size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- interest rate risk

The above risks may affect the Company’s income and expenses, or the value of its financial instruments. The objective of the Company’s management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company’s exposure to, and management of, these risks is explained below.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK																					
i. CURRENCY RISK																							
The Company is subject to the risk that changes in foreign currency values impact the Company’s exports revenue and imports of raw material and property, plant and equipment.	The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar ,GBP and Euro etc.	As an estimation of the approximate impact of the residual risk, with respect to financial instruments, the Company has calculated the impact of a 5% change in exchange rates.																					
As at 31st March, 2022, the net unhedged exposure to the Company on holding financial assets (trade receivables and capital advances) and liabilities (trade payables and capital creditors) other than in their functional currency amounted to ₹1,039.94 lakhs net receivable (31st March, 2021: ₹1,274.27 lakhs net receivables).	The aim of the Group’s approach to management of currency risk is to leave the Company with no material residual risk. This aim has been achieved in all years presented.	A 5% strengthening of the INR against key currencies to which the Company is exposed would have led to approximately an additional ₹51.99 lakhs loss in the Statement of Profit and Loss (2020-21: ₹63.71 lakhs loss). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.																					
<table><tr><th>Net (Receivable)/ Payable</th><th>As at 31st March, 2022</th><th>As at 31st March, 2021</th></tr><tr><td>EUR</td><td>86.87</td><td>(1,280.96)</td></tr><tr><td>GBP</td><td>51.29</td><td>18.30</td></tr><tr><td>CHF</td><td>-</td><td>1.01</td></tr><tr><td>AED</td><td>(13.35)</td><td>(8.66)</td></tr><tr><td>USD</td><td>(1,164.75)</td><td>(3.96)</td></tr><tr><td></td><td>(1,039.94)</td><td>(1,274.27)</td></tr></table>	Net (Receivable)/ Payable	As at 31st March, 2022	As at 31st March, 2021	EUR	86.87	(1,280.96)	GBP	51.29	18.30	CHF	-	1.01	AED	(13.35)	(8.66)	USD	(1,164.75)	(3.96)		(1,039.94)	(1,274.27)	The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.	
Net (Receivable)/ Payable	As at 31st March, 2022	As at 31st March, 2021																					
EUR	86.87	(1,280.96)																					
GBP	51.29	18.30																					
CHF	-	1.01																					
AED	(13.35)	(8.66)																					
USD	(1,164.75)	(3.96)																					
	(1,039.94)	(1,274.27)																					
ii. INTEREST RATE RISK																							
Investment in fixed deposits and borrowings at fixed rates expose the Company to fair value interest rate risk.	The Company invests in the term deposits for a period of less than one year and there is no significant fair value interest rate risk pertaining to the said deposits.	Considering the short term period of the deposits, there is no significant interest rate risk pertaining to the said deposits.																					
At 31st March 2022, the exposure to interest rate risk due to investment in fixed deposits amounted to ₹703.68 lakhs (31st March, 2021: ₹1,103.35 lakhs) and due to export credit facility taken amounting to ₹ Nil (31st March, 2021: ₹ Nil) and mututal funds At 31st March, 2022, the exposure to price risk due to investment in mutual funds amounted to ₹ Nil (31st March, 2021: ₹600.09 lakhs).		A 1% increase in prices would have led to approximately an additional ₹ Nil gain in the Statement of Profit and Loss (31st March, 2021: ₹6.00 lakhs gain). A 1% decrease in prices would have led to an equal but opposite effect.																					

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

C MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Company’s customer base being large and diverse. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale or retail, their geographic location, industry and existence of previous financial difficulties. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low and so trade receivables are considered to be a single class of financial assets.

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in money market liquid mutual funds with financial institutions and derivative financial instruments. The Company has concentrated its main activities with a limited number of counter-parties which have secure credit ratings, to reduce this risk. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company’s Treasury department.

The Company’s maximum exposure to credit risk as at 31st March, 2022 and 31st March, 2021 is the carrying value of each class of financial assets.

38 CAPITAL MANAGEMENT

The Company considers the following components of its Balance Sheet to be managed capital:

- 1. Total equity – share capital, retained profit, general reserves, securities premium and other reserves
- 2. Borrowings

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management’s judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The management considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The management and Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Refer Note 43 for information on ratios.

39 RELATED PARTY DISCLOSURES

A Enterprise exercising control

Ultimate Holding Company	: Unilever PLC
Holding Company	: Hindustan Unilever Limited

B Enterprise where significant influence exists

Associate Company (extent of holding)	: Hindustan Unilever Foundation (24%)
---------------------------------------	---------------------------------------

C Employees’ Benefit Plans where there is significant influence of the Holding Company

: The Union Provident Fund



(All amounts in ₹ lakhs, unless otherwise stated)

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as per Ind AS 24 Related Party Disclosures

	Year ended 31st March, 2022	Year ended 31st March, 2021
(i) Ultimate Holding Company		
Royalty (Technology)	566.36	608.27
Fees for central services	250.70	1,145.82
Reimbursement of expenses (paid)	40.00	15.37
Payables as at the year end	184.75	401.79
(ii) Holding Company		
Purchase of finished goods/raw materials	59,092.75	52,191.00
Sale of finished goods/raw materials	54.32	442.13
Sale of export incentives	1,421.20	49.69
Sale of property, plant and equipment	59.76	5.24
Rent received	12.00	12.00
Expenses for use of common facilities	1,507.72	1,301.58
Reimbursement of expenses (paid)	1,542.00	1,218.70
Reimbursement of expenses (received)	-	0.07
Dividend paid	10,025.75	9,668.75
Inter corporate deposit received	39,790.00	14,500.00
Inter corporate deposit repaid	27,075.00	9,100.00
Interest expense on inter corporate deposits	519.32	68.66
Outstanding as at year end-		
Borrowing		
Inter corporate deposit payable	22,215.00	9,500.00
Other current liabilities		
Interest accrued on Inter corporate deposit	233.38	53.24
Trade Receivables		
Receivables as at the year end	1,375.54	249.86
Trade Payables		
Payables as at the year end	2,330.01	16,613.25
(iii) Fellow Subsidiaries and Associate		
(a) Details of material transactions during the year		
Unilever Asia Private Limited		
Sale of finished goods/raw materials	55,801.36	40,818.54
Income from Services	1,910.61	1,677.59
Reimbursement of expenses (received)	350.74	119.55
Purchase of finished goods/raw materials	1,158.10	1,232.60
Trade Receivables		
Receivables as at the year end	18,381.70	4,491.68
Trade Payables		
Payables as at the year end	195.59	106.41
(b) Others		
Purchase of finished goods/raw materials	4.65	0.10
Sale of finished goods/raw materials	43,862.73	39,405.91
Donations paid	260.00	164.00
Reimbursement of expenses by Fellow subsidiaries (paid)	8.90	208.55
Reimbursement of expenses for Fellow subsidiaries (received)	133.77	27.32
Trade Receivables		
Receivables as at the year end	6,090.39	8,198.78
Trade Payables		
Payables as at the year end	1.50	13.87
(iv) Employees’ Benefit Plans where there is significant influence of the Holding Company		
Contributions during the year (Employer’s contribution only)	104.85	86.49

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash. Refer note 14 for terms and conditions of inter-corporate deposits take from Holding Company.

There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 31st March, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2021: ₹ Nil lakhs). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

40 MERGER & ACQUISITIONS

On 14th October, 2020, the Board of Directors of the Company approved a Scheme of amalgamation (the Scheme) between Pond's Exports Limited (PEL), Jamnagar Properties Private Limited (JPPL) and the Company along with their respective shareholders and creditors subject to obtaining requisite regulatory and other approvals. The Scheme of amalgamation has been filed by the Company with the National Company Law Tribunal at Mumbai. Presently, the Company is in the process of seeking requisite approvals.

41 DISCLOSURE PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013

- (a) Refer note 4 for investment made by the Company as covered under Section 186 of the Companies Act, 2013.
- (b) The Company has not given any loan or guarantee or provided any security in connection with a loan to any other body corporate or person as covered under Section 186 and accordingly, the disclosure requirements to that extent does not apply to the Company.

42 OPERATING SEGMENTS

The Company is engaged in the business of exports of Home care, Beauty & Personal care and Foods & refreshments products. The Chief Operating Decision Maker (CODM) views export of goods as a single business segment and accordingly this is the only reportable segment.

A) Additional Information by Geographies

	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue by Geographical Market		
India	3,053.98	805.65
Outside India	1,27,359.03	1,18,578.84
	1,30,413.01	1,19,384.49
Carrying Amount of non- current assets*		
India	12,417.63	10,547.59
Outside India	-	-
	12,417.63	10,547.59

*Non-current assets excludes financial instruments, non-current tax assets and deferred tax assets.

B) Information about major customers

Out of the total revenue from sale of products from Unilever Group entities account for more than 10% amounting to ₹99,718.41 lakhs (31st March, 2021: ₹80,666.58 lakhs).

(All amounts in ₹ lakhs, unless otherwise stated)

43 ACCOUNTING RATIOS

Sr. No	Name of the Ratio	Numerator	Denominator	FY 22	FY 21	% variance	Reason for variance
1	Current Ratio	Current assets	Current liabilities	2.64	1.43	85%	Decrease in current liabilities led by movement of borrowings from current to non-current
2	Debt - Equity Ratio	Total debt	Equity	0.92	0.46	97%	Higher debt availed by the company
3	Debt Service coverage ratio	Earnings available for debt service	Total debt service	11.28	16.45	-31%	Led by increase in borrowings
4	Return on equity	Net profit - preferred dividends	Average shareholder equity	0.51	0.75	-31%	Margins impacted on account of input cost inflation
5	Inventory Turnover Ratio	Sales	Average inventory	9.43	11.54	-18%	
6	Trade receivables turnover ratio	Net sales	Average accounts receivables	4.35	7.75	-44%	Increase in trade receivables on account of growth and mix
7	Trade payables turnover ratio	Net purchases	Average trade payables	1.23	1.52	-19%	
8	Net capital turnover ratio	Net sales	Working Capital	3.29	7.97	-59%	Decrease in current liabilities led by movement of borrowings from current to non-current
9	Net profit ratio	Net profit	Net sales	0.10	0.13	-21%	
10	Return on capital employed	Earnings Before Interest & Tax	Capital employed	0.41	0.68	-39%	Margins impacted on account of input cost inflation
11	Return on Investments	Refer (k) below		2.70%	3.30%	-18%	

Reason for variance of ratios with significant change (i.e. change of 25% or more as compared to the financial year 2020-21) have been explained.

Definitions:

- (a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (b) Debt service = Interest & Lease Payments + Principal Repayments
- (c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2
- (d) Net sales = Net sales consist of gross sales minus sales return
- (e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
- (f) Net purchases = Net purchases consist of gross purchases minus purchase return
- (g) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
- (h) Working capital = Current assets - Current liabilities.

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

- (i)

Earning before interest and taxes = Profit before tax + Interest expense - interest income + exceptional items
- (j)

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
- (k)

Return on Investment

{MV(T1) – MV(T0) – Sum [C(t)]}

{MV(T0) + Sum [W(t) * C(t)]}

where,

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day ‘t’, calculated as [T1 – t] / T1

44 TRANSFER PRICING

The Company is in the process of carrying out a study for the period from 1st April, 2021 to 31st March, 2022 on applicable transfer pricing rules, issued by the Central Board of Direct Taxes, and obtaining an accountant’s report. Adjustments towards liability for taxation, if any, on completion of transfer pricing study is currently not ascertainable.

45 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and there are no long term contracts for which there are any material foreseeable losses. The Company has ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on derivative contracts has been made in the books of accounts.

46 The Company is the wholly owned subsidiary of Hindustan Unilever Limited which prepares Consolidated Financial Statements at Group level, and hence there are no separate Consolidated Financial Statements prepared by the Company for its investments in its associate (Hindustan Unilever Foundation).

47 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The company does not have any approved schemes of arrangements during the current and previous year.

48 DISCLOSURE OF STRUCK OFF COMPANIES

The Company does not have any material transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.



(All amounts in ₹ lakhs, unless otherwise stated)

- 49

NO TRANSACTIONS TO REPORT AGAINST THE FOLLOWING DISCLOSURE REQUIREMENTS AS NOTIFIED BY MCA PURSUANT TO AMENDED SCHEDULE III:

(a)

Crypto Currency or Virtual Currency

(b)

Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)

(c)

Registration of charges or satisfaction with Registrar of Companies

(d)

Relating to borrowed funds:

i.

Wilful defaulter

ii.

Utilisation of borrowed funds & share premium

iii.

Borrowings obtained on the basis of security of current assets

iv.

Discrepancy in utilisation of borrowings
- 50

Previous period figures have been re-grouped / re-classified, to conform to current period’s classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April, 2021.

(a)

Lease liabilities separately disclosed (Note 15) under the head ‘Financial Liabilities’

(b)

Security deposits regrouped under ‘Other financial assets’ (Note 11) which were earlier part of ‘Loans’ (Note 5)

(c)

Current maturities of long term borrowings under ‘Borrowings’ (Note 14) which were earlier part of ‘Other Financial Liabilities’ (Note 16)

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, 25th April, 2022

For and on behalf of Board of Directors of Unilever India Exports Limited
CIN : U51900MH1963PLC012667

Asha Gopalakrishnan
Director
DIN: 08383915

Mumbai, 25th April, 2022

Ravishankar A.
Director
DIN: 09136289

Unilever Nepal Limited

Report of the Board of Directors

Your Company’s Directors are pleased to present this Annual Report of the Company, along with Audited Accounts, for the financial year ended 31st Ashad 2078 (15th July 2021).

FINANCIAL PERFORMANCE SUMMARY

In NPR Mn.	2077-78	2076-77
Revenue from operations	5,731	5,547
Profit Before Tax	1,051	572
Net Profit for the year	861	358
Dividend	(92)	(709)
Retained Earnings balance carried forward	1,854	1,085

REVIEW OF FINANCIAL YEAR 2077-78

The year 2077-78 was another challenging year when the nation was impacted with Covid 19. We saw the first wave peak in October 2020 (Asoj-Kartik 2077) and come down by end of December 2020 (Mangsir-Poush 2077). During this period of first half of the year, operations of our factory, vendors as well as customers were severely disrupted. The major reasons contributing to the same were, a) connectivity of specific and indispensable raw materials and packaging materials due to the uncertainty of cross-border movement of goods at Custom points, b) threat of the spurt of Covid (+ve) cases in the community and c) the closure of the factory and man days lost due to restriction on personnel movement. Hence total income of your Company reduced by 28% in the first 2 quarters of the year.

Due to the lockdown, our factory at Hetauda was not operational for 35 days in the period under review. However, this period also brought better stability to our operations pursuant to the pending Collective Bargaining Agreement (CBA) which got executed between the Workmen and Management. During these difficult times, your company ensured protection of its employees and extended value chain, and promoted vaccination. As on date 100% eligible employees (including contract workmen) working in our factory at Hetauda are fully vaccinated. Overall, 58% of eligible persons working with your company directly or indirectly in operations have been fully vaccinated and the drive in ongoing.

With the reduction in daily new cases and return of economic activities, our total income grew by 58% in Q3. During this period our stock covers assortment of products as well improved. But the nation was again hit by the second wave in Q4. However, deploying the experience and learnings of the wave 1, total revenue of the company grew by 33% in Q4, ending the year with 1.8% growth.

During these difficult times, your company ensured protection of its employees and extended value chain.

The UNL team acted with maturity and calm during this unprecedented crisis ensuring not only safety and protection of its people but also materialisation of any possible opportunity. With cost agility programs and savings programs across the levers of P&L, the net profit for the year increased from 35.8 cr to 86.1 cr. NRP.

During the period under review, our Company has also tried to re-invent our market development strategy by increasing our Media Investments across our portfolio. Post implementation of the Clean feed policy in Nepal, your company has deployed Nepali language creatives across TV, print, radio, digital and other media on several brands, most Notably lifebuoy and Glow & Lovely.

Approximately 80% of the company’s portfolio which includes Soaps, Shampoos, Oral, Fabric Solutions and Tea are covid relevant portfolio. Despite slowdown our market presence continued to be strong and our Q3 is testament to it. UNL Brands continue to be the market leader in all the categories it operates in. The strength of our brands and continued focus on investment behind these brands has enabled us to maintain leadership across categories despite the competitive pressure in the market and the difficult market situation.

CORPORATE SOCIAL RESPONSIBILITY

Unilever Nepal is concerned and conscious about the threat which global pandemic of COVID-19 has posed in the entire world including Nepal. We endeavor to stay true to our purpose, which is “the highest standards of corporate behavior towards everyone we work with, the communities we touch, and the environment on which we have an impact.” Our leadership firmly believes that being a Company incorporated and operating in Nepal for the past 28 years and serving its people, we do have a big responsibility. The health and safety of our people is our topmost priority. We have implemented Work-from-Home wherever possible. Our Supply Chain and Sales safety protocols comply with World Health Organisation (WHO) standard and incorporate the best practices in safety management for operations. Like our parent company, corporate responsibility sits at the core of our functioning and the consolidated relief package that we offered to the community.

SUSTAINABILITY

As part of Unilever’s commitment “to make sustainable living a common place”, we partnered with the Nepal Army in the “Mountain Cleaning Campaign 2021”. Transitioning to a circular economy approach is at the heart of Unilever’s Strategy for a waste free world. Carelessness in waste disposal is killing wildlife, devastating beauty of the

mountains, and threatening the health of our planet. This mountain clean up initiative disposed 5020 Kg of waste, of which 4720 Kg non-biodegradable waste was sent for recycling and remaining 300 Kg of bio-degradable waste was disposed through Dhaulagiri Rural Municipality.

We are committed to improve the health of the planet. We aim to work hard to tackle plastic packaging waste, particularly through partnerships and collaborations that drive change beyond their own operations. The ultimate aim is to create a circular economy system for waste management. We are committed to make sustainable living common place for everyone and will continuously engage in programs like these in the coming days.

HEALTHCARE INFRASTRUCTURE

As we battle COVID-19 Pandemic, it is our responsibility to stand together with Nepal. With the scarcity of the oxygen for COVID patients becoming need of the hour, we partnered with Association of industries along with other industries in Hetauda to install an oxygen generation plant in Hetauda Government Hospital near our Factory. We also donated 128 oxygen concentrators to the Ministry of Health and Population, G.O.N., Shri Birendra Army Hospital in Chhauni, FNCCI and the Hetauda Government Hospital. UNL also collaborated with Non-governmental organisation like Maiti Nepal, HAPSA Nepal and Volunteer Corps Nepal for distributing home isolation covid care kits which includes a total of 2000 units surgical masks, 960 units Lifebuoy Hand sanitizers, 2840 units Lifebuoy soaps, 1440 units Vim bars and 1440 units Close up toothpastes in rural areas. In addition to this, 1008 units of Lifebuoy soaps and 500 units N95 masks were donated to District Administrative Office, Kathmandu. We have also donated 11952 units of soaps, 720 units of toothpastes, 2500 piece of N95 masks and 200 pairs of gloves in and around the Hetauda community.

Our vision was to ease the load on existing medical infrastructure in a way that it can better cater to the serious and critical Covid cases which require continuous supply of medical oxygen. The Unilever family shall continue to extend all possible support to the authorities to combat the health crisis and in the best interest of the country.

CREATING MASS AWARENESS

A Large scale handwash awareness campaign was created on social media where we encouraged individuals that washing hands is the most important task to keep yourself safe. We had used a theme line “The key to defeat coronavirus is YOU. Protecting Nepal from coronavirus is now in YOUR hands.” The campaign was solely in purpose

to generate awareness in people on importance of washing hands and it was reached out to approx. 4 million people. This campaign was not only limited to social media but was also executed in print and digital media.

WINNING WITH PEOPLE

2020-21 was an unusually challenging year for our people. We were all affected by the pandemic in different ways. Even as the national lockdown hit us, the tremendous efforts of our people across our sites enabled us to continue to work safely, whether on factory sites, in the market, or from a home office. We quickly scaled up new ways of working – rethinking and reshaping our business. As we worked with speed and agility to respond to the unexpected events this year, we continued to nurture a culture in which our people can thrive and to prepare our people for the future of work.

GOING ABOVE AND BEYOND

Going above and beyond Consumers across the country were relying on us to produce the household necessities they needed most during the pandemic, so it was essential that we kept our factories and distribution centers operating. We are grateful to our employees and to everyone in our extended value chain at our distributor points, depots and third-party manufacturing sites, who made this happen. We saw many heroes coming to the fore–our people in our factories and frontline sales, going above and beyond their jobs to grow our business, our medical & occupational health teams working very hard to keep our people safe, and many inspiring stories of our people volunteering their time to help communities around our sites.

CAPABILITY BUILDING INTERVENTIONS

Learning leads to innovation and it helps in unlocking people potential. The sudden outbreak of Covid-19 challenged the learning approach across the world and forced everyone to shift to an online mode overnight. We prioritised learning through online learning platform which has provided the flexibility of time and place. It has helped the employees grow professionally by taking charge of their own development through the platforms such as LinkedIn learning licenses, Udemy certification programs, Degreed and Unilever Learning Management System for new age skills. Virtual learning from experts across BSPAN countries also helped in enriching learning experiences adding value to business. We continue to build organisational capabilities with clear focus on functional learning priorities to make our people future-fit and purpose-led. Our ambition is to make sure all our people can reskill, upskill, work more flexibly and adapt to the changing world of work.

Report of the Board of Directors

MANAGING TALENT AND STRENGTHENING OUR EMPLOYER BRAND

Campus engagement and initiatives to attract the best talent have been one of the priorities where such interaction with the best young minds of Nepal has been a winning journey for UNL. Unilever Nepal has been an Employer of Choice for the year 2020 among the students of top campuses in the country. We Launched U-Next, Student Ambassador Program that aims to form a fraternity of individuals who want to make a difference in the FMCG Market and have fun while doing it. The program facilitates and nurtures the skills to contribute to their career growth. We want to empower, strengthen and groom select students across Nepal who will serve as brand evangelists and experts in their respective institutions. We continued to build meaningful and deep engagements with students, digitally as well as on campus, to strengthen our brand amongst them and attract the best talent for the Company.

FOSTERING GROWTH CULTURE

Our endeavor is to shape a Growth Culture based on three tenets: Human, Purposeful and Accountable. We remain committed to listening to our employees and build these insights into actions. Our annual employee survey 'UniVoice' conducted during the year garnered a participation from 94% of our office-based employees. The survey showed improvements across all dimensions. Overall pride to work in UNL stood at 99%, Growth Mindset at 91% and employee engagement stood at 90%. The employee voice through these encouraging scores is testimony to our actions and how our employees experience our Company every day. We are driving performance culture with purpose led and future fit strategy where the pioneering growth culture provides employees with fair and transparent performance management.

EMPLOYEE CONNECT AND ENGAGEMENT

We believe that engaged employees would remain committed, positive and happy and therefore we at UNL strive to create a thriving environment for the employees to learn and grow. We completed annual conference in UNL by having Managing Director (MD) connect with Q&A session which was focused on bringing employees closer to the leadership team and recognising the employees on their service, dedication and hard work in UNL. We have been conducting regular townhalls to encourage interaction and work on areas of action for better engagement at work. We also ensured that all new joiners get an opportunity to connect and engage with MD to understand the organisation culture and expectations in the early start of their career. We have been consistently communicating the guidelines on safety and wellbeing practices to the

employees and extended value chain of the business during COVID-19 to ensure safe working habits. Regular connects with employees during COVID-19, offering logistic support and communicating with our distributors and extended value chain's employees have become imperative for us to create awareness and working safely during the COVID-19 pandemic.

WINNING WITH BRANDS AND INNOVATION Consumer Engagement

With Changes in the operating regulatory framework in Nepal, like the Advertisement Act, 2076 there were several implications for the company. During the year, we have adapted well to these changes. We have worked with local media agencies to develop a Media deployment model to reach our consumers effectively with our advertising communication. These include traditional media television, radio, and print and Non-Traditional media like Facebook, YouTube and Tik-tok. We also deployed tactical media through Sponsorships and branded content with various media partners.

We are also very happy to share the set-up of Levercare in Nepal. This is a facility which allows our consumer to reach out directly to us and share feedback, queries, or concerns. As a consumer centric organisation, this is a big step towards engaging our Consumers on deeper level. This initiative also brings us par with several Unilever organisations across the world.

Glow and Lovely Relaunch

On 25th June, 2020, Unilever Nepal Limited ('UNL') announced the next step in the evolution of its skin care portfolio, with the rebranding of its brand Fair & Lovely. Taking forward the brand's journey towards a more inclusive vision of beauty, the Company will stop using the word 'Fair' in the brand name 'Fair & Lovely'. As part of this move, we announced that Fair & Lovely would change its brand name to Glow & Lovely.

Over the last decade, Fair & Lovely's advertising has evolved to communicate a message of women empowerment. In early 2019, the brand's communication moved away from benefits of fairness, whitening and skin lightening, towards glow, even tone, skin clarity and radiance which are holistic measures of healthy skin.

Glow & Lovely is a pioneering technology that has made multiple skin health benefits available to millions of consumers at an affordable price. Glow & Lovely has a combination of vitamin B3, B6, C & E, glycerin, UVA and UVB sunscreens and allantoin, which are known to improve skin health and protect the skin from external aggressors and

environmental pollution. The product works to improve skin barrier function, boost the skin's microbiome, improve skin firmness, and smoothen skin texture to enhance radiance and glow holistically.

Glow and Lovely has been part of daily skin care routine for Millions of our consumers for decades. Effectively communicating the name change and assuring our consumers of the same delightful product experience they are used to have been the Top Priority for the brand this year. We developed the first ever 'Made-in Nepal' TV commercial and successfully deployed it in Nepali Television Channels. We also followed a Multimedia Approach where we activated Print, Outdoor, Magazine, Digital and Point of Sale Media to effectively engage with our Consumers.

Lifebuoy

Lifebuoy, one of our known and popular brands, has been on the forefront of marketing innovation this year. With the COVID-19 pandemic raging across the world, Lifebuoy Brand was on a mission to save lives through our Products and raising awareness of right safety behaviors. Working with Global R&D, our Soap bars are proven to be 100% effective against the spread of the Virus.

We changed our packaging to Call out this safety claim to promote awareness. We also developed the first Nepali Language TV commercial on the brand, which was widely deployed to drive awareness of the right handwashing behavior. This was supported through the year with innovative Media Tie-Ups.

We also organised a massive Public Service Announcement Campaign across several Media, urging our consumers to wear Masks and wash Hands during the peak of 2nd wave COVID pandemic in Nepal.

We also activated the Global Handwash Day, 5th October, 2020 in Nepal together with UNICEF and launched #H for Handwash Campaign. This is a part of the Lifebuoy purpose Journey where we inculcate the right hygiene habits among children.

Vim Anti Smell launch

The Big Product innovation of the year was the launch of Vim Anti Smell variant. This product brings some of the most advance dishwashing technology in Bar Format in Nepal. Equipped with Grease fighting power of Lemon and the fragrance of Mint, this product is designed to fight the 5 common Odors associated with dishwashing. This product was designed basis a strong consumer insight on odor being the one of the biggest causes of concerns during dishwashing, especially in cultures with non-Vegetarian heavy cuisines like Nepal.

We endeavored for our consumers to try this new product offering, launching the product at an introductory price of NPR 12/- and supported the launch by media and Sampling exercises. We have received very good feedback from the users of this new product, and we are confident that we will be able to make it a sizeable consumer franchise.

Valentine's Day- Closer Apart Campaign

February is often celebrated as the month of love Close-Up as a brand helps our consumers with the confidence to get close together and has always celebrated the Valentine's Day as a champion of Love. With the COVID-19 pandemic and the lockdowns, the Valentine's Day in 2021 was different than many before it. We took up the challenge and launched the #CloserApart campaign where we encourage our consumers to share their stories of Love, Romance during the time of pandemic in a digital manner and gave a chance for our users to have a Grand Valentine's Day.

Active Wheel 2-in-1 launch

Our Wheel Brand of detergents was relaunched as 'Active Wheel 2-in-1' during the year. 'Active Wheel 2-in-1' now comes with superior formulation with additional blue and orange speckles giving much better lather & provides a 'deep cleaning' for your clothes. Active Wheel 2-in-1 Detergent Powder is gentle on hands and has good fragrance. It leaves your clothes not just clean, but also fresh & fragrant.

Active Wheel 2-in-1 comes with the strength of lemons and its sweet fragrance- transforms this ordeal into a gratifying experience. Along with the packaging, the USP of the brand is changing where the focus will be on better lathering and cleaning efficacy.

This is a major product quality improvement we have done and with the right portfolio structuring we are in a much better position to win with our consumers. We have also developed a Nepali language TV commercial, which are deploying on Mass media to effectively make our consumers aware of the new product.

Rin Shakti Relaunch

Rin Shakti was relaunched in Nepal with a superior product formulation. The packaging of Rin was also changed from a light blue package to a darker blue. The new Rin has added Blue & Orange speckles for better performance and Visual Cues. The new Rin comes with bright clean technology that removes dirt from deep within the fibers.

The core communication of the brand now matches with rest of South Asia. The idea that is communicated is that Rin makes your dull clothes shine bright like new, giving you the confidence, you wanted.

Report of the Board of Directors

Ponds SPF

We launched the Sun Protect Range of products in Nepal with Ponds SPF 30 Sunscreen. Sun protection is one of the key Skin need spaces, especially in Mountain terrains where the harsh Sun can cause Sun Burns, tanning and increases the risk of Cancer. This is growing business segment in Nepal and with this launch, we have brought in some of the best Global R&D technology to Nepal. Effective against UVA and UVB radiation, Ponds Sun protect range is proven effective against the 5 Sun Damage problems.

This superior mix was deployed in the market with an exciting communication comprising of press, POS materials and trade communication.

WINNING IN THE MARKET PLACE

Emerging channels of Future.

Looking at the future in the space of distribution network, its mandatory that we put a strong footprint in the channels of future such as Modern Trade (MT) and E-commerce. We have been engaging big time with MT partners on revamping the Terms of Trade (TOT) and hence have been able to deliver strong business results in Banner stores. We have a JTBD in the non-banner stores and E-COM where we are trying and developing a strong footprint end of 2021. With introduction of our in-house app Shikhar we will enter a new era of ordering from Retailer directly which will enable more frequent distribution in connect with speed and accuracy. Along with direct coverage of reaching the outlets directly we will have an additional tool which will embark on the tech journey of the future. We have 5000 channel outlets and the focus on them through tech-based approach or a direct approach with increased demand capture front has enable us to register a solid growth of 50% and a special mention on the width of achievement from 35% to 55%.

Harnessing technology:

In the space of the new business journey of technology we have created a model to capture the demand from the market in a robust manner. This demand capture will be fully driven with a solid backend data which will not only ease the job of the Direct Selling Representative (DSR) but also will throw up a guideline to approach on the increased assortment selling and winning in the marketplace. We will also be able to monitor the approach of the DSR and end of the day will be able to evaluate the performance daily. Another application called, I-Square has the feature to capture the attendance and working pattern in the marketplace which has enable people with some robust data which are measurable and been actioned upon. This resulted us significant increase of assortment in the market and ensure daily great execution. With the new

advanced tech we will also create a new system which will help us capture the demand in a robust manner which shall also ease the process of the frontend team in selling more lines in the retail channel which will remain the key focus as a company.

Robust Infra led Distribution:

UNL has the largest distribution network with a presence in 63/77 districts directly which by far ahead of the competitors with 129 distributors directly. Maximum companies operate the import route run by consolidated distribution houses and mostly all other companies are focused in top towns and mostly in the valley area through the wholesale channel route. We have reached to almost 37,000 outlets and our unique coverage has reached to almost 43,000 outlets in a quarter time on a direct reach. With the category expansion and the tech-based innovation on assortment selling we are planning to reach to 40,000 outlets from now which will increase the DPL from 152 to 160 by next year. With the focus on increasing reach and adding assortment we have also increased the strength on the market working pattern with adding new workforce to the demand capture and demand fulfilment plans. This resulted in a strong growth of 53% over 2020 calendar year. We have also implemented added service mix to the demand capture front to the top 6000 outlets in top towns and valley which contributes to 60% of the turnover. We have a plan to get 100% customers to IKEA (our billing software) which will be also be completed very soon.

WINNING SUPPLY CHAIN AMID VUCA SCENARIO

The Supply chain team continues its vision of delivering “Outstanding Service with highest Quality products at lowest Cost” amid severe VUCA-Volatile, Uncertain, Complex & Ambiguous scenarios. This year also we sought to achieve this through Localisation, Capacity enhancement, Cost optimisation, Engineering efficiency & Service excellence, keeping our core values intact with respect to Safety, Quality & Sustainability.

Safety, Health & Environment

Safety, a non-negotiable and basic requirement of working condition, remains our top-priority and the same was resonated through various actions undertaken.

To reduce the material handling, we started sourcing high consumption material in bulk instead of small pack sizes & migrating to various material handling equipment to reduce manual handling and wastages from our operations.

To make ourselves future fit & various digital tools such as E-Modenote, E-permit, USEAT have been deployed effectively. CCTV Camera, Audio device Black box & GPS

System were installed in employee bus to heighten the level of road safety further. We continued to underpin behavioral based safety through various trainings and campaigns. Highest level of precautions is taken to contain spread of COVID infection. Various activities, also in link with USLP-Unilever Sustainable Living plan, are executed to achieve environmental KPIs.

Sustainability

The Unilever Compass sets out to decouple our growth from our environmental footprint, while increasing our positive social impact. We achieved breakthrough in decreasing Carbon footprint through optimum use of Solar thermal plant and Chlorination plant that led to decreased HSD fired Boiler operation time. Also, we are looking for opportunities to minimise HSD usage in our operation and meet our global goals.

Projects are under way to figure out alternate usage of business waste and to not only generate value for business, but also to conserve eco system as well. Business is also picking up actions to increase awareness around plastic and reduce its usage in products. Efficiency improvement are being taken across all operations to reduce energy and material waste. Also, in collaboration with Nepal Army we have undertaken mountain clean-up campaign.

Capacity upgradation

Keeping in line with the increased market demand and requirement to support the business, various activities were taken to upgrade our manufacturing capacity. This year, in-house manufacturing capacity further scaled up by optimising the batch size and batch cycle time in most of our operations. Capacity de-bottlenecking on manufacturing set-up is being done to make ourselves future ready.

Engineering excellence

Remarkable improvement on OEE across all lines was the breakthrough achievement of this year. We have been continuously working on to upgrade our machines to meet the business requirements. We have further streamlined our operations which has resulted in an increased line speed and efficiency of packing lines.

Quality

Quality is integral part of business, there is a continuous endeavor to ensure better consumer satisfaction as well as consumer safety in all our products. Advancement of equipment's & online controls has helped to strengthen our quality competence and reduce market complains. We have also developed various digital tools to monitor uniformity in quality parameters of incoming materials and

have developed a platform to further engage with business partners to improve overall quality of our products.

We wish to maintain consumer trust in our products at a highest level. Hence, pride projects related to advancement of manufacturing hygiene system with high end technology are on track of projected glidepath.

Cost optimisation

An important aspect of business, Cost optimisation enables us to cut the cost and add value as fuel for business growth. “Symphony Program” has been proven a great lever to deliver best quality products to the consumers at least price point. This program covers a bandwidth from localisation of premium products, raw materials, and packaging materials to and optimising cost of overheads across functions in business. This is helping us to deliver significant improvement on materials cost and conversion cost. Even during the difficult times of COVID, savings has been the focus and an integral part of the business strategy.

Inventory optimisation and efficiency improvement has helped us carter to increasing demand with existing capacity and we are also investing in our core focus areas to deliver successful business.

Journey towards excellence in servicing

We have handled the Covid crisis time with zero disruption in supplies. Integrated Planning Model (IPM) has been implemented for improvised distribution and improved stocks availability. Overall, it was great year in terms service levels. Centralised Materials Requirement Planning (CMRP) was incorporated to gain efficiency in material sourcing and requisition. Product Life Cycle Management (PLM) system was incorporated to maximise development efforts of new products as well as to organise the existing one by managing critical product information, life cycle and value chain, thereby increasing performance. We have managed to cater ever highest business demand with existing warehousing space for raw & packaging materials through inventory optimisation by incorporating cutting edge technologies.

GOVERNANCE, COMPLIANCE AND BUSINESS INTEGRITY

The Legal function of the Company continues to be a valued business partner that provides solutions to protect your Company and enable it to win in the volatile, uncertain, complex and ambiguous environment. Through its focus on creating ‘value with values’, the function provides strategic business partnership in the areas including product claims, legislative changes, combating unfair competition, business integrity and governance.

Report of the Board of Directors

Your Company continues to ensure it has an appropriate framework and safeguards for data privacy of its stakeholders with enhanced legal and security standards. The legal function of your Company continues to embrace newer technologies to make the function future ready to support the growth agenda of the business.

Your Company is of the view that the menace of counterfeits can be effectively addressed if enforcement actions are supplemented with building awareness amongst the consumers of tomorrow. Your Company continued to engage with various stakeholders including Industry Bodies and Regulators to curb the menace of counterfeiting. One of the key activities undertaken by your Company in this direction is propagating intellectual property awareness, particularly among school and college students. Your Company believes it is important to educate students on intellectual property and build awareness and understanding of the subject so that students start respecting intellectual property rights from a young age.

The Legal function of your Company works with leading industry associations, national and regional regulators and key opinion formers to develop a progressive regulatory environment in the best interest of all stakeholders.

BUSINESS INTEGRITY

Our principles and values apply to all our employees through our Code and Code Policies. Our employees undertake mandatory annual training on these Policies via online/offline training modules and an annual business integrity pledge. Our Business Integrity guidelines include clear processes for managing Code breaches.

During the year, the mandatory Business Integrity Training was completed by 100% employees. No cases pertaining to any areas of our Code and Code Policies were raised. The Code and Code Policies reflect our commitment to fight corruption in all its forms. We are committed to eradicating any practices or behaviours through our zero-tolerance policy.

Our Responsible Sourcing Policy and Responsible Business Partner Policy help to give us visibility of our third parties to ensure their business principles are consistent with our own.

Nepal Financial Reporting Standard (NFRS)

Your Company believes in the highest standards of corporate behaviour, which are laid out through a written Code of business principles for transparency & all statutory/ legal compliance by the Company. In line with the same principle, the company has adopted Nepal Financial Reporting Standard (NFRS) for the last 5 years.

Dividend

The Board of Directors always believe in returning the value created from company's strong operations to its shareholders and have remained committed to high dividend payout policy for the upcoming future. The Board at their meeting held on 6th September, 2021 recommended final dividend of NRs.650/- per share on each equity share for the financial year that ended on 15th July, 2021.

Business Risk & Future Outlook

As your Company marches into the future, we remain committed to exceed expectations by delivering sustained, competitive, responsible and profitable growth. We believe it is imperative for us to stay true to what lies at the heart of our business through key building blocks of our success such as strong innovations, greater consumer value, increased market development and world class execution. We have a tremendous opportunity to expand the business in Nepal and to capitalise on the economic growth agenda that awaits Nepal as a country. This growth opportunity is expected to attract intense competition and your Company is well poised to defend and expand its market leadership positions in a determined manner.

We not only leverage upon our access to world-class resources and research and development as being a part of your Company but also continuously focus upon the key building blocks of our success. We are, therefore, optimistic about our growth prospects.

APPRECIATIONS AND ACKNOWLEDGMENTS

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled your Company to remain as an industry leader. The Board wishes to thank the Managing Director and his leadership team for their continued leadership excellence and leading the team during the difficult periods.

Your Directors would also like to acknowledge the excellent contribution by Hindustan Unilever Limited and Unilever to your Company in providing the latest innovations, technological improvements and marketing inputs across almost all categories in which it operates. This has enabled the Company to provide higher levels of consumer delight through continuous improvement in existing products, and introduction of new products.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from

its suppliers, redistribution stockists, retailers, business partners and others associated with the Company as its trading partners. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be your Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests.

Your Directors also take this opportunity to thank all Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

On behalf of the Board

Dev Bajpai
Chairman

6th September, 2021, Monday

Report of the Board of Directors

DIRECTORS

- Mr. Dev Bajpai – Chairman
- Mr. Amlan Mukherjee – Managing Director
- Mr. Subhas Bajracharya – Independent Director
- Mr. Ravi Bhakta Shrestha
- Ms. Asha Gopalakrishnan
- Mr. Krishnan Sundaram
- Mr. Yogesh Mishra

COMPANY SECRETARY

- Ms. Elina Acharya

AUDITORS

- PKF TR Upadhy & Co., Chartered Accountants
- Kathmandu, Nepal

BANKERS

- Standard Chartered Bank Limited
- Bank of Kathmandu
- Nepal State Bank of India
- Rastriya Banijya Bank
- Himalayan Bank Limited
- Everest Bank Limited

REGISTERED OFFICE & FACTORY

- Basamadi- 3
- P.O. Box-11, Hetauda
- Dist. Makwanpur, Nepal
- Tel: 977-57-411047

CORPORATE OFFICE

- Unilever Nepal Limited
- City Square Building
- 2nd and 3rd Floor
- New Baneshwor-10, Kathmandu
- Tel:977-1-4785963
- GPO Box: 7765, Kathmandu, Nepal

SHARE REGISTRY

- Sunrise Capital Limited
- Kamalpokhari
- P. Box No. 12055
- Tel: 977- 01- 4428550 / 4428660
- Kathmandu, Nepal

Additional Disclosure as per section 109(4) of the Companies Act, 2063

1.

Details of Share Forfeiture: -
No shares have been forfeited till date.
2.

Transactions with subsidiaries: -

The company has no subsidiaries.
3.

Information provided to the company by its substantial shareholders in the previous financial year:-

Hindustan Unilever Limited, which is the majority shareholder, provided the Company all information related to new product innovations, marketing mix, information on price movements of commodities, system related information and technology etc. No information was provided to the company by any other substantial shareholder.
4.

Share Purchase by Directors and Officials of the company during the year: -

Nil
5.

Information received on the personal interest of Directors and their close relatives in any agreement / contract entered by the Company: -

Nil
6.

Detail of share buyback during the year: -

The company did not buy back its own shares during the year.
7.

Details of internal control systems: -

The internal control system of the company conforms to global standards and follows Unilever international guidelines. This includes:

a.

Operation Manuals, procedures and guidelines for systematic conduct of operations.

b.

Financial policy and accounting guidelines.

c.

Global Framework Financial Control (GFCF) audit carried out by Mahajan & Aibara Chartered Accountants LLP, India and Capgemini Technology Services India Limited, India

d.

Periodic review of internal control systems by Management and Audit Committee.

- e.

Control Assurance review (CAD Audit) carried out by BDO India LLP.
8.

Total Management expenses during the year: -

	NPR in lakhs
Employee expenses during the fiscal year	719
Administrative expenses during the fiscal year	239
9.

List of audit committee members, their remuneration and facilities:

Name	Remuneration
Mr. Subhas Bajracharya - Chairman	**
Mr. Ravi Bhakta Shrestha - Member	**
Mr. Krishnan Sundaram - Member	
Mr. Asha Gopalakrishnan – Member	

During the year, the Audit Committee reviewed the internal audit report and the actions initiated for resolving the issues. Audit committee also reviewed the Business Risks status and reviewed the actions initiated by Management to mitigate & address such Business Risks. The audit committee reviewed annual accounts, significant accounting policies & notes to accounts, additional disclosure as per section 109(4) of the Companies Act, 2063 and preliminary statutory audit report issued by Statutory Auditors (PKF TR Upadhy & Co.) and recommended their adoption by the Board of Directors.

(**) During the year, a total amount of NPR 81,000/- was paid as meeting fees to Mr. Ravi Bhakta Shrestha & Mr. Subhas Bajracharya. Moreover, travel expenses of these Audit Committee members for attending the Audit Committee meetings are borne by the company whenever required.
10.

Amount receivable by the company from Directors, Managing Director, substantial shareholders and their close relatives and associated firms, companies etc.: -

Nil

Report of the Board of Directors

11. Remuneration, allowances, and facilities given to Directors, Managing Director, Chief Executive Officer and Officials during the year:

NPR/lakhs			
S.N.	Particulars	Directors	Managing Director Managers/ Officers/ Staff
1.	Meeting Fee	2.16	-
2.	Salary & Allowances	-	381.61
3.	Car Facility	No	Yes
4.	Accommodation	No	Yes
5.	Insurance Coverage	No	No
6.	Number of Persons	6	1

Notes:-

- a) Office car with driver, fuel and maintenance are provided to the Managing Director, Supply Chain Manager, Finance Manager, Sales Manager and Legal Manager.
- b) Unfurnished / Furnished rented accommodation or HRA provided to Expatriate Managers as per terms and conditions of employment of the individuals.

c) Travel expenses of the Directors, whenever required for attending the Board meetings, are borne by the Company.

12. Unclaimed Dividends:-
Total unclaimed dividend is NPR 337.27 lakhs as on 31 Ashad, 2078.

13. Details of sale and purchase of properties pursuant to Section 141:-
Nil

14. Details of transactions carried on between the associated companies pursuant to Section 175:-
Refer Note 2.2.19 of the financial statement.

15. Other matters required to be disclosed in the director's report by the Companies Act, 2063 or other laws in force:-
None

16. Other relevant issues:-
None



Independent Auditor's Report
To the Shareholders of Unilever Nepal Limited

Figures in NPR

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS
OPINION

We have audited the financial statements of Unilever Nepal Limited (the Company), which comprise the statement of financial position as at 31 Ashad 2078 (15th July, 2021), and the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 Ashad 2078 (15th July, 2021), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

BASIS FOR OPINION

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the auditors'

responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics for professional accountant issued by Institute of Chartered Accountants of Nepal (ICAN) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2063 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Code of Ethics for professional accountants. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the financial year ended on 31 Ashad 2078 (15th July, 2021). These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (Refer Note 2.2.17 "Revenue" and Note 16 of the financial statements)	
Revenue from sale of goods (hereinafter referred to as "Revenue") is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer, the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. The timing of Revenue recognition is relevant to the reported performance of the Company. The management considers revenue as key measure of evaluation of performance. There is a risk of Revenue being recorded before significant risk and reward of ownership is transferred.	Our audit procedures included the following: <ul style="list-style-type: none">Assessed the appropriateness of the Company's revenue recognition accounting policies in line with NAS 18 (Revenue) and tested thereof.Evaluated the integrity of the Company's general information and technology control environment and tested the operating effectiveness of IT application controls over Revenue recognition, the detailed process flow of sales, segregation of duties for the process followed, automated steps and manually intervened processes.Performed detailed analysis of Revenue, analytical testing with monthly sales information filed with tax authorities, testing the timing of its recognition and accuracy of the amounts recognised and verification of the supporting information of the Revenue transactions.Tested the supporting documentation for selected sample of sales transactions recorded during the period closer to the year end and subsequent to the year end to evaluate whether Revenue was recognised in the correct period as part of cut off procedures.

Independent Auditor’s Report

Figures in NPR

Key audit matters	How our audit addressed the key audit matter
Litigations – Contingencies (refer Note 2.2.20 (b) and (c) of the financial statements) The Company is involved in several ongoing direct and indirect tax litigations. The Company recognises a provision when it 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. A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective. We have identified tax litigations and contingencies as a key audit matter because it requires the management to make judgements and estimates in relation to the exposure arising out of litigations. The key judgement lies in the estimation of provisions where they may differ from the future obligations.	 In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence <ul style="list-style-type: none">• Obtained and read the Company’s accounting policies in respect of claims, provisions and contingent liability to access compliance with the applicable accounting standards (NAS 37).• Tested the effectiveness of key controls around the recording and assessment of tax provisions and contingent liabilities.• Supporting documentation were tested for the positions taken by the management and compared the same to the assessment of our in-house tax team to assess the reasonableness of the provision or contingency• Assessed the relevant historical and recent judgments passed by the court authorities.• Considered the adequacy of the Company’s disclosures made in relation to taxation related provisions and contingencies in the financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS’ REPORT THEREON

The management of the Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor’s report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during audit or otherwise appears to be materially misstated. Based on the work we have performed, we conclude that there is a material misstatement therein, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with NFRSs, and for such internal control as management determines is necessary to enable

the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company’s financial reporting process.

AUDITORS’ RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 NSAs 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 financial statements.



Figures in NPR

As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s 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 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 financial statements, including the disclosures, and whether the 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 ethical requirements in accordance with the Code of Ethics for professional accountants 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have obtained information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, the statement of financial position as at 31 Ashad 2078 (15th July, 2021), the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended have been prepared in accordance with the requirements of the Company Act, 2063 and are in agreement with the books of account of the Company and proper books of account as required by law have been kept by the Company.

To the best of our information and according to explanations given to us and so far appeared from our examination of the books of account of the Company necessary for the purpose of our audit, we have not come across cases where Board of Directors or any employees of the Company have acted contrary to the provisions of law relating to the accounts or committed any misappropriation or caused loss or damage to the Company relating to the accounts in the Company.

Date: 06th September, 2021
Place: Kathmandu

Shashi Satyal
Partner
PKF T R Upadhy & Co.
Chartered Accountants

Statement of Financial Position

as at 31 Ashad 2078 (15th July, 2021)

Figures in NPR

	Note	As at 31 Ashad 2078	As at 31 Ashad 2077
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	99,39,42,392	1,08,30,64,053
Intangible assets	4	5,58,98,386	7,92,49,567
Other non-current assets	6	-	92,887
Deferred tax assets	13	3,05,39,528	4,73,17,382
Total Non-Current Assets		1,08,03,80,306	1,20,97,23,889
Current assets			
Inventories	7	84,25,42,953	62,61,20,697
Financial assets			
Trade and other receivables	8	98,36,01,852	84,67,51,848
Investments	5	93,29,00,000	33,49,00,000
Cash and cash equivalents	9	76,62,41,738	66,17,21,545
Bank balance other than CCE	10	3,39,09,448	3,50,13,416
Other current assets			
Current tax assets	22	10,85,12,541	-
Prepayments		51,37,309	91,90,469
Total current assets		3,67,28,45,841	2,51,36,97,975
Total assets		4,75,32,26,147	3,72,34,21,864
EQUITY AND LIABILITIES			
Equity			
Share capital	11	9,20,70,000	9,20,70,000
Employees' housing reserve	12	-	79,60,59,325
Retirement Benefit Scheme Reserve	12	65,87,80,520	-
Retained earnings	12	1,85,41,72,774	1,08,49,66,136
Total Equity		2,60,50,23,294	1,97,30,95,461
Liabilities			
Non-Current Liabilities			
Deferred tax liabilities	13	-	-
Provisions	14	14,31,28,866	1,34,37,379
Total Non-Current Liabilities		14,31,28,866	1,34,37,379
Current Liabilities			
Financial liabilities			
Trade and other payables	15	1,89,16,81,597	1,58,86,38,265
Provisions	14	11,33,92,390	11,44,49,868
Current tax liabilities	22	-	3,38,00,891
Total Current Liabilities		2,00,50,73,987	1,73,68,89,024
Total Liabilities		2,14,82,02,853	1,75,03,26,403
Total Equity and Liabilities		4,75,32,26,147	3,72,34,21,864

The accompanying notes are an integral part of these financial statements.

Dev Bajpai Ravi Bhakta Shrestha
Chairman Director

Amlan Mukherjee
Managing Director

Asha Gopalakrishnan Subhas Bajracharya
Director Independent Director

Vasudhesh Bhat
Chief Finance Officer

Yogesh Mishra Krishnan Sundaram
Director

Elina Acharya
Company Secretary

Date: 6th September, 2021
Place: Kathmandu, Nepal

Date: 6th September, 2021
Place: Kathmandu, Nepal

As per our report of even date

Shashi Satyal
Partner
PKF TR Upadhy & Co
Chartered Accountants

Statement of Profit or Loss

For the year ended 31 Ashad 2078 (15th July, 2021)

Figures in NPR

	Note	For the year 2077-78	For the year 2076-77
Revenue from operations	16	5,73,07,23,792	5,54,72,21,624
Other income	17	5,88,46,550	14,04,94,146
TOTAL INCOME		5,78,95,70,342	5,68,77,15,770
EXPENSES			
Cost of materials consumed	18	3,14,73,72,749	3,00,06,17,161
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	19	(18,26,42,083)	8,04,19,759
Employee benefits expenses	20	38,12,76,105	33,22,82,499
Depreciation and amortisation expenses	3,4	11,75,68,080	9,86,44,632
Other expenses	21	1,27,50,91,022	1,60,34,23,772
TOTAL EXPENSES		4,73,86,65,873	5,11,53,87,823
Profit before tax		1,05,09,04,469	57,23,27,947
Income Tax Expense	22	(19,00,27,182)	(21,43,22,694)
Profit from continuing operations		86,08,77,287	35,80,05,252
Net Profit for the year		86,08,77,287	35,80,05,252
Basic and Diluted Earnings per share	24	935	389

The accompanying notes are an integral part of these financial statements.

Dev Bajpai Ravi Bhakta Shrestha
Chairman Director

Amlan Mukherjee
Managing Director

Asha Gopalakrishnan Subhas Bajracharya
Director Independent Director

Vasudhesh Bhat
Chief Finance Officer

Yogesh Mishra Krishnan Sundaram
Director

Elina Acharya
Company Secretary

Date: 6th September, 2021
Place: Kathmandu, Nepal

Date: 6th September, 2021
Place: Kathmandu, Nepal

As per our report of even date

Shashi Satyal
Partner
PKF TR Upadhy & Co
Chartered Accountants

Statement of Other Comprehensive Income

for the year ended 31 Ashad 2078 (15th July, 2021)

Figures in NPR

	Note	For the year 2077-78	For the year 2076-77
Net Profit for the year as per Statement of Profit or Loss		86,08,77,287	35,80,05,252
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial Gain/(Loss) on defined benefit pension schemes	25	3,99,351	(3,84,971)
Other comprehensive gain/(loss) for the year, net of tax		3,99,351	(3,84,971)
Total comprehensive gain/(loss) for the year, net of tax		86,12,76,639	35,76,20,282

The accompanying notes are an integral part of these financial statements.

Dev Bajpai Ravi Bhakta Shrestha
Chairman Director

Amlan Mukherjee
Managing Director

Asha Gopalakrishnan Subhas Bajracharya
Director Independent Director

Vasudhesh Bhat
Chief Finance Officer

Yogesh Mishra Krishnan Sundaram
Director

Elina Acharya
Company Secretary

Date: 6th September, 2021
Place: Kathmandu, Nepal

Date: 6th September, 2021
Place: Kathmandu, Nepal

As per our report of even date

Shashi Satyal
Partner
PKF TR Upadhya & Co
Chartered Accountants



Statement of Cash Flows

For the year ended 31 Ashad 2078 (15th July, 2021)

Figures in NPR

	Note	As at 31 Ashad 2078	As at 31 Ashad 2077
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		86,08,77,287	35,80,05,252
Adjustments for:			
Income tax during the year	22	19,00,27,182	21,43,22,694
Depreciation on property, plant and equipment	3	9,42,16,899	7,53,77,137
Amortisation of Intangible Assets	4	2,33,51,181	2,32,67,495
Allowance for inventory obsolescence	13	(7,17,58,628)	5,86,84,758
Provision for employee benefits	14	14,23,85,898	31,80,244
Other provisions	14	(1,33,52,537)	(3,37,32,629)
Provision for Bonus	20	11,79,46,630	6,42,34,338
Finance income	16	(3,55,05,933)	(4,79,44,947)
Fixed Assets W/Off	21	3,19,42,837	1,33,907
Loss/ (gain) on sale of Property, plant and equipment	17	-	-
Working capital adjustments:			
(Increase)/ decrease in Trade & Other receivables	8	(13,68,50,004)	31,65,13,522
(Increase)/ decrease in Other non-current assets	6	92,887	40,06,821
(Increase)/ decrease in prepayments		40,53,160	(50,19,734)
(Increase)/ decrease in Inventories	7	(14,46,63,628)	13,76,17,075
Increase / (decrease) in trade and other payables	15	25,01,76,634	30,85,82,053
Cash generated from operations		1,31,29,39,865	1,47,72,27,988
Bonus paid		(6,42,34,337)	(15,36,65,692)
Income Tax Paid		(31,55,62,760)	(17,98,47,338)
Net Cash Flows from Operating activities		93,31,42,767	1,14,37,14,958
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Proceeds from sale of Property, Plant and Equipment		-	1,84,391
Interest Received		3,74,93,115	4,79,44,947
Acquisition of Property, plant and Equipment	3	(3,70,38,075)	(27,85,46,591)
Purchase of Intangibles	4	-	(10,04,234)
Decrease/(increase) in Investment on FD		(59,99,87,182)	23,91,23,418
Decrease/(increase) in Bank balance other than CCE		11,03,968	39,48,083
Transferred towards Retirement benefit Scheme		(13,72,78,805)	-
Net Cash Flows from investing activities		(73,57,06,979)	1,16,50,014
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(9,29,15,595)	(70,37,49,198)
Net Cash Flows From Financing Activities		(9,29,15,595)	(70,37,49,198)
Increase/(Decrease) In Cash And Cash Equivalents		10,45,20,193	45,16,15,775
Cash and Cash Equivalents, Beginning of Year	9	66,17,21,545	21,01,05,770
Cash and Cash Equivalents, end of Period	9	76,62,41,738	66,17,21,545

The accompanying notes are an integral part of these financial statements.

Dev Bajpai Ravi Bhakta Shrestha
Chairman Director

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Managing Director

Asha Gopalakrishnan Subhas Bajracharya
Director Independent Director

Vasudhesh Bhat
Chief Finance Officer

Yogesh Mishra Krishnan Sundaram
Director

Elina Acharya
Company Secretary

Date: 6th September, 2021
Place: Kathmandu, Nepal

Date: 6th September, 2021
Place: Kathmandu, Nepal

As per our report of even date

Shashi Satyal
Partner
PKF TR Upadhya & Co
Chartered Accountants

Statement of Changes in Equity
For the year ended 31 Ashad 2078 (15th July, 2021)

Figures in NPR

	Share capital	Employees' Housing reserve	Retirement Benefit Scheme Reserve	Retained earnings	Total
Balance at 31 Ashad 2076	9,20,70,000	79,60,59,325	-	1,43,62,84,854	2,32,44,14,179
Profit for the year	-	-	-	35,80,05,252	35,80,05,252
Other comprehensive income	-	-	-	(3,84,971)	(3,84,971)
Total comprehensive income	-	-	-	35,76,20,282	35,76,20,282
Transfer to Employees' Housing Reserve	-	-	-	-	-
Dividends to shareholders	-	-	-	(70,89,39,000)	(70,89,39,000)
Balance at 31 Ashad 2077	9,20,70,000	79,60,59,325	-	1,08,49,66,136	1,97,30,95,461
Profit for the year	-	-	-	86,08,77,287	86,08,77,287
Other comprehensive income	-	-	-	3,99,351	3,99,351
Total comprehensive income	-	-	-	86,12,76,638	86,12,76,638
Dividends to shareholders	-	-	-	(9,20,70,000)	(9,20,70,000)
Transfer to Retirement Benefit Scheme Reserve	-	(79,60,59,325)	79,60,59,325	-	-
Transfer to Retirement Benefit Payable	-	-	(13,72,78,805)	-	(13,72,78,805)
Balance at 31 Ashad 2078	9,20,70,000	-	65,87,80,520	1,85,41,72,774	2,60,50,23,294

The accompanying notes are an integral part of these financial statements.

Dev Bajpai Ravi Bhakta Shrestha
Chairman Director

Amlan Mukherjee
Managing Director

Asha Gopalakrishnan Subhas Bajracharya
Director Independent Director

Vasudhesh Bhat
Chief Finance Officer

Yogesh Mishra Krishnan Sundaram
Director

Elina Acharya
Company Secretary

Date: 6th September, 2021
Place: Kathmandu, Nepal

Date: 6th September, 2021
Place: Kathmandu, Nepal

As per our report of even date

Shashi Satyal
Partner
PKF TR Upadhya & Co
Chartered Accountants



Significant Accounting Policies and Notes to Account
for the year ended 31 Ashad 2078 (15th July, 2021)

Figures in NPR

1. CORPORATE INFORMATION

Unilever Nepal Limited ("Company") is a public limited company, incorporated under the Company Act, 2063 of Nepal and listed in the Nepal Stock Exchange Ltd. The registered office of the Company and the principal place of business are located at Basamadi, Hetauda-3, Makwanpur, Nepal.

The main objectives of the Company are to manufacture, sell and distribute Detergents, Scourers, Laundry Soaps, Toilet Soaps, Personal and Beauty Care Products and Food Products.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

2.1.1 Statement of compliance

The financial statements have been prepared in accordance with applicable Nepal Financial Reporting Standards (NFRS) as pronounced by the Institute of Chartered Accountants of Nepal (ICAN). The Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Company Act, 2063 of Nepal.

2.1.2 The Financial Statements are authorised for issue by the Board of Directors on 21st Bhadra, 2078 (6th September, 2021).

2.1.3 Going concern

The financial statements are prepared on the assumption that the Company is a going concern.

2.1.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Defined benefit scheme, retirement scheme, surpluses and deficits are measured at fair value.

2.1.5 Critical accounting estimates

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The Company makes certain estimates and assumptions regarding the future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations

of future events that are believed to be reasonable under the circumstances. In the future, actual result may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year primarily includes: -

a) Provision for employee benefits

The cost of the defined benefit plans, other long-term employment benefits and the present value of such obligations 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, mortality rates and future pension increases. 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 parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds. The mortality rate is based on publicly available Nepal Assured Lives Mortality tables for the country. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country. Further details about Employee benefit obligations are given in note 2.2.14, note 14 and note 25.

b) Recognition of deferred tax

Deferred tax is recognised for taxable temporary differences.

The Company has based its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Further details about deferred tax are given in note 2.2.15 and note 13.

c) Provision for depreciation and amortisation

Depreciation and amortisation are calculated over the estimated useful lives of the assets. An item of property, plant and equipment and any significant

Significant Accounting Policies and Notes to Account
for the year ended 31 Ashad 2078 (15th July, 2021)

Figures in NPR

part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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.

The Company has based its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.1.6 Functional and presentation currency

The financial statements are prepared in Nepalese Rupees (NPR), which is the Company’s functional currency.

2.1.7 Capital management

For the purpose of the Company’s capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the company.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to the shareholders. The capital structure of the Company is based on management’s judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company aims to translate profitable growth to superior cash generation through efficient capital management. The Company’s policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company’s focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

The management monitors the return on capital as well as the level of dividends to shareholders. The

Company’s goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 Ashad, 2078 and 31 Ashad, 2077.

2.1.8 New standards issued but not yet effective

A new Financial Reporting Standard (NFRS 2018) has been pronounced by the ICAN on 11 Ashad 2077. The NFRS 2018 contains some new standards with amendments to the existing standards.

NFRS 2018 introduces the new standard as mentioned hereunder which will be applicable from the date mentioned below:

Nepal Financial Reporting Standard (NFRS)	Applicable date
NFRS 9	16 July 2021
NFRS 14	16 July 2021
NFRS 15	16 July 2021
NFRS 16	16 July 2021
NFRS 17	16 July 2021

2.2 Significant accounting policies and other explanatory notes

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated. The presentation of financial statements requires the use of certain accounting estimates. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed.

2.2.1 Impairment of non-financial assets (excluding inventories and deferred tax assets)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. The 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 groups of assets. When the carrying amount of an asset or cash generating units exceeds its recoverable amount, the

asset is considered impaired and is written down to its recoverable amount.

An assessment is also done for whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have been decreased. If any such indication exists, the asset’s recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Impairment loss or reversal are included in profit or loss, except to the extent they reverse gains/loss previously recognised in other comprehensive income.

2.2.2 Foreign currency transactions

Transactions entered into by the Company in a currency other than the currency of primary economic environment in which it operates are recorded at the rates ruling when the transactions occur. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit or Loss. Unsettled foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in statement of profit or loss.

The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the firm commitments. The Company does not enter any derivative instruments for trading or speculative purposes. Differences between the forward exchange rates and the exchange rates at the end of the reporting date are recognised as income or expense at the end of the reporting date. Profit/loss arising on cancellation or renewal of forward exchange contracts is recognised as income/expense for the period.

2.2.3 Property, plant and equipment

Items of property, plant and equipment are initially measured at cost. Cost includes the purchase price and other directly attributable costs up to the commissioning/ available for use of property, plant and equipment. Cost also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects

if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequently property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Assets not ready for the intended use on the date of Balance Sheet are disclosed as “Capital work-in-progress”.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and recognised immediately in statement of profit or loss.

2.2.4 Depreciation

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write-off their depreciable amount over the expected useful economic lives.

Depreciation is provided on a pro-rata basis on the straight-line method based on the estimated useful life of the assets determined by the management.

The estimate useful lives and corresponding rates at which the assets are depreciated are as follows:

Particulars	Useful Life (Years)	Depreciation Rate (%)
Building		
Permanently owned Property	40.00	2.50
- Leasehold property	9.00	11.11
Plant and Machinery	14.29	7.00
Office Equipment	14.29	7.00
Furniture and Fixtures	14.29	7.00
Computer Accessories	4.00	25.00

2.2.5 Lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Significant Accounting Policies and Notes to Account
for the year ended 31 Ashad 2078 (15th July, 2021)

Figures in NPR

When all the risks and rewards incidental to ownership are not transferred to the Company (an “operating lease”), the total rentals payable under the lease are taken to the statement of profit or loss over the lease term.

The Company is a lessee under operating lease arrangements. Payments under such leases are charged to the Statement of Profit and Loss on a straight-line basis over the primary period of the lease.

Lease rental expense: The Company leases office premises, residential apartment and godown space under operating leases from various parties. These leases typically run for a period of 1 to 5 year with an option to renew with the mutual consent after the expiry of initial leaser term. Future minimum rentals payable under non-cancellable operating leases as at balance sheet date are, as follows:

Period	Amount in NPR	
	As at 31 Ashad 2078	As at 31 Ashad 2077
Less than one year	8,67,12,595	6,24,13,610
One year to five years	19,97,36,909	17,44,51,509
More than five years	13,35,39,522	18,58,33,135
Total	41,99,89,026	42,26,98,253

2.2.6 Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Purchased computer software licenses are capitalised on the basis of cost incurred to acquire and bring to use the software. These costs less estimated residual value are amortised over the estimated useful life of 5 years. Residual value of intangibles are estimated to be nil.

2.2.7 Production at third party manufacturing locations

The Company has made arrangements for manufacturing of its licensed products with other third-party manufacturers against payment at fixed rate as processing charges. The purchase value of materials, conversion cost paid to such manufacturers and stock of inventories (material as well as finished goods) related to such activities has been accounted for in the books of the Company.

2.2.8 Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. The losses arising from impairment are recognised in the statement of profit or loss.

2.2.9 Inventories

Inventories are initially recognised at cost and subsequently at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition is accounted as follows:

Raw Material	- At actual cost on weighted average basis
Packing Material	- At actual cost on weighted average basis
Promotional Material	- At actual cost on weighted average basis
Finished goods	- At the cost of raw materials, packing materials, a proportionate share of fixed and variable production overheads incurred in bringing the inventories to their present location and condition
Work in Progress	- At the cost of raw materials, packing materials, a proportionate share of fixed and variable production overheads incurred in bringing the inventories to their present location and condition
Consumables & Spares	- At actual cost on weighted average basis.
Goods in Transit	- At actual cost

Full provision is made for an obsolete stock that cannot be used or is damaged or defective or cannot be sold in the market. Provision is adjusted in the statement of profit or loss to the extent of usage of obsolete inventory in the period of its usage.

2.2.10 Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short term highly liquid investments, readily convertible to known



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amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statements, cash and cash equivalents consist of cash in hand and balance in banks.

2.2.11 Impairment of financial assets

The carrying amounts of the Company’s financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

2.2.12 Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company’s equity shares are classified as equity instruments.

2.2.13 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/ non-current classification. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

The Company classifies an asset 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.

The Company classifies a liability as 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.

2.2.14 Employment benefits

The Company has schemes of employment benefits namely Social Security Fund, other retirement benefit and accumulated leave payable as per employee service manual in accordance with Social Security Act, 2075 and Labor Act, 2074.

Defined contribution schemes

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company’s contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit or loss in the financial year to which they relate.

The Company is registered in the Social Security Fund (SSF) and the Social Security Fund Contribution @31% of basic salary for all the retirement benefits (Provident fund, Social security tax, Gratuity and Medical Insurance to the staffs) are deposited therein on monthly basis.

Contributions to provident and pension funds of managers seconded from Hindustan Unilever Limited are paid into the provident/pension fund maintained by Hindustan Unilever Limited. Contributions to defined contribution schemes such as provident fund are charged to the statement of profit or loss as incurred.

Defined benefit schemes - Other retirement benefits scheme

The Company provides for defined benefits in the form of other retirement benefits. The Company’s liability towards such defined benefit plans is determined

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based on valuations, as at the reporting date, made by independent actuaries using the projected unit credit method discounted to its present value using yields available on Government bonds.

Interest is calculated by applying the discount rate to the defined benefit obligation. The Company recognises the following changes in the defined benefit obligation to the statement of profit or loss:

- Service costs comprising current service costs and past-service costs
- Interest expenses

Any changes in the liabilities over the year due to changes in assumptions or experience within the scheme, are recognised in other comprehensive income in the period in which they arise.

The classification of the Company's net obligation into current and non- current is as per the actuarial valuation report.

Other retirement benefit is an unfunded scheme where a fixed amount is paid at the time of the separation. This fixed amount to be paid is determined on basis of years of service and only applicable to the shop floor workmen who have completed at least 5 years of service.

Other long-term employment benefits

Employees have a statutory entitlement to payment of 90 days' cash equivalent of accumulated un-availed home leave and accumulated leave excess of 90 days will be encashed while in service. Also, employee have a statutory entitlement to payment of 45 days' cash equivalent of accumulated sick leave and accumulated sick leave excess of 45 days will be encashed while in service. The obligation is calculated using the projected unit credit method and is discounted to its present value using yields available on Government Bond. Service cost, interest cost and actuarial gain/loss are recognised in the statement of profit or loss.

Housing Fund Reserve

Appropriation for Employees housing for the purpose of construction of staff quarters were provided up to the financial year 2073-74 as per section 41(2) of the Labor Act 2048. After the enactment of the amended Labour Act, 2074 effective from Bhadra 19, 2074, provision for the allocation of employees housing reserve was discontinued, so the Company has not made such allocation from financial year 2074-75.

Since, the amount has been accumulated under Housing Reserve over the years, Labour Relations Committee ('LRC') has resolved the "Retirement benefit scheme" towards utilisation of the accumulated housing fund (formed under Section 41 of the erstwhile Labour Act, 2048) during the current year.

The total accumulated balance of Employees Housing Reserve as on 1 Shrawan 2077(16th July, 2020) amounted to NPR 79,60,59,325 has been transferred to Retirement Benefit Scheme Reserve in the current year. Further, out of the total transfer to Retirement Benefit Scheme Reserve, amount of NPR 13,72,78,805 has been recognised as liability based on the actuarial valuation for the year ended 31 Ashad 2078 (15th July, 2021) and transferred to retirement benefit payable.

Every year, based on Actuarial Valuation, liability shall be recognised from Retirement Benefit Scheme Reserve. Further, as the scheme is an unfunded defined benefit plan, no assets are set aside.

2.2.15 Taxation

Income tax

Income tax on the profit or loss for the year comprises current taxes and deferred taxes. Income tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly to equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date and any adjustment to tax payable in respect of previous years.

Income tax rates applicable to company:

Income from manufacturing and sale of goods: 20% (2076/77: 20%)

Income from service charges on ELIDA sales/access fees: 25% (2076/77: 25%)

The Company has availed the rebate of 15% on tax liabilities on income from manufacturing and sale of goods under section 11 (3 chha) of Income Tax Act, 2058.

Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities



for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realisation or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date.

The principal temporary difference arises from depreciation of fixed assets, provision for post-retirement benefit and other employee benefit, provision for CSR, allowance for inventory obsolescence, provision for doubtful debt and other provisions.

2.2.16 Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost. The carrying amount is considered as approximate fair value due to short maturity of these instruments.

2.2.17 Revenue recognition

The following specific criteria are used for the purpose of recognition of revenue.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer, the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Significant risk and rewards of ownership is transferred upon the products leaving the carrying and forwarding agent (C&FA) and/or factory and/or establishment from which the products are being sold. However, for ensuring more efficient transportation of products, the company at the request of the customer for economies on freight, has arranged transportation for delivery of the products to the premises of the customer. In such event, it is agreed with the customer that the title to the products shall be deemed to have passed on to the customer upon delivery of the products by the company to the transporter, and this date shall be the date of delivery of the products being sold at ex-depot.

Sales are recognised net of trade discounts, price reduction, and indirect coverage subsidy, rebates, Incentives, sales taxes and excise duties (on goods manufactured and outsourced).

Service charges on ELIDA sales

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and is recognised net of value added tax.

Income earned from rendering management & marketing services to a private limited company in Nepal for marketing and selling Unilever products is recognised on rendering of the services and grouped under the other income as 'Service Charges on ELIDA Sales'. The Company incurs some cost for generating this income but the costs are embedded with regular operating costs of the company.

However, from the previous fiscal year, service to ELIDA has been discontinued due to change in "Elida income model " as a result of which there is no ELIDA service income in the current fiscal year.

Interest income

Interest income is recognised on the time proportion basis.

Measurement of Revenue

Revenue is measured at fair value of the consideration received or receivable.

2.2.18 Expenses

Operating lease payments

Payments made under operating leases are recognised in the statement of profit or loss on a straight-line basis over the term of the lease.

Staff bonus

Staff bonus is accounted in accordance with the provisions of the Bonus Act, 2030. The Company has calculated and charged the staff bonus as below: -

Particulars	Amount in NPR
Profit before tax (PBT)	1,05,09,04,472
Add: Bonus allocation included in PBT	11,79,46,630
Add: CSR allocation as per Industrial Enterprise Act 2076	1,06,15,197
PBT for bonus calculation	1,17,94,66,299
Bonus @ 10%	11,79,46,630

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Provision for Corporate Social Responsibilities (CSR)

CSR expenses is accounted as per Industrial Enterprises Act 2076 (the “Act”) introduced with effect from 11th February, 2020 repealing the Industrial Enterprises Act 2073 (the “Previous Act”). Section 54 of Industrial Enterprises Act 2076 makes it mandatory to allocate 1% of the annual net profit to be utilised towards corporate social responsibility (the “CSR Requirement”).

The fund created for CSR is to be utilised on the basis of annual plans and programs but in the sectors that are prescribed in the rules framed under the Act. The progress report of the utilisation of the fund collected for CSR is required to be submitted to the relevant government authorities within six months from expiry of the financial year.

The Company has calculated, and allocated CSR as required by Industrial Enterprises Act 2019 (2076 BS) as below: -

Particulars	Amount in NPR
Profit before tax (PBT)	1,05,09,04,472
Add: CSR allocation as per Industrial Enterprise Act 2076	1,06,15,197
PBT for CSR provision	1,06,15,19,669
CSR allocation as per Industrial Enterprise Act @ 1%	1,06,15,197

Auditors’ remuneration and expenses

Particulars	Amount in NPR
Statutory audit fees	4,25,000
Tax audit fees	2,10,000
Group reporting audit fees	1,50,000
Quarterly limited review	1,05,000
Labor audit fess	60,000
Reimbursement of out-of-pocket expenses	60,000
	10,10,000

2.2.19 Related party transactions:

(a) Relationship

The Company is controlled by Hindustan Unilever Limited which owns 80% of the Company’s shares. Sibkrim Land and Industrial Pvt. Ltd. holds 5% of the Company’s share and remaining 15% of shares are widely held by general public

Relationship	Related Parties
Holding Company	Hindustan Unilever Ltd.
Ultimate Holding Company	Unilever PLC
Fellow and Group Subsidiaries	Unilever India Export Limited PT. Unilever Oleochemical, Indonesia Unilever UKCR limited, UK Unilever N.V, Netherland Unilever Europe Business Centre B.V., Netherland Unilever Asia Pvt. Ltd.
Significant Influence	Sibkrim Land Ind. Co. (Pvt.) Ltd.
Key Management Personnel	Amlan Mukherjee



Figures in NPR

(b) Transactions with key management personnel

Key management personnel compensation

Particulars	Current year (NPR)	Previous Year (NPR)
Short-term employee benefits	3,81,60,741	3,45,95,505
Post-employment benefits	Nil	Nil
Other long-term benefits	Nil	Nil
Termination benefits	Nil	Nil
Share based payment	Nil	Nil

Note: - The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. Also, the liabilities for leave encashment are provided on an actuarial basis for the Company, so the amounts pertaining to the key management personnel are not included above.

(c) Other related party transactions

Particulars		Transactions		Outstanding Balance	
		Current Year	Previous Year	Current Year	Previous Year
Holding company (HUL)	Royalty	11,38,52,785	10,47,05,163	9,67,74,868	19,60,97,616
	Dividend	7,36,56,000	56,71,51,200	-	-
	SAP Implementation Cost	-	-	15,65,739	6,05,64,758
	SAP Recurring Cost	3,60,59,374	-	3,06,50,468	-
Ultimate holding company (Unilever PLC)	Royalty	5,83,66,962	2,52,63,330	5,94,58,823	6,66,68,735
Fellow and Group Subsidiaries	Purchase of Raw Materials from Unilever India Export Limited	-	15,96,473	-	-
	Purchase of Raw Materials from PT. Unilever Oleochemical	77,65,779	17,33,93,963	-	-
	Debit note for Training programmes to Marketers from Unilever UKCR limited, UK	9,31,107	-	10,96,202	1,65,095
	Debit note from Unilever N.V, Netherland for MCIP investment by ex-MD	15,36,415	-	33,72,420	18,36,005
	Unilever Europe Business Centre B.V. , Netherland for Fair Share Cost	5,53,87,548	(59,19,191)	12,25,57,328	7,54,77,911
	Unilever Europe Business Centre B.V. , Netherland for ETS Cost	11,16,26,944	9,19,32,875	20,52,85,942	7,81,42,944
	Unilever N.V, Netherland for Cross Charge	95,71,576	35,70,540	1,31,42,116	41,02,715

Terms and conditions of transactions with related parties

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. For the year ended 31 Ashad 2078, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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2.2.20 Provisions and contingencies

Provisions are recognised when there is 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

All the contingent liabilities and the guarantees given by the Company to the third parties are disclosed in the notes to the financial statements.

Contingent liabilities:

a. Unexpired letters of credits and acceptance

Unexpired irrevocable letter of credit NPR 98, 66,628 and acceptance outstanding NPR 60, 05,149 (FY 2076-77: NPR 34, 20,547 and NPR 30,06,522 respectively).

b. Income tax matters

The Large Taxpayers Office (“LTO”) has opened self-assessment returns filed by the Company for the financial years 2065-66, 2066-67, 2067-68, 2068-69, 2069-70, 2070-71, 2071-72 and 2072-73. The Company has received final assessment order from Administrative Review for the financial years 2066-67, 2067-68, 2068-69, 2069-70 and 2071-72 and has gone into appeal with Revenue Tribunal for the disputed matters. Details of the same are presented herewith:

Fiscal Year	Case lying at	Additional Demand	Recognised as Contingent Liability
2008-09 (2065/66)	Administrative Review, IRD	45,26,110	26,48,582
2009-10 (2066/67)	Revenue Tribunal	7,38,90,673	9,26,93,829
2010-11 (2067/68)	Revenue Tribunal	8,20,39,678	11,89,56,633
2011-12 (2068/69)	Revenue Tribunal	7,42,68,437	10,09,88,120
2012-13 (2069/70)	Revenue Tribunal	2,18,27,906	1,67,66,507
2013-14 (2070/71)	Administrative Review, IRD	6,80,31,475	6,62,11,865
2014-15 (2071/72)	Revenue Tribunal	7,35,86,797	3,25,26,811
2015-16 (2072/73)	Administrative Review, IRD	3,45,38,942	3,64,81,046
Total		43,27,10,017	46,72,73,392



Figures in NPR

c. Value Added Tax (VAT) Matters

The Company has filed appeals with the Administrative Review for additional demand raised by the LTO on account of VAT for the financial years 2065-66 and 2072-73. The Company has received final assessment order from Administrative Review on account of VAT for the financial years 2067-68 and 2071-72 and has gone into appeal with Revenue Tribunal for the disputed matters. Details of the same are presented as below:

Fiscal Year	Case lying at	Additional Demand	Recognised as Contingent Liability
2008-09 (2065/66)	Administrative Review, IRD	31,75,485	39,65,087
2010-11 (2067/68)	Revenue Tribunal	1,86,290	2,39,457
2014-15 (2071/72)	Revenue Tribunal	5,77,186	7,44,947
2015-16 (2072/73)	Administrative Review, IRD	85,24,924	93,24,026
Total		1,24,63,885	1,42,73,518

d. Bank guarantee issued on behalf of the Company

Company has taken following bank guarantees:

Issued to	Purpose	Amount NPR	Amount in NPR	
			Beginning on	Valid till
Department of Customs	Exim code certificate	3,00,000	16 June 2021	15 June 2022
Green Hands Nepal Pvt. Ltd.	Construction of Godown	79,20,000	19 July 2020	17 July 2021

2.2.21 Commitments

The capital commitment (net of advances) on account of capital works are as:

Area	FY 2077-78	FY 2076-77
Expansion of Factory	13,90,963	2,64,18,810
SAP Automation	5,21,828	5,21,828
New Corporate Office	2,26,977	2,26,178
Milder Project	24,05,47,169	-
Capex for Replacement of Transformer	51,17,190	-
Facewash Stabilsation	36,19,462	
Capex for Chiller Retrofitting	21,15,267	
Ponds White beauty Localisation	11,13,519	
100 GM Soap Localisation	9,56,934	
Chlorination & Solar Hot Water Plant	3,52,425	
Others	4,44,491	
Total Capital Commitments	25,64,06,225	2,71,66,816

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2.2.22 Royalty

Royalty payable to Hindustan Unilever Limited, India and Unilever PLC, London for use of trademark of certain products has been accrued based on approval received from Department of Industry/ Nepal Government.

2.2.23 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of accruals of past or future cash receipts or payments. The cash flows from regular revenue generating & investing activities of the company are segregated.

2.3 Financial risk management objectives and policies

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's Board and senior management has overall responsibility for the establishment and oversight of the Company's risk management. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The risk management is done by the Company's management that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Market risk

Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency risk;
- Commodity price risk; and
- Interest rate risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments.

The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below: -

Potential Impact Of Risk	Management Policy
1. Currency Risk	
The Company is subject to the risk that changes in foreign currency values impact the Company's imports of raw material and property, plant and equipment.	The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.
As at 31 Ashad 2078, there is no unhedged exposure to the Company on holding financial assets (trade receivables) and liabilities (trade payables) other than in their functional currency.	The aim of the Group's approach to management of currency risk is to leave the Company with no material residual risk. This aim has been achieved in all years presented.
	The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.
2. Commodity Price Risk	
The Company is exposed to the risk of changes in commodity prices in relation to its purchase of its raw materials especially vegetable oils/ Linear Alkyl Benzene Sulphonic Acid.	The objective of the Company is to minimise the impact of commodity price fluctuations. The Company has undertaken various cost savings programmes along with judicious pricing, without compromising on the competitiveness of brand investments, both in terms of technology as well as advertising and promotion.
3. Interest Rate Risk	
Investment in fixed deposits at fixed rates expose the Company to fair value interest rate risk.	The Company invests in the term deposits for a period of less than one year and there is no significant fair value interest rate risk pertaining to the said deposits.

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The detail of forward exchange contracts outstanding as at balance sheet date are as under:

Currency exchange	USD/NPR		EURO/NPR	
	2077-78	2076-77	2077-78	2076-77
Number of Buy contracts	8	-	-	-
Aggregate "buy" foreign currency	25,876	-	-	-

Commodity price risk

The Company is affected by the volatility of certain commodities. Its operating activities require the ongoing purchase of raw materials and therefore require a continuous supply of the same.

The Company manages this risk by purchasing materials and supplies from the supplier identified by the group and the Company has long term relation with the supplier.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a monetary loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions.

- Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored and shipments to all customers are covered by bank guarantees.

- Cash deposits

Credit risk from balances with banks and financial institutions are managed by maintaining the balances with highly reputed commercial banks only.

- Investment in fixed deposits

Credit risk for investments in fixed deposits are managed by depositing the amount with highly reputed commercial banks only.

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 to managing liquidity is to ensure that it will have sufficient funds

to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could create potential business continuity risk.

The Company maintained a cautious funding strategy, with a positive cash balance throughout the year ended 31 Ashad, 2078 and 31 Ashad, 2077. This was the result of cash delivery from the business. Cash flow from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis.

The Company's finance department regularly monitors the cash position to ensure it has sufficient cash on-going basis to meet operational needs. Any short-term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, are retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits to optimise its cash returns on investments. The said investments are made in instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

2.4 Segment reporting

The Company has only one business segment i.e. dealing in Fast-moving consumer goods (FMCG). The FMCG business mainly consists of products like detergents, scourers, laundry soaps, toilet soaps, skin care creams, other personal products and food products.

The volume of production and sales of food products as compared to other products is insignificant, hence it is not treated as a separate segment. Except food products, all other products have similar risks and returns because of similar nature of products, common consumer segments, similar production processes and common distribution channel. The chief operating decision maker and all functional managers reviews the operating results of the business as a whole. Further, internal organisational and management structure of the Company is not based on product differentiation.

Notes

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2.5 Additional information

2.5.1 Licensed/installed annual capacities

Particulars	Licensed Capacity		Installed Capacity	
	Current Year (Mt)	Previous Year (Mt)	Current Year (Mt)	Previous Year (Mt)
Detergents/Scourers/Laundry	52,950	52,950	42,500	42,500
Toilet Soaps	10,000	10,000	10,000	10,000
Personal Products	18,231	18,231	10,335	10,335
Soap Noodles	11,660	11,660	11,660	11,660
Tea	5,000	5,000	5,000	5,000
Vanaspati	10,000	10,000	-	-

2.5.2 Production/purchases of finished goods

Particulars	Current Year (Mt)	Previous Year (Mt)
Detergents/Scourers/Laundry *	15,218	15,702
Toilet Soaps	4,525	5,313
Personal Products	9,750	7,904
Foods	101	172
Total	29,593	29,090

*Produced at third Party locations

2.5.3 Sales

Particulars	Current Year		Previous Year	
	Volume (Mt)	Value (NPR)	Volume (Mt)	Value (NPR)
Detergents/Scourers/Laundry	14,785	1,10,04,52,247	15,886	1,05,95,35,177
Toilet Soaps	4,223	1,10,22,20,683	5,674	1,35,43,32,697
Personal Products	9,150	3,87,87,20,628	8,200	3,49,84,57,665
Foods	159	5,15,48,988	165	5,37,42,356
Less: incentive, discount and others		(40,22,18,755)		(41,88,46,270)
Total	28,317	5,73,07,23,792	29,925	5,54,72,21,625

2.5.4 Closing stock of finished goods

Particulars	Current Year		Previous Year	
	Volume (Mt)	Value (NPR)	Volume (Mt)	Value (NPR)
Detergents/Scourers/Laundry *	1,218	6,96,14,986	785	4,11,28,362
Toilet Soaps	375	7,53,18,344	73	1,17,75,721
Personal Products	1,004	23,12,36,232	405	11,36,62,921
Foods	16	43,43,576	74	1,56,25,419
Total	2,613	38,05,13,137	1,337	18,21,92,423

*Produced at third party manufacturing locations

2.5.5 Material consumed including changes in inventories of finished goods and work-in-progress

Particulars	Current Year		Previous Year	
	Volume (Mt)	Value (NPR)	Volume (Mt)	Value (NPR)
Raw, Chemicals, Perfumes etc.	24,587	2,19,52,93,920	23,807	2,11,48,32,981
Packing Materials	-	89,91,26,063	-	81,41,27,242
Net Change in WIP	224	1,56,78,631	(332)	(4,99,46,458)
Finished Goods Variance	(1,276)	(14,53,67,947)	835	12,16,04,381
Total	23,534	2,96,47,30,666	24,311	3,00,06,18,146



Figures in NPR

3. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machinery	Office Equipment	Furniture and Fixture	Computers	Capital Work in Progress	Total
COST								
Balance at 31 Ashad 2076	56,15,140	17,80,97,946	91,30,05,224	2,81,62,844	8,15,65,450	2,93,30,710	6,33,85,458	1,29,91,62,773
Additions	-	-	-	-	-	-	27,93,05,390	27,93,05,390
Transfer to PPE	-	6,56,11,508	22,71,02,510	1,58,65,302	29,66,413	39,56,804	(31,55,02,537)	
Transfer to Intangible	-	-	-	-	-	-	(7,58,799)	(7,58,799)
Disposals	-	(3,20,214)	-	-	-	(2,49,500)	-	(5,69,714)
Balance at 31 Ashad 2077	56,15,140	24,33,89,240	1,14,01,07,734	4,40,28,146	8,45,31,863	3,30,38,014	2,64,29,512	1,57,71,39,649
Additions	-	-	-	-	-	-	3,70,38,075	3,70,38,075
Transfer to PPE	-	10,14,720	5,20,56,570	3,89,750	7,43,500	26,57,490	(5,68,62,029)	-
Transfer to Intangible	-	-	-	-	-	-	-	-
Disposals	-	(68,81,095)	(14,69,64,810)	(85,54,759)	(19,90,457)	(32,78,732)	-	(16,76,69,852)
Balance at 31 Ashad 2078	56,15,140	23,75,22,865	1,04,51,99,495	3,58,63,137	8,32,84,906	3,24,16,771	66,05,558	1,44,65,07,872
Depreciation and impairment losses								
Balance at 31 Ashad 2076	-	8,48,58,280	30,29,83,871	99,06,064	59,99,885	1,52,01,776	-	41,89,49,876
Charge for the year	-	1,05,83,940	5,77,95,248	16,76,101	10,24,884	42,96,964		7,53,77,137
Transfer to PPE	-	-	-	-	-	-	-	-
Disposals	-	(4,670)	-	-	-	(2,46,747)		(2,51,417)
Balance at 31 Ashad 2077	-	9,54,37,550	36,07,79,119	1,15,82,165	70,24,769	1,92,51,993	-	49,40,75,596
Charge for the year	-	1,64,79,949	7,07,73,709	12,23,867	7,42,295	49,97,079	-	9,42,16,899
Transfer to PPE	-	-	-	-	-	-	-	-
Disposals	-	(45,48,530)	(11,99,78,868)	(59,44,928)	(20,54,612)	(32,00,078)	-	(13,57,27,015)
Balance at 31 Ashad 2078	-	10,73,68,968	31,15,73,960	68,61,105	57,12,452	2,10,48,994	-	45,25,65,480
Net book value								
At 31 Ashad 2076	56,15,140	9,32,39,666	61,00,21,353	1,82,56,780	7,55,65,565	1,41,28,934	6,33,85,458	88,02,12,897
At 31 Ashad 2077	56,15,140	14,79,51,690	77,93,28,615	3,24,45,980	7,75,07,094	1,37,86,020	2,64,29,512	1,08,30,64,053
At 31 Ashad 2078	56,15,140	13,01,53,896	73,36,25,535	2,90,02,032	7,75,72,453	1,13,67,777	66,05,558	99,39,42,392
Gross carrying amount of any fully depreciated property, plant and equipments that are still in use	-	6,35,80,522	10,50,594	8,87,121	93,61,444	-	7,48,79,681	

Property, Plant and Equipment under construction

The net book value of capital work in progress includes amount of NPR 66.05 lakhs majorly relating to Facewash Plant Stabalisation (NPR 12 lakhs), 100 GMS Soap Localisation C144 (NPR 36.41 lakhs) and Milder Preservatives in Hair & Skin Care (NPR 16.23 lakhs) which is currently under installation. The cost of the assets will be depreciated once the machine is installed and available for use.



Notes

to the standalone financial statements for the year ended 31st March, 2022

Figures in NPR

4. INTANGIBLE ASSETS:

	Computer Software	Total
Balance at 31 Ashad 2076	11,57,51,672	11,57,51,672
Additions - Externally acquired	10,04,234	10,04,234
Disposals	-	-
Balance at 31 Ashad 2077	11,67,55,906	11,67,55,906
Additions - Externally acquired	-	-
Disposals	-	-
Balance at 31 Ashad 2078	11,67,55,906	11,67,55,906
Amortisation and impairment losses		
Balance at 31 Ashad 2076	1,42,38,844	1,42,38,844
Charge for the year	2,32,67,495	2,32,67,495
Disposals	-	-
Balance at 31 Ashad 2077	3,75,06,339	3,75,06,339
Charge for the year	2,33,51,181	2,33,51,181
Disposals	-	-
Balance at 31 Ashad 2078	6,08,57,520	6,08,57,520
Net book value		
At 31 Ashad 2076	10,15,12,828	10,15,12,828
At 31 Ashad 2077	7,92,49,567	7,92,49,567
At 31 Ashad 2078	5,58,98,386	5,58,98,386
Gross carrying amount of any fully amortised intangibles that are still in use	-	-

	Maturity Period	Interest rate	As at 31 Ashad 2078	As at 31 Ashad 2077
Fixed Deposits in banks				
	1 Year	5.5% to 7.75%	3,29,00,000	3,49,00,000
	Upto 6 months	4% to 6%: CY	90,00,00,000	30,00,00,000
		7% to 7.1 %: PY		
Total			93,29,00,000	33,49,00,000

Of the total investment in fixed deposits, NPR. 3,29,00,000 (2076-77: NPR 3,49,00,000) has been pledged with a bank for the purpose of extending housing loans to the employees.

6. OTHER NON-CURRENT ASSETS:

	As at 31 Ashad 2078	As at 31 Ashad 2077
Capital advance	-	92,887
	-	92,887

7. INVENTORIES

	As at 31 Ashad 2078	As at 31 Ashad 2077
Raw materials	25,09,10,057	24,57,85,653
Packing materials	15,91,01,586	21,20,38,371
Work-in-process	6,21,08,664	7,77,87,295
Finished goods	38,05,13,137	18,21,92,423
Goods in transit	2,40,87,406	1,77,21,816
Stores and Spares	3,41,70,009	3,07,01,674
Less: Allowance for Obsolescence	(6,83,47,908)	(14,01,06,535)
Total	84,25,42,953	62,61,20,697

Inventories and Trade receivables are pledged against outstanding Letter of Credit as detailed in note no. 2.2.20.

The allowance for Obsolescence has been created for stocks which has been expired or damaged or unusable for any reasons and based on the book value of that inventory.

8. TRADE AND OTHER RECEIVABLES

	As at 31 Ashad 2078	As at 31 Ashad 2077
Trade receivables	65,52,58,559	58,34,93,180
Other receivables - Elida Nepal Pvt. Ltd	-	2,37,84,333
Loans and Advances to Employee	10,96,000	18,14,401
Advance to suppliers	30,69,99,296	20,77,10,082
VAT and Custom Deposits	41,02,300	1,37,53,529
VAT Receivables	-	90,98,920
Other deposit	1,61,45,697	70,97,403
Total	98,36,01,852	84,67,51,848

- The fair values of all the above financial assets are equal to their carrying amounts.
- All the trade receivables are secured against bank guarantees. They are neither past due nor impaired.
- Inventories and Trade receivables are pledged against outstanding Letter of Credit as detailed in note no. 2.2.20.
- Trade receivables are non-interest bearing within the credit period ranging from 21 to 35 days. After credit period interest is charged at the rate 15% p.a.
- Provision for doubtful debts of NPR 33,29,89,291 was provided in the previous FY against the total receivables of NPR. 35,67,73,624 from Elida based on the Global Policy pertaining to the impairment of financial assets revised guidance effective from 1st January, 2018 for recognition of aged debts. During current FY, amount of NPR. 2,37,84,333 was provided against the Elida receivables in addition to the provision provided last year.

9. CASH AND CASH EQUIVALENTS

	As at 31 Ashad 2078	As at 31 Ashad 2077
Cash at banks	76,62,41,738	66,17,21,545
Cash on hand	-	-
Total	76,62,41,738	66,17,21,545

Notes

to the standalone financial statements for the year ended 31st March, 2022

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10. BANK BALANCE OTHER THAN CCE

	As at 31 Ashad 2078	As at 31 Ashad 2077
Unpaid dividend account	3,39,00,037	3,47,45,632
Housing loan account	9,411	2,67,784
Total	3,39,09,448	3,50,13,416

11. SHARE CAPITAL

	As at 31 Ashad 2078	As at 31 Ashad 2077
(a) Authorised Shares		
Ordinary shares of ₹100 each	30,00,00,000	30,00,00,000
(b) Ordinary shares Subscribed and Paid-up Capital		
	Ordinary share	Ordinary share capital
1 Shravan 2076	9,20,700	9,20,70,000
Share issue	-	-
31 Ashad 2077	9,20,700	9,20,70,000
Share issue	-	-
31 Ashad 2078	9,20,700	9,20,70,000

Of which:

7,36,560 shares held by Hindustan Unilever Limited, Mumbai, India

46,035 shares held by Sibkrim Land and Industrial Company Pvt. Ltd.

1,38,105 shares held by the general public

12. RETAINED EARNINGS AND RESERVES

	Employees' Housing reserve	Retirement Benefit Scheme Reserve	Retained earnings	Total
Balance at 1 Shravan 2076	79,60,59,325	-	1,43,62,84,854	2,23,23,44,179
Profit for the year	-	-	35,80,05,252	35,80,05,252
Other comprehensive income	-	-	(3,84,971)	(3,84,971)
Transfer to Employees' Housing Reserve	-	-	-	-
Dividends to shareholders	-	-	(70,89,39,000)	(70,89,39,000)
Balance at 1 Shravan 2077	79,60,59,325	-	1,08,49,66,136	1,88,10,25,461
Profit for the year	-	-	86,08,77,287	86,08,77,287
Other comprehensive income	-	-	3,99,351	3,99,351
Transfer to Retirement Benefit Scheme Reserve	(79,60,59,325)	79,60,59,325	-	-
Transfer to Retirement Benefit Payable	-	(13,72,78,805)	-	(13,72,78,805)
Dividends to shareholders	-	-	(9,20,70,000)	(9,20,70,000)
Balance at 31 Ashad 2078	-	65,87,80,520	1,85,41,72,774	2,51,29,53,294



Figures in NPR

(a) Retained earnings

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

(b) Retirement Benefit Scheme Reserve

Appropriation for Employees housing for the purpose of construction of staff quarters were provided up to the financial year 2073-74 as per section 41(2) of the Labor Act 2048. After the enactment of the amended Labour Act, 2074 effective from Bhadra 19, 2074, provision for the allocation of employees housing reserve was discontinued, so the Company has not made such allocation from financial year 2074-75.

Since, the amount has been accumulated under Housing Reserve over the years, Labour Relations Committee ('LRC') has resolved the "Retirement benefit scheme" towards utilisation of the accumulated housing fund (formed under Section 41 of the erstwhile Labour Act, 2048) during the current year.

The total accumulated balance of Employees Housing Reserve as on 1 Shrawan 2077(16th July, 2020) amounted to NPR 79,60,59,325 has been transferred to Retirement Benefit Scheme Reserve in the current year. Further, out of the total transfer to Retirement Benefit Scheme Reserve , amount of NPR 13,72,78,805 has been recognised as liability based on the actuarial valuation for the year ended 31 Ashad 2078 (15th July, 2021) and transferred to retirement benefit payable.

Every year, based on Actuarial Valuation, liability shall be recognised from Retirement Benefit Scheme Reserve. Further, as the scheme is an unfunded defined benefit plan, no assets are set aside.

13. DEFERRED TAX ASSET/ (LIABILITIES)

Deferred tax is calculated on temporary differences using a tax rate of 17% (2076-77: 17%). Deferred tax Asset have been recognised in respect of all temporary differences that results in income tax payable in future periods.

	As at 31 Ashad 2078	As at 31 Ashad 2077
Reconciliation of deferred tax assets		
Opening Balance as on 1 Shrawan	4,73,17,382	(1,04,21,301)
Tax income/(expense) during the period recognised in profit or loss	(1,67,77,854)	5,77,38,683
Closing balance as on 31 Ashad	3,05,39,528	4,73,17,382

Details of the deferred tax asset, amounts recognised in profit or loss and amounts recognised in other comprehensive income are as follows:

Particulars	Asset/ (Liability) 2077-78	Charged/ Credited to Profit or Loss 2077-78
Fixed Assets	(5,03,48,324)	(37,95,610)
Intangible assets	(11,19,939)	27,655
Allowance for Obsolescence	1,16,19,144	(1,21,98,967)
Provision for leave encashment	19,23,862	5,48,436
Provision for other retirement benefits	12,08,520	2,51,880
Provision for CSR expenses	13,10,508	(41,09,657)
Other provisions	52,94,240	(15,44,928)
Provision for doubtful debts	6,06,51,517	40,43,337
Total	3,05,39,528	(1,67,77,854)

Notes

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Particulars	Asset/ (Liability) 2076-77	Charged/ Credited to Profit or Loss 2076-77
Fixed Assets	(4,65,52,715)	(1,35,38,355)
Intangible assets	(11,47,594)	1,63,684
Allowance for Obsolete Inventory	2,38,18,111	99,76,409
Provision for leave encashment	13,75,426	4,07,758
Provision for other retirement benefits	9,56,640	1,91,122
Provision for CSR expenses	54,20,165	(12,92,219)
Other provisions	68,39,168	52,22,105
Provision for doubtful debts	5,66,08,180	5,66,08,180
Total	4,73,17,382	5,77,38,683

14. PROVISIONS

	Non-current	
	As at 31 Ashad 2078	As at 31 Ashad 2077
Provision for employee benefits		
Provision for Other Retirement Benefits (Refer Note 25)	70,37,067	55,68,808
Provision for Retirement Benefit Scheme	12,50,83,087	-
Provision for Leave Encashment	1,10,08,712	78,68,571
Total	14,31,28,866	1,34,37,379

	Current	
	As at 31 Ashad 2078	As at 31 Ashad 2077
Provision for employee benefits:		
Provision for Other Retirement Benefits (Refer Note 25)	71,875	58,489
Provision for Retirement Benefit Scheme	1,21,95,718	-
Provision for Leave Encashment	3,08,124	2,22,169
Other Provisions:		
Provision for CSR expenses (Refer Note 2.2.18)	77,08,871	3,18,83,322
Miscellaneous provisions (Refer Note A below)	9,31,07,802	8,22,85,888
Total	11,33,92,390	11,44,49,868

A. Miscellaneous provisions

Miscellaneous provisions primarily includes provision for settlement of ongoing cases of VAT and other matters that are considered as weak and provisions for settlement with third party based on the best estimates of probable liability.

The table below gives information about movement in other provisions:

	Provision for CSR expenses		Miscellaneous provisions	
	As at 31 Ashad 2078	As at 31 Ashad 2077	As at 31 Ashad 2078	As at 31 Ashad 2077
At the beginning of the year	3,18,83,322	3,94,84,611	8,22,85,888	10,84,17,227
Recognised during the year	1,06,15,197	57,81,090	7,93,29,751	1,44,06,107
Utilised during the year	(3,47,89,648)	(1,33,82,379)	(6,85,07,838)	(4,05,37,447)
Reversed during the year	-	-	-	-
At the end of the year	77,08,871	3,18,83,322	9,31,07,802	8,22,85,888
Current portion	77,08,871	3,18,83,322	9,31,07,802	8,22,85,888
Non - current portion	-	-	-	-



Figures in NPR

15. TRADE AND OTHER PAYABLES:

	As at 31 Ashad 2078	As at 31 Ashad 2077
Creditors for Goods and Services	49,18,77,366	40,82,52,596
Creditors for Expenses and Other Liabilities	50,30,16,192	37,51,89,934
Advance from Customers	12,98,885	32,55,391
Bonus payable	11,79,46,630	6,42,34,338
Employee related accruals	82,83,589	1,11,94,480
Deposit - Others	9,33,000	8,33,000
Royalty Payable	15,62,33,691	26,27,66,351
Audit fees payable	8,55,000	8,90,000
Others Payable	46,81,51,290	35,68,76,786
TDS Payable	5,40,57,675	4,40,70,115
Excise duty payable	3,34,79,571	2,65,03,034
VAT Payable	2,18,22,063	-
Unclaimed Dividend	3,37,26,645	3,45,72,240
Total	1,89,16,81,597	1,58,86,38,265

- a) The fair values of all the above financial liabilities are equal to their carrying amounts.
- b) Trade payables (other than creditors for goods and services) are non-interest bearing and are normally settled on 30 to 60 days terms.

16. REVENUE FROM OPERATIONS

	For the year 2077-78	For the year 2076-77
Sale of goods	6,13,29,42,547	5,96,60,67,894
Less: Discount and Incentives	(40,22,18,755)	(41,88,46,270)
Less: Provision for sales return	-	-
Total	5,73,07,23,792	5,54,72,21,624

No individual customer accounted for more than 10% of the gross sale of goods during the year

17. OTHER INCOME

	For the year 2077-78	For the year 2076-77
Sale of Scrap	99,80,028	1,26,89,502
Elida Service Income	-	4,81,50,838
Interest Income on bank deposits	3,55,05,933	4,79,44,947
Provision written back	-	1,98,06,807
Foreign exchange gain/(loss)	1,11,978	(5,26,051)
Miscellaneous income	1,32,48,611	1,24,28,103
Total	5,88,46,550	14,04,94,146



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to the standalone financial statements for the year ended 31st March, 2022

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18. COST OF MATERIALS CONSUMED

	For the year 2077-78	For the year 2076-77
Raw materials consumed	2,06,39,63,086	2,20,09,65,893
Packing materials consumed	89,91,26,063	74,36,00,079
Allowance for Inventory Obsolescence	18,42,83,600	5,60,51,189
Total	3,14,73,72,749	3,00,06,17,161

19. CHANGES IN INVENTORIES OF FINISHED GOODS (INCLUDING STOCK-IN-TRADE) AND WORK-IN-PROGRESS)

	For the year 2077-78	For the year 2076-77
Opening inventories		
Finished goods	18,21,92,423	30,37,96,804
Work-in-progress	7,77,87,295	3,66,02,673
Closing inventories		
Finished goods	(38,05,13,137)	(18,21,92,423)
Work-in-progress	(6,21,08,664)	(7,77,87,295)
Total	(18,26,42,083)	8,04,19,759

20. EMPLOYEE BENEFITS EXPENSES

	For the year 2077-78	For the year 2076-77
Salaries and wages	23,78,29,257	22,09,97,500
Leave expenses	47,17,275	29,95,143
Staff Bonus (Refer Note 2.2.18)	11,79,46,630	6,42,34,338
Contribution to provident, gratuity and other funds	1,02,09,334	1,08,86,809
Defined benefits plan expenses (Refer Note 25)	19,62,791	8,50,816
Workmen and staff welfare expenses	86,10,818	3,23,17,893
Total	38,12,76,105	33,22,82,499

21. OTHER EXPENSES

	For the year 2077-78	For the year 2076-77
Advertising and sales promotion	17,10,46,930	24,03,64,364
AGM Expenses	1,00,000	6,87,120
Audit Fees & Expenses	10,10,000	10,10,000
Board Meeting Exps	2,16,000	16,91,331
Carriage and freight	23,12,72,586	20,98,31,554
CSR Expenses (Refer Note 2.2.18)	1,06,15,197	57,81,090
Electricity, Fuel & Water	3,76,14,147	4,98,87,740
Fixed Assets W/Off	3,19,42,837	1,33,907
Insurance	1,48,91,843	1,38,33,419
Legal Expenses	28,52,141	74,67,135
Processing charges	13,37,65,949	16,66,12,489
Professional Services	8,31,11,511	9,58,89,504
Quality Control Charges	18,50,968	10,28,973
Rent	8,20,94,308	8,58,33,281
Repairs others	4,64,030	4,98,543
Repairs to building	19,17,350	10,45,786
Repairs to plant and equipment	5,07,56,474	3,58,80,927
Royalty	17,22,19,749	12,99,68,493
Security Expenses	1,62,67,762	1,13,26,604
Telephone Expenses	91,69,556	1,04,13,549
Travelling, Conveyance and Accommodation Expenses	2,16,04,807	4,33,38,902
Technical Support & Share Cost	16,70,14,492	8,60,13,684
Other Expenses	95,08,052	7,18,96,086
Provision for doubtful debt	2,37,84,333	33,29,89,291
Total	1,27,50,91,022	1,60,34,23,772

22. INCOME TAX

	For the year 2077-78	For the year 2076-77
Current tax expense		
Current tax on profits for the year	17,32,49,328	18,81,25,789
Adjustment for under provision in prior periods	-	8,39,35,588
Total current tax	17,32,49,328	27,20,61,377
Deferred tax expense		
Origination and reversal of temporary differences	1,67,77,854	(5,77,38,683)
Total tax expense for the year	19,00,27,182	21,43,22,694

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Reconciliation of current tax expense and the accounting profit multiplied by Company’s tax rate for 2077-78 and 2076-77 :

	For the year 2077-78	For the year 2076-77
Accounting profit before income tax excluding Elida service income and trading profit	1,05,09,04,469	52,41,77,109
Other service income	-	4,81,50,838
At Company’s statutory income tax rate of 17% for normal operation and 25% for service income and trading profit (2076-77: 17% and 25%)	17,86,53,760	10,11,47,818
Adjustment in respect of Repair & Maintenance allowed upto 7% of respective depreciation base of the pool of the assets	13,02,817	-
Adjustment in respect of Depreciation allowed as per the rate prescribed under Income Tax Act	(56,03,469)	(1,31,94,215)
Adjustment in respect of Inventory	(1,21,98,967)	99,76,409
Adjustment in respect of provision for leave encashment	5,48,436	4,80,651
Adjustment in respect of provision for other retirement benefits	2,51,880	1,19,479
Adjustment in respect of CSR provisions	(41,09,657)	(12,92,219)
Adjustment in respect of other provisions	18,37,210	21,97,784
Adjustment for Fixed Assets written off	-	54,111
Other non-deductible expenses for tax purposes	-	1,01,38,516
Adjustment for Provision for doubtful debt	40,43,338	5,66,08,180
Adjustment for current year cases and Prior period tax	85,23,980	10,58,24,864
Total	17,32,49,328	27,20,61,377
Income tax expense reported in the statement of profit or loss	17,32,49,328	27,20,61,377

Current tax (assets)/liabilities

	As at 31 Ashad 2078	As at 31 Ashad 2077
Income Tax Liability	2,83,82,03,494	2,75,53,11,573
Less: Advance Income Tax	(2,94,67,16,035)	(2,72,15,10,682)
Total	(10,85,12,541)	3,38,00,891

23. DECLARED DIVIDENDS AND PROPOSED DIVIDENDS

	Year ended 2077-78	Year ended 2076-77
Declared and approved for during the year:		
Dividends on ordinary shares: Final dividend for 2076-77: NPR. 100 per share (2075-76: NPR. 770 per share)	9,20,70,000	70,89,39,000
Proposed for approval at the annual general meeting (not recognised as a liability as at balance sheet date):		
Dividends on ordinary shares:		
Proposed dividend for 2077-78: NPR. 650 per share (2076-77: NPR. 100 per share)	59,84,55,000	9,20,70,000

24. EARNINGS PER SHARE

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



Figures in NPR

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

	Continuing Operations 2078	Continuing Operations 2077
Numerator		
Profit for the year and earnings used in basic EPS	86,08,77,287	35,80,05,252
Add: Interest on convertible debt	-	-
Less: Tax effect of above items	-	-
Earnings used in diluted EPS	86,08,77,287	35,80,05,252
Denominator		
Weighted average number of shares used in basic EPS	9,20,700	9,20,700
Convertible debt	-	-
Employee share options	-	-
Contingent share consideration on business combinations	-	-
Weighted average number of shares used in diluted EPS	9,20,700	9,20,700
Basic and diluted earnings per share	935	389

25. POST EMPLOYMENT BENEFIT PLANS

Defined benfit plans only consist of other retirement benefit plan and following tables summarise the components of net benefit expense recognised in the statement of income and amounts recognised in the statement of financial position:

2077-78 changes in the defined benefit obligation and Fair value of plan assets

	Balance at 1 Sharwan 2077	Benefit cost charged to income statement				Benefits paid	Re- measurement gain/(losses) in OCI	Sub-total included in OCI	Balance at 31 Ashad 2078
		Service cost	Past Service cost	Net Interest	Sub-total included in profit or loss		Experience adjustments		
Other retirement benefit obligation	56,27,297	14,28,198	-	5,34,593	19,62,791	-	(4,81,146)	(4,81,146)	71,08,942
Benefit Liability	56,27,297	14,28,198	-	5,34,593	19,62,791	-	(4,81,146)	(4,81,146)	71,08,942

2076-77 changes in the defined benefit obligation and Fair value of plan assets

	Balance at 1 Sharwan 2076	Benefit cost charged to income statement				Benefits paid	Re- measurement gain/(losses) in OCI	Sub-total included in OCI	Balance at 31 Ashad 2077
		Service cost	Past Service cost	Net Interest	Sub-total included in profit or loss		Experience adjustments		
Other retirement benefit obligation	44,60,661	4,38,251	-	4,12,565	8,50,816	(1,48,000)	4,63,820	4,63,820	56,27,297
Benefit Liability	44,60,661	4,38,251	-	4,12,565	8,50,816	(1,48,000)	4,63,820	4,63,820	56,27,297

Notes

to the standalone financial statements for the year ended 31st March, 2022

Figures in NPR

The principal assumptions used in determining post-employment benefit obligations for the Company's plans are shown below:

	As at 31 Ashad 2078	As at 31 Ashad 2077
Discount rate	9.00%	9.50%

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.

A quantitative sensitivity analysis for significant assumption at the end of the reporting period is as shown below:

Assumptions	Discount rate	
	0.5%	0.5%
Sensitivity Level	Increase	Decrease
Impact on Defined benefit obligation - Other retirement benefits	(2,67,726)	2,82,924

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Defined benefit obligation - other retirement benefit

	As at 31 Ashad 2078	As at 31 Ashad 2077
Within the next 12 months (next annual reporting period)	71,875	58,489
Between 2 and 5 years	21,91,050	15,20,649
Between 6 and 10 years	68,86,917	53,76,955
Weighted average duration of the above defined benefit obligation	12.79 Years	13.23 Years



Figures in NPR

FINANCIAL PERFORMANCECE - 5 YEAR RECORD

Profit or Loss Statement	2072-73 (2015-16)	2073-74 (2016-17)	2074-75 (2017-18)	2075-76 (2018-19)	(NPR Mn) 2076-77 (2019-20)
Revenue from operations	3946	4442	4868	5754	5547
Other operating income	459	576	411	518	140
Profit from Operations	1354	1210	1255	1315	524
Profit Before Tax	1408	1261	1330	1372	572
Net Profit for the year	1122	965	999	1065	358

Statement of Financial Position	2072-73 (2015-16)	2073-74 (2016-17)	2074-75 (2017-18)	2075-76 (2018-19)	(NPR Mn) 2076-77 (2019-20)
Property, plant and equipment (Incl Intangibles)	482	565	652	982	1162
Deferred tax assets	8	16	2	0	47
Investment in Fixed Deposit	1037	1160	834	574	335
Net Current Assets (Current & non-current)	522	333	415	769	429
	2049	2074	1903	2324	1973
Share capital	92	92	92	92	92
Retained earnings and reserves	1957	1982	1811	2232	1881
	2049	2074	1903	2324	1973

Key ratios	2072-73 (2015-16)	2073-74 (2016-17)	2074-75 (2017-18)	2075-76 (2018-19)	(NPR Mn) 2076-77 (2019-20)
PBT (% of Revenue)	36	28	27	24	10
PAT (% of Revenue)	28	22	21	19	6
Fixed Assets Turnover (No . of Times)	8	8	7	6	5
Earning per share of ₹100	1218	1048	1085	1157	389
Dividend proposed per share of ₹100	1020	1270	700	770	100

Others	2072-73 (2015-16)	2073-74 (2016-17)	2074-75 (2017-18)	2075-76 (2018-19)	(NPR Mn) 2076-77 (2019-20)
UNL share price on NEPSE*	35,021	29,204	25,000	20,250	18,800
Market Capitalisation (₹ Bn)	32,244	26,888	23,018	18,644	17,309
Contribution to Exchequer (₹ Mn)					

* Based on year-end closing prices quoted on NEPSE

The accompanying notes are an integral part of these financial statements.

Dev Bajpai Ravi Bhakta Shrestha
Chairman Director

Amlan Mukherjee
Managing Director

Asha Gopalakrishnan Subhas Bajracharya
Director Independent Director

Vasudhesh Bhat
Chief Finance Officer

Yogesh Mishra Krishnan Sundaram
Director

Elina Acharya
Company Secretary

Date: 6th September, 2021
Place: Kathmandu, Nepal

Date: 6th September, 2021
Place: Kathmandu, Nepal

As per our report of even date

Shashi Satyal
Partner
PKF TR Upadhya & Co
Chartered Accountants

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL		AUDITORS	REGISTERED OFFICE
Pushkaraj Shenai	Whole-time Director	M/s. B S R & Co. LLP, Chartered Accountants.	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400099. CIN - U24247MH2008PTC188539
Asha Gopalakrishnan	Director and Chief Financial Officer		
Yogesh Mishra	Director		
V. Kannan	Independent Director		
Nikhilesh Panchal	Independent Director		
Swati Narayanan	Company Secretary		

To the Members,

Your Directors are pleased to present the 14th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2022.

FINANCIAL RESULTS

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue from Operations	28,245.10	22,981.10
Profit/ (Loss) before taxation	1,551.35	(1,393.79)
Profit/ (Loss) for the year	1,479.32	(1,941.10)
Profit & Loss Account balance brought forward from previous year	(6,504.72)	(4,563.62)
Profit & Loss Account balance carried forward	(5,025.40)	(6,504.72)

OPERATIONAL REVIEW

The Company is a wholly owned subsidiary of Hindustan Unilever Limited (HUL). The Company is engaged in Salons business and also operates a manufacturing unit at Gandhidham which carries out job work operations for your Company by manufacturing toilet soaps, bathing bars and detergent bars.

The Company delivered robust topline and bottom line growth led by recovery in the salon business which was impacted by Covid-19 during the previous financial year. With focus on safety, quality of operations, expert treatments and prudent cost optimisation, the salon business continues to perform well in the beauty services category. Job work business continues its strong top line and bottom line growth momentum.

It has over 400 owned / managed and franchisee salons. At Lakmé Salon, safety and wellbeing of our consumers and experts have always been the topmost priority. This is assured by detailed Lakmé SOPs, rigorous training and high-quality products. The stringent safety and hygiene protocols rolled out after the first wave were strengthened when salons re-opened post wave 2. The extended team comprising the housekeeping staff, experts, salon managers and business partners have been trained and audited continuously to ensure complete adherence to protocols. The safety standards were communicated in an authentic and credible manner leveraging walk throughs and client testimonials with the 'Safer than Home' campaign. This has improved the Company's 'Net Promoter Score' which is in the healthy range of 85 to 90%.

Innovations like Free Spirits – vibrant colours, Beautysutra facials and manicure/pedicure treatments and Tresplex hair treatments added excitement to our comprehensive Runway Secrets portfolio. Thematic campaigns – Good Hair Day, Happy New You and Hair Tech helped gain new clients and sustain existing ones. Lakmé Salon was awarded several awards notable amongst which are Best Franchisor – Beauty and Wellness at the Franchise India Summit and Best National Salon Chain at the Salon Congress.

DIVIDEND

The Directors did not recommend any dividend for the year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate or joint venture company.

THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of your Company is a good and diverse mix of Executive, Non-Executive and Independent Directors and the same is in line with the applicable provisions of Companies

Act, 2013. As on date of this Report, the Board consists of five Directors comprising one Whole-time Director, two Non-Executive Directors and two Independent Directors. The Board has also appointed a Chief Financial Officer and a Company Secretary as Key Managerial Personnel.

During the year, Mr. Amit Bhasin resigned as a Company Secretary with effect from 23rd June, 2021. The Board placed on record, its sincere appreciation for the services rendered by Mr. Amit Bhasin during his tenure as a Company Secretary of the Company.

Ms. Swati Narayanan was appointed as a Company Secretary of your Company with effect from 14th July, 2021.

Mr. Pushkaraj Shenai who was re-appointed as a Whole-time Director of the Company for a period of (3) three years with effect from 27th April, 2019 by the Members of the Company at the Extra-Ordinary General Meeting of the Company held on 29th March, 2019. The said tenure came to an end on 26th April, 2022.

In view of the same, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee proposed to re-appoint Mr. Pushkaraj Shenai as a Whole-time Director of the Company for a further period of 3 (three) years with effect from 27th April, 2022 till 26th April, 2025. A resolution proposing the re-appointment of Mr. Pushkaraj Shenai forms part of the Notice of 14th Annual General Meeting (AGM) of the Company.

Except as mentioned above, there was no change in the Board of Directors and Key Managerial Personnel of the Company during the financial year under review.

In terms of the requirements of the Companies Act, 2013, the Independent Directors of the Company were re-appointed for a further period of five years commencing from 31st March, 2019 based on the recommendation of the Nomination and Remuneration Committee.

The Independent Directors of your Company have submitted Certificate of Independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and hold highest standards of integrity.

In accordance with Article 109 of the Articles of Association of the Company and the Companies Act, 2013, one-third of the total Directors, other than Independent Directors of the Company, shall retire by rotation at every Annual General Meeting and accordingly, Mr. Yogesh Mishra shall retire by rotation at the forthcoming AGM and being eligible, offers himself for re-appointment.

There was no change in the Board of Directors of the Company during the year under review.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's business operations, policies and strategy apart from other Board business. The Board and Committee Meetings are pre-scheduled and a tentative calendar of each of the Board and Committee Meetings is circulated to the Directors and Members well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the Meetings. However, in case of a special and urgent business need, the approval of Board and Committee Members is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed at the subsequent Board Meeting.

The notice of Board and Committee Meetings is given well in advance to all the Directors and Members. Usually, Meetings of the Board and Committees are held in Mumbai. The Agenda is circulated a week prior to the date of the Meeting except in case of urgency. The Agenda for the Board and Committee Meetings include detailed notes on the items to be discussed at the meeting to enable the Directors and Committee Members to take an informed decision. During the year, in terms of various circulars issued by Ministry of Corporate Affairs because of COVID-19, all the Meetings were held through audio – visual means.

During the financial year ended 31st March, 2022, four Board Meetings were held on 26th April, 2021, 14th July, 2021, 14th October, 2021 and 19th January, 2022. The interval between any two meetings was well within the maximum allowed gap of 120 days.

MEETING OF INDEPENDENT DIRECTORS

During the financial year ended 31st March, 2022, the Independent Directors of the Company met once on 26th April, 2021.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulations and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are performed by Members of the Board, as a part of good governance practice. The Board is informed about the summary of the discussions held in the Committee Meetings. The Minutes of the Meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the Meeting, as appropriate.

Report of Board of Directors

The Board has established the following statutory Committees:

Audit Committee

In accordance with the provisions of Section 177 of the Companies Act, 2013 the Audit Committee of your Company comprises Mr. Nikhilesh Panchal, Mr. V. Kannan and Ms. Asha Gopalakrishnan as its Members.

The power, role and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Companies Act, 2013, based on other terms as defined by the Board of Directors. The Minutes of each Audit Committee Meeting are placed at the subsequent Meeting of the Committee and the Board of Directors.

The Audit Committee met four times during the financial year ended 31st March, 2022 on 26th April, 2021, 14th July, 2021, 14th October, 2021 and 19th January, 2022.

Nomination and Remuneration Committee

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee comprises Mr. Nikhilesh Panchal, Mr. V. Kannan, Mr. Yogesh Mishra and Ms. Asha Gopalakrishnan as its Members.

The power, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Section 178 of the Companies Act, 2013.

The Minutes of each Nomination and Remuneration Committee Meeting are placed at the subsequent Meeting of the Board of Directors.

During the financial year ended 31st March, 2022, the Nomination and Remuneration Committee of the Company met once on 26th April, 2021.

Board Membership Criteria

The Board of Directors are collectively responsible for selection of a Member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- composition of the Board which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a Public Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with requirements of the law;

- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

Reward Policy

The Reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and reinforces the performance culture of the Company. This philosophy is set forth into practice by various policies governing the different elements of total reward. The intent of all these policies is to ensure that the principles of Reward philosophy are followed in entirety, thereby facilitating the Company to recruit and retain the best talent. The ultimate objective is to gain competitive advantage by creating a reward proposition that inspires employees to deliver the Company's promise to consumers and achieve superior operational results.

The guiding principles for Company's reward policies / practices are as follows:

1. Open, Fair and Consistent: increase transparency and ensure fairness and consistency in reward framework;
2. Insight and Engagement: make reward truly relevant to the employees by using leading edge tools that help the Company 'hear' how employees feel about their reward;
3. Innovation: continuously improve Company's reward through innovations based on insight, analytics and Unilever's expertise;
4. Simplicity, Speed and Accuracy: simplify reward plans and processes and deliver the information employees need quickly, clearly and efficiently;
5. Business Results: the Company's business results are the ultimate test of whether reward solutions are effective and sustainable.

Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee comprises Mr. Pushkaraj Shenai, Mr. Nikhilesh Panchal, Mr. V. Kannan and Mr. Yogesh Mishra as the Members of the Committee.

The power, role and terms of reference of the Corporate Social Responsibility Committee covers the areas as contemplated

under Section 135 and Schedule VII of the Companies Act, 2013, based on other terms as defined by the Board of Directors.

The Minutes of each Corporate Social Responsibility Committee Meeting are placed at the subsequent Meeting of the Committee and the Board.

During the financial year ended 31st March, 2022, the Corporate Social Responsibility Committee of the Company met once on 26th April, 2021.

A Report on Corporate Social Responsibility activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 effective from 22nd January, 2021 is appended as an Annexure to this Annual Report.

Vigil Mechanism Policy for the Directors and Employees

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed 'Vigil Mechanism Policy' for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimisation on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

Committee for Prevention of Sexual Harassment

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, your Company has constituted Internal Committees (IC). The scope of our Prohibition of Sexual Harassment (POSH) Policy has been expanded to make it more inclusive and gender neutral, detailing the governance mechanisms for prevention of sexual harassment issues relating to employees across genders including employees who identify themselves with LGBTQI+ community.

While maintaining the highest governance norms, the Company has appointed external independent persons who have prior experience in the areas of women empowerment and prevention of sexual harassment, as Chairpersons of each of the Internal Committees. During the year, one complaint with allegations of sexual harassment was received by the Company

and it was investigated and resolved as per the provisions of the POSH Act. To build awareness in this area, the Company has been conducting induction / refresher programmes in the organisation on a continuous basis. During the year, your Company organised offline training sessions for all blue collared employees across the Company which included POSH as one of the topics of training.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis; and
- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

PERSONNEL

Disclosure with respect to remuneration of employees as per Section 197(12) of the Companies Act, 2013 and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2022 is appended as an Annexure to this Annual Report.

ANNUAL EVALUATION

In terms of the requirement of the Companies Act, 2013, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. The criteria of performance evaluation of Board, its Committees and Individual Directors was being adopted by the Board of Directors. For Independent Directors, evaluation is carried out based on the criteria viz. the considerations which led to the selection of the Director on the Board and the delivery against the same, contribution made to the Board /

Report of Board of Directors

Committees, attendance at the Board / Committee Meetings, impact on the performance of the Board / Committees, etc.

During the year, Board Evaluation cycle was completed by the Company, which included the Evaluation of the Board as a whole, Board Committees and Peer Evaluation of the Directors. The exercise was led by the Nomination and Remuneration Committee of the Company. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board, improving Board effectiveness, performance of Board Committees, Board knowledge sessions and time allocation for strategic issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. Board Members from different backgrounds bring diverse experiences that help the Board discussions to be rich and value adding. It was also noted that the Committees are functioning well and important issues are brought up and discussed in the Committees.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details relating to Loans, Guarantees and Investments are provided in the Notes to Financial Statements.

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered during the year were in the Ordinary Course of Business and on Arm’s Length basis. In terms of Section 134(3)(h) of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014, the details of contracts or arrangements entered into with Related Parties are provided in Form AOC-2 appended as an Annexure to this Annual Report.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of Companies Act, 2013 during the financial year 2021-22.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company does not have any website, thus it is not required to upload its Annual Return on the website and a copy of the Annual Return shall be filed with the Registrar.

DECLARATIONS AND CONFIRMATIONS

The Company has adequate internal financial control system in place with reference to the Financial Statements which operates effectively. According to the Directors of your Company, elements of risks that threaten the existence of your Company are very minimal. Hence, no separate Risk Management Policy is formulated.

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company’s operations in future.

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

The Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively issued by Institute of Company Secretaries of India.

SECRETARIAL AUDIT

Your Company had appointed M/s. S.N. Ananthasubramanian & Co., Company Secretaries (ICSI Unique Code: P1991MH040400), to carry out Secretarial Audit for the financial year 2021-22. A detailed report on the same is appended as an Annexure to this Annual Report. There has been no qualification, reservation or adverse remark given by Secretarial Auditors of the Company.

AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants (Firm’s Registration No: 101248W/W-100022) were re-appointed as Statutory Auditors of your Company for a second term of five consecutive years at the Annual General Meeting held on 12th July, 2019.

The Report given by the Auditors on the financial statements of the Company is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014.



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

The information required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is given below:

Conservation of energy

Your Company strives cautiously to conserve energy by adopting innovative measures to change to ecofriendly and cheaper fuels, reducing wastage and optimising consumption. Some of the specific measures undertaken are listed below:

- Technology upgradation to use in house generated biofuel in place of Furnace Oil;
- Stopped the coal usage inside the plant as part of Sustainability & replaced the same fuel with Biomass by upgrading our boiler;
- Putting upgraded technology in utilities area – energy efficient Motors, Vacuum Pumps;
- Installation of Variable Frequency Drives for power optimisation where loads are varying;
- Installation of energy efficient lighting on the shop floors and warehouses.
- Use of skylight in daytime on the shop floors;
- Installation of energy efficient pumps and heat recovery systems;
- Air compressor waste heat recovery and utilisation to heat boiler feed water;
- Signed multiple solar power purchase agreement with state electricity board to draw solar power.

Above key measures have delivered significant savings in power and fuel to your Company and the journey of your Company on the effective utilisation of energy conservation continues.

Mumbai, 25th April, 2022

Technology Absorption

Your Company receives support and guidance from Hindustan Unilever Limited, the Holding Company to drive functional excellence in supply management, IT, among others, which helps your Company in product improvement, cost reduction, product development / import substitution as also to remain competitive and further step-up its overall business performance. The Company continues to focus on consistent improvement in productivity and quality. Unilever is committed to ensuring that the support in terms of new products, innovations, technologies, and services is commensurate with the needs of your Company and enables it to win in the marketplace.

There was no expenditure incurred on Research and Development during the year under review.

The details of Foreign Exchange Earnings and Outgo are as follows:

Particulars	₹ lakhs	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Earnings	-	-
Outgo	22.98	12.53

SAFETY, HEALTH, ENVIRONMENT AND QUALITY

The Company is committed to excellence in safety, health, environment and quality management. It accords the highest priority to the health and safety of its employees, customers and other stakeholders as well as to the protection of the environment. The management of your Company is focused on continuous improvement in these areas which are fundamental to the sustainable growth of the Company.

ACKNOWLEDGEMENTS

The Directors take this opportunity to thank all the Stakeholders for their support and co-operation.

On behalf of the Board

Pushkaraj Shenai

Whole-time Director
DIN: 03518297

Asha Gopalakrishnan

Director and Chief Financial Officer
DIN: 08383915

Annexure to the Report of Board of Directors

Statement of Disclosure of remuneration under Section 197(12) of the Companies Act, 2013 and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Age	Qualification	Date of employment	Designation / Nature of duties	Remuneration Received		Experience (in years)	Last employment
					Gross (₹)	Net (₹)		
Mr. Pushkaraj Shenai	48	B. Arch, PGDBM	16.10.2012	Whole-time Director	454,77,200	276,90,629	24	Piramal Enterprises Limited

- Remuneration received Gross includes salary, allowances, commission, performance linked variable pay disbursed, taxable value of perquisites and the Company’s contribution to provident fund. Remuneration received Net includes Gross Remuneration less income tax, professional tax and employees contribution to provident fund.
- Remuneration excludes provision for / contributions to pension, gratuity and leave encashment, special awards, payments made in respect of earlier years including those pursuant to settlements during the year, payments made under voluntary retirement schemes and stock options granted. However, contributions to pension in respect of employees who have opted for contribution defined scheme has been included.
- Nature of employment is permanent for employees.
- Other terms and conditions as per the Company’s Rules.
- Employee is not related to any Director of the Company.
- None of the employees is covered under Rule 5(3)(viii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Section 197 of the Companies Act, 2013.

On behalf of the Board

Pushkaraj Shenai

Whole-time Director

DIN: 03518297

Asha Gopalakrishnan

Director and Chief Financial Officer

DIN: 08383915

Mumbai, 25th April, 2022

Annexure to the Report of Board of Directors

Annual Report on Corporate Social Responsibility

[Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time]

1. BRIEF OUTLINE OF THE COMPANY’S CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMMES PROPOSED TO BE UNDERTAKEN:

A belief that 'sustainable business drives superior performance' lies at the heart of our work at Lakme Lever Private Limited. We seek to deliver long-term sustainable growth while driving change on urgent issues like climate and nature, social inequality, and health and wellbeing. We need to bridge the divide to a fairer, more socially inclusive world. A world where we all live with, rather than at the expense of, nature and the environment.

Water Conservation Project:

During the year, your Company has contributed towards the Water Conservation Project of Hindustan Unilever Foundation (HUF), a not-for-profit Company that anchors water management related community development and sustainability initiatives of Hindustan Unilever Limited.

The Company operates the ‘Water for Public Good’ programme, with a specific focus on water conservation, building local community institutions to govern water resources and enhancing farm-based livelihoods through adoption of judicious water practices. HUF’s programmes currently reach over 10,000 villages* in 46 districts in 8 states and 2 union territories across India in partnership through 15 NGO partners and multiple co-funders. The Company also supports several knowledge initiatives in water conservation, governance and behaviour change.

By the end of financial year 2020-21, the cumulative and collective achievements through partnered programmes of the Company (independently assured) include:

- **Water Conservation:** Over 1.9 trillion litres of water potential created.
- **Crop Yield:** Additional agriculture production of over 1.3 million tonnes has been generated.
- **Livelihoods:** Over 60 million person-days of employment have been created though water conservation and increased agriculture production*.

2. COMPOSITION OF CSR COMMITTEE:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. V. Kannan	Independent Director	1	1
2	Mr. Nikhilesh Panchal	Independent Director	1	1
3	Mr. Pushkaraj Shenai	Whole-time Director	1	1
4	Mr. Yogesh Mishra	Non-Executive Director	1	1

3. Web-link of Website of the Company for Composition of CSR Committee, CSR Policy and CSR projects approved by the Board:

The Company does not have a website. Hence, this is not applicable to the Company.

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

Not Applicable

*The significant reach and livelihood impact are on account of HUF’s support to MGNREGS programme partnership in West Bengal with PRADAN, a reputed non-profit organisation. This programme reaches out to over 7,000 villages across 54 blocks in 6 districts.



Annexure to the Report of Board of Directors

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
Not Applicable			

6.	Average net profit of the Company as per section 135(5):	(in ₹) 3,45,47,096/-
7.	a) Two percent of average net profit of the Company as per section 135(5):	6,90,942/-
	b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year:	NIL
	c) Amount required to be set-off for the financial year, if any:	NIL
	d) Total CSR obligation for the financial year (7a + 7b – 7c):	6,90,942/-

8 (a) CSR amount spent or unspent for the financial year:

Total amount spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
7,50,000	NIL		NIL		

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

1	2	3	4	5		6	7	8	9	10	11
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency
				State	District						
Not Applicable											

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

1	2	3	4	5		6	7	8
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project		Amount spent in the current financial Year (in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency
				State	District			Name CSR registration Number
1	Water Conservation Projects	VII (iv)*	-	PAN India		7,50,000	No	Hindustan Unilever Foundation (HUF) CSR00001805
	TOTAL					7,50,000		

* 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]

- (d) Amount spent in Administrative Overheads: NIL
(e) Amount spent on Impact Assessment, if applicable: NIL
(f) Total amount spent for the financial year (8b + 8c + 8d + 8e): ₹7,50,000/-
(g) Excess amount for set off, if any:

Sr. No.	Particular	Amount (in ₹)
i	Two percent of average net profit of the company as per section 135(5)	6,90,942/-
ii	Total amount spent for the financial year	7,50,000/-
iii	Excess amount spent for the financial year [(ii)-(i)]	59,058/-
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

Sr. No.	Preceding Financial	Amount transferred to unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the Project Completed/ Ongoing
Not Applicable								

10. In case of creation or acquisition of Capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

On behalf of the Board

V. Kannan
Independent Director
DIN: 07031155

Pushkaraj Shenai
Whole-time Director
DIN: 03518297

Mumbai, 25th April, 2022

Annexure to the Report of Board of Directors

Particulars of contracts/arrangements with Related Parties

FORM 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: Not Applicable
- 2. Details of material contracts or arrangements or transactions at arm’s length basis:

₹ lakhs)			
Name of Related Party	Nature of relationship	Nature of contract*	Amount
Hindustan Unilever Limited	Holding Company	Income from job work contracts	14,717.77
		Display and Commission income	51.70
		Management fees	1,151.52
		Purchases of goods	718.33
		Reimbursement of expenses paid by holding company	1,742.69
		Royalty and technical know-how (Brand)	223.95
		Rent expense	54.50
		Expenses for use of common facilities	262.45
		Interest on inter corporate deposits	1,124.15
		Sale of Property, Plant and Equipment	9.26
		Purchases of Property, Plant and Equipment	506.46
		Reimbursement of expenses to holding company (received)	594.95

*All transactions are in the Ordinary Course of Business, at Arm’s Length basis and are of on-going nature. All transactions are placed before the Audit Committee of the Company. The terms of these transactions are governed by the respective agreements/terms of purchase.

On behalf of the Board

Pushkaraj Shenai

Whole-time Director

DIN: 03518297

Asha Gopalakrishnan

Director and Chief Financial Officer

DIN: 08383915

Mumbai, 25th April, 2022

Annexure to the Report of Board of Directors

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[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]

To,
The Members,
Lakme Lever Private Limited
CIN: U24247MH2008PTC188539
Unilever House, B D Sawant Marg,
Chakala, Andheri (East), Mumbai – 400099

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **Lakme Lever Private Limited** (hereinafter called ‘the Company’) for the Financial Year ended 31st March, 2022. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books and papers, minute 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, 2022 complied with 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.

We have examined the books and papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder – **Not applicable as Securities of the Company were not listed on any Stock Exchange during the period under review;**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder – **Not applicable as securities of the Company are held in physical form;**

- (iv) Foreign Exchange Management Act, 1999 and rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable as there was no reportable event during the period under review;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): – **Not applicable as Securities of the Company were not listed on any Stock Exchange during the period under review;**
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 15th August, 2021);
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (up to 9th June, 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June, 2021);

Annexure to the Report of Board of Directors

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August, 2021);
 - (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Management has identified and confirmed the following laws as being specifically applicable to the Company:
- (a) Contract Labour (Regulation and Abolition) Act, 1970;
 - (b) The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
 - (c) The Drugs & Cosmetics Act, 1940;
 - (d) Information Technology Act, 2000;
 - (e) Plastic Waste (Management and Handling) Rules, 2011;
 - (f) Apprentices Act, 1961 read with Apprenticeship Rules, 1992;
 - (g) Stamp Act I local and Central Acts for Salons;
 - (h) Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with the stock exchanges – Not applicable as securities of the Company were not listed on any Stock Exchange during the period under review.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors - Non-Executive Directors, Independent Directors and a Woman Director. There was no change in the composition of the Board of Directors that took place during the period under review.
- (ii) Adequate notice is given to all Directors to schedule Board and Committee 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 agenda items before the meeting and for meaningful participation at the meeting;
- (iii) All the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Whole-time Director and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

We further report that during the financial year under review, no events/ actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

For **S. N. ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 606/2019

Aparna Gadgil

Partner
ACS: 14713 | COP No.: 8430

Thane, 21st April, 2022 ICSI UDIN: A014713D000176721

ANNEXURE A TO SECRETARIAL AUDITORS' REPORT

To,
The Members,
Lakme Lever Private Limited
CIN: U24247MH2008PTC188539
Unilever House, B D Sawant Marg,
Chakala, Andheri (East),
Mumbai – 400099

Our Secretarial Audit Report for Financial Year ended 31st March 2022 of even date is to be read along with this letter.

MANAGEMENT'S RESPONSIBILITY

- 1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR'S RESPONSIBILITY

- 2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- 3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
- 4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

- 5. Wherever required, we have obtained reasonable assurance about whether the statements prepared, documents or records, in relation to Secretarial Audit, maintained by the Auditee, are free from misstatement.
- 6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
- 7. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **S. N. ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 606/2019

Aparna Gadgil

Partner
ACS: 14713 | COP No.: 8430
ICSI UDIN: A014713D000176721

Thane, 21st April, 2022



Independent Auditor’s Report

To the Members of
Lakme Lever Private Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS Opinion

We have audited the financial statements of Lakme Lever Private Limited (“the Company”), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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 financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act; and
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

Independent Auditor’s Report

3. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 19A to the financial statements;

(b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 39 to the financial statements;

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

(d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

• directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or

• provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:



• directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or

• provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement; and

(e) The Company has neither declared nor paid any dividend during the year.

4. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act, except in case of whole-time director where requisite approvals are taken in the general meeting. 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 **BSR & Co. LLP**
Chartered Accountants
Firm’s Registration No: 101248W/W-100022
- Aniruddha Godbole**
Partner
Membership No: 105149
ICAI UDIN: 22105149AHUCCW9188
- Mumbai, 25th April, 2022
- 136
-  Financial Statements
- 
- Annexure A
- To the Independent Auditor’s report on the financial statements of
Lakme Lever Private Limited for the year ended 31 March 2022
- (Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)
- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted unsecured loans to other parties, in respect of which the requisite information is as below. The Company has not granted any loans, secured or unsecured, to companies, firms or limited liability partnerships during the year.

(a) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of unsecured loans are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of unsecured loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
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Independent Auditor's Report

<p>(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of unsecured loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.</p> <p>(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party during the year.</p> <p>(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.</p> <p>(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Sections 185 and 186 of the Act. Accordingly, clause 3(iv) of the Order is not applicable to the Company.</p> <p>(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.</p> <p>(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the products manufactured and services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable to the Company.</p> <p>(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods and Services Tax.</p> <p>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 Goods and</p>	<p>Services Tax, Provident fund, Employees' State Insurance, Income-Tax, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.</p> <p>According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-Tax, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.</p> <p>(b) According to the information and explanations given to us, statutory dues relating to Sales Tax, Goods and Services Tax, Duty of Excise or Cess or other statutory dues which have not been deposited on account of any dispute are as per Annexure I to this Report.</p> <p>(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.</p> <p>(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.</p> <p>(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.</p> <p>(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.</p> <p>(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.</p> <p>(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31</p>	<p>March 2022. Accordingly, clause 3(ix)(e) is not applicable to the Company.</p> <p>(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable to the Company.</p> <p>(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.</p> <p>(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.</p> <p>(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.</p> <p>(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.</p> <p>(c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.</p> <p>(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.</p> <p>(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the</p>	<p>details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.</p> <p>(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.</p> <p>(b) We have considered the internal audit reports of the Company issued till date for the period under audit.</p> <p>(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.</p> <p>(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.</p> <p>(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.</p> <p>(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.</p> <p>(d) According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.</p> <p>(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.</p> <p>(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.</p> <p>(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions,</p>
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Independent Auditor’s Report

nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **BSR & Co. LLP**
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHUCCW9188

Mumbai, 25th April, 2022



ANNEXURE I

All amounts in ₹ lakhs					
Name of the Statute	Nature of dues	Amount Demanded	Amount Paid	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Central Sales Tax Act and Local Sales Tax Act	Sales tax	76.25	Nil	2017-18	Deputy commissioner GST
Central Sales Tax Act and Local Sales Tax Act	Sales tax	82.96	Nil	2013-14	Deputy commissioner GST
Central Sales Tax Act and Local Sales Tax Act	Sales tax	258.26	Nil	2012-13	Assistant /Deputy / Joint Commissioner (Adjudication)
Central Sales Tax Act and Local Sales Tax Act	Sales tax	15.61	Nil	2011-12	Assistant /Deputy / Joint Commissioner (Adjudication)
Central Sales Tax Act and Local Sales Tax Act	Sales tax	696.05	39.87	2015-16	Deputy commissioner GST
Central Sales Tax Act and Local Sales Tax Act	Sales tax	1,440.60	75.58	2014-15	Deputy commissioner GST
Central Sales Tax Act and Local Sales Tax Act	Sales tax	159.36	34.63	2016-17	Deputy commissioner GST
Income Tax Act, 1961	Income Tax	14.81	Nil	2010-12	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	113.51	Nil	2007-14	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	78.20	Nil	2014-15	Commissioner (Appeals)

Annexure B

To the Independent Auditor’s report on the financial statements of Lakme Lever Private Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Section 143(3)(i) of the Companies Act, 2013

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Lakme Lever Private Limited (“the Company”) as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

MANAGEMENT’S 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 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”).

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including

the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **BSR & Co. LLP**
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHUCCW9188

Mumbai, 25th April, 2022

Balance Sheet
as at 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	18,726.53	18,517.06
Capital work-in-progress	3	10,832.08	7,549.83
Goodwill	4	13,001.24	13,001.24
Financial assets			
Loans	5	410.42	350.01
Other financial assets	10	478.19	474.43
Deferred tax assets (net)	29C	701.51	480.25
Non-current tax assets (net)	29D	2,487.83	2,293.79
Other non-current assets	6	374.18	352.71
TOTAL NON-CURRENT ASSETS (A)		47,011.98	43,019.32
Current assets			
Inventories	7	1,283.63	1,192.64
Financial assets			
Trade receivables	8	4,361.17	2,073.94
Cash and cash equivalents	9	1,536.59	2,056.30
Loans	5	29.72	22.84
Other financial assets	10	89.67	209.61
Other current assets	11	1,053.82	943.80
TOTAL CURRENT ASSETS (B)		8,354.60	6,499.13
TOTAL ASSETS ((A) + (B))		55,366.58	49,518.45
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12A	3,590.76	3,590.76
Other equity	12B	17,255.98	15,776.66
TOTAL EQUITY (A)		20,846.74	19,367.42
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13	21,001.76	13,501.76
Lease Liabilities	14	2,868.04	2,747.88
Other financial liabilities	15	437.75	377.84
Non-current tax liabilities (net)	29D	19.81	19.81
TOTAL NON-CURRENT LIABILITIES (B)		24,327.36	16,647.29
Current liabilities			
Financial liabilities			
Borrowings	13	-	5,000.00
Lease Liabilities	14	856.99	732.67
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	16	214.69	71.40
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	5,661.89	4,795.40
Other financial liabilities	15	2,051.94	1,787.72
Other current liabilities	17	810.21	594.36
Provisions	18	596.76	522.19
TOTAL CURRENT LIABILITIES (C)		10,192.48	13,503.74
TOTAL EQUITY & LIABILITIES (A) + (B) + (C)		55,366.58	49,518.45
Basis of preparation, measurement and significant accounting policies	2		
Contingent liabilities and other commitments	19		

The accompanying notes are an integral part of these financial statements 1 to 43

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole

Partner
Membership No: 105149

Mumbai, 25th April, 2022

For and on behalf of Board of Directors of Lakme Lever Private Limited

CIN : U24247MH2008PTC188539

Pushkaraj Shenai

Director
DIN: 03518297

Mumbai, 25th April, 2022

Asha Gopalakrishnan

Director and Chief
Financial Officer
DIN: 08383915

Swati Narayanan

Company Secretary
Membership No. ACS 48572



Statement of Profit and Loss
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
INCOME			
Revenue from operations	20	28,245.10	22,981.10
Other income	21	39.11	367.53
TOTAL INCOME		28,284.21	23,348.63
EXPENSES			
Cost of materials consumed	22	391.82	387.67
Purchases of stock-in-trade	23	3,157.78	2,115.49
Changes in inventories of finished goods (including stock-in-trade)	24	(106.21)	302.25
Employee benefits expense	25	7,386.57	7,436.54
Finance costs	26	1,383.88	1,420.72
Depreciation and amortisation expense	27	3,845.84	3,668.21
Other expenses	28A	9,799.73	8,253.02
TOTAL EXPENSES		25,859.41	23,583.90
Profit /(Loss) before exceptional items and tax		2,424.80	(235.27)
Exceptional items	28B	(873.45)	(1,158.52)
Profit / (Loss) before tax		1,551.35	(1,393.79)
Tax expenses			
Current tax	29A	(293.29)	(0.90)
Deferred tax credit /(charge)	29A	221.26	(546.41)
PROFIT / (LOSS) FOR THE YEAR (A)		1,479.32	(1,941.10)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR (A+B)		1,479.32	(1,941.10)
Earnings per equity share			
Basic and Diluted (Face value of ₹10 each)	30	4.12	(5.41)
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements 1 to 43

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole

Partner
Membership No: 105149

Mumbai, 25th April, 2022

For and on behalf of Board of Directors of Lakme Lever Private Limited

CIN : U24247MH2008PTC188539

Pushkaraj Shenai

Director
DIN: 03518297

Mumbai, 25th April, 2022

Asha Gopalakrishnan

Director and Chief
Financial Officer
DIN: 08383915

Swati Narayanan

Company Secretary
Membership No. ACS 48572

Statement of Changes in Equity
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Balance as at the beginning of the year	3,590.76	3,590.76
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	3,590.76	3,590.76
Changes in equity share capital during the year	-	-
Balance as at the end of the year	3,590.76	3,590.76

B. OTHER EQUITY

	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
As at 31st March, 2020	21,749.82	531.56	(4,563.62)	17,717.76
Changes due to prior period error	-	-	-	-
Restated balance as at 1st April, 2020	21,749.82	531.56	(4,563.62)	17,717.76
Loss for the year	-	-	(1,941.10)	(1,941.10)
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive loss for the year	-	-	(1,941.10)	(1,941.10)
As at 31st March, 2021	21,749.82	531.56	(6,504.72)	15,776.66
Changes due to prior period error	-	-	-	-
Restated balance as at 1st April, 2021	21,749.82	531.56	(6,504.72)	15,776.66
Profit for the year	-	-	1,479.32	1,479.32
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Profit for the year	-	-	1,479.32	1,479.32
As at 31st March, 2022	21,749.82	531.56	(5,025.40)	17,255.98

Refer note 12B for nature and purpose of reserves

The accompanying notes are an integral part of these financial statements 1 to 43

As per our report of even date attached

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

For and on behalf of Board of Directors of Lakme Lever Private Limited
CIN : U24247MH2008PTC188539

Aniruddha Godbole
Partner
Membership No: 105149

Pushkaraj Shenai
Director
DIN: 03518297

Asha Gopalakrishnan
Director and Chief
Financial Officer
DIN: 08383915

Swati Narayanan
Company Secretary
Membership No. ACS 48572

Mumbai, 25th April, 2022

Mumbai, 25th April, 2022



Statement of Cash Flows
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	1,551.35	(1,393.79)
Adjustments for:		
Restructuring costs	-	1,158.52
(Write back) of provision for Property, Plant and Equipment	(85.98)	(62.35)
(Write back) / Provision for inventory	(46.20)	144.18
Unrealised foreign exchange differences	(1.64)	(25.48)
Provision for compensated absences	0.16	1.87
Depreciation and amortisation expenses	3,845.84	3,668.21
Loss on sale of property, plant and equipment	179.52	64.82
Other income	(39.11)	(367.53)
Interest expense	1,383.88	1,420.72
Allowance for expected credit loss	60.30	157.74
(Write back) / Provision for doubtful receivables	(7.41)	1.73
Bad debts written off	-	40.43
Cash Generated from Operations before working capital changes	6,840.71	4,809.07
Adjustments for:		
(Increase)/decrease in Non-Current Assets	(75.17)	6.17
(Increase)/decrease in Current Assets	(2,347.53)	(46.06)
(Increase)/decrease in inventories	(44.79)	135.95
Increase in Non-Current Liabilities	615.96	46.90
Increase in Current Liabilities	1,011.42	673.57
	(840.11)	816.53
Cash generated from operations	6,000.60	5,625.60
Taxes (paid) / refunds	(487.34)	1,362.25
Net cash flows generated from operating activities - [A]	5,513.26	6,987.85
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(6,336.65)	(4,164.36)
Sale proceeds of property, plant and equipment	0.53	138.03
Interest received	39.11	39.04
Net cash flows used in investing activities - [B]	(6,297.01)	(3,987.29)

Statement of Cash Flows
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(1,086.30)	(1,145.60)
Inter corporate deposit received	3,800.00	3,500.00
Inter corporate deposit repaid	(1,300.00)	(3,500.00)
Interest payment on leases	(259.73)	(278.01)
Principal repayment of leases	(889.93)	(851.55)
Net cash flows generated / (used in) financing activities - [C]	264.04	(2,275.16)
Net (decrease)/increase in cash and cash equivalents - [A+B+C]	(519.71)	725.40
Add: Cash and cash equivalents at the beginning of the year	2,056.30	1,330.90
Cash and cash equivalents at the end of the year (Refer note no 9)	1,536.59	2,056.30

Note:

In addition to the above, there are no non cash movements for liabilities arising from financing activities except interest accrued.

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes are an integral part of these financial statements 1 to 43

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of Board of Directors of Lakme Lever Private Limited

CIN : U24247MH2008PTC188539

Aniruddha Godbole

Partner

Membership No: 105149

Pushkaraj Shenai

Director

DIN: 03518297

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Financial Officer

DIN: 08383915

Swati Narayanan

Company Secretary

Membership No. ACS 48572

Mumbai, 25th April, 2022

Mumbai, 25th April, 2022



Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 1 COMPANY INFORMATION

Lakme Lever Private Limited (the 'Company') is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) domiciled in India with its registered office located at Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099. The Company (bearing CIN number U24247MH2008PTC188539) was incorporated on 1st December, 2008 with its main objective to provide beauty services in the area of skin and hair through own beauty salons and franchisees, to deal in and promote health, beauty and personal care products and to operate and manage institutes and training centers in the field of beauty and wellness services. The Company also engages into job work business for HUL to convert raw materials and packing materials into semi-finished and finished goods.

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND MEASUREMENT

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;
- c. Expected to be realised within twelve months after the reporting period; or

- d. 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 treated as current when:

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

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian National Rupee (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Statement of Profit and Loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the statement of profit and loss.

The expenses in Statement of Profit and Loss are net of reimbursements (individually not material) received from Group Companies.

The Company has decided to round off the figures to the nearest lakhs. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0.00" in the relevant notes to these financial statements.

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 25th April, 2022.

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Basis of measurement

These financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities that are measured at fair value.

The accounting policies adopted are the same as those which were applied for the previous financial year. The Company has adopted amendments to Schedule III as specified under note 2.3 below.

2.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- a. Measurement of defined benefit obligations – Note 35
- b. Measurement and likelihood of occurrence of provisions and contingencies - Notes 18 and 19
- c. Recognition of deferred tax assets –Note 29
- d. Impairment of Goodwill - Note 4
- e. Measurement of Right of Use Asset and Lease liabilities – Note 3 and Note 14

2.3 AMENDMENTS TO SCHEDULE III OF COMPANIES ACT, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial

statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021 and applied to the Financial Statements:

- a. Lease liabilities to be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- b. Certain additional disclosures in the Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- c. Additional disclosure for shareholding of promoters.
- d. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.
- e. Specific disclosure such as loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.
- f. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

2.4 RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

- a. Ind AS 109: Annual Improvements to Ind AS (2021)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial Statements.

2.5 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in preparation of the financial statements have been included in the relevant notes to the Financial Statements.



(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

	As at 31st March, 2022	As at 31st March, 2021
Owned Assets	15,635.28	15,587.99
Leased Assets	3,091.25	2,929.07
Total Property, plant and equipment	18,726.53	18,517.06
Total Capital work-in-progress	10,832.08	7,549.83

A Owned Assets

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date. When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as “Capital work-in-progress”.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under “Other Non-Current Assets”.

Depreciation is calculated on pro rata basis on straight-line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. The useful life is as follows:

Asset	Useful life
Factory Building	60 years
Leasehold improvement*	Over the lease term
Plant and equipment*	3-21 years
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years

*In case of certain class of assets, the company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management’s best judgement of economic benefits from those classes of assets. The exception are as under:

- a) Plant and equipment is depreciated over 3 to 21 years based on the technical evaluation of useful life done by the management.
- b) Leasehold improvements are depreciated over the lease term.
- c) Assets costing ₹5,000 or less are fully depreciated in the year of purchase.
- d) Accelerated Depreciation is charged in case of assets forming part of a restructuring project basis planned remaining useful life of assets.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes

to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Freehold land	Buildings	Leasehold Improvement	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computers	Total
Gross Block								
Opening balance as at 1st April, 2020	112.15	6,080.29	1,206.87	19,714.92	437.80	554.80	14.78	28,121.61
Additions		788.09	31.32	865.39	9.52	11.83	-	1,706.15
Disposals/ Adjustments	-	(425.82)	(88.58)	(383.18)	(47.82)	(71.07)	-	(1,016.47)
Opening balance as at 1st April, 2021	112.15	6,442.56	1,149.61	20,197.13	399.50	495.56	14.78	28,811.29
Additions	-	128.51	6.10	2,669.25	18.17	93.39	44.12	2,959.54
Disposals/ Adjustments	-	(0.26)	(4.83)	(567.86)	(35.40)	(75.94)	-	(684.29)
Balance as at 31st March, 2022	112.15	6,570.81	1,150.88	22,298.52	382.27	513.01	58.90	31,086.54
Accumulated Depreciation								
Opening balance as at 1st April, 2020	-	1,068.34	696.45	8,522.94	267.75	333.94	14.78	10,904.20
Additions	-	251.93	135.95	2,462.94	45.09	60.42	-	2,956.33
Disposals/ Adjustments	-	(195.12)	(61.54)	(284.90)	(35.77)	(59.90)	-	(637.23)
Opening balance as at 1st April, 2021	-	1,125.15	770.86	10,700.98	277.07	334.46	14.78	13,223.30
Additions	-	253.89	111.16	2,352.99	39.85	52.86	7.42	2,818.17
Disposals/ Adjustments	-	(0.21)	(1.02)	(492.18)	(32.91)	(63.89)	-	(590.21)
Balance as at 31st March, 2022	-	1,378.83	881.00	12,561.79	284.01	323.43	22.20	15,451.26
Net Block								
Balance as at 31st March, 2021	112.15	5,317.41	378.75	9,496.15	122.43	161.10	-	15,587.99
Balance as at 31st March, 2022	112.15	5,191.98	269.88	9,736.73	98.26	189.58	36.70	15,635.28

Notes:-

- (a) The addition in accumulated depreciation includes accelerated depreciation which has been charged to exceptional items under a restructuring project amounting to ₹ Nil (31st March, 2021 ₹276.73 lakhs) (refer note 28B for more details).
- (b) The Company has not revalued any of its property, plant and equipment.

B Leased Assets

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Equipment. The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

The right-of-use asset is a lessee's right to use an asset over the life of a lease. At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a



(All amounts in ₹ lakhs, unless otherwise stated)

term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease Liability and Right-of-Use Asset have been separately presented in the Balance Sheet and lease payments have been classified as part of financing activity in the Cash Flow Statement.

	Land and Buildings	Plant and Equipment	Total
Gross Block			
Opening balance as at 1st April, 2020	3,644.30	199.22	3,843.52
Additions	864.66	206.09	1,070.75
Deletions	(191.38)	(255.78)	(447.16)
Opening balance as at 1st April, 2021	4,317.58	149.53	4,467.11
Additions	1,143.92	70.87	1,214.79
Deletions	(699.32)	(56.87)	(756.19)
Balance as at 31st March, 2022	4,762.18	163.53	4,925.71
Accumulated Depreciation			
Opening balance as at 1st April, 2020	815.69	122.14	937.83
Additions	852.87	136.58	989.45
Deductions	(133.48)	(255.76)	(389.24)
Opening balance as at 1st April, 2021	1,535.08	2.96	1,538.04
Additions	913.86	113.81	1,027.67
Deductions	(674.38)	(56.87)	(731.25)
Balance as at 31st March, 2022	1,774.56	59.90	1,834.46
Net Block			
Balance as at 31st March, 2021	2,782.50	146.57	2,929.07
Balance as at 31st March, 2022	2,987.62	103.63	3,091.25

Notes

- (a) The Company incurred ₹314.36 lakhs for the year ended 31st March, 2022 (31st March, 2021: ₹157.51 lakhs) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹1,464.02 lakhs for the year ended 31st March, 2022 (31st March, 2021: ₹1,287.07 lakhs), including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹259.73 lakhs for the year ended 31'st March 2022 (31st March, 2021: ₹278.01 lakhs).
- (b) The Company's leases mainly comprise land and buildings and Plant and equipment. The Company leases land and buildings for Salons. The Company also has leases for plant & equipment for the Job work business.
- (c) Lease Commitments & Lease liabilities : Refer note 19B(i) and Note 14 respectively.
- (d) The Company has not revalued any of its Right of Use assets.

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

C CAPITAL WORK-IN-PROGRESS

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Temporarily suspended projects do not include those projects where temporary suspension is a necessary part of the process of getting an asset ready for its intended use.

Ageing of Capital work in progress as at 31 March, 2022

	Amount in CWIP for a period of				TOTAL
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	5,302.25	531.43	81.05	-	5,914.73
Projects temporarily suspended	618.72	1,019.61	3,267.40	11.62	4,917.35
TOTAL	5,920.97	1,551.04	3,348.45	11.62	10,832.08

	Amount
Projects which have exceeded their original timeline	4,581.07
Projects which have exceeded their original budget	-

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2022

	To be Completed in				TOTAL
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Under Progress (A)	574.03	-	-	-	574.03
Project at Gandhidham Factory	266.06	-	-	-	266.06
Others*	307.97	-	-	-	307.97
Temporarily Suspended (B)	4,007.04	-	-	-	4,007.04
Project at Gandhidham Factory	3,991.07	-	-	-	3,991.07
Others*	15.97	-	-	-	15.97
Total (A+B)	4,581.07	-	-	-	4,581.07

*Others comprise of various projects with immaterial values.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2022

There are no projects which have exceeded their original budget as at 31st March, 2022.

Ageing of Capital work in progress as at 31 March, 2021

	To be Completed in				TOTAL
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	2,491.29	4,375.29	60.86	-	6,927.44
Projects temporarily suspended	157.05	242.71	98.87	123.76	622.39
TOTAL	2,648.34	4,618.00	159.73	123.76	7,549.83

	Amount
Projects which have exceeded their original timeline	7,193.92
Projects which have exceeded their original budget	-



(All amounts in ₹ lakhs, unless otherwise stated)

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2021

	To be Completed in				TOTAL
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Under Progress (A)	-	6,726.38	-	-	6,726.38
Project at Gandhidham Factory	-	6,726.02	-	-	6,726.02
Others*	-	0.36	-	-	0.36
Temporarily Suspended (B)	-	467.54	-	-	467.54
Project at Gandhidham Factory	-	467.54	-	-	467.54
Others*	-	-	-	-	-
Total (A+B)	-	7,193.92	-	-	7,193.92

*Others comprise of various projects with immaterial values.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2021

There are no projects which have exceeded their original budget as at 31st March, 2021.

For contractual commitment with respect to property, plant and equipment refer Note 19.B(ii).

NOTE 4 GOODWILL

Goodwill arising on acquisition is measured at carrying value. Goodwill is not amortised but tested for impairment annually.

	Goodwill	Total
Gross Block		
Opening balance as at 1st April, 2020	13,001.24	13,001.24
Additions	-	-
Disposals/ Adjustments	-	-
Opening balance as at 1st April, 2021	13,001.24	13,001.24
Additions	-	-
Disposals/ Adjustments	-	-
Balance as at 31st March, 2022	13,001.24	13,001.24
Accumulated Amortisation		
Opening balance as at 1st April, 2020	-	-
Additions	-	-
Disposals	-	-
Opening balance as at 1st April, 2021	-	-
Additions	-	-
Disposals/ Adjustments	-	-
Balance as at 31st March, 2022	-	-
Net Block		
Balance as at 31st March, 2021	13,001.24	13,001.24
Balance as at 31st March, 2022	13,001.24	13,001.24

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

IMPAIRMENT CHARGES

“Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite life intangible assets are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company’s cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss.”

SIGNIFICANT CASH GENERATING UNITS (CGUs)

The goodwill acquired through business combinations has been entirely allocated to job working unit. (The carrying amount of goodwill as at 31st March, 2022 is ₹13,001.24 lakhs).

Following key assumptions were considered while performing Impairment testing:

	As at 31st March, 2022
Average Annual growth rate for five years	12.0%
Terminal growth rate	5.0%
Weighted Average Cost of Capital % (WACC) post tax (Discount rate)	10.1%
Average segmental margins	9.0%

The projections cover a period of five years, as the Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and on the Company’s five-year strategic plan.

Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Company) + Cost of Debt + Business Risk Premium.

The Company has performed sensitivity analysis around the base assumptions and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of CGU to exceed its recoverable amount.



(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 5 LOANS
(Unsecured, considered good unless otherwise stated)

Refer Note 31 for accounting policy on Loans

	As at 31st March, 2022	As at 31st March, 2021
NON-CURRENT		
Loan to employees	410.42	350.01
Total (A)	410.42	350.01
CURRENT		
Loan to employees	29.72	22.84
Total (B)	29.72	22.84
Total (A+B)	440.14	372.85
Sub-classification of loans:		
Loans Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	440.14	372.85
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables credit impaired	-	-
Balance as at the end of the year	440.14	372.85

Refer Note 32 for information about credit risk and market risk of loans.

There are no loans or advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

- (a) repayable on demand; or
- (b) without specifying any terms or period of repayment

NOTE 6 OTHER NON-CURRENT ASSETS

	As at 31st March, 2022	As at 31st March, 2021
Capital advances	18.82	18.82
Deferred lease rent	46.23	53.93
Balances with Government authorities (sales tax, customs, etc.)	309.13	279.96
	374.18	352.71

The Company has not given any advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 7 INVENTORIES

Inventories are valued at lower of cost and net realisable value. Cost is computed on a weighted average basis.

Cost of stores and spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods include all costs of purchases and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

	As at 31st March, 2022	As at 31st March, 2021
Stock-in-trade [includes in transit: ₹88.47 lakhs, (31st March, 2021: ₹45.42 lakhs)]	928.68	822.47
Stores and spares	354.95	370.17
	1,283.63	1,192.64

- (a) During FY 2021-22 an amount of ₹ Nil (31st March, 2021: ₹144.18 lakhs) was charged to the Statement of Profit and Loss on account of damage and slow moving inventory. The reversal on account of above during the year amounted to ₹46.2 lakhs (31st March, 2021: ₹ Nil).

NOTE 8 TRADE RECEIVABLES

(Unsecured unless otherwise stated)

Refer Note 31 for accounting policy on Trade Receivables

	As at 31st March, 2022	As at 31st March, 2021
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured	4,617.65	2,295.26
Less: Allowance for expected credit loss (Refer (a) below)	(256.48)	(221.32)
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	131.52	106.38
Less: Allowance for credit impairment (Refer (a) below)	(131.52)	(106.38)
Balance as at the end of the year	4,361.17	2,073.94
(a) The movement in allowance for credit impairment is as follows:		
Balance as at beginning of the year	327.70	169.97
Add: Change in allowance for expected credit loss during the year	60.30	157.73
Less: Trade receivables written off during the year	-	-
Balance as at the end of the year	388.00	327.70

There are no trade receivables which has significant increase in credit risk as at 31st March, 2022 and 31st March 2021.

Refer Note 32 for information about credit risk and market risk of trade receivables.



(All amounts in ₹ lakhs, unless otherwise stated)

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2022
is as follows:

	Unbilled/ Not due	Outstanding for following periods from due date of payment					TOTAL
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered good	4,331.63	88.73	10.49	45.24	58.83	82.71	4,617.63
Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	3.90	19.22	2.08	0.75	-	-	25.95
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit impaired	4.61	20.93	17.78	13.79	21.42	27.06	105.59
TOTAL (A)	4,340.14	128.88	30.35	59.78	80.25	109.77	4,749.17
Allowance for Expected Credit Loss							256.48
Allowance for Credit Impairment							131.52
TOTAL (B)							388.00
TOTAL (A-B)							4,361.17

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2021
is as follows:

	Unbilled/ Not due	Outstanding for following periods from due date of payment					TOTAL
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered good	696.62	1,385.63	46.87	48.71	40.44	76.99	2,295.26
Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	4.18	11.79	1.73	0.48	-	-	18.18
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit impaired	3.06	38.95	31.83	14.09	0.27	-	88.20
TOTAL (A)	703.86	1,436.37	80.43	63.28	40.71	76.99	2,401.64
Allowance for Expected Credit Loss							221.32
Allowance for Credit Impairment							106.38
TOTAL (B)							327.70
TOTAL (A-B)							2,073.94

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

	As at 31st March, 2022	As at 31st March, 2021
Cash on hand	3.30	3.50
Balances with banks		
In current accounts	32.57	52.42
Term deposits with original maturity of less than three months	1,500.72	2,000.38
	1,536.59	2,056.30

NOTE 10 OTHER FINANCIAL ASSET
(Unsecured, considered good unless otherwise stated)

Refer Note 31 for accounting policy on Other Financial Asset

	As at 31st March, 2022	As at 31st March, 2021
NON-CURRENT		
Security deposits	488.19	489.72
Less: Allowance for credit impairment	(10.00)	(15.29)
	478.19	474.43
CURRENT		
Other receivables (includes receivables for sale of assets, employee advance etc.)	89.67	209.61
	89.67	209.61
Other financial assets considered good- Unsecured	567.86	684.04
Other financial assets- credit impaired	10.00	15.29
Less: Allowance for credit impairment	(10.00)	(15.29)
Balance as at the end of the year	567.86	684.04
The movement in provision for doubtful receivables is as follows:		
Balance as at beginning of the year	15.29	15.29
Provision for doubtful receivables during the year	-	-
Less: Receivables written off during the year	(5.29)	-
Balance as at the end of the year	10.00	15.29

Refer Note 32 for information about credit risk and market risk of other financial assets.



(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 11 OTHER CURRENT ASSETS
(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Balances with Government authorities (GST)	686.44	689.72
Other advances (includes prepaid expenses, advance to suppliers, etc.)	375.07	263.89
Less: Provision for doubtful receivables	(7.69)	(9.81)
	1,053.82	943.80
The movement in provision for doubtful receivables is as follows:		
Balance as at beginning of the year	(9.81)	(23.36)
Provision for doubtful receivables during the year	-	-
Reversal of provision for doubtful receivables during the year	2.12	13.55
Less: Receivables written off during the year	-	-
Balance as at the end of the year	(7.69)	(9.81)

There are no advances to directors or other officers of the company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

NOTE 12A EQUITY SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Authorised		
9,10,00,000 (31st March, 2021: 9,10,00,000) equity shares of ₹10 each	9,100.00	9,100.00
Issued, subscribed and fully paid up		
3,59,07,547 (31st March, 2021: 3,59,07,547) equity shares of ₹10 each	3,590.76	3,590.76
	3,590.76	3,590.76

a) Reconciliation of the number of shares

	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
Balance as at the beginning of the year	3,59,07,547	3,590.76	3,59,07,547	3,590.76
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	3,59,07,547	3,590.76	3,59,07,547	3,590.76

b) Rights, preferences and restrictions attached to shares

Equity Shares : The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

c) Shares held by Holding Company and nominees of Holding Company in aggregate

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares of ₹10 :		
3,59,07,547 (31st March, 2021: 3,59,07,547) Equity Shares of ₹10 each are held by Hindustan Unilever Limited, the Holding Company and its nominees	3,590.76	3,590.76

d) DETAILS OF EQUITY SHARES HELD BY SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY

	As at 31st March, 2022	As at 31st March, 2021
Number of shares of ₹10 each held by:		
Hindustan Unilever Limited, the Holding Company and its nominees	3,59,07,547	3,59,07,547
% of Holding	100%	100%

e) Details of shareholdings by the Promoter's of the Company

S. no	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its Nominees	3,59,07,547	100%	3,59,07,547	100%	-
TOTAL		3,59,07,547	100%	3,59,07,547	100%	-

S. no	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its Nominees	3,59,07,547	100%	3,59,07,547	100%	-
TOTAL		3,59,07,547	100%	3,59,07,547	100%	-



(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 12B OTHER EQUITY

A. Nature and purpose of reserves

(a) **Securities Premium :** The amount received in excess of face value of the equity shares is recognised in Securities Premium.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	21,749.82	21,749.82
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	21,749.82	21,749.82

(b) **General Reserve:** General Reserves forming part of retained earnings are reserves that were created and utilised in accordance with the erstwhile Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013. General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit or loss.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	531.56	531.56
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	531.56	531.56

(c) **Retained Earnings:** Retained earnings are the profits/(losses) that the Company has earned/incurred till date, less any transfer to general reserve, dividends or other distributions paid to the shareholder.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	(6,504.72)	(4,563.62)
Add: Profit/ (loss) for the year	1,479.32	(1,941.10)
Add: Other comprehensive income for the year	-	-
Balance at the end of the year	(5,025.40)	(6,504.72)

B. Other Equity

	Securities Premium	General Reserve	Retained Earnings	Total
Opening balance as at 1st April, 2020	21,749.82	531.56	(4,563.62)	17,717.76
Profit for the year	-	-	(1,941.10)	(1,941.10)
Other comprehensive income for year	-	-	-	-
Opening balance as at 1st April, 2021	21,749.82	531.56	(6,504.72)	15,776.66
Profit for the year	-	-	1,479.32	1,479.32
Other comprehensive income for the year	-	-	-	-
As at 31st March, 2022	21,749.82	531.56	(5,025.40)	17,255.98

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 13 BORROWINGS

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. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Intercompany deposits	21,001.76	18,501.76
Less: Current maturities of long term debt	-	(5,000.00)
Total	21,001.76	13,501.76
Current		
Current maturities of long term debt	-	5,000.00
Total	-	5,000.00

Notes:

- The above are long term borrowings from Hindustan Unilever Limited, the Holding Company.
- This loan was used for working capital requirement of salon business and job work business. It is repayable over a period of 5 years and carries a range of interest rate between 5.93% to 5.99% p.a. in 2021-22 (2020-21 5.84% p.a.).

Refer note 32 for information about liquidity risk and market risk of long term borrowings.

NOTE 14 LEASE LIABILITIES

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

	As at 31st March, 2022	As at 31st March, 2021
NON-CURRENT		
Lease liabilities payable beyond 12 months	2,868.04	2,747.88
Total (A)	2,868.04	2,747.88
CURRENT		
Lease liabilities payable within 12 months	856.99	732.67
Total (B)	856.99	732.67
Total (A+B)	3,725.03	3,480.55



(All amounts in ₹ lakhs, unless otherwise stated)

The movement in Lease liabilities (Non-current and Current) is as follows:

	As at 31st March, 2022	As at 31st March, 2021
Balance as at beginning of the year	3,480.55	3,347.31
Add: Addition	1,215.00	1,008.00
Add: Accretion of interest	259.73	278.01
Less: Payments	1,230.25	1,152.77
Closing balance as at 31st March	3,725.03	3,480.55

NOTE 15 OTHER FINANCIAL LIABILITIES

Refer Note 31 for accounting policy on Other Financial Liabilities

	As at 31st March, 2022	As at 31st March, 2021
NON-CURRENT		
Security deposits*	344.08	284.17
Employee and ex-employee related liabilities	93.67	93.67
Total (A)	437.75	377.84

	As at 31st March, 2022	As at 31st March, 2021
CURRENT		
Salaries, Wages and bonus payable	1,183.93	1,182.78
Security deposits*	314.35	294.18
Interest accrued but not due on borrowings	290.51	252.66
Creditors for capital goods	263.15	58.10
Total (B)	2,051.94	1,787.72
Total (A+B)	2,489.69	2,165.56

Refer note 32 for information about liquidity risk and market risk of other financial liability.

* Security deposits accepted from franchisee for salon operations, repayable on termination of contract.

NOTE 16 TRADE PAYABLES

Refer Note 31 for accounting policy on Trade Payables

	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of micro enterprises and small enterprises (as per the intimation received from vendors)	214.69	71.40
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	5,661.89	4,795.40
	5,876.58	4,866.80

Refer note 32 for information about liquidity risk and market risk of trade payables.

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

	As at 31st March, 2022	As at 31st March, 2021
a (i) Principal amount remaining unpaid	214.69	71.40
(ii) Interest due thereon remaining unpaid	-	-
b. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	0.54	-
c. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d. Interest accrued and remaining unpaid	-	-
e. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Note: Identification of micro and small enterprises is basis intimation received from vendors

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022 is as follows:

	Not Due	Outstanding for following periods from due date of payment				TOTAL
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	214.69	-	-	-	-	214.69
Undisputed dues of creditors other than micro enterprises and small enterprises	4,837.28	809.34	15.27	-	-	5,661.89
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	5,051.97	809.34	15.27	-	-	5,876.58

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2021 is as follows:

	Not Due	Outstanding for following periods from due date of payment				TOTAL
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	52.40	19.01	-	-	-	71.41
Undisputed dues of creditors other than micro enterprises and small enterprises	4,388.10	368.29	30.67	8.33	-	4,795.39
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	4,440.50	387.30	30.67	8.33	-	4,866.80



(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 17 OTHER CURRENT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Statutory dues (including provident fund, tax deducted at source, etc.)	433.87	275.99
Others (advance for membership fees, prepaid cards, etc.)	376.34	318.37
	810.21	594.36

NOTE 18 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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

	As at 31st March, 2022	As at 31st March, 2021
CURRENT		
Provision for employee benefits		
Compensated absences	9.74	9.58
Other provisions (including legal and other indirect tax matters) -net [Refer (a) below]	587.02	512.61
	596.76	522.19

a) Movement in other provisions

	Indirect taxes	Legal and others	Total
Opening balance as at 1st April, 2020	-	-	-
Add: Provision/reclassified during the year	160.43	352.18	512.61
Less: Amount utilised/reversed during the year	-	-	-
Opening balance as at 1st April, 2021	160.43	352.18	512.61
Add: Provision/reclassified during the year	74.41	-	74.41
Less: Amount utilised/reversed during the year	-	-	-
Balance as at 31st March, 2022	234.84	352.18	587.02

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

The provisions for indirect taxes and legal matters comprises of numerous separate cases that arise in the ordinary course of business.

The Company does not expect any reimbursements in respect of the above provisions.

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 19 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A CONTINGENT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Claims against the Company not acknowledged as debts		
Income tax matters	206.52	206.52
Indirect tax and other matters	3,150.42	2,764.92
	3,356.94	2,971.44

- (i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/authorities.
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

B COMMITMENTS

i) Lease commitments

Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets, leases which are less than twelve months and variable leases.

	As at 31st March, 2022	As at 31st March, 2021
Not later than one year	208.80	184.45
Later than one year and not later than five years	654.15	574.87
Later than five years	233.81	-
	1,096.76	759.32

ii) Capital commitments

	As at 31st March, 2022	As at 31st March, 2021
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	1,308.15	783.10
	1,308.15	783.10



(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 20 REVENUE FROM OPERATIONS

Sale of products:

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at the contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Income from services:

- Income from own salon is recognised when services are rendered.
- Management fees and display income are recorded as per the term of the contract entered with the respective franchisee / parties.
- Revenue from services are measured at fair value of the consideration received or receivable, after deduction of any sort of discounts and any taxes or duties collected on behalf of the government such as goods and services tax.
- Revenue in respect of job work activities are recognised as revenue when control of the goods has been transferred to our customer and when there are no longer any unfulfilled obligations to the customer.

Others:

- Revenue from commission is recognised on delivery of products by agent to franchisee which is considered the appropriate point where the performance obligations in our contracts are satisfied
- Interest on investment is recognised on a time proportion basis taking into account the amounts invested and the rate of interest.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of products	4,078.87	2,945.05
Sale of services		
Income from own salons	3,576.62	2,350.31
Management fees	5,134.44	4,051.48
Income from job work contracts	14,717.77	13,203.04
Other operating revenue		
Display and Commission income	643.96	372.76
Others (including scrap sales, lease rentals etc.)	93.44	58.46
	28,245.10	22,981.10

(a) The reconciliation of contract price to revenue from operations is as below:

	Year ended 31st March, 2022	Year ended 31st March, 2021
Job work contracts		
Contract price	14,806.01	13,261.49
Less: Trade discounts, volume rebates, etc	-	-
Total	14,806.01	13,261.49
Salon		
Contract price	13,911.70	10,042.85
Less: Trade discounts, volume rebates, etc	(472.61)	(323.24)
Total	13,439.09	9,719.61
	28,245.10	22,981.10

Notes

to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 21 OTHER INCOME

Interest income is recognised using the effective interest rate (EIR) method.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest income		
Income tax refund	-	328.49
Others	39.11	39.04
	39.11	367.53

NOTE 22 COST OF MATERIALS CONSUMED

	Year ended 31st March, 2022	Year ended 31st March, 2021
Materials consumed	391.82	387.67
	391.82	387.67

NOTE 23 PURCHASES OF STOCK-IN-TRADE

	Year ended 31st March, 2022	Year ended 31st March, 2021
Purchases of traded goods	3,157.78	2,115.49
	3,157.78	2,115.49

NOTE 24 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening stocks		
Finished goods	822.47	1,124.72
Less: Closing stocks		
Finished goods	(928.68)	(822.47)
	(106.21)	302.25

NOTE 25 EMPLOYEE BENEFITS EXPENSE

Short Term Employee Benefits

Short term employee benefits including salaries and performance incentives, are charged to statement of profit and loss on an undiscounted, accrual basis during the period of employment.”

Defined contribution plans

Contributions to defined contribution schemes such as employees’ state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company’s provident fund contribution, in respect of certain employees, is made to a Government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.”



(All amounts in ₹ lakhs, unless otherwise stated)

Defined benefit plans

In respect of certain employees, provident fund contributions are made to a trust administered by the Holding Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation.

The Company also provides for retirement/post-retirement benefits in the form of gratuity, compensated absences (in respect of certain employees) and long term service awards. The Company’s Gratuity Fund Scheme is considered as defined benefit plans and the gratuity fund assets are being controlled by separate independent trust for entire Hindustan Unilever Limited and its subsidiaries including Lakme Lever Private Limited. The group’s liability is determined on the basis of an actuarial valuation using the projected unit credit method as at Balance Sheet date, made by independent actuaries.

As per Ind AS 19 Employee Benefits, in respect of group plans that share risks between various enterprises under common control, the net defined benefit cost is recognised in the separate financial statements of the group enterprise that is legally the sponsoring employer for the plan. Hence, the gratuity plan assets, liabilities towards gratuity, leave encashment and long term service awards are recognised in the books of the holding company for the group. Actuarial gains and losses in respect of the defined benefit plans are recognised in the Statement of Profit and Loss of the parent company in the year in which they arise.

Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring, are recognised in the Statement of Profit and Loss. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 Provisions, Contingent liabilities and Contingent Assets and involves the payment of termination benefits. Termination benefits which are an enhancement to post-employment benefits, are accounted as post-employment benefits.

If the termination benefits are not expected to be settled wholly before twelve months after the end of the annual reporting period, then they are accounted as long-term employee benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, wages and bonus	6,872.39	6,767.15
Contribution to provident fund and other funds [Refer Note - 34]	320.14	406.86
Staff welfare expenses	194.04	262.53
TOTAL	7,386.57	7,436.54

NOTE 26 FINANCE COSTS

	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on lease liability	259.73	278.01
Interest on inter corporate deposits	1,124.15	1,142.71
TOTAL	1,383.88	1,420.72

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 27 DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on property, plant and equipment (owned assets)*	2,818.18	2,679.60
Depreciation on property, plant and equipment (leased assets)	1,027.66	988.61
	3,845.84	3,668.21

*In addition to above, accelerated depreciation has been charged to exceptional items under a restructuring project amounting to ₹ Nil (2020-21 - 276.73 lakhs) (refer note 28B for more details).

NOTE 28A OTHER EXPENSES

Expenses are accounted on accrual basis.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Advertising and sales promotion	759.50	651.92
Consumption of stores & spares	148.96	243.39
EDP expenses	254.37	201.70
Expenses for use of common facilities	294.88	190.99
Expenses for shared services	736.67	1,040.00
Insurance	193.08	218.06
Packing freight and forwarding expenses	888.49	580.19
Power, fuel, light and water charges	2,531.09	2,365.10
Purchased services	1,032.43	659.23
Rent (Refer note 3B)	196.24	267.95
Repairs and maintenance	1,338.20	778.71
Royalty and technical know-how (Brand)	223.95	158.96
Travelling and motor car expenses	210.86	112.91
Payments to the auditors for:		
-Audit fees	8.50	8.50
-Tax audit fees	1.50	1.50
Miscellaneous expenditure**	981.01	773.91
	9,799.73	8,253.02

** Miscellaneous expenditure above includes:

(a) The details of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 is as follows:

	Year ended 31st March, 2022	Year ended 31st March, 2021
I. Amount required to be spent by the company during the year	6.91	24.23
II. Amount spent during the year on:		
i) Construction/ acquisition of any asset		
ii) For purposes other than (i) above	7.50	25.00
III. Shortfall at the end of the year	-	-
IV. Total of previous years shortfall	-	-
V. Reason for shortfall	Not Applicable	Not Applicable



(All amounts in ₹ lakhs, unless otherwise stated)

- VI. Social, economic and environmental issues such as water harvesting, health and hygiene awareness, women empowerment and enable the less privileged segments of the society to improve their livelihood by enhancing their means and capabilities to meet the emerging opportunities.
- VII. Above includes a contribution of ₹7.5 lakhs (2020-21: ₹25 lakhs) to a fellow subsidiary Hindustan Unilever Foundation which is a Section 8 registered Company under Companies Act, 2013.
- VIII. The Company does not wish to carry forward any excess amount spent during the year.
- IX. The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

NOTE 28B EXCEPTIONAL ITEMS

	Year ended 31st March, 2022	Year ended 31st March, 2021
Restructuring costs*	873.45	1,158.52

*Above restructuring costs includes accelerated depreciation amounting to ₹ Nil (2020-21 - ₹276.73 lakhs).

NOTE 29 INCOME TAXES

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in other income.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. A deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Notes

to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

A. COMPONENTS OF INCOME TAX EXPENSE

	Year ended 31st March, 2022	Year ended 31st March, 2021
I. Tax expense recognised in the Statement of Profit and Loss		
Current tax		
Current year	293.29	-
Adjustments related to previous years - (net)	-	0.90
Total (A)	293.29	0.90
Deferred tax		
Origination and reversal of temporary differences [includes MAT credit of 306.75 lakhs (31 March 2021: Nil)]	(221.26)	546.41
Total (B)	(221.26)	546.41
Total (A+B)	72.03	547.31
II. Tax expense recognised in Other Comprehensive Income	-	-
Total	-	-
III. Tax expense recognised in Equity	-	-
Total	-	-

B. RECONCILIATION OF EFFECTIVE TAX RATE

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

	Year ended 31st March, 2022	Year ended 31st March, 2021
Statutory income tax rate	29.12%	29.12%
Differences due to:		
Expenses not deductible for tax purposes	0.00%	-13.66%
Others*	-24.48%	-54.73%
Effective tax rate	4.64%	-39.27%

* Others include tax adjustments primarily on account of MAT credit.

C. MOVEMENT IN DEFERRED TAX ASSETS AND LIABILITIES

	As at 1st April, 2020	Credit/(charge) in the Statement of Profit and Loss	As at 31st March, 2021
Movements during the year ended 31st March, 2021			
Deferred tax assets/(liabilities)			
Provision for post retirement benefits and other employee benefits	(0.23)	-	(0.23)
Provision for doubtful debts and advances	56.30	46.44	102.74
Expenses allowable for tax purposes when paid	36.29	(6.27)	30.02
Property, Plant and Equipment	(532.24)	288.26	(243.98)
Tax Losses	1,011.88	(963.34)	48.54
MAT credit	325.94	-	325.94
Impact on Right of Use Asset and Lease liabilities	128.72	31.87	160.59
Other temporary differences	-	56.63	56.63
TOTAL	1,026.66	(546.41)	480.25



(All amounts in ₹ lakhs, unless otherwise stated)

	As at 1st April, 2021	Credit/(charge) in the Statement of Profit and Loss	As at 31st March, 2022
Movements during the year ended 31st March, 2022			
Deferred tax assets/(liabilities)			
Provision for post retirement benefits and other employee benefits	(0.23)	0.23	-
Provision for doubtful debts and advances	102.74	15.40	118.14
Expenses allowable for tax purposes when paid	30.02	0.05	30.07
Property, Plant and Equipment	(243.98)	(37.09)	(281.07)
Tax Losses	48.55	(48.54)	0.01
MAT credit	325.94	246.75	572.69
Impact on Right of Use Asset and Lease liabilities	160.59	22.79	183.38
Other temporary differences	56.64	21.67	78.31
TOTAL	480.25	221.26	701.51

D. TAX ASSETS AND LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Non- current tax assets (net)	2,487.83	2,293.79
Non- current tax liabilities (net)	19.81	19.81

E. DISCLOSURE IN RELATION TO UNDISCLOSED INCOME

During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

NOTE 30 EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Earnings per share has been computed as under:		
Profit/(Loss) For the year	1,479.32	(1,941.10)
Weighted average number of equity shares outstanding	3,59,07,547	3,59,07,547
Earnings per share (₹) basic and diluted (Face value of ₹10 per share)	4.12	(5.41)

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to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 31 FINANCIAL INSTRUMENTS

Financial assets:

Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.”

Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income (‘FVOCI’) or fair value through profit or loss (‘FVTPL’) till derecognition on the basis of (i) the company’s business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(i) Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(ii) Measured at fair value through other comprehensive income (FVOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to ‘other income’ in the Statement of Profit and Loss.”

(iii) Measured at fair value through profit or loss (FVTPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as ‘other income’ in the Statement of Profit and Loss.



(All amounts in ₹ lakhs, unless otherwise stated)

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as ‘other income’ in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as ‘other income’ in the Statement of Profit and Loss.

Derivative Financial Instruments:

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered and are subsequently re-measured at fair value. Any changes therein are recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Offsetting 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 them on a net basis or to realise the assets and settle the liabilities simultaneously.

Impairment of Financial Asset

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade receivables
- Financial assets measured at amortised cost (other than trade receivables)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.”

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

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 Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events and current conditions

Notes
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(All amounts in ₹ lakhs, unless otherwise stated)

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables. At each reporting date, the historically observed default rates are updated.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/ expense in the Statement of Profit and Loss under the head ‘Other expenses’.

Write - off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of Profit and Loss.



(All amounts in ₹ lakhs, unless otherwise stated)

A ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The carrying amounts and fair values of financial instruments by class are as follows:

	Note	Carrying value		Fair value	
		As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
FINANCIAL ASSETS					
Financial assets measured at fair value					
Fair Value of Derivatives	10	-	-	-	-
Financial assets measured at amortised cost					
Security deposits	5	488.19	489.72	-	-
Loan to employees	5	440.14	372.86	-	-
Other receivables	10	89.67	209.61	-	-
		1,018.00	1,072.19	-	-
FINANCIAL LIABILITIES					
Financial liabilities measured at fair value					
Fair Value of Derivatives	15				
Financial liabilities measured at amortised cost					
Borrowings	13	21,001.76	18,501.76	-	-
Security deposits	15	658.43	578.35	-	-
Other payables	15	553.67	310.77	-	-
Lease Liability	14	3,725.03	3,480.56	-	-
Employee liabilities	15	1,277.59	1,276.46	-	-
		27,216.48	24,147.90	-	-

The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents, trade receivables and trade payables because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

B INCOME, EXPENSES, GAINS OR LOSSES ON FINANCIAL INSTRUMENTS

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit and Loss are as follows:

	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
Financial assets measured at amortised cost			
Interest income	21	39.11	39.04
Change in allowance for expected credit loss and Bad debts written off	28A	60.30	198.16
Provision for doubtful receivables	28A	(7.41)	1.73
Financial liabilities measured at amortised cost			
Interest expense	26	1,383.88	1,420.72
Derivatives - foreign exchange forward contracts			
Fair value gain	28A	(1.82)	(71.19)

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

C FAIR VALUE HIERARCHY

The fair value of financial instruments as referred to in note (A) above have been classified into a three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

	Level 1	Level 2	Level 3	Total
As at 31st March, 2022				
Assets at fair value				
Fair Value of Derivatives	-	-	-	-
Liabilities at fair value				
Fair Value of Derivatives	-	-	-	-
As at 31st March, 2021				
Assets at fair value				
Fair Value of Derivatives	-	-	-	-
Liabilities at fair value				
Fair Value of Derivatives	-	-	-	-

There were no significant changes in the classification and no significant movements between the fair value hierarchy classifications of assets and liabilities during the year.

CALCULATION OF FAIR VALUES

The fair values of the financial assets and liabilities are defined as the price that would be received by selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2022.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

The fair values of the foreign exchange forward contracts classified as Level 2 has been determined using valuation techniques with market observable inputs. The model incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.”

Other financial assets and liabilities (fair values for disclosure purpose only)

- Cash and cash equivalents, trade receivables, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments, lease liabilities and employee liabilities) have fair values that approximate to their carrying amounts due to their short-term nature.
- Borrowings have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.



(All amounts in ₹ lakhs, unless otherwise stated)

SIGNIFICANT UNOBSERVABLE INPUTS USED IN LEVEL 2 FAIR VALUES

	Valuation techniques	Sensitivity of input to fair value measurement
Fair Value of Derivatives	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date.	As at 31st March 2022 : A 10% increase in prices of open trades would have led to gain of ₹ Nil in Statement of Profit and Loss. A 10% decrease in rates would have led to an equal but opposite effect.” <hr/> As at 31st March 2021 : A 10% increase in prices of open trades would have led to gain of ₹ Nil in Statement of Profit and Loss. A 10% decrease in rates would have led to an equal but opposite effect.

NOTE 32 FINANCIAL RISK MANAGEMENT

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’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 MANAGEMENT OF 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 to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintained a cautious funding strategy, throughout the year ended 31st March, 2022 and 31st March, 2021. Cash flow from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis. The Company also obtains inter-corporate deposits from the Holding Company on a need basis to manage its cash flows.

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 by the operating entities, 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 the balance if any is used to repay borrowings.

The following table shows the maturity analysis of the Company’s financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Carrying amount	Undiscounted Amount		
		< 1 year	>1 year	Total
AS AT 31ST MARCH, 2022				
Financial Assets				
Non-derivative assets				
Trade Receivables	4,361.17	4,361.17	-	4,361.17
Loans	440.14	29.72	410.42	440.14
Cash & Cash Equivalents	1,536.59	1,536.59	-	1,536.59
Other receivables	89.67	89.67	-	89.67
Derivative assets				
Fair Value of Derivatives	-	-	-	-
	6,427.57	6,017.15	410.42	6,427.57
Financial Liabilities				
Non-derivative liabilities				
Borrowings	21,001.76	-	22,051.85	22,051.85
Lease Liability	3,725.03	856.99	3,245.74	4,102.73
Trade payables	5,876.58	5,876.58	-	5,876.58
Security deposits	658.43	314.35	344.08	658.43
Employee liabilities	1,276.45	1,182.78	93.67	1,276.45
Other Payables	553.67	553.67	-	553.67
Derivative liabilities				
Fair Value of Derivatives	-	-	-	-
	33,091.92	8,784.37	25,735.34	34,519.71
AS AT 31ST MARCH, 2021				
Financial Assets				
Non-derivative assets				
Trade Receivables	2,073.94	2,073.94	-	2,073.94
Loans	847.29	22.84	824.45	847.29
Cash & Cash Equivalents	2,055.94	2,055.94	-	2,055.94
Other receivables	209.97	209.97	-	209.97
Derivative assets				
Fair Value of Derivatives	-	-	-	-
	5,187.14	4,362.69	824.45	5,187.14
Financial Liabilities				
Non-derivative liabilities				
Borrowings	18,501.76	5,000.00	13,501.76	18,501.76
Lease Liability	3,480.55	732.67	3,256.87	3,989.54
Trade payables	4,866.80	4,866.80	-	4,866.80
Security deposits	578.35	294.18	284.17	578.35
Employee liabilities	1,276.46	1,182.79	93.67	1,276.46
Other Payables	310.77	310.77	-	310.77
Derivative liabilities				
Fair Value of Derivatives	-	-	-	-
	29,014.69	12,387.21	17,136.47	29,523.68



(All amounts in ₹ lakhs, unless otherwise stated)

B MANAGEMENT OF MARKET RISK

The Company's size and operations result in it being exposed to the currency risk that arise from its use of financial instruments:

The above risk may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risk is explained below.

POTENTIAL IMPACT OF RISK	Valuation techniques	Sensitivity of input to fair value measurement
CURRENCY RISK The Company is subject to the risk that changes in foreign currency values impact the Company's imports. As at 31st March, 2022, the net unhedged exposure to the Company on holding financial assets (trade receivables and Capital advances) and liabilities (trade payables and capital payables) other than in their functional currency amounted to ₹2.28 lakhs Receivable (31st March, 2021: ₹92.61 lakhs Receivable).	The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro. The aim of the Group's approach to management of currency risk is to leave the Company with no material residual risk. This aim has been achieved in all years presented. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.	As an estimation of the approximate impact of the residual risk, with respect to financial instruments, the Company has calculated the impact of 5% change in exchange rates. A 5% strengthening of the INR against key currencies to which the Company is exposed would have led to approximately an additional ₹0.11 lakhs loss in the Statement of Profit and Loss (2020-21: ₹4.63 lakhs loss). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.
Net (Receivable)/ Payable	As at 31st March, 2022	As at 31st March, 2021
NZD	13.27	12.92
GBP	10.03	10.16
NPR	1.89	-
USD	1.46	1.41
EUR	(28.93)	(117.10)
	(2.28)	(92.61)

C MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale or retail, their geographic location, the trade channel and existence of previous financial difficulties. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low and so trade receivables are considered to be a single class of financial assets.

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(All amounts in ₹ lakhs, unless otherwise stated)

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks and derivative financial instruments. The Company has concentrated its main activities with a limited number of counter-parties which have secure credit ratings, to reduce this risk. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Treasury department.

The Company's maximum exposure to credit risk as at 31st March, 2022 and 31st March, 2021 is the carrying value of each class of financial asset.

NOTE 33 CAPITAL MANAGEMENT

The Company considers the following components of its Balance Sheet to be managed capital:

- 1. Total equity – retained profit, share capital, share premium
- 2. Non-Current and Current maturities of Long term debt (Inter Corporate Deposits)

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 the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

NOTE 34 DEFINED CONTRIBUTION PLANS

Refer Note 25 for accounting policy on defined contribution plans

- (a) Provident fund and other funds
- (b) Employer's contribution to employee's state insurance
- (c) Pension fund

During the year, the Company has recognised the following amounts in Statement of Profit and loss under Employee benefits expense:

	Year ended 31st March, 2022	Year ended 31st March, 2021
Employer's contribution to provident fund and other funds	127.44	124.12
Employers' contribution to employee's state insurance	28.05	106.11
Employer's contribution to pension funds	164.65	176.63
	320.14	406.86

NOTE 35 DEFINED BENEFIT PLANS

Refer Note 25 for accounting policy on defined benefit plans

Gratuity assets are being controlled by separate independent Trusts for entire Hindustan Unilever Limited and its subsidiaries including Lakme Lever Private Limited. These trusts maintain their assets at the group level and do not have assets identifiable specifically for Lakme Lever Private limited. Thus, all the disclosures required by Ind AS 19 "Employee Benefits" have been made in Hindustan Unilever Limited's financial statements.

The Company has liabilities towards compensated absences of ₹9.74 lakhs (31st March, 2021 : ₹9.58 lakhs) determined on the basis of actuarial valuation. In addition to above, there are liabilities which are administered for entire group by Hindustan Unilever Limited and have been recognised in the books of the parent company.



(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 36 RELATED PARTY DISCLOSURES

A. Enterprises exercising control

- (i) Ultimate Holding Company : Unilever PLC
- (ii) Holding Company : Hindustan Unilever Limited

B. Key Management personnel

- Whole-Time Director : Pushkaraj Shenai

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as per Ind AS 24 Related Party Disclosures

	Year ended 31st March, 2022	Year ended 31st March, 2021
Holding Company :		
Income from job work contracts	14,717.77	13,203.04
Display and Commission income	51.70	37.68
Management fees	1,151.52	1,228.87
Purchases of goods	718.33	519.27
Reimbursement of expenses for holding company (received)	594.95	-
ETS cross charge	736.67	1,065.45
Reimbursement of expenses by holding company (paid)	1,742.69	2,055.55
Royalty and technical know-how (Brand)	223.95	158.96
Rent expense	54.50	50.40
Expenses for use of common facilities	262.45	190.99
Interest on inter corporate deposits	1,124.15	1,142.71
Sale of Property, Plant and Equipment	9.26	136.51
Purchases of Property, Plant and Equipment	506.46	24.93
Inter corporate deposit received	3,800.00	3,500.00
Inter corporate deposit repaid	1,300.00	3,500.00
Outstanding as at year end-		
Long term borrowing		
Inter corporate deposit payable	21,001.76	13,501.76
Other current financial liabilities		
Short term borrowings	-	5,000.00
Interest accrued on inter corporate deposit	290.51	252.66
Trade Receivables		
Receivables at year end	2,177.40	1,179.19
Trade Payables		
Payables at year end	911.56	265.29
Fellow Subsidiary of the Holding Company:		
Expenses for IT services	20.84	12.94
Recovery of expenses	25.97	9.83
Subsidiary of the Holding Company:		
Donations	7.50	25.00
Employees' Benefit Plans where there is significant influence		
Key Management Personnel		
Short-term employee benefits	458.82	191.96

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

C. Terms and conditions of transactions with related parties

Terms and conditions of transactions with related parties:

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash. Refer note 13 for terms and conditions of inter-corporate deposits taken from Holding Company.

There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 31st March, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 37 SEGMENT INFORMATION

Business Segments

The Company is mainly engaged in providing beauty care services through own salons and franchisees. Post merger with Aquagel Chemicals Private Limited, the Company operates an additional service segment of job work activities. Based on the information reviewed by the Company's Chief Operating Decision Maker ('CODM'), the operations of 'salon' business and 'job work contracts' have been considered to be different business segments, governed by different set of risks and returns.

	Year ended 31st March, 2022	Year ended 31st March, 2021
REVENUE		
Salon	13,424.67	9,719.61
Job work contracts	14,820.43	13,261.49
Total Revenue	28,245.10	22,981.10
RESULT		
Salon	669.54	(1,853.20)
Job work contracts	3,139.14	3,038.65
Total Result	3,808.68	1,185.45
Finance costs		
Salon	(479.27)	(585.60)
Job work contracts	(904.61)	(835.12)
Total Finance costs	(1,383.88)	(1,420.72)
Profit/(Loss) before tax and exceptional items	2,424.80	(235.27)
Exceptional items		
Salon	-	-
Job work contracts	(873.45)	(1,158.52)
Total Exceptional items	(873.45)	(1,158.52)
Profit/(Loss) before tax	1,551.35	(1,393.79)
Tax expenses	(72.03)	(547.31)
(Loss)/Profit after taxation	1,479.32	(1,941.10)

(All amounts in ₹ lakhs, unless otherwise stated)

OTHER INFORMATION

	Year ended 31st March, 2022		Year ended 31st March, 2021	
	Capital expenditure	Depreciation	Capital expenditure	Depreciation
Salon	1,130.14	1,044.64	1,149.60	1,027.78
Job work contracts	6,327.19	2,801.20	3,480.46	2,640.43
	7,457.33	3,845.84	4,630.06	3,668.21

Segment assets and liabilities are not provided because they are not reviewed by operating segment but are reviewed in aggregate by the CODM.

ADDITIONAL INFORMATION BY GEOGRAPHIES

The entire operation of the Company being domestic, it is considered to be operating in one geographical segment.

Revenue from major customers

The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

NOTE 38 ACCOUNTING RATIOS

Sr. No	Name of the Ratio	Numerator	Denominator	FY 22	FY 21	% variance	Reason for variance
1	Current Ratio (in times)	Current assets	Current liabilities	0.82	0.51	61%	Decrease in current liabilities led by movement of borrowings from current to non-current
2	Debt - Equity Ratio (in times)	Total debt	Equity	1.19	1.14	5%	
3	Debt Service coverage ratio (in times)	Earnings available for debt service	Total debt service	3.04	1.65	85%	Led by improvement in profitability in the FY 22
4	Return on equity (in %)	Net profit - preferred dividends	Average shareholder equity	7%	-10%	NA	Led by profitability in the FY 22
5	Inventory Turnover Ratio (in times)	Sales	Average inventory	15.18	12.12	25%	Higher inventory movement led by higher product sales in salon business
6	Trade receivables turnover ratio (in times)	Sales	Average accounts receivables	8.55	10.27	-17%	
7	Trade payables turnover ratio (in times)	Net purchases	Average trade payables	2.13	2.74	-22%	
8	Net capital turnover ratio (in times)	Net sales	Working Capital	(15.32)	(3.27)	368%	
9	Net profit ratio (in %)	Net profit	Net sales	0.05	(0.08)	-162%	Led by revenue improvement in the FY 22
10	Return on capital employed (in %)	Earning before Interest and Taxes	Capital employed	0.13	0.03	302%	Led by revenue improvement in the FY 22

Reason for variance of ratios with significant change (i.e. change of 25% or more as compared to the financial year 2020-21) have been explained.

Return on Investment is not applicable as the Company has not made any material investments during the current and previous year.

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Definitions:

- (a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (b) Debt service = Interest & Lease Payments + Principal Repayments
- (c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2
- (d) Net sales = Net sales consist of gross sales minus sales return
- (e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
- (f) Net purchases = Net purchases consist of gross purchases minus purchase return
- (g) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
- (h) Working capital = Current assets - Current liabilities.
- (i) Earning before interest and taxes = Profit before tax + Interest expense- Interest Income
- (j) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
- (k) Return on Investment
$$\frac{\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}}{\{MV(T0) + \text{Sum } [W(t) * C(t)]\}}$$
where,
T1 = End of time period
T0 = Beginning of time period
t = Specific date falling between T1 and T0
MV(T1) = Market Value at T1
MV(T0) = Market Value at T0
C(t) = Cash inflow, cash outflow on specific date
W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day ‘t’, calculated as $[T1 - t] / T1$

NOTE 39

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. At the year end, the Company has reviewed and there are no long term contracts for which there are any material foreseeable losses. The Company has ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on derivative contracts has been made in the books of accounts.

NOTE 40 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Company does not have any approved schemes of arrangements during the year.

NOTE 41 DISCLOSURE OF STRUCK OFF COMPANIES

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.



(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 42 NO TRANSACTIONS TO REPORT AGAINST THE FOLLOWING DISCLOSURE REQUIREMENTS AS NOTIFIED BY MCA PURSUANT TO AMENDED SCHEDULE III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
 - i. Wilful defaulter
 - ii. Utilisation of borrowed funds & share premium
 - iii. Borrowings obtained on the basis of security of current assets
 - iv. Discrepancy in utilisation of borrowings

NOTE 43 Previous period figures have been re-grouped / re-classified, to conform to current period’s classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April, 2021.

- (a) Lease liabilities separately disclosed (Note 14) under the head ‘Financial Liabilities’
- (b) Security deposits regrouped under ‘Other financial assets’ (Note 10) which were earlier part of ‘Loans’ (Note 5)
- (c) Current maturities of long term borrowings under ‘Borrowings’ (Note 13) which was earlier part of ‘Other Financial Liabilities’ (Note 15)

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai, 25th April, 2022

For and on behalf of Board of Directors of Lakme Lever Private Limited
CIN : U24247MH2008PTC188539

Pushkaraj Shenai
Director
DIN: 03518297

Mumbai, 25th April, 2022

Asha Gopalakrishnan
Director and Chief
Financial Officer
DIN: 08383915

Swati Narayanan
Company Secretary
Membership No. ACS 48572

Pond's Exports Limited

Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Asha Gopalakrishnan Ravishankar A. Shalini Sinha	M/s. B S R & Co. LLP, Chartered Accountants.	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099. CIN - U24246MH1981PLC261125

To the Members,

Your Directors are pleased to present the 41st Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2022.

FINANCIAL RESULTS

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue from operations	-	-
Profit/(Loss) before tax	269.05	(52.40)
Profit/(Loss) for the year	518.64	(52.40)
Profit & Loss Account balance brought forward from previous year	(1,442.87)	(1,390.47)
Profit & Loss Account balance carried forward	(924.23)	(1,442.87)

OPERATIONAL REVIEW

The Company is a subsidiary of Hindustan Unilever Limited (HUL) and was engaged in leather business and has discontinued operations.

DIVIDEND

The Directors did not recommend any dividend for the year under review.

TRANSFER TO RESERVES

During the year, the Company has not transferred any amount to General Reserve.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate or joint venture company.

THE BOARD OF DIRECTORS

The composition of the Board of your Company is in line with the applicable provisions of the Companies Act, 2013.

During the year, Mr. Amit Sood and Mr. Sanjiv Chatterji resigned as Directors of your Company with effect from 30th April, 2021 and 30th June, 2021 respectively. The Board placed on record, its sincere appreciation for the services rendered by Mr. Amit Sood and Mr. Sanjiv Chatterji during their tenures as Directors of the Company.

Further, Mr. Ravishankar A. and Ms. Shalini Sinha were appointed as Additional Directors on the Board of the Company with effect from 30th April, 2021 and 30th June, 2021 respectively to hold office up to the 40th Annual General Meeting of the Company. Based on the recommendation of the Board, the Shareholders of the Company approved the above mentioned appointments at the 40th Annual General Meeting of the Company held on 10th August, 2021.

In accordance with Article 108 of the Articles of Association of the Company and the Companies Act, 2013, one-third of the total Directors other than an Independent Director of the Company, shall retire by rotation at every Annual General Meeting and accordingly, Mr. Ravishankar A. shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's operations, policies and strategy apart from other Board business. The Board Meetings are pre-scheduled and a tentative calendar of each of the Board Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the Meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which was noted and confirmed at the subsequent Board Meeting.

The notice of Board Meeting is given well in advance to all the Directors. Usually, Meetings of the Board are held in Mumbai. The Agenda is circulated a week prior to the date of the Meeting. The Agenda for the Board Meetings include detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. During the year, in terms of various circulars issued by Ministry of Corporate Affairs because of COVID-19, all the Meetings were held through audio – video means.

During the financial year ended 31st March, 2022, four Board Meetings were held on 26th April, 2021, 14th July, 2021, 13th October, 2021 and 12th January, 2022. The interval between any two meetings was well within the maximum allowed gap of 120 days.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared annual accounts under the liquidation basis of accounting whereby all assets and liabilities are presented at their estimated net realisable/settlement amounts. Since the Company has decided to discontinue its business and is in the process of realising and setting its assets/liabilities, the assumption of going concern basis is no longer appropriate; and
- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

PERSONNEL

The Company had no employee during the year under review and hence, provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There have been no loans, guarantees or investments made by your Company under Section 186 of the Companies Act, 2013 during the financial year 2021-22.

RELATED PARTY TRANSACTIONS

All related party transactions entered during the year were in the ordinary course of business and on arm's length basis. In terms of Section 134(3)(h) of the Companies Act, 2013, the details of contracts or arrangements entered into with related parties are provided in Form AOC-2, appended as an Annexure to this Annual Report.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Companies Act, 2013 during the financial year 2021-22.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company does not have any website, thus it is not required to upload its Annual Return on the website and a copy of the Annual Return shall be filed with the Registrar.

SCHEME OF AMALGAMATION

The scheme of amalgamation was filed under the provisions of Sections 230 to 232 of the Companies Act, 2013 providing for amalgamation of Pond's Exports Limited (PEL) and Jamnagar Properties Private Limited (JPPL) into Unilever India Exports Limited (UIEL) on 3rd December, 2020 before the Hon'ble National Company Law Tribunal (NCLT), Mumbai. Further, the NCLT vide its order dated 5th May, 2021, dispensed with the meetings of Creditors and Shareholders of the Merger Entities. Subsequently, your Company along with UIEL and JPPL, filed the Company Petitions respectively, with the NCLT on 1st July, 2021. The Company Petitions were admitted by NCLT vide order dated 1st October, 2021. As on date, the matter is pending for further hearing at NCLT and the next date of hearing is scheduled on 28th June, 2022.

Report of Board of Directors

Except as mentioned above, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company’s operations in future.

DECLARATIONS AND CONFIRMATIONS

The Company has adequate internal financial control system in place with reference to the Financial Statements which operates effectively. According to the Directors of your Company, elements of risks that threaten the existence of your Company are very minimal. Hence, no separate risk management policy is formulated.

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

The Company had no employee during the year under review and hence, provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable to the Company.

There were no other material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

The Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively issued by Institute of Company Secretaries of India.

Mumbai, 21st April, 2022

AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants (Firm’s Registration No.: 101248W/W-100022) were re-appointed as Statutory Auditors of your Company for a second term of five consecutive years at the Annual General Meeting held on 28th June, 2019.

The Report given by the Auditors on the financial statements of the Company forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

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

The requirements under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 in so far as energy conservation and technology absorption are concerned, are not applicable to the Company.

ACKNOWLEDGEMENTS

The Directors take this opportunity to thank all the Stakeholders for their support and co-operation.

On behalf of the Board

Ravishankar A.
Director
DIN: 09136289

Asha Gopalakrishnan
Director
DIN: 08383915

Annexure to the Report of Board of Directors

Particulars of contracts/arrangements with Related Parties

FORM AOC-2

(Pursuant to Section 134(3)(h) 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: Not Applicable
- 2. Details of contracts or arrangements or transactions at arm’s length basis:

			(₹ lakhs)
Name of Related Party	Nature of Relationship	Nature of Contract*	Amount
Hindustan Unilever Limited	Holding Company	Reimbursement of expenses to holding company	17.52

* All transactions are in the Ordinary Course of Business, at Arm’s Length basis and are of on-going nature. All transactions are placed before the Board of Directors of the Company. The terms of these transactions are governed by the respective agreements/terms of purchase.

On behalf of the Board

Ravishankar A.
Director
DIN: 09136289

Asha Gopalakrishnan
Director
DIN: 08383915

Mumbai, 21st April, 2022

Independent Auditor’s Report

To the Members of Pond’s Exports Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Pond’s Exports Limited (“the Company”), which comprise the balance sheet as at 31st March, 2022, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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 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 relating to the liquidation basis of accounting, of the state of affairs of the Company as at 31st March, 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw attention to note 2.1(a) of the financial statements, which explains that since the Company has discontinued its business, the going concern assumption is not appropriate for the preparation of the financial statements of the Company as at and for the year ended 31st March, 2022. Accordingly, the financial statements of the Company have been prepared on a liquidation basis, i.e. assets are measured at lower of carrying amount and estimated net realisable values and liabilities are stated at their estimated settlement amounts in the financial statements.

Our opinion is not modified in respect of this matter.

Other Information (Continued)

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 financial statements and our auditors’ report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 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 relating to the liquidation basis of accounting, 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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. In the present case, the Board of Directors intends to merge the Company with a fellow subsidiary company.

The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in the preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor’s report to the related disclosures in the 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. In the present case, liquidation basis of accounting has been used since the management and Board of Directors have concluded that the use of going concern basis is not appropriate in the facts and circumstances as stated in note 2.1(a).

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;

Independent Auditor's Report

(d)	In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;	any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or
(e)	The matter that the financial statements have been prepared on a liquidation basis as described in the Emphasis of Matters paragraph above, in our opinion, has an adverse effect on the functioning of the Company (Also Refer Note 2.1(a) to the financial statements for discontinued business operations);	<ul style="list-style-type: none">• provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
(f)	On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act; and	(ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall: <ul style="list-style-type: none">• directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party; or• provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
(g)	With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".	(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement; and
3.	With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:	(e) The Company has neither declared nor paid any dividend during the year.
(a)	The Company has disclosed the impact of pending litigations as at 31st March, 2022 on its financial position in its financial statements - Refer Note 11 to the financial statements;	4. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
(b)	The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;	According to the information and explanations given to us and based on our examination of the records, there is no remuneration accrued/paid to the directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
(c)	There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;	
(d)	(i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall: <ul style="list-style-type: none">• directly or indirectly lend or invest in other persons or entities identified in	

Mumbai,
21st April, 2022

For BSR & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Aniruddha Godbole
Partner
Membership No. 105149
ICAI UDIN: 22105149AHNKYN3243

Annexure A

To the Independent Auditor's report on the financial statements of
Pond's Exports Limited for the year ended 31st March, 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i)	(a)	(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.	not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
		(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable to the Company.	
(b)		According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.	(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
(c)		According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements are held in the name of the Company.	(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable to the Company.
(d)		According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment during the year. The Company does not have any right of use assets or intangible assets.	(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.
(e)		According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.	(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products of the Company. Accordingly, clause 3(vi) of the Order is not applicable to the Company.
(ii)	(a)	According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any inventory since it has closed down the operations and hence clause 3(ii)(a) of the Order is not applicable to the Company.	(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1st July, 2017, these statutory dues has been subsumed into GST.
		(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any statutory due which are required to be deposited with the appropriate authorities. Accordingly, clause 3(vii)(a) of the Order is not applicable to the Company.
			(b) According to the information and explanations given to us, there are no statutory dues relating

Annexure A

- to Goods and Service Tax, Provident Fund, Employees State Insurance, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute. Statutory dues relating to Value Added Tax and Income-Tax which have not been deposited on account of any dispute are as per Annexure I to this Report.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or borrowings from any lender. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loans from any lender. Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company did not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31st March, 2022. Accordingly, clause 3(ix)(e) is not applicable to the Company.

(f) The Company did not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31st March, 2022. Accordingly, clause 3(ix)(f) is not applicable to the Company.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.

(xiii) The Company is not a listed public company or a company covered under rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and accordingly the requirements as stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) Based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Companies Act, 2013.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations provided to us during the course of audit, the Group (Group means companies in the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred cash losses in the current financial year. The Company has incurred cash losses of ₹100.85 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- (xix) We draw attention to note 2.1(a) of the financial statements which explains that the going concern assumption is no longer valid and these financial statements have been prepared on liquidation basis.

On the basis of the above and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- For BSR & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Aniruddha Godbole
Partner
Membership No. 105149
ICAI UDIN: 22105149AHNKYN3243

Mumbai,
21st April, 2022

Annexure A

To the Independent Auditor’s report on the financial statements of Pond’s Exports Limited for the year ended 31st March, 2022

Annexure I

All amounts in ₹ lakhs

Name of the Statute	Nature of dues	Amount Demanded	Amount Paid	Period to which the amount relates	Forum where dispute is pending
Tamil Nadu Value Added Tax Act, 2006	Sales Tax (Including interest and penalty, if applicable)	361.57	27.23	2007-08 to 2013- 14	Assistant/ Deputy/ Joint Commissioner (Adjudication)
Tamil Nadu Value Added Tax Act, 2006	Sales Tax (Including interest and penalty, if applicable)	55.63	NIL	2010-11 to 2017- 18	Assistant/Deputy/ Joint Commissioner (Adjudication)
Tamil Nadu Value Added Tax Act, 2006	Sales Tax (Including interest and penalty, if applicable)	6.44	6.44	2012-13	Assistant/ Deputy/ Joint Commissioner (Adjudication)
Income Tax Act, 1961	Income Tax (Including interest and penalty, if applicable)	13.61	NIL	2007-08 to 2017- 18	Assessing officer



Annexure B

To the Independent Auditor’s report on the financial statements of Pond’s Exports Limited for the year ended 31st March, 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Section 143(3)(i) of the Companies Act, 2013

(Referred to in paragraph 2(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Pond’s Exports Limited (“the Company”) as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

MANAGEMENT’S 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 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”).

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform

the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.

Annexure B

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Mumbai,
21st April, 2022

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

Aniruddha Godbole
Partner
Membership No. 105149
ICAI UDIN: 22105149AHNKYN3243

Balance Sheet
as at 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	47.69	50.53
Non-current tax assets (net)	19 C	-	2.90
Total – Non-current assets (A)		47.69	53.43
Current Assets			
Financial assets			
Cash and cash equivalents	4	477.67	102.61
Other financial assets	5	-	11.63
Other current assets	6	45.97	38.69
Total – Current assets (B)		523.64	152.93
TOTAL ASSETS (A) + (B)		571.33	206.36
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7 A	199.00	199.00
Other equity	7 B	(832.96)	(1,351.60)
Total – Equity (A)		(633.96)	(1,152.60)
Liabilities			
Non-current liabilities			
Provisions	8	1,138.38	1,090.44
Non-current tax liabilities (net)	19 C	0.08	199.55
Total – Non-current liabilities (B)		1,138.46	1,289.99
Current liabilities			
Financial liabilities			
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		-	0.27
Total outstanding dues of creditors other than micro enterprises and small enterprises		66.83	68.65
Other current liabilities	10	-	0.05
Total – Current liabilities (C)		66.83	68.97
TOTAL EQUITY AND LIABILITIES (A) + (B) + (C)		571.33	206.36
Basis of preparation, measurement and significant accounting policies	2		
Contingent Liabilities and Commitments	11,12		
The accompanying notes are an integral part of these financial statements	1 to 29		

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, 21st April, 2022

For and on behalf of Board of Directors of Pond’s Exports Limited
CIN: U24246MH1981PLC261125

Asha Gopalakrishnan
Director
DIN: 08383915

Mumbai, 21st April, 2022

Ravishankar A.
Director
DIN: 09136289

Statement of Profit & Loss
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
INCOME			
Other income	13	357.88	105.53
TOTAL INCOME		357.88	105.53
EXPENSES			
Employee benefits expense	14	47.94	53.94
Finance costs	15	0.10	28.70
Depreciation expense	16	2.83	2.83
Other expenses	17	37.96	72.46
TOTAL EXPENSES		88.83	157.93
Profit/(Loss) before tax		269.05	(52.40)
Tax expenses			
Tax adjustments of prior years (paid)/ refunded net		249.59	-
PROFIT/(LOSS) FOR THE YEAR (A)		518.64	(52.40)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR (A+B)		518.64	(52.40)
Earnings per equity share (In ₹)			
Basic and Diluted (Face value of ₹1 each)	18	2.61	(0.26)
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements 1 to 29

As per our report of even date attached

For B S R & Co. LLP

Firm’s Registration No. 101248W/W - 100022
Chartered Accountants

For and on behalf of Board of Directors of Pond’s Exports Limited

CIN: U24246MH1981PLC261125

Aniruddha Godbole

Partner
Membership No. 105149

Mumbai, 21st April, 2022

Asha Gopalakrishnan

Director
DIN: 08383915

Mumbai, 21st April, 2022

Ravishankar A.

Director
DIN: 09136289



Statement of Changes in Equity
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Balance as at the beginning of the year	199.00	199.00
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at the beginning of the year	199.00	199.00
Changes in equity share capital during the year	-	-
Balance as at the end of the year	199.00	199.00

B. OTHER EQUITY

	Reserves and Surplus			Total
	Capital Reserve	General Reserve	Retained Earnings	
As at 31st March, 2020	87.56	3.71	(1,390.47)	(1,299.20)
Changes due to prior period errors	-	-	-	-
Restated balance as at 1st April, 2020	87.56	3.71	(1,390.47)	(1,299.20)
Loss for the year	-	-	(52.40)	(52.40)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(52.40)	(52.40)
As at 31st March, 2021	87.56	3.71	(1,442.87)	(1,351.60)
Changes due to prior period errors	-	-	-	-
Restated balance as at 1st April, 2021	87.56	3.71	(1,442.87)	(1,351.60)
Profit for the year	-	-	518.64	518.64
Other comprehensive income for the year	-	-	-	-
As at 31st March, 2022	87.56	3.71	(924.23)	(832.96)
Refer Note 7B for nature and purpose of reserve				

The accompanying notes are an integral part of these financial statements 1 to 29

As per our report of even date attached

For B S R & Co. LLP

Firm’s Registration No. 101248W/W-100022
Chartered Accountants

Aniruddha Godbole

Partner
Membership No. 105149

Mumbai, 21st April, 2022

For and on behalf of Board of Directors of Pond’s Exports Limited

CIN: U24246MH1981PLC261125

Asha Gopalakrishnan

Director
DIN: 08383915

Mumbai, 21st April, 2022

Ravishankar A.

Director
DIN: 09136289

Statement of Cash flows
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31st March, 2022	Year ended 31st March, 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	269.05	(52.40)
Adjustments for:		
Depreciation expense	2.83	2.83
Interest income	(7.41)	(0.31)
Finance costs	0.10	28.70
Liabilities written back to the extent no longer required	-	(105.22)
Provisions reversed to the extent no longer required	(350.45)	-
	(354.93)	(74.00)
Cash flows generated from/(used) in operations before working capital changes	(85.88)	(126.40)
Adjustments for:		
Decrease in Current assets	354.81	20.97
Increase in Non-current liabilities	47.93	47.94
(Decrease)/Increase in Current liabilities	(2.14)	42.04
	400.60	110.95
Cash flows generated from/(used) in operations	314.72	(15.45)
Income taxes refunded – net	52.93	-
Net cash flows generated from/(used) in operating activities - [A]	367.65	(15.45)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	7.41	-
Net cash flows generated from investing activities – [B]	7.41	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flows generated from financing activities – [C]	-	-
Net increase/(decrease) in cash and cash equivalents – [A+B+C]	375.06	(15.45)
Add: Cash and cash equivalents at the beginning of the year	102.61	118.06
Cash and cash equivalents at the end of the year (Refer Note 4)	477.67	102.61

Note: The above Statement of cash flows has been prepared under the ‘Indirect Method’ as set out in the Ind AS 7, Statement of Cash Flows.

The accompanying notes are an integral part of these financial statements 1 to 29.

As per our report of even date attached

For B S R & Co. LLP

Firm’s Registration No. 101248W/W-100022
Chartered Accountants

Aniruddha Godbole

Partner
Membership No. 105149

Mumbai, 21st April, 2022

For and on behalf of Board of Directors of Pond’s Exports Limited

CIN: U24246MH1981PLC261125

Asha Gopalakrishnan

Director
DIN: 08383915

Mumbai, 21st April, 2022

Ravishankar A.

Director
DIN: 09136289



Notes to the financial statements
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 1: COMPANY INFORMATION

Pond’s Exports Limited (the ‘Company’) is a wholly owned subsidiary of Hindustan Unilever Limited (HUL), domiciled in India with its registered office located at Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099. The Company (bearing CIN number U24246MH1981PLC261125) was incorporated on May 26, 1981 and the Leather business was transferred from Hindustan Unilever Limited to this Company with effect from 1st April, 2002. Currently, the Company has closed down the existing operations and has filed for a scheme of amalgamation between the Company and a fellow subsidiary company - Unilever India Exports Limited. The Company is awaiting final approval from the National Company Law Tribunal (also refer to note 24).

NOTE 2: BASIS OF PREPARATION,
MEASUREMENT AND SIGNIFICANT
ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The Company has discontinued its business. All assets and liabilities are presented at their estimated net realisable/settlement amounts or carrying value whichever is lower. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature

of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;
- c. Expected to be realised within twelve months after the reporting period; or
- d. 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 treated as current when:

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

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian National Rupee (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the ‘functional currency’).

The Company has decided to round off the figures to the nearest lakhs. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as “0.00” in the relevant notes to these financial statements.

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 21st April, 2022.

Notes to the financial statements

for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Basis of measurement

These financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities that are measured at fair value. The accounting policies adopted are the same as those which were applied for the previous financial year.

2.2 Key Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Actual results may differ from these estimates. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement and likelihood of occurrence of provisions and contingencies – Notes 8 and 11.
- (b) Recognition of deferred tax assets – Note 19

Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, investments and other assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external sources of information. The Company has reviewed the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

2.3 Compliance with Amended Schedule III

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021 and applied to the Financial Statements. The key amendments are as follows:

- a) Additional disclosure for shareholding of promoters.
- b) Specific disclosure such as compliance with approved schemes of arrangements, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, relationship with struck off companies etc.

2.4 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

1. Ind AS 109: Annual Improvements to Ind AS (2021)
2. Ind AS 103: Reference to Conceptual Framework
3. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
4. Ind AS 16: Proceeds before intended use

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Standalone Financial Statements.

2.5 Significant Accounting Policies

- a) The significant accounting policies used in preparation of the financial statements have been included in the relevant notes to the financial statements



(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date. When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the standalone Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Depreciation is calculated on pro rata basis on straight-line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013 and with the exception of following:

- a) Plant and equipment is depreciated over 3 to 21 years based on the technical evaluation of useful life done by the management.
- b) Freehold land is not depreciated.
- c) Assets costing ₹5,000 or less are fully depreciated in the year of purchase.

Notes to the financial statements
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Total
Gross Block						
Opening balance as at 1st April, 2020	10.82	56.83	43.31	7.04	0.96	118.96
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Opening balance as at 1st April, 2021	10.82	56.83	43.31	7.04	0.96	118.96
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 31st March, 2022	10.82	56.83	43.31	7.04	0.96	118.96
Accumulated Depreciation/Impairment						
Opening balance as at 1st April, 2020	-	14.29	43.31	7.04	0.96	65.60
Additions	-	2.83	-	-	-	2.83
Disposals	-	-	-	-	-	-
Opening balance as at 1st April, 2021	-	17.12	43.31	7.04	0.96	68.43
Additions	-	2.83	-	-	-	2.83
Disposals	-	-	-	-	-	-
Balance as at 31st March, 2022	-	19.95	43.31	7.04	0.96	71.26
Net Block						
Balance as at 31st March, 2021	10.82	39.71	-	-	-	50.53
Balance as at 31st March, 2022	10.82	36.87	-	-	-	47.69

Notes:-

- (a) The Company has not revalued any of its property, plant and equipment.
- (b) The Company does not hold any benami property.
- (c) The title deeds of freehold land and building are in the name of the Company.
- (d) The Company does not have any capital work-in-progress as at year end.
- (e) The Company does not have any assets taken on lease.
- (f) There are no contractual commitments with respect to property, plant and equipments as at year end.



(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 4: CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

	As at 31st March, 2022	As at 31st March, 2021
Balances with banks		
In current accounts	477.67	102.61
	477.67	102.61

NOTE 5: OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

Refer Note 20 for accounting policy on Financial Assets

	As at 31st March, 2022	As at 31st March, 2021
CURRENT		
Receivable from Hindustan Unilever Limited, Holding Company (Refer Note 25)	-	11.63
	-	11.63

NOTE 6: OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Security deposits with customs, port trust, excise and other Government authorities	24.26	23.62
Balances with Government Authorities (VAT, GST)	66.49	410.32
Less: Provision against Balances with Government Authorities (Refer (a) below)	(44.78)	(395.25)
	45.97	38.69
(a) The movement in allowance for doubtful assets is as follows:		
Balance as at beginning of year	395.25	430.16
Change in allowance for doubtful assets during the year	(350.47)	(34.91)
Written off during the year	-	-
Balance as at the end of the year	44.78	395.25

There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

The Company has not given any advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

There are no loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

- (a) repayable on demand; or
- (b) without specifying any terms or period of repayment.

Notes to the financial statements
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 7A: EQUITY SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Authorised		
21,00,00,000 (31st March, 2021: 21,00,00,000) equity shares of ₹1 each	2,100.00	2,100.00
Issued, subscribed and fully paid up		
1,99,00,147 (31st March, 2021: 1,99,00,147) equity shares of ₹1 each	199.00	199.00
	199.00	199.00

a) Reconciliation of the number of shares

Equity Shares	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	1,99,00,147	199.00	1,99,00,147	199.00
Balance as at the end of the year	1,99,00,147	199.00	1,99,00,147	199.00

b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of ₹1 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

c) Shares held by Holding Company and Subsidiary of Holding Company in aggregate

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares of ₹1:		
1,79,10,132 (31st March, 2021: 1,79,10,132) shares are held by Hindustan Unilever Limited, the Holding Company	179.10	179.10
19,90,015 (31st March, 2021: 19,90,015) shares are held by Unilever India Exports Limited, Subsidiary of Hindustan Unilever Limited	19.90	19.90

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2022	As at 31st March, 2021
Hindustan Unilever Limited, the Holding Company		
Number of shares	1,79,10,132	1,79,10,132
% of Holding	90	90
Unilever India Exports Limited, Subsidiary of Hindustan Unilever Limited		
Number of shares	19,90,015	19,90,015
% of Holding	10	10



(All amounts in ₹ lakhs, unless otherwise stated)

e) Details of shareholdings by the Promoter’s of the Company

Sr. No.	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited	1,79,10,132	90%	1,79,10,132	90%	-
2	Unilever India Exports Limited	19,90,015	10%	19,90,015	10%	-
Total		1,99,00,147	100%	1,99,00,147	100%	-

Sr. No.	Promoter Name	As at 31st March, 2021		As at 31st March, 2020		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited	1,79,10,132	90%	1,79,10,132	90%	-
2	Unilever India Exports Limited	19,90,015	10%	19,90,015	10%	-
Total		1,99,00,147	100%	1,99,00,147	100%	-

NOTE 7B: OTHER EQUITY

A. Nature and purpose of reserves

(a) **Capital Reserve:** The Companies Act, 2013 requires the Company to create capital reserve based on statutory requirement pursuant to capital reduction.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	87.56	87.56
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	87.56	87.56

(b) **General Reserve:** General Reserves forming part of retained earnings are reserves that were created and utilised in accordance with the erstwhile Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013. General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

(c) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to the shareholder.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	(1,442.87)	(1,390.47)
Add: Profit / (loss) for the year	518.64	(52.40)
Balance at the end of the year	(924.23)	(1,442.87)

Notes to the financial statements
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

B. Other Equity

	Capital Reserve	General Reserve	Retained Earnings	Total
Opening balance as at 1st April, 2020	87.56	3.71	(1,390.47)	(1,299.20)
Loss for the year	-	-	(52.40)	(52.40)
Other comprehensive income for the year	-	-	-	-
Opening balance as at 1st April, 2021	87.56	3.71	(1,442.87)	(1,351.60)
Profit for the year	-	-	518.64	518.64
Other comprehensive income for the year	-	-	-	-
As at 31st March, 2022	87.56	3.71	(924.23)	(832.96)

NOTE 8: 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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Provision for employee litigations	671.16	623.22
Provision for value added tax	467.22	467.22
	1,138.38	1,090.44

a) Movement in provisions

	Employee Litigations	Value Added Tax	Total
Opening balance as at 1st April, 2020	575.28	470.92	1,046.20
Add: Provision recognised during the year	47.94	28.67	76.61
Less: Amount utilised/reversed during the year	-	(32.37)	(32.37)
Opening balance as at 1st April, 2021	623.22	467.22	1,090.44
Add: Provision recognised during the year	47.94	-	47.94
Less: Amount utilised/reversed during the year	-	-	-
Balance as at 31st March, 2022	671.16	467.22	1,138.38

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

The Company does not expect any reimbursements in respect of the above provisions.



(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 9: TRADE PAYABLES

Refer Note 20 for accounting policy on Trade Payables

	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of Micro Enterprises and Small Enterprises (as per the intimation received from vendors)	-	0.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	66.83	68.65
	66.83	68.92

Refer Note 21 for information about liquidity risk and market risk of trade payables.

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

	As at 31st March, 2022	As at 31st March, 2021
a) (i) Principal amount remaining unpaid	-	0.27
a) (ii) Interest due thereon remaining unpaid	-	-
b) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d) Interest accrued and remaining unpaid	-	-
e) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022 is as follows:

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Undisputed dues of creditors other than micro enterprises and small enterprises	43.17	23.66	-	-	-	66.83
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	43.17	23.66	-	-	-	66.83

Notes to the financial statements
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2021 is as follows:

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	0.27	-	-	-	0.27
Undisputed dues of creditors other than micro enterprises and small enterprises	42.03	26.62	-	-	-	68.65
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	42.03	26.89	-	-	-	68.92

NOTE 10: OTHER CURRENT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Statutory dues (Tax deducted at source)	-	0.05
	-	0.05

NOTE 11: CONTINGENT LIABILITIES

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

	As at 31st March, 2022	As at 31st March, 2021
Claims against the Company not acknowledged as debts		
Income tax	13.61	13.61
Sales Tax	6.79	8.17
	20.40	21.78

- (i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities.
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) The Company’s pending litigations comprise of proceedings pending with Income Tax and Sales Tax. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

NOTE 12: COMMITMENTS

The Company does not have any capital and other commitments as at 31st March, 2022 (31st March, 2021: Nil).



(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 13: OTHER INCOME

Interest income is recognised using the Effective Interest Rate method.

Dividend income on investments is recognised when the right to receive dividend is established.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest income		
From others	7.41	0.31
Other non-operating income		
Liabilities written back to the extent no longer required	-	105.22
Provisions reversed to the extent no longer required (Refer Note 6 for details)	350.47	-
	357.88	105.53

NOTE 14: EMPLOYEE BENEFITS EXPENSES

Short-Term Employee Benefits

Short-term employee benefits including salaries and performance incentives, are charged to statement of profit and loss on an undiscounted, accrual basis during the period of employment.

Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring, are recognised in the Statement of Profit and Loss. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 Provisions, Contingent liabilities and Contingent Assets and involves the payment of termination benefits. Termination benefits which are an enhancement to post-employment benefits, are accounted as post-employment benefits.

If the termination benefits are not expected to be settled wholly before twelve months after the end of the annual reporting period, then they are accounted as long-term employee benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Workmen compensation expense	47.94	53.94
	47.94	53.94

NOTE 15: FINANCE COSTS

	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on indirect taxes	-	28.67
Interest on income taxes	0.10	0.03
	0.10	28.70

NOTE 16: DEPRECIATION EXPENSES

Refer Note 3 for accounting policy on depreciation expenses

	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on Property, Plant and Equipment	2.83	2.83
	2.83	2.83

Notes to the financial statements
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 17: OTHER EXPENSES

	Year ended 31st March, 2022	Year ended 31st March, 2021
Purchase services	15.67	46.75
Miscellaneous expenses [Refer Note (a) below]	22.29	25.71
	37.96	72.46

	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Miscellaneous expense include:		
Payments to the auditors for:		
Statutory Audit fees	2.00	2.00

(b) The provisions of Corporate Social Responsibility under the Companies Act, 2013 are not applicable to the Company.

NOTE 18: EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit/ (loss) for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Earnings Per Share has been computed as under:		
Profit/(Loss) for the year	518.64	(52.40)
Weighted average number of equity shares outstanding	1,99,00,147	1,99,00,147
Earnings per share (₹) - Basic and Diluted (Face value of ₹1 per share)	2.61	(0.26)

NOTE 19: INCOME TAXES

Income tax expense for the year comprises of current tax and deferred tax. Income tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in 'Other comprehensive income' or directly in equity, in which case the tax is recognised in 'Other comprehensive income' or directly in equity, respectively.

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income. Deferred tax is recognised in respect of temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amount used for taxation purpose.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.



(All amounts in ₹ lakhs, unless otherwise stated)

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

A. Unrecognised Deferred Tax Assets

	As at 31st March, 2022		As at 31st March, 2021	
	Gross Amount	Unrecognised Tax effect	Gross Amount	Unrecognised Tax effect
Deductible temporary difference	1,183.63	297.90	1,484.00	373.49
Tax losses	506.19	127.40	1,049.32	264.09
Total	1,689.82	425.30	2,533.32	637.58

Deferred tax asset has not been recognised as it is not probable that future taxable profit will be available against which the Company can use the benefits.

B. Tax Losses Carried Forward

	31st March, 2022	Expiry date	31st March, 2021	Expiry date
Brought forward losses (allowed to carry forward for specified period)	506.18	2024-29	1,028.07	2023-28
Brought forward losses (allowed to carry forward for infinite period)	0.01	-	21.25	-
Total	506.19		1,049.32	

Note: The above is arrived basis the balances as at 31st March, 2022. Part of the tax losses expires in 2024-2029. The deductible temporary difference do not expire under the current tax legislation.

C. Tax Assets and Liabilities

	As at 31st March, 2022	As at 31st March, 2021
Non-current tax assets (net of tax provisions)	-	2.90
Non-current tax liabilities (net of tax assets)	0.08	199.55

D. Disclosure in Relation to Undisclosed Income

During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of account.

Notes to the financial statements

for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 20: FINANCIAL INSTRUMENTS

Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Debt Instruments

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(i) Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(ii) Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(iii) Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.



(All amounts in ₹ lakhs, unless otherwise stated)

Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered and are subsequently re-measured at fair value. Any changes therein are recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Offsetting 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 them on a net basis or to realise the assets and settle the liabilities simultaneously.

Impairment of Financial Asset

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade receivables
- Financial assets measured at amortised cost (other than trade receivables)
- Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

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 Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date."

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables. At each reporting date, the historically observed default rates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

Notes to the financial statements
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Accounting Classifications and Fair Values

The Company has disclosed financial instruments such as cash and cash equivalents and other financial assets at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

NOTE 21: FINANCIAL RISK MANAGEMENT

The Company’s senior management has the overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities.

A. Management of 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 to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintained a cautious funding strategy, with a positive cash balance throughout the year ended 31st March, 2022 and 31st March, 2021.

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.



(All amounts in ₹ lakhs, unless otherwise stated)

The following table shows the maturity analysis of the Company’s financial Assets and Liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Particulars	Carrying amount	Cash flow within a year	Cash flow after 1 year	Total
As at 31st March, 2022				
Non-derivative Assets				
Other financial assets	-	-	-	-
Non-derivative liabilities				
Trade payables	66.83	66.83	-	66.83
As at 31st March, 2021				
Non-derivative Assets				
Other financial assets	11.63	11.63	-	11.63
Non-derivative liabilities				
Trade payables	68.92	68.92	-	68.92

B. Management of Market Risk

The Company is not exposed to market risks given it has closed down its operations.

C. Management of Credit Risk

The Company is not exposed to credit risks given it has closed down its operations.

NOTE 22: CAPITAL MANAGEMENT

The Company considers total equity, i.e. equity share capital and other equity, for the purpose of Company’s capital management. Since the operations are closed down, at present the Company manages capital to ensure there is liquidity in paying off the liabilities. Basis the future course of action, the Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

NOTE 23: SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors who is designated the chief operating decision maker (CODM).

The CODM views the entire activity of the Company as a single business segment and accordingly this is the only reportable segment.

The Company has identified reportable segment based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The CODM monitors the operating results of the entity at segment level for the purpose of making decisions about resource allocation and performance assessment.

Non-Current assets (Property, plant and equipment)	As at 31st March, 2022	As at 31st March, 2021
(i) Within India	47.69	50.53
(ii) Outside India	-	-

Notes to the financial statements
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 24: SCHEME OF AMALGAMATION

On 12th October, 2020 the Board of Directors of Pond’s Exports Limited (“Company”) approved a Scheme of amalgamation (“the Scheme”) between the Company and Unilever India Exports Limited(“UIEL”), their respective shareholders and creditors subject to obtaining requisite regulatory and other approvals. The online application for the scheme of merger was filed with the NCLT in December 2020. The hearing was held on 1st March, 2021 before the NCLT, Mumbai and the final approval and order is awaited.

With effect from the Appointed Date (as defined in the Scheme), the Company shall stand amalgamated into UIEL and its Undertaking shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, be and stand transferred to and vested in UIEL, as a going concern without any further act, instrument, deed, matter or thing so as to become, the undertaking of UIEL by virtue of and in the manner provided in the Scheme.

NOTE 25: RELATED PARTY DISCLOSURES

A. Enterprises exercising control

- (i) Holding Company : Hindustan Unilever Limited
- (ii) Ultimate Holding Company : Unilever PLC

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2022

	Year ended 31st March, 2022	Year ended 31st March, 2021
Holding Company		
Sale of export licenses	-	11.63
Reimbursement of expenses to holding company	17.52	44.75
Outstanding as at year end		
Receivables at year end	-	11.63
Payables at year end	20.44	23.75

Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm’s length basis.

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2021: ₹ Nil).

This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 26: ACCOUNTING RATIOS

Sr. No.	Name of the Ratio	Numerator	Denominator	FY 22	FY 21	% variance	Reason for variance
1	Current Ratio	Current assets	Current liabilities	7.83	2.22	253%	Cash received on account of Tax refunds in current year
2	Trade payables turnover ratio	Net purchases	Average trade payables	0.14	1.08	-87%	Lower expenses in the current year



(All amounts in ₹ lakhs, unless otherwise stated)

Definitions

- (a) Net purchases = Net purchases consist of gross purchases less purchase return
- (b) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
- (c) Working capital = Current assets - Current liabilities.
- (d) Earning before interest and taxes = Profit before tax + Interest expense
- (e) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

The following ratios are not applicable to the entity:

- Debt Equity ratio
- Return on Equity (As total shareholders’ equity is negative)
- Debt Service coverage ratio
- Inventory Turnover Ratio
- Trade receivables turnover ratio
- Net capital turnover ratio
- Net profit ratio
- Return on capital employed
- Return on Investment

NOTE 27: The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and there were no long-term contracts including derivative contracts for which there were any material foreseeable losses.

NOTE 28: DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

NOTE 29: OTHER MATTER

Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of Profit and Loss as specified in Schedule III to the Companies Act, 2013 is either ‘nil ’ or ‘ not applicable ’ to the Company for the year.

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, 21st April, 2022

For and on behalf of Board of Directors of Pond’s Exports Limited
CIN: U24246MH1981PLC261125

Asha Gopalakrishnan
Director
DIN: 08383915

Mumbai, 21st April, 2022

Ravishankar A.
Director
DIN: 09136289

Daverashola Estates Private Limited

Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Asha Gopalakrishnan Ravishankar A. Shalini Sinha	M/s. BSR & Co. LLP, Chartered Accountants.	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099. CIN - U15200MH2004PTC149035

To the Members,

Your Directors are pleased to present the 17th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2022.

FINANCIAL RESULTS

	(₹ lakhs)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue	-	-
Expenses	-	-
Profit/(Loss) for the Year	-	-
Profit & Loss Account balance brought forward from previous year	(480.64)	(480.64)
Profit & Loss Account balance carried forward	(480.64)	(480.64)

OPERATIONAL REVIEW

The Company is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) and currently has no business activity. There is an ongoing litigation on the property owned by the Company in Tamil Nadu.

DIVIDEND

The Directors did not recommend any dividend for the year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate or joint venture company.

THE BOARD OF DIRECTORS

The composition of the Board of your Company is in line with the applicable provisions of the Companies Act, 2013.

During the year, Mr. Amit Sood resigned as a Director of your Company with effect from 30th April, 2021. The Board placed on record, its sincere appreciation for the services rendered by Mr. Amit Sood during his tenure as a Director of the Company.

Mr. Ravishankar A. was appointed as an Additional Director on the Board of the Company with effect from

30th April, 2021 to hold office up to the 16th Annual General Meeting of the Company. Based on the recommendation of the Board, the Shareholders of the Company approved the above mentioned appointment at the 16th Annual General Meeting of the Company held on 3rd August, 2021.

Except as mentioned above, there was no change in the Board of Directors of the Company during the financial year under review.

In accordance with Article 34 of the Articles of Association of the Company and the relevant provisions of the Companies Act, 2013, all the Directors of the Company, other than Managing Director of the Company, if any, shall retire by rotation at every Annual General Meeting. Accordingly, Ms. Shalini Sinha, Ms. Asha Gopalakrishnan and Mr. Ravishankar A. shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's operations, business policies and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed in the subsequent Board Meeting.

The notice of Board Meeting is given well in advance to all the Directors. Usually, Meetings of the Board are held in Mumbai. The Agenda is circulated a week prior to the date

of the Meeting. The Agenda for the Board Meetings includes detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. During the year, in terms of various circulars issued by Ministry of Corporate Affairs because of COVID-19, all the Meetings were held through audio – video means.

During the financial year ended 31st March, 2022, four Board Meetings were held on 23rd April, 2021, 14th July, 2021, 13th October, 2021 and 12th January, 2022. The interval between any two meetings was well within the maximum allowed gap of 120 days.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for the year;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

PERSONNEL

The Company had no employee during the year under review and hence, provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There have been no loans, guarantees or investments made by your Company in accordance with the provisions of Section 186 of the Companies Act, 2013 during the financial year 2021-22.

RELATED PARTY TRANSACTIONS

The Company has not entered into any related party transactions during the year under review.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Companies Act, 2013 during the financial year 2021-22.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company does not have any website, thus it is not required to upload its Annual return on the website and a copy of the annual return shall be filed with the Registrar.

DECLARATIONS AND CONFIRMATIONS

The Company has adequate internal financial control system in place with reference to the Financial Statements which operates effectively. According to the Directors of your Company, elements of risks that threaten the existence of your Company are very minimal. Hence, no separate Risk Management Policy is formulated.

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

The Company had no employee during the year under review and hence, provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable to the Company.

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

Report of Board of Directors

The Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively issued by Institute of Company Secretaries of India.

AUDITORS

M/s. BSR & Co. LLP, Chartered Accountants (Firm’s Registration No.: 101248W/W-100022) were re-appointed as Statutory Auditors of your Company for a second term of five consecutive years at the Annual General Meeting held on 28th June, 2019.

The Report given by the Auditors on the financial statement of the Company is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Act read with the Companies (Accounts) Rules, 2014.

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

The requirements under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 in so far as energy conservation, technology absorption and foreign exchange are concerned, are not applicable to the Company.

ACKNOWLEDGEMENTS

The Directors take this opportunity to thank all the stakeholders for their support and co-operation.

On behalf of the Board	
Ravishankar A.	Asha Gopalakrishnan
Director	Director
Mumbai, 21st April, 2022	DIN: 09136289 DIN: 08383915

Independent Auditor’s Report
To the Members of Daverashola Estates Private Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Daverashola Estates Private Limited (“the Company”), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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 financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and,

in doing so, consider whether the other information is materially inconsistent with the 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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

Independent Auditor’s Report

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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act; and
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

3. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 14 to the financial statements;
 - (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (d)
 - (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
 - (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including

- foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement; and
- (e) The Company has neither declared nor paid any dividend during the year.
4. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

According to the information and explanations given to us and based on our examination of the records, there is no remuneration paid to the directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Mumbai,
21st April, 2022

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

Aniruddha Godbole
Partner
Membership No. 105149
ICAI UDIN: 22105149AHNKEX7338

Annexure A

To the Independent Auditor’s report on the financial statements of Daverashola Estates Private Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, the property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements are not held in the name of the Company.

All amounts in ₹ '000

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the company Also indicate if in dispute
Leasehold land	44,642	Hindustan Unilever Limited	No	14 years	Ongoing litigations

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. The Company does not have any intangible assets.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 (“Act”) are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable to the Company.
- (ii) (a) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any inventory and hence clause 3(ii)(a) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable to the Company.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Accordingly, clause 3(vii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or borrowings from any lender. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loans from any lender. Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company did not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable to the Company.

(f) The Company did not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable to the Company.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.

(xiii) The Company is not a listed public company or a company covered under rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and accordingly the requirements as stipulated by the provisions of Section 177 of the Companies
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Annexure A

- Act, 2013 are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) Based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Companies Act, 2013.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable to the Company.

(d) According to the information and explanations provided to us during the course of audit, the Group (Group means companies in the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- For B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Aniruddha Godbole
Partner
Membership No. 105149
ICAI UDIN: 22105149AHNKEX7338
- Mumbai,
21st April, 2022



Annexure B

To the Independent Auditor’s report on the financial statements of Daverashola Estates Private Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Section 143(3)(i) of the Companies Act, 2013

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Daverashola Estates Private Limited (“the Company”) as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

MANAGEMENT’S 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 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”).

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted

our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable

Annexure A

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 FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including

the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Aniruddha Godbole
Partner
Membership No. 105149
ICAI UDIN: 22105149AHNKEX7338

Mumbai,
21st April, 2022



Balance Sheet
as at 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	-	-
TOTAL ASSETS		-	-
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	4A	2,217	2,217
Other equity	4B	(5,139)	(5,139)
TOTAL EQUITY		(2,922)	(2,922)
Liabilities			
Non-current liabilities			
Other non-current liabilities	5	2,922	2,922
TOTAL EQUITY AND LIABILITIES		-	-
Basis of preparation, measurement and significant accounting policies	2		
The accompanying notes are an integral part of these financial statements	1 to 15		

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai, 21st April, 2022

For and on behalf of Board of Directors of Daverashola Estates Private Limited
CIN: U15200MH2004PTC149035

Ravishankar A.
Director
DIN: 09136289

Mumbai, 21st April, 2022

Asha Gopalakrishnan
Director
DIN: 08383915

Statement of Profit & Loss
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
TOTAL INCOME		-	-
TOTAL EXPENSES		-	-
Profit/(Loss) before tax		-	-
Tax expenses			
Current tax		-	-
PROFIT/(LOSS) FOR THE YEAR (A)		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A + B)		-	-
Earnings per equity share			
Basic and Diluted (Face value of ₹10 each)	6	-	-
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements 1 to 15

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W-100022
Chartered Accountants

For and on behalf of Board of Directors of Daverashola Estates Private Limited

CIN: U15200MH2004PTC149035

Aniruddha Godbole

Partner
Membership No. 105149

Mumbai, 21st April, 2022

Ravishankar A.

Director
DIN: 09136289

Mumbai, 21st April, 2022

Asha Gopalakrishnan

Director
DIN: 08383915



Statement of Changes in Equity
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	As at 31st March, 2022	As at 31st March, 2021
Balance as at the beginning of the year	4A	2,217	2,217
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year		2,217	2,217
Changes in equity share capital during the year	4A	-	-
Balance as at the end of the year	4A	2,217	2,217

B. OTHER EQUITY

	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
As at 31st March, 2020	42,925	(48,064)	(5,139)
Changes due to prior period errors	-	-	-
Restated balance as at 1st April, 2020	42,925	(48,064)	(5,139)
Profit/(loss) for the year	-	-	-
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	-	-
As at 31st March, 2021	42,925	(48,064)	(5,139)
Changes due to prior period errors	-	-	-
Restated balance as at 1st April, 2021	42,925	(48,064)	(5,139)
Profit/(loss) for the year	-	-	-
Other comprehensive income for the year	-	-	-
As at 31st March, 2022	42,925	(48,064)	(5,139)

The accompanying notes are an integral part of these financial statements 1 to 15

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W-100022
Chartered Accountants

Aniruddha Godbole

Partner
Membership No. 105149

Mumbai, 21st April, 2022

For and on behalf of Board of Directors of Daverashola Estates Private Limited

CIN: U15200MH2004PTC149035

Ravishankar A.

Director
DIN: 09136289

Mumbai, 21st April, 2022

Asha Gopalakrishnan

Director
DIN: 08383915

Statement of Cash Flows
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

	Year ended 31st March, 2022	Year ended 31st March, 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	-	-
Cash generated from operations before working capital changes	-	-
Changes in working capital	-	-
Net cash flows (used in)/generated from operating activities – [A]	-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash flows (used in)/generated from investing activities – [B]	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flows (used in)/generated from financing activities – [C]	-	-
Net increase/(decrease) in Cash and Cash equivalents – [A+B+C]	-	-
Add: Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents as at end of the year	-	-

Note: The above Statement of Cash Flows has been prepared under the ‘Indirect Method’ as set out in Ind AS 7, ‘Statement of Cash Flows’.

The accompanying notes are an integral part of these financial statements 1 to 15

As per our report of even date attached

For B S R & Co. LLP

Firm’s Registration No. 101248W/W-100022
Chartered Accountants

Aniruddha Godbole

Partner
Membership No. 105149

Mumbai, 21st April, 2022

For and on behalf of Board of Directors of Daverashola Estates Private Limited

CIN: U15200MH2004PTC149035

Ravishankar A.

Director
DIN: 09136289

Mumbai, 21st April, 2022

Asha Gopalakrishnan

Director
DIN: 08383915



Notes to the financial statements
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

NOTE 1 COMPANY INFORMATION

Daverashola Estates Private Limited (the ‘Company’) incorporated on 8th October, 2004 is a private limited company domiciled in India with its registered office located at Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099, with its main objective to construct, improve, maintain, develop, work, manage, carry out or control any buildings, offices, branches, warehouses, stores, chawls and other building which may seem calculated directly or indirectly to advance the Company’s interests, and contribute to subsidize or otherwise assist or take part in the construction improvement etc.

NOTE 2 BASIS OF PREPARATION,
MEASUREMENT AND SIGNIFICANT
ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND MEASUREMENT

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;
- c. Expected to be realised within twelve months after the reporting period; or

- d. 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 treated as current when:

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

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian National Rupee (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the ‘functional currency’).

The Company has decided to round off the figures to the nearest thousands. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as “0.00” in the relevant notes to these financial statements.

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 21st April, 2022.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities, share based payments and net liability for defined benefit plans that are measured at fair value.

The accounting policies adopted are the same as those which were applied for the previous financial year.

2.2 COMPLIANCE WITH AMENDED SCHEDULE III

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made

Notes to the financial statements
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021 and applied to the Financial Statements. The key amendments are as follows:

- a) Additional disclosure for shareholding of promoters.
- b) Specific disclosure such as compliance with approved schemes of arrangements, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, relationship with struck off companies etc.

2.3 RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

- 1. Ind AS 109: Annual Improvements to Ind AS (2021)
- 2. Ind AS 103: Reference to Conceptual Framework
- 3. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- 4. Ind AS 16: Proceeds before intended use

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Standalone Financial Statements.

2.4 SIGNIFICANT ACCOUNTING POLICIES

- a) The significant accounting policies used in preparation of the financial statements have been included in the relevant notes to the financial statements.



(All amounts in ₹ '000, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The Company's lease asset classes primarily consist of leases for Leasehold land. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

	Land Leasehold	Total
Gross Block		
Opening balance as at 1st April, 2020	44,642	44,642
Additions	-	-
Disposals	-	-
Opening balance as at 1st April, 2021	44,642	44,642
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2022	44,642	44,642
Accumulated Depreciation/Impairment		
Opening balance as at 1st April, 2020	44,642	44,642
Additions	-	-
Disposals	-	-
Opening balance as at 1st April, 2021	44,642	44,642
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2022	44,642	44,642
Net Block		
Balance as at 31st March, 2021	-	-
Balance as at 31st March, 2022	-	-

Notes:

- i) Under the Gudalur Janmam Estates (Abolition and Conversion into Ryotwari) Act, 1969, the right and title to Leasehold land may be altered at a later date, the nature and effect of which cannot be ascertained at present. However, appropriate steps have been taken to protect the Company's interest.
- ii) The title deeds of Leasehold Land are in the process of perfection of title. Details of such leasehold land are as follows:

Details as on 31st March, 2022

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of company
Leasehold land	44,642	Hindustan Unilever Limited	Yes	16/09 2008	Ongoing litigations
TOTAL	44,642				

Notes to the financial statements
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

Details as on 31st March, 2021

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of company
Leasehold land	44,642	Hindustan Unilever Limited	Yes	16/09/2008	Ongoing litigations
TOTAL	44,642				

4A. EQUITY SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Authorised		
5,00,000 (31st March, 2021: 5,00,000) equity shares of ₹10 each	5,000	5,000
Issued, subscribed and fully paid up		
2,21,700 equity shares (31st March, 2021: 2,21,700) of ₹10 each	2,217	2,217
[All shares are held by Hindustan Unilever Limited, the Holding Company and its nominees]		
	2,217	2,217

a) Reconciliation of the number of shares

Equity Shares	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	2,21,700	2,217	2,21,700	2,217
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	2,21,700	2,217	2,21,700	2,217

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

c) Shares held by Holding Company and nominees of Holding Company in aggregate

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares of ₹10 :		
2,21,700 Equity shares (31st March, 2021: 2,21,700) of ₹10 each are held by Hindustan Unilever Limited, the Holding Company and its nominee.	2,217	2,217

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares held by the Holding Company, Hindustan Unilever Limited and its nominee		
Number of shares	2,21,700	2,21,700
% of Holding	100%	100%

(All amounts in ₹ '000, unless otherwise stated)

e) Details of shareholdings by the Promoter's of the Company

Sr. No.	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its Nominees	2,21,700	100%	2,21,700	100%	-

Sr. No.	Promoter Name	As at 31st March, 2021		As at 31st March, 2020		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its Nominees	2,21,700	100%	2,21,700	100%	-

4B. OTHER EQUITY

A. Summary of Other Equity Balance

OTHER EQUITY	Securities Premium	Retained Earnings	Total
Opening balance as at 1st April, 2020	42,925	(48,064)	(5,139)
Profit for the year	-	-	-
Other comprehensive income for the year	-	-	-
Opening balance as at 1st April, 2021	42,925	(48,064)	(5,139)
Profit for the year	-	-	-
Other comprehensive income for the year	-	-	-
As at 31st March, 2022	42,925	(48,064)	(5,139)

B. Nature and Purpose of Reserves

(a) Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	42,925	42,925
Add: Issue of equity shares on account of business combination	-	-
Add: Deferred Tax on Stamp duty	-	-
Add: Issue of equity shares on exercise of employee stock options	-	-
Less: Stamp Duty on issue of equity shares on account of business combination	-	-
Balance at the end of the year	42,925	42,925

(b) Retained Earnings

Retained earnings are the profits/loss that the Company has earned/incurred till date, less any transfer to general reserve, dividends or other distributions paid to the shareholder.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	(48,064)	(48,064)
Add: Profit/(loss) for the year	-	-
Add: Other comprehensive income for the year	-	-
Balance at the end of the year	(48,064)	(48,064)

Notes to the financial statements
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

5. OTHER NON-CURRENT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Payable to Hindustan Unilever Limited, the Holding company (Refer note 7)	2,922	2,922
	2,922	2,922

6. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit/(loss) for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all year presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit/(loss) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit/(Loss) for the year (₹ '000s)	-	-
Weighted average number of Equity shares outstanding	2,21,700	2,21,700
Earnings per share (₹) - basic and diluted (face value of ₹10 per share)	-	-

7. RELATED PARTY DISCLOSURES

i) Enterprise exercising control

Holding Company : Hindustan Unilever Limited

Ultimate Holding Company : Unilever PLC

ii) Disclosure of transactions between the Company and Holding Company and the status of outstanding balances.

There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

There are no related party transactions during the current and the previous year.

Balance outstanding as at the year end:

	As at 31st March, 2022	As at 31st March, 2021
Payable to Holding Company	2,922	2,922

There have been no guarantees provided or received for any related party receivables or payables

8. CONTINGENT LIABILITIES

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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(All amounts in ₹ '000, unless otherwise stated)

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

There are no contingent liabilities as at 31st March, 2022 (Nil for 31st March, 2021).

9. SEGMENT REPORTING

The operations have been considered as representing a single business segment, governed by the same set of risks and returns. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

10. Pursuant to the Scheme of Arrangement for demerger of Janmam Property of Hindustan Unilever Limited to the Company, with effect from 1st November, 2006 as sanctioned by the Honourable High Court of Mumbai on 9th February, 2007, the Janmam leasehold land has been transferred to the Company at a consideration of 1,71,700 equity shares of face value of ₹10/- each at a premium of ₹250/- per share.

11. GOING CONCERN

Having regard to the continued support of the Company's Holding Company, Hindustan Unilever Limited, the financial statements are prepared on a going concern basis.

12. The Company has reviewed all its pending litigations and proceedings. The Company's litigations comprise of proceedings with respect to leasehold land pending before the settlement officer, the Madras High Court and the Supreme Court.

13. ACCOUNTING RATIOS

Ratios are not applicable to the Company as there are no transactions during the current year and previous year.

14. DISCLOSURE OF STRUCK OFF COMPANIES

The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

15. OTHER MATTER

Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of Profit and Loss as specified in Schedule III to the Companies Act, 2013 is either 'nil' or 'not applicable' to the Company for the year.

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W-100022
Chartered Accountants

Aniruddha Godbole

Partner
Membership No. 105149

Mumbai, 21st April, 2022

For and on behalf of Board of Directors of Daverashola Estates Private Limited

CIN: U15200MH2004PTC149035

Ravishankar A.

Director
DIN: 09136289

Mumbai, 21st April, 2022

Asha Gopalakrishnan

Director
DIN: 08383915

Jamnagar Properties Private Limited
Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Asha Gopalakrishnan Ravishankar A. Shalini Sinha	M/s. B S R & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099. CIN : U70101MH2006PTC165144

To the Members,

Your Directors are pleased to present the 15th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2022.

FINANCIAL RESULTS

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue	-	-
Expenses	-	-
Profit / (Loss) for the Year	-	-
Profit & Loss Account balance brought forward from previous year	(500.00)	(500.00)
Profit & Loss Account balance carried forward	(500.00)	(500.00)

OPERATIONAL REVIEW

The Company is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) and has currently discontinued operations.

DIVIDEND

Your Directors did not recommend any dividend for the year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate or joint venture company.

THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board of your Company is in line with the applicable provisions of the Companies Act, 2013.

During the year, Mr. Amit Sood resigned as a Director of your Company with effect from 30th April, 2021. The Board placed on record, its sincere appreciation for the services rendered by Mr. Amit Sood during his tenure as a Director of the Company.

Mr. Ravishankar A. was appointed as an Additional Director on the Board of the Company with effect from 30th April, 2021 to hold office upto the 14th Annual General Meeting of the Company. Based on the recommendation of the Board, the Shareholders of the Company approved the above mentioned appointment at the 14th Annual General Meeting of the Company held on 3rd August, 2021.

Further, Ms. Swati Narayanan resigned as a Company Secretary of your Company with effect from 30th June, 2021. The Board placed on record its sincere appreciation for the services rendered by Ms. Swati Narayanan during her tenure as a Company Secretary of the Company.

Except as mentioned above, there was no change in the Board of Directors and Key Managerial Personnel of the Company during the financial year under review.

In accordance with Article 34 of the Articles of Association of the Company and the relevant provisions of the Companies Act, 2013, all the Directors of the Company, other than Managing Director of the Company, if any, shall retire by rotation at every Annual General Meeting. Accordingly, Ms. Shalini Sinha, Ms. Asha Gopalakrishnan and Mr. Ravishankar A. shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer their candidature for re-appointment.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's operations, business policies

and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed in the subsequent Board Meeting.

The notice of Board Meeting is given well in advance to all the Directors. Usually, Meetings of the Board are held in Mumbai. The Agenda is circulated a week prior to the date of the Meeting. The Agenda for the Board Meetings includes detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. During the year, in terms of various circulars issued by Ministry of Corporate Affairs because of COVID 19, all the meetings were held through audio – video means.

During the financial year ended 31st March, 2022, four Board Meetings were held on 23rd April, 2021, 14th July, 2021, 13th October, 2021 and 12th January, 2022. The interval between any two Meetings was well within the maximum allowed gap of 120 days.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for the year;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis; and
- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

PERSONNEL

The Company had no employee during the year under review and hence, provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There have been no loans, guarantees or investments made by your Company in accordance with the provisions of Section 186 of the Companies Act, 2013 during the financial year 2021-22.

RELATED PARTY TRANSACTIONS

The Company has not entered into any related party transactions during the year under review.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Companies Act, 2013 during the financial year 2021-22.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company does not have any website, thus it is not required to upload its Annual return on the website and a copy of the annual return shall be filed with the Registrar.

SCHEME OF AMALGAMATION

The scheme of amalgamation was filed under the provisions of Sections 230 to 232 of the Companies Act, 2013 providing for amalgamation of Pond's Exports Limited (PEL) and Jamnagar Properties Private Limited (JPPL) into Unilever India Exports Limited (UIEL) on 3rd December, 2020 before the Hon'ble National Company Law Tribunal (NCLT), Mumbai. Further, the NCLT vide its order dated 5th May, 2021, dispensed with the meetings of Creditors and Shareholders of the Merger Entities. Subsequently, your Company along with UIEL and PEL, filed the Company Petitions respectively, with the NCLT on 1st July, 2021. The Company Petitions were admitted by NCLT vide order dated 1st October, 2021. As on date, the matter is pending for further hearing at NCLT and the next date of hearing is scheduled on 28th June, 2022.

Except as mentioned above, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

Report of Board of Directors

DECLARATIONS AND CONFIRMATIONS

The Company has adequate internal financial control system in place with reference to the Financial Statements which operates effectively. According to the Directors of your Company, elements of risks that threaten the existence of your Company are very minimal. Hence, no separate Risk Management Policy is formulated.

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company’s operations in future.

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

The Company had no employee during the year under review and hence, provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable to the Company.

There were no other material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

The Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively issued by Institute of Company Secretaries of India.

Mumbai, 21st April, 2022

AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants (Firm’s Registration No.: 101248W/W-100022) were re-appointed as Statutory Auditors of your Company for a second term of five consecutive years at the Annual General Meeting held on 28th June, 2019.

The Report given by the Auditors on the financial statements of the Company is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Act read with the Companies (Accounts) Rules, 2014.

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

The requirements under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 in so far as energy conservation, technology absorption and foreign exchange are concerned, are not applicable to the Company.

ACKNOWLEDGEMENTS

The Directors take this opportunity to thank all the Stakeholders for their support and co-operation.

On behalf of the Board

[Ravishankar A.](#)

Director
DIN: 09136289

[Asha Gopalakrishnan](#)

Director
DIN: 08383915

Independent Auditor’s Report
To the Members of Jamnagar Properties Private Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Jamnagar Properties Private Limited (“the Company”), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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 financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is

materially inconsistent with the 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 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 financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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

Independent Auditor’s Report

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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act; and
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

3. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (a) The Company does not have any pending litigations which would impact its financial position;
 - (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (d)
 - (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
 - (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement; and
- (e) The Company has neither declared nor paid any dividend during the year.

4. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

According to the information and explanations given to us and based on our examination of the records, there is no remuneration paid to the directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Mumbai,
21 April 2022

For BSR & Co. LLP
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHNKLM2091



Annexure A
to the Independent Auditor’s report on the financial statements of Jamnagar Properties Private Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any property plant and equipment (including Right of Use assets) or intangible assets. Accordingly, provisions of clauses 3(i)(a) to 3(i)(e) of the Order are not applicable to the Company.

Accordingly, clause 3(vi) of the Order is not applicable to the Company.
- (ii) (a) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any inventory and hence clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Accordingly, clause 3(vii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 (“Act”) are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or borrowings from any lender. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loans from any lender. Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the Company.

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company did not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable to the Company.

(f) The Company did not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable to the Company.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.

(xiii) The Company is not a listed public company or a company covered under rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and accordingly the requirements as stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions with the related parties during the year.

(xiv) Based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Companies Act, 2013.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations provided to us during the course of audit, the Group (Group means companies in the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other

Independent Auditor’s Report

information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

Mumbai,
21 April 2022

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

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHNKLM2091



Annexure B
to the Independent Auditor’s report on the financial statements of Jamnagar Properties Private Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Section 143(3)(i) of the Companies Act, 2013
(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Jamnagar Properties Private Limited (“the Company”) as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

MANAGEMENT’S 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 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”).

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform

the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.

Independent Auditor’s Report

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHNKLM2091

Mumbai,
21 April 2022



Balance Sheet
as at 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
TOTAL ASSETS		-	-
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	3A	50,000	50,000
Other equity	3B	(50,000)	(50,000)
TOTAL EQUITY AND LIABILITIES		-	-
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements 1 to 11

As per our report of even date attached For and on behalf of Board of Directors of Jamnagar Properties Private Limited

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

CIN : U70101MH2006PTC165144

Aniruddha Godbole
Partner
Membership No: 105149

Ravishankar A.
Director
DIN: 09136289

Asha Gopalakrishnan
Director
DIN: 08383915

Mumbai, 21st April, 2022

Mumbai, 21st April, 2022

Statement of Profit and Loss
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

Particulars	Note	Year Ended 31st March, 2022	Year Ended 31st March, 2021
TOTAL INCOME		-	-
TOTAL EXPENSES		-	-
Profit/(Loss) before tax		-	-
Tax expenses			
Current tax		-	-
PROFIT/(LOSS) FOR THE YEAR (A)		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A + B)		-	-
Earnings per equity share			
Basic and Diluted (Face value of ₹10 each)	4	-	-
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements		1 to 11	
As per our report of even date attached		For and on behalf of Board of Directors of Jamnagar Properties Private Limited	
For B S R & Co. LLP Firm's Registration No. 101248W/W - 100022 Chartered Accountants		CIN : U70101MH2006PTC165144	
Aniruddha Godbole Partner Membership No: 105149	Ravishankar A. Director DIN: 09136289	Asha Gopalakrishnan Director DIN: 08383915	
Mumbai, 21st April, 2022		Mumbai, 21st April, 2022	



Statements of Changes in Equity
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

	Note	As at 31st March, 2022	As at 31st March, 2021
Balance as at the beginning of the year	3A	50,000	50,000
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year	3A	50,000	50,000
Changes in equity share capital during the year		-	-
Balance as at the end of the year	3A	50,000	50,000

B. OTHER EQUITY

	Note	Retained earnings	Total
As at 31st March, 2020		(50,000)	(50,000)
Changes due to prior period errors		-	-
Restated balance as at 1st April, 2020	3B	(50,000)	(50,000)
Profit/(Loss) for the year		-	-
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		-	-
As at 31st March, 2021		(50,000)	(50,000)
Changes due to prior period errors		-	-
Restated balance as at 1st April, 2021	3B	(50,000)	(50,000)
Profit/(Loss) for the year		-	-
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		-	-
As at 31st March, 2022	3B	(50,000)	(50,000)

The accompanying notes are an integral part of these financial statements		1 to 11	
As per our report of even date attached		For and on behalf of Board of Directors of Jamnagar Properties Private Limited	
For B S R & Co. LLP Firm's Registration No. 101248W/W - 100022 Chartered Accountants		CIN : U70101MH2006PTC165144	
Aniruddha Godbole Partner Membership No: 105149	Ravishankar A. Director DIN: 09136289	Asha Gopalakrishnan Director DIN: 08383915	
Mumbai, 21st April, 2022		Mumbai, 21st April, 2022	

Statement of Cash Flows
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

	Year Ended 31st March, 2022	Year Ended 31st March, 2021
A CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax	-	-
Cash generated from operations before working capital changes	-	-
Changes in working capital	-	-
Net cash flows (used in)/ generated from operating activities - [A]	-	-
B CASH FLOWS FROM INVESTING ACTIVITIES :		
Net cash flows (used in)/ generated from investing activities - [B]	-	-
C CASH FLOW FROM FINANCING ACTIVITIES :		
Net cash flows (used in)/ generated from financing activities - [C]	-	-
Net increase/ (decrease) in Cash and Cash equivalents - [A+B+C]	-	-
Add: Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents as at end of the year	-	-

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes are an integral part of these financial statements		1 to 11
As per our report of even date attached	For and on behalf of Board of Directors of Jamnagar Properties Private Limited	
For B S R & Co. LLP		
Firm's Registration No. 101248W/W - 100022	CIN : U70101MH2006PTC165144	
Chartered Accountants		
Aniruddha Godbole	Ravishankar A.	Asha Gopalakrishnan
Partner	Director	Director
Membership No: 105149	DIN: 09136289	DIN: 08383915
Mumbai, 21st April, 2022	Mumbai, 21st April, 2022	



Notes
to the financial statements for the year ended 31st March, 2022

1 COMPANY INFORMATION

Jamnagar Properties Private Limited (the 'Company') incorporated on 16th October, 2006 as a result of demerger of the Jamnagar properties of Hindustan Unilever Limited, the Holding Company at Jamnagar under a Scheme of Arrangement, with its registered office located at Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099, with its main objective to construct, improve, maintain, develop, work, manage, carry out or control any buildings, offices, branches, warehouses, stores, chawls and other building which may seem calculated directly or indirectly to advance the Company's interests, and contribute to subsidize or otherwise assist or take part in the construction improvement etc.

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND MEASUREMENT

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;

- c. Expected to be realised within twelve months after the reporting period; or
- d. 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 treated as current when:

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

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian National Rupee (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

The Company has decided to round off the figures to the nearest thousands. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0.00" in the relevant notes to these financial statements.

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 21st April, 2022.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities, share based payments and net liability for defined benefit plans that are measured at fair value.

The accounting policies adopted are the same as those which were applied for the previous financial year.

Notes

to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

2.2 COMPLIANCE WITH AMENDED SCHEDULE III

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the

Company for the financial year starting 1st April, 2021 and applied to the Financial Statements. The key amendments are as follows:

- a) Additional disclosure for shareholding of promoters.
- b) Specific disclosure such as compliance with approved schemes of arrangements, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, relationship with struck off companies etc.

2.3 RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

- 1. Ind AS 109: Annual Improvements to Ind AS (2021)
- 2. Ind AS 103: Reference to Conceptual Framework
- 3. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- 4. Ind AS 16: Proceeds before intended use

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Standalone Financial Statements.

2.4 SIGNIFICANT ACCOUNTING POLICIES

- a) The significant accounting policies used in preparation of the financial statements have been included in the relevant notes to the financial statements.

3A) EQUITY SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Authorised		
50,00,000 (31st March, 2021: 50,00,000) equity shares of ₹10 each	50,000	50,000
Issued, subscribed and fully paid up		
50,00,000 (31st March, 2021: 50,00,000) of ₹10 each fully paid up	50,000	50,000
[All shares are held by Hindustan Unilever Limited, the Holding Company and its nominees]		
	50,000	50,000

a) Reconciliation of the number of shares

Equity Shares:	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	50,00,000	50,000	50,00,000	50,000
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	50,00,000	50,000	50,00,000	50,000

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.



(All amounts in ₹ '000, unless otherwise stated)

c) Shares held by Holding Company and nominees of Holding Company in aggregate

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares of ₹10 :		
50,00,000 Equity shares (31st March, 2021: 50,00,000) of ₹10 each are held by Hindustan Unilever Limited, the Holding Company and its nominee	50,000	50,000

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2022	As at 31st March, 2021
Equity shares held by the Holding Company, Hindustan Unilever Limited and its nominee		
Number of shares held	50,00,000	50,00,000
% of Holding	100	100

e) Details of shareholdings by the Promoter's of the Company

Sr. No.	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its Nominees	50,00,000	100%	50,00,000	100%	-

Sr. No.	Promoter Name	As at 31st March, 2021		As at 31st March, 2020		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its Nominees	50,00,000	100%	50,00,000	100%	-

3B) OTHER EQUITY

A. Summary of Other Equity Balance:

	Retained Earnings
Opening balance as at 1st April, 2020	(50,000)
Profit/(Loss) for the year	-
Other comprehensive income for the year	-
Opening balance as at 1st April, 2021	(50,000)
Profit/(Loss) for the year	-
Other comprehensive income for the year	-
As at 31st March, 2022	(50,000)

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

B. Nature and Purpose of Reserves:

Retained Earnings: Retained earnings are the profit/loss that the Company has earned/incurred till date, less any transfer to general reserve, dividends or other distributions paid to the shareholders.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	(50,000)	(50,000)
Add: Profit / (Loss) for the year	-	-
Add: Other comprehensive income for the year	-	-
Balance at the end of the year	(50,000)	(50,000)

4) EARNINGS PER SHARE:

Basic earnings per share is computed by dividing the net profit/(loss) for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all year presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit/(loss) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

	Year Ended 31st March, 2022	Yearended 31st March, 2021
Profit/(Loss) for the year	-	-
Weighted average number of equity shares outstanding	50,00,000	50,00,000
Earnings per share - basic and diluted (Face value of ₹10 per share)	-	-

5) RELATED PARTY DISCLOSURES

i) Enterprise exercising control

Holding Company : Hindustan Unilever Limited
Ultimate Holding Company : Unilever PLC

ii) There are no related party transactions during the current and the previous year.

iii) There are no outstanding balance receivable from / payable to any related party as at 31st March, 2022 (31st March, 2021: Nil).

There have been no guarantees provided or received for any related party receivables or payables.

6) CONTINGENT LIABILITIES

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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



(All amounts in ₹ '000, unless otherwise stated)

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

There are no contingent liabilities as at 31st March, 2022 (Nil for 31st March, 2021).

7) SEGMENT REPORTING

The operations have been considered as representing a single business segment, governed by the same set of risks and returns.

8) GOING CONCERN

On 14th October, 2020, the Board of Directors of Jamnagar Properties Private Limited ("Company") approved a Scheme of amalgamation ("the Scheme") between the Company and Unilever India Exports Limited("UIEL"), their respective shareholders and creditors subject to obtaining requisite regulatory and other approvals. The Scheme of amalgamation has been filed by the Company and UIEL with the National Company Law Tribunal at Mumbai. Presently, the Company is in the process of seeking requisite approvals.

With effect from the Appointed Date (as defined in the Scheme), the Company shall stand amalgamated into UIEL and its undertaking shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act 2013, be and stand transferred to and vested in UIEL, as a going concern without any further act, instrument, deed, matter or thing so as to become, the undertaking of UIEL by virtue of and in the manner provided in the Scheme.

The Company has a continued support from the holding Company , Hindustan Unilever Limited. In view of above, these financial statements have been prepared on a going concern basis.

9) ACCOUNTING RATIOS

Ratios are not applicable as there are no transactions in the current year and previous year.

10) DISCLOSURE OF STRUCK OFF COMPANIES

The Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

11) OTHER MATTER

Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of Profit and Loss as specified in Schedule III to the Companies Act, 2013 is either 'nil ' or ' not applicable ' to the Company for the year.

As per our report of even date attached

For and on behalf of Board of Directors of Jamnagar Properties Private Limited

For B S R & Co. LLP

Firm's Registration No. 101248W/W - 100022
Chartered Accountants

CIN : U70101MH2006PTC165144

Aniruddha Godbole

Partner
Membership No: 105149

Ravishankar A.

Director
DIN: 09136289

Asha Gopalakrishnan

Director
DIN: 08383915

Mumbai, 21st April, 2022

Mumbai, 21st April, 2022

Levers Associated Trust Limited

Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Anuradha Razdan Asha Gopalakrishnan Ravishankar A.	M/s. B S R & Co. LLP, Chartered Accountants.	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099. CIN - U74999MH1946PLC005403

To the Members,

Your Directors are pleased to present the 75th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2022.

The Company is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) and continued to act jointly with Levindra Trust Limited as the Trustees of the Union Provident Fund, Hindlever Pension Fund, Hindustan Lever Management Staff Gratuity Fund, Hindlever Limited Superannuation Fund and Hindustan Lever Educational and Welfare Trust.

The Company had neither income nor expenditure during the year and all its out-of-pocket expenses have been borne by Hindustan Unilever Limited (HUL), the Holding Company.

DIVIDEND

The Directors did not recommend any dividend for the year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate or joint venture company.

THE BOARD OF DIRECTORS

The composition of the Board of your Company is in line with the applicable provisions of the Companies Act, 2013.

During the year, Mr. Amit Sood resigned as a Director of your Company with effect from 30th April, 2021. The Board placed on record, its sincere appreciation for the services rendered by Mr. Amit Sood during his tenure as a Director of the Company.

Mr. Ravishankar A. was appointed as an Additional Director on the Board of the Company with effect from 30th April, 2021 to hold office upto the 74th Annual General Meeting of the Company. Based on the recommendation of the Board, the Shareholders of the Company approved the above mentioned appointment at the 74th Annual General Meeting of the Company held on 10th August, 2021.

Except as mentioned above, there was no change in the Board of Directors of the Company during the year under review.

In accordance with Article 33 of the Articles of Association of the Company and the Companies Act, 2013, all the Directors of the Company other than Managing Director, if any, shall retire by rotation at every Annual General Meeting and accordingly, Ms. Asha Gopalakrishnan, Ms. Anuradha Razdan and Mr. Ravishankar A. shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's operations, business policies and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed in the subsequent Board Meeting.

The notice of Board Meeting is given well in advance to all the Directors. Usually, Meetings of the Board are held in Mumbai. The Agenda is circulated a week prior to the date of the Meeting. The Agenda for the Board Meetings include detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. During the year, in terms of various circulars issued by Ministry of Corporate Affairs because of COVID 19, all the meetings were held through audio – video means.

During the financial year ended 31st March, 2022, four Board Meetings were held on 23rd April, 2021, 14th July, 2021, 13th October, 2021 and 12th January, 2022. The interval between any two meetings was well within the maximum allowed gap of 120 days.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the

Company at the end of the financial year and of the loss of the Company for that year;

- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

PERSONNEL

The Company had no employee during the year under review and hence, provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There have been no loans, guarantees or investments made by your Company in accordance with the provisions of Section 186 of the Companies Act, 2013 during the financial year 2021-22.

RELATED PARTY TRANSACTIONS

The Company has not entered into any related party transactions during the year under review.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Companies Act, 2013 during the financial year 2021-22.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company does not have any website, thus it is not required to upload its Annual return on the website and a copy of the annual return shall be filed with the Registrar.

DECLARATIONS AND CONFIRMATIONS

The Company has adequate internal financial control system in place with reference to the Financial Statements which operates effectively. According to the Directors of your Company, elements of risks that threaten the existence of your Company are very minimal. Hence, no separate Risk Management Policy is formulated.

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

The Company had no employee during the year under review and hence, provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable to the Company.

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

The Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively issued by Institute of Company Secretaries of India.

AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants (Firm's Registration No.: 101248W/W-100022) were re-appointed as Statutory Auditors of your Company for a second term of five consecutive years at the Annual General Meeting held on 25th June, 2019.

The Report given by the Auditors on the financial statements of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Act read with the Companies (Accounts) Rules, 2014.

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

The requirements under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 in so far as energy conservation, technology absorption and foreign exchange are concerned, are not applicable to the Company.

ACKNOWLEDGEMENTS

The Directors take this opportunity to thank all the Stakeholders for their support and co-operation.

On behalf of the Board

	Anuradha Razdan	Asha Gopalakrishnan
Mumbai, 25th April, 2022	Director DIN: 08530676	Director DIN: 08383915

Independent Auditor’s Report

To the Members of Levers Associated Trust Limited

(All amounts in ₹ ‘000, unless otherwise stated)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Levers Associated Trust Limited (“the Company”), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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 financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and,

in doing so, consider whether the other information is materially inconsistent with the 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 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 financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 financial statements, including the disclosures,

and whether the 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act; and

Independent Auditor’s Report

(f)	With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.	funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
3.	With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:	<ul style="list-style-type: none">• directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or• provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
(a)	The Company does not have any pending litigations which would impact its financial position;	
(b)	The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;	
(c)	There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;	(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement; and
(d) (i)	The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall: <ul style="list-style-type: none">• directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or• provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;	(e) The Company has neither declared nor paid any dividend during the year.
		4. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act: <p>According to the information and explanations given to us and based on our examination of the records, there is no remuneration paid to the directors during the current year. 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.</p>
(ii)	The management has represented that, to the best of its knowledge and belief, no	

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

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHUCDO8674

Mumbai,
25th April 2022



Annexure A
To the Independent Auditor’s report on the financial statements of Levers Associated Trust Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

(i)	According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any property plant and equipment (including Right of Use assets) or intangible assets. Accordingly, provisions of clauses 3(i)(a) to 3(i)(e) of the Order are not applicable to the Company.	Accordingly, clause 3(vi) of the Order is not applicable to the Company.
(ii) (a)	According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any inventory and hence clause 3(ii)(a) of the Order is not applicable to the Company.	(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods & Services Tax (GST). <p>According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Accordingly, clause 3(vii)(a) of the Order is not applicable to the Company.</p>
(b)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.	(b) According to the information and explanations given to us, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
(iii)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.	(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
(iv)	According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 (“Act”) are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable to the Company.	(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
(v)	The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.	(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
(vi)	According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the Company.	(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.

Annexure A

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable to the Company.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable to the Company.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company.

Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) The Company is not a listed public company or a company covered under rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and accordingly the requirements as stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions with the related parties during the year.

(xiv) Based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Companies Act, 2013.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable to the Company.

(d) According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii)The Company has incurred cash losses of ₹0.55 thousand in the current financial year and ₹0.32 thousand in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.



(All amounts in ₹ '000, unless otherwise stated)

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance

that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable to the Company.

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

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHUCDO8674

Mumbai,
25th April 2022

Annexure B
to the Independent Auditor’s report on the financial statements of Levers
Associated Trust Limited for the year ended 31 March 2022 (All amounts in ₹ ‘000, unless otherwise stated)

Report on the internal financial controls with reference to the aforesaid financial statements under Section 143(3)(i) of the Companies Act, 2013
(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Levers Associated Trust Limited (“the Company”) as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

MANAGEMENT’S 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 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”).

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform

the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHUCDO8674

Mumbai,
25th April 2022

Balance Sheet
as at 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-current assets			
Non-current tax assets (net)		0.06	0.02
Current Assets			
Financial assets			
Cash and cash equivalents	3	496.07	496.66
TOTAL ASSETS		496.13	496.68
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	4A	500.00	500.00
Other equity	4B	(3.87)	(3.32)
TOTAL EQUITY AND LIABILITIES		496.13	496.68
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements1 to 13

As per our report of even date attachedFor and on behalf of Board of Directors of Levers Associated Trust Limited

For B S R & Co. LLP
Firm Registration No. 101248W/W - 100022
Chartered Accountants
CIN : U74999MH1946PLC005403

Aniruddha Godbole
Partner
Membership No: 105149
Asha Gopalakrishnan
Director
DIN: 08383915
Ravishankar A.
Director
DIN: 09136289

Mumbai, 25th April, 2022Mumbai, 25th April, 2022



Statement of Profit and Loss
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
Other Income	5	0.34	0.33
TOTAL INCOME		0.34	0.33
EXPENSES			
Other Expenses	6	0.89	0.65
TOTAL EXPENSES		0.89	0.65
Loss before tax		(0.55)	(0.32)
Tax expenses			
Current tax		-	-
LOSS FOR THE YEAR (A)		(0.55)	(0.32)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A + B)		(0.55)	(0.32)
Earning/ (Loss) per equity share	7	(0.01)	(0.01)
Basic and Diluted (Face value of ₹10 each)			
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements1 to 13

As per our report of even date attachedFor and on behalf of Board of Directors of Levers Associated Trust Limited

For B S R & Co. LLP
Firm Registration No. 101248W/W - 100022
Chartered Accountants
CIN : U74999MH1946PLC005403

Aniruddha Godbole
Partner
Membership No: 105149
Asha Gopalakrishnan
Director
DIN: 08383915
Ravishankar A.
Director
DIN: 09136289

Mumbai, 25th April, 2022Mumbai, 25th April, 2022

Statements of Changes in Equity

for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

A EQUITY SHARE CAPITAL

	Note	As at 31st March, 2022	As at 31st March, 2021
Balance as at the beginning of the year	4A	500.00	500.00
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year	4A	500.00	500.00
Changes in equity share capital during the year		-	-
Balance as at the end of the year	4A	500.00	500.00

B. OTHER EQUITY

	Note	Retained earnings
As at 31st March, 2020		(3.00)
Changes due to prior period error		-
Restated balance as at 1st April, 2020	4B	(3.00)
Loss for the year		(0.32)
Other comprehensive income for the year		-
Total comprehensive loss for the year		(0.32)
As at 31st March, 2021		(3.32)
Changes due to prior period error		-
Restated balance as at 1st April, 2021	4B	(3.32)
Loss for the year		(0.55)
Other comprehensive income for the year		-
Total comprehensive loss for the year		(0.55)
Balance as at the end of the year	4B	(3.87)

The accompanying notes are an integral part of these financial statements

1 to 13

As per our report of even date attached

For and on behalf of Board of Directors of Levers Associated Trust Limited

For B S R & Co. LLP

Firm Registration No. 101248W/W - 100022

Chartered Accountants

CIN : U74999MH1946PLC005403

Aniruddha Godbole

Partner

Membership No: 105149

Asha Gopalakrishnan

Director

DIN: 08383915

Ravishankar A.

Director

DIN: 09136289

Mumbai, 25th April, 2022

Mumbai, 25th April, 2022



Statement of Cash Flows

for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

	Year Ended 31st March, 2022	Year Ended 31st March, 2021
A CASH FLOWS FROM OPERATING ACTIVITIES :		
Loss before tax	(0.55)	(0.33)
Cash used in operations before working capital changes	(0.55)	(0.33)
Changes in working capital	-	-
Cash used in operations	(0.55)	(0.33)
Taxes Paid	(0.04)	(0.02)
Net cash flows used in from operating activities - [A]	(0.59)	(0.35)
B CASH FLOWS FROM INVESTING ACTIVITIES :		
Net cash flows (used in)/ generated from financing activities - [B]	-	-
C CASH FLOWS FROM FINANCING ACTIVITIES :		
Net cash flows (used in)/ generated from financing activities - [C]	-	-
Net decrease in Cash and Cash equivalents - [A+B+C]	(0.59)	(0.35)
Add: Cash and cash equivalents at the beginning of the year	496.66	497.01
Cash and cash equivalents as at end of the year (Refer Note 3)	496.07	496.66

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes are an integral part of these financial statements

1 to 13

As per our report of even date attached

For and on behalf of Board of Directors of Levers Associated Trust Limited

For B S R & Co. LLP

Firm Registration No. 101248W/W - 100022

Chartered Accountants

CIN : U74999MH1946PLC005403

Aniruddha Godbole

Partner

Membership No: 105149

Asha Gopalakrishnan

Director

DIN: 08383915

Ravishankar A.

Director

DIN: 09136289

Mumbai, 25th April, 2022

Mumbai, 25th April, 2022



Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

1 COMPANY INFORMATION

Lever's Associated Trust Limited (the 'Company') incorporated on 11th December, 1946 is a public limited company domiciled in India with its registered office located at Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099 with the main objective to undertake the office of and act as trustee for any person or persons, company, corporation or otherwise, and generally to undertake, perform and discharge any trust or agency business, and any office of confidence.

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND MEASUREMENT

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;
- c. Expected to be realised within twelve months after the reporting period; or

- d. 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 treated as current when:

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

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian National Rupee (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

The Company has decided to round off the figures to the nearest thousands. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0.00" in the relevant notes to these financial statements.

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 25th April, 2022.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities, share based payments and net liability for defined benefit plans that are measured at fair value.

The accounting policies adopted are the same as those which were applied for the previous financial year.

(All amounts in ₹ '000, unless otherwise stated)

2.2 COMPLIANCE WITH AMENDED SCHEDULE III

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the

Company for the financial year starting 1st April, 2021 and applied to the Financial Statements. The key amendments are as follows:

- a) Additional disclosure for shareholding of promoters.
- b) Specific disclosure such as compliance with approved schemes of arrangements, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, relationship with struck off companies etc.

2.3 RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

- 1. Ind AS 109: Annual Improvements to Ind AS (2021)
- 2. Ind AS 103: Reference to Conceptual Framework
- 3. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- 4. Ind AS 16: Proceeds before intended use

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial Statements.

2.4 SIGNIFICANT ACCOUNTING POLICIES

- a) The significant accounting policies used in preparation of the financial statements have been included in the relevant notes to the financial statements.

Notes

to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

3) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments and bank balances that are readily convertible into cash & which are subject to an insignificant risk of changes in value.

	As at 31st March, 2022	As at 31st March, 2021
Balances with banks		
- In current accounts	496.07	496.66
	496.07	496.66

4A) EQUITY SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Authorised		
50,000 (31st March, 2021: 50,000) equity shares of ₹10 each	500.00	500.00
Issued, subscribed and fully paid up		
50,000 (31st March, 2021: 50,000) equity shares of ₹10 each fully paid	500.00	500.00
	500.00	500.00

a) Reconciliation of the number of shares

Equity Shares:	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	50,000	500.00	50,000	500.00
Add/Less: issued during the year	-	-	-	-
Balance as at the end of the year	50,000	500.00	50,000	500.00

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

c) Shares held by Holding Company and nominees of Holding Company in aggregate

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares of ₹10 :		
50,000 shares (31st March, 2021: 50,000) held by Hindustan Unilever Limited, the Holding Company and its nominee	50,000	50,000



(All amounts in ₹ '000, unless otherwise stated)

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2022	As at 31st March, 2021
Equity shares held by the Holding Company, Hindustan Unilever Limited and its nominee		
Number of shares held	50,000	50,000
% of holding	100%	100%

e) Details of shareholdings by the Promoter's of the Company

Sr. No.	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its Nominees	50,000	100%	50,000	100%	-

Sr. No.	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its Nominees	50,000	100%	50,000	100%	-

4B) OTHER EQUITY

A. Summary of Other Equity Balance:

	Retained Earnings
Opening balance as at 1st April, 2020	(3.00)
Loss for the year	(0.32)
Other comprehensive income for the year	-
Opening balance as at 1st April, 2021	(3.32)
Loss for the year	(0.55)
Other comprehensive income for the year	-
Balance as at the end of the year	(3.87)

B. Nature and Purpose of Reserves:

Retained Earnings: Retained earnings are the profit/(losses) that the Company has earned/incurred till date, less any transfer to general reserve, dividends or other distributions paid to the shareholders.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	(3.32)	(3.00)
Add: Loss for the year	(0.55)	(0.32)
Add: Other comprehensive income for the year	-	-
Balance at the end of the year	(3.87)	(3.32)

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

5) OTHER INCOME

Dividend income on investments is recognised for when the right to receive the dividend is established.

	Year Ended 31st March, 2022	Year ended 31st March, 2021
Dividend Income	0.34	0.33
	0.34	0.33

6) OTHER EXPENSES

Expenses are accounted on accrual basis.

	Year Ended 31st March, 2022	Year ended 31st March, 2021
Bank charges	0.89	0.65
	0.89	0.65

7) EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit/(loss) for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all year presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit/(loss) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

	Year Ended 31st March, 2022	Year ended 31st March, 2021
Earnings for the year	(0.55)	(0.32)
Weighted average number of equity shares outstanding	50,000.00	50,000.00
Earnings per share - basic and diluted (Face value of ₹10 per share)	(0.01)	(0.01)

8) CONTINGENT LIABILITIES

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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

There are no contingent liabilities as at 31st March, 2022 (Nil for 31st March, 2021).



(All amounts in ₹ '000, unless otherwise stated)

9) RELATED PARTY DISCLOSURES

- i) Enterprises exercising control
- Holding Company : Hindustan Unilever Limited
- Ultimate Holding Company : Unilever PLC
- ii) There are no transactions between related parties in the current year as well as in the previous year.
- iii) There are no outstanding balance receivable from / payable to any related party as at 31st March, 2022 (31st March, 2021: Nil).

There have been no guarantees provided or received for any related party receivables or payables."

10) GOING CONCERN

Having regard to the continued support of the Company's Holding Company, Hindustan Unilever Limited, the financial statements are prepared on a going concern basis.

11) DISCLOSURE OF RATIOS

Ratios are not provided for the current year and the previous year as there are no material transactions.

12) DISCLOSURE OF STRUCK OFF COMPANIES

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

13) OTHER MATTER

Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of Profit and Loss as specified in Schedule III to the Companies Act, 2013 is either 'nil' or 'not applicable' to the Company for the year.

As per our report of even date attached For and on behalf of Board of Directors of Levers Associated Trust Limited

For B S R & Co. LLP

Firm Registration No. 101248W/W - 100022
Chartered Accountants

CIN : U74999MH1946PLC005403

Aniruddha Godbole

Partner
Membership No: 105149

Asha Gopalakrishnan

Director
DIN: 08383915

Ravishankar A.

Director
DIN: 09136289

Mumbai, 25th April, 2022

Mumbai, 25th April, 2022

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Jaising Bhor Rajani Gopalkrishna Rao Puthige Ramamoorthy Kaniesh Xavier	M/s. B S R & Co. LLP, Chartered Accountants.	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099. CIN - U67120MH1946PLC005402

To the Members

Your Directors are pleased to present the 75th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2022.

FINANCIAL RESULTS

	(₹ Thousands)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue from operations	-	-
Profit / (Loss) before tax	(0.88)	(0.65)
Profit / (Loss) for the year	(0.88)	(0.65)

OPERATIONAL REVIEW

The Company is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) and continued to act jointly with Levers Associated Trust Limited as the Trustees of the Union Provident Fund, Hindlever Pension Fund, Hindustan Lever Management Staff Gratuity Fund, Hindlever Limited Superannuation Fund and Hindustan Lever Educational and Welfare Trust.

DIVIDEND

The Directors did not recommend any dividend for the year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate or joint venture company.

THE BOARD OF DIRECTORS

The composition of the Board of your Company is in line with the applicable provisions of Companies Act, 2013.

During the year, Mr. C. S. Verghese, Mr. V. D. Ranade and Ms. Shabnam Ali resigned as Directors of your Company with effect from 1st April, 2021, 6th October, 2021 and 30th November, 2021 respectively. The Board placed on record, its sincere appreciation for the services rendered by Mr. C. S. Verghese, Mr. V. D. Ranade and Ms. Shabnam Ali during their tenures as Directors of the Company.

Mr. Kaniesh Xavier was appointed as an Additional Director on the Board of the Company with effect from 14th July, 2021 to hold office upto the 74th Annual General Meeting of the Company. Based on the recommendation of the Board, the Shareholders of the Company approved the above mentioned appointment at the 74th Annual General Meeting of the Company held on 10th August, 2021.

Further, Mr. Puthige Ramamoorthy and Ms. Rajani Gopalkrishna Rao were appointed with effect from 8th December, 2021 as Additional Directors on the Board of the Company to hold office upto the forthcoming Annual General Meeting of the Company. Being eligible, Mr. Puthige Ramamoorthy and Ms. Rajani Gopalkrishna Rao have offered themselves to be appointed as the Directors of your Company.

Except as mentioned above, there was no change in the Board of Directors of the Company during the year under review.

The Board recommended the appointment of Mr. Puthige Ramamoorthy and Ms. Rajani Gopalkrishna Rao as Directors of the Company and the resolutions proposing aforesaid appointments pursuant to Section 152 of the Companies Act, 2013 forms part of the Notice of Annual General Meeting.

In accordance with Article 33 of the Articles of Association of the Company and the Companies Act, 2013, all the Directors of the Company other than Managing Director, if any, shall retire by rotation at every Annual General Meeting and accordingly, Mr. Jaising Bhor and Mr. Kaniesh Xavier shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's operations, business policies and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed in the subsequent Board Meeting.

The notice of Board Meeting is given well in advance to all the Directors. Usually, Meetings of the Board are held in Mumbai. The Agenda is circulated a week prior to the date of the Meeting. The Agenda for the Board Meetings includes detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. During the year, in terms of various circulars issued by Ministry of Corporate Affairs because of COVID 19, all the meetings were held through audio – video means.

During the financial year ended 31st March, 2022, four Board Meetings were held on 23rd April, 2021, 14th July, 2021, 13th October, 2021 and 12th January, 2022. The interval between any two meetings was well within the maximum allowed gap of 120 days.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis; and
- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

PERSONNEL

The Company had no employee during the year under review and hence, provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There have been no loans, guarantees or investments made by your Company in accordance with the provisions of Section 186 of the Companies Act, 2013 during the financial year 2021-22.

RELATED PARTY TRANSACTIONS

The Company has not entered into any related party transactions during the year under review.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Companies Act, 2013, during the financial year 2021-22.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company does not have any website, thus it is not required to upload its Annual return on the website and a copy of the annual return shall be filed with the Registrar.

DECLARATIONS AND CONFIRMATIONS

The Company has adequate internal financial control system in place with reference to the Financial Statements which operates effectively. According to the Directors of your Company, elements of risks that threaten the existence of your Company are very minimal. Hence, no separate Risk Management Policy is formulated.

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

The Company had no employee during the year under review and hence, provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable to the Company.

Report of Board of Directors

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

The Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively issued by Institute of Company Secretaries of India.

AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants (Firm’s Registration No.: 101248W/W-100022) were re-appointed as Statutory Auditors of your Company for a second term of five consecutive years at the Annual General Meeting held on 25th June, 2019.

The Report given by the Auditors on the financial statements of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12)

of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

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

The requirements under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 in so far as energy conservation, technology absorption and foreign exchange are concerned, are not applicable to the Company.

ACKNOWLEDGEMENTS

The Directors take this opportunity to thank all the stakeholders for their support and co-operation.

On behalf of the Board			
	Jaising Bhor	Kaniesh Xavier	
	Director	Director	
	DIN: 08165955	DIN: 09231589	

Mumbai,
21st April, 2022



Independent Auditor’s Report
To the Members of Levindra Trust Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Levindra Trust Limited (“the Company”), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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 financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and,

in doing so, consider whether the other information is materially inconsistent with the 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 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 financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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.

Independent Auditor’s Report

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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act; and
 - (f) With respect to the adequacy of the internal financial controls with reference to financial

statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

3. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (a) The Company does not have any pending litigations which would impact its financial position;
 - (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (d)
 - (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
 - (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company

from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement; and
- (e) The Company has neither declared nor paid any dividend during the year.
4. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

According to the information and explanations given to us and based on our examination of the records, there is no remuneration paid to the directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For BSR & Co. LLP
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHNCAW9302

Mumbai,
21st April 2022





Annexure A

To the Independent Auditor's report on the financial statements of Levindra Trust Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any property plant and equipment (including Right of Use assets) or intangible assets. Accordingly, provisions of clauses 3(i)(a) to 3(i)(e) of the Order are not applicable to the Company.
- (ii) (a) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any inventory and hence clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the Company.
- Accordingly, clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Accordingly, clause 3(vii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or borrowings from any lender. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loans from any lender. Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company did not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable to the Company.
- (f) The Company did not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable to the Company.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) The Company is not a listed public company or a company covered under rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and accordingly the requirements as stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions with the related parties during the year.
- (xiv) Based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Companies Act, 2013.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us during the course of audit, the Group (Group means companies in the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has incurred cash losses of ₹0.89 thousand in the current financial year and ₹0.65 thousand in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other

Annexure A

information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 105149

ICAI UDIN: 22105149AHNCAW9302

Mumbai,

21st April 2022



Annexure B

To the Independent Auditor’s report on the financial statements of Levindra Trust Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Section 143(3)(i) of the Companies Act, 2013
(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Levindra Trust Limited (“the Company”) as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

MANAGEMENT’S 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 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”).

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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

Annexure B

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 FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with

reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Mumbai,
21st April 2022

For B S R & Co. LLP

Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Aniruddha Godbole

Partner
Membership No: 105149
ICAI UDIN: 22105149AHNCAW9302



Balance Sheet
as at 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Current assets			
Financial assets			
Cash and cash equivalents	3	493.95	494.83
TOTAL ASSETS		493.95	494.83
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	4A	500.00	500.00
Other equity	4B	(6.05)	(5.17)
TOTAL EQUITY AND LIABILITIES		493.95	494.83
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements1 to 12

As per our report of even date attached

For and on behalf of Board of Directors of Levindra Trust Limited
CIN : U67120MH1946PLC005402

For B S R & Co. LLP

Firm Registration No. 101248W/W - 100022

Chartered Accountants

Aniruddha Godbole

Partner
Membership No: 105149

Mumbai, 21st April, 2022

Rajani Gopalkrishna Rao

Director
DIN: 09406355

Mumbai, 21st April, 2022

Jaising Bhor

Director
DIN: 08165955

Statement of Profit and Loss
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
TOTAL INCOME		-	-
EXPENSES			
Other Expenses	5	0.88	0.65
TOTAL EXPENSES		0.88	0.65
Loss before tax		(0.88)	(0.65)
Tax expenses			
Current tax		-	-
LOSS FOR THE YEAR (A)		(0.88)	(0.65)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A + B)		(0.88)	(0.65)
Loss per equity share			
Basic and Diluted (Face value of ₹10 each)	6	(0.02)	(0.01)
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements1 to 12

As per our report of even date attached	For and on behalf of Board of Directors of Levindra Trust Limited CIN : U67120MH1946PLC005402	
For B S R & Co. LLP		
Firm Registration No. 101248W/W - 100022		
Chartered Accountants		
Aniruddha Godbole	Rajani Gopalkrishna Rao	Jaising Bhor
Partner	Director	Director
Membership No: 105149	DIN: 09406355	DIN: 08165955
Mumbai, 21st April, 2022	Mumbai, 21st April, 2022	



Statements of Changes in Equity
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

	Note	As at 31st March, 2022	As at 31st March, 2021
Balance as at the beginning of the year	4A	500.00	500.00
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year	4A	500.00	500.00
Changes in equity share capital during the year		-	-
Balance as at the end of the year	4A	500.00	500.00

B. OTHER EQUITY

	Note	Retained Earnings
As at 31st March, 2020		(4.52)
Changes due to prior period errors		-
Restated balance as at 1st April, 2020	4B	(4.52)
Loss for the year		(0.65)
Other comprehensive income for the year		-
Total comprehensive loss for the year		(0.65)
As at 31st March, 2021		(5.17)
Changes due to prior period errors		-
Restated balance as at 1st April, 2021	4B	(5.17)
Loss for the year		(0.88)
Other comprehensive income for the year		-
Total comprehensive loss for the year		(0.88)
As at 31st March, 2022	4B	(6.05)

The accompanying notes are an integral part of these financial statements1 to 12

As per our report of even date attached	For and on behalf of Board of Directors of Levindra Trust Limited CIN : U67120MH1946PLC005402	
For B S R & Co. LLP		
Firm Registration No. 101248W/W - 100022		
Chartered Accountants		
Aniruddha Godbole	Rajani Gopalkrishna Rao	Jaising Bhor
Partner	Director	Director
Membership No: 105149	DIN: 09406355	DIN: 08165955
Mumbai, 21st April, 2022	Mumbai, 21st April, 2022	

Statement of Cash Flows
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

	Year Ended 31st March, 2022	Year Ended 31st March, 2021
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before tax	(0.88)	(0.65)
Cash used in operations before working capital changes	(0.88)	(0.65)
Changes in working capital	-	-
Net cash flows used in operating activities - [A]	(0.88)	(0.65)
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash flows generated from investing activities - [B]	-	-
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash flows generated from financing activities - [C]	-	-
Net decrease in Cash and Cash equivalents - [A+B+C]	(0.88)	(0.65)
Add: Cash and cash equivalents at the beginning of the year	494.83	495.48
Cash and cash equivalents as at end of the year (Refer Note 3)	493.95	494.83

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes are an integral part of these financial statements 1 to 12

As per our report of even date attached	For and on behalf of Board of Directors of Levindra Trust Limited CIN : U67120MH1946PLC005402
For B S R & Co. LLP Firm Registration No. 101248W/W - 100022 Chartered Accountants	
Aniruddha Godbole Partner Membership No: 105149	Rajani Gopalkrishna Rao Director DIN: 09406355
	Jaising Bhor Director DIN: 08165955
Mumbai, 21st April, 2022	Mumbai, 21st April, 2022



Notes
to the financial statements for the year ended 31st March, 2022

1. COMPANY INFORMATION

Levindra Trust Limited (the 'Company') incorporated on 11th December, 1946 is a public limited company domiciled in India with its registered office located at Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099, with the main objective to undertake the office of and act as trustee for any person or persons, company, corporation or otherwise, and generally to undertake, perform and discharge any trust or agency business, and any office of confidence.

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;
- c. Expected to be realised within twelve months after the reporting period; or

- d. 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 treated as current when:

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

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian National Rupee (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

The Company has decided to round off the figures to the nearest thousands. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0.00" in the relevant notes to these financial statements.

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 21st April, 2022.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities, share based payments and net liability for defined benefit plans that are measured at fair value.

The accounting policies adopted are the same as those which were applied for the previous financial year.

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

2.2 Compliance with Amended Schedule III

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021 and applied to the Financial Statements. The key amendments are as follows:

- a) Additional disclosure for shareholding of promoters.
- b) Specific disclosure such as compliance with approved schemes of arrangements, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, relationship with struck off companies etc.

2.3 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

- 1. Ind AS 109: Annual Improvements to Ind AS (2021)
- 2. Ind AS 103: Reference to Conceptual Framework
- 3. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- 4. Ind AS 16: Proceeds before intended use

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Standalone Financial Statements.

2.4 Significant Accounting Policies

- a) The significant accounting policies used in preparation of the financial statements have been included in the relevant notes to the financial statements.



(All amounts in ₹ '000, unless otherwise stated)

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments and bank balances that are readily convertible into cash & which are subject to an insignificant risk of changes in value.

	As at 31st March, 2022	As at 31st March, 2021
Balances with banks		
- In current accounts	493.95	494.83
	493.95	494.83

4A) EQUITY SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Authorised		
50,000 (31st March, 2021: 50,000) equity shares of ₹10 each	500.00	500.00
Issued, subscribed and fully paid up		
50,000 (31st March, 2021: 50,000) equity shares of ₹10 each fully paid	500.00	500.00
	500.00	500.00

a) Reconciliation of the number of shares

	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
Balance as at the beginning of the year	50,000	500.00	50,000	500.00
Add: issued during the year	-	-	-	-
Balance as at the end of the year	50,000	500.00	50,000	500.00

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

c) Shares held by Holding Company and nominees of Holding Company in aggregate

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares of ₹10 :		
50,000 Equity shares (31st March, 2021: 50,000) of ₹10 each held by Hindustan Unilever Limited, the Holding Company and its nominee	500.00	500.00

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2022	As at 31st March, 2021
Equity shares held by the Holding Company, Hindustan Unilever Limited and its nominee		
Number of shares held	50,000	50,000
% of holding	100%	100%

e) Details of shareholdings by the Promoter's of the Company

Sr. No.	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its nominees	50,000	100%	50,000	100%	-

Sr. No.	Promoter Name	As at 31st March, 2021		As at 31st March, 2020		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its nominees	50,000	100%	50,000	100%	-

4B) OTHER EQUITY

A. Summary of Other Equity Balance:

	Retained Earnings
Opening balance as at 1st April, 2020	(4.52)
Loss for the year	(0.65)
Other comprehensive income for the year	-
Total comprehensive loss for the year	(0.65)
Opening balance as at 1st April, 2021	(5.17)
Loss for the year	(0.88)
Other comprehensive income for the year	-
As at 31st March, 2022	(6.05)



(All amounts in ₹ '000, unless otherwise stated)

B. Nature and Purpose of Reserves:

Retained Earnings: Retained earnings are the profit/(losses) that the Company has earned/incurred till date, less any transfer to general reserve, dividends or other distributions paid to the shareholders.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	(5.17)	(4.52)
Add: Loss for the year	(0.88)	(0.65)
Add: Other comprehensive income for the year	-	-
Balance at the end of the year	(6.05)	(5.17)

5) OTHER EXPENSES

	Year ended 31st March, 2022	Year ended 31st March, 2021
Bank charges	0.88	0.65
	0.88	0.65

6) EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit/(loss) for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all year presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit/(loss) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Loss for the year	(0.88)	(0.65)
Weighted average number of equity shares outstanding	50,000	50,000
Earnings per share - basic and diluted (Face value of ₹10 per share)	(0.02)	(0.01)

Notes
to the financial statements for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

7) CONTINGENT LIABILITIES

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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

There are no contingent liabilities as at 31st March, 2022 (Nil for 31st March, 2021).

8) RELATED PARTY DISCLOSURES

- i) Enterprises exercising control

Holding Company : Hindustan Unilever Limited

Ultimate Holding Company : Unilever PLC
- ii) There are no transactions between related parties in the current year as well as in the previous year.
- iii) There are no outstanding balance receivable from / payable to any related party as at 31st March, 2022 (31st March, 2021: Nil).

There have been no guarantees provided or received for any related party receivables or payables.

9) GOING CONCERN

Having regard to the continued support of the Company's Holding Company, Hindustan Unilever Limited, the financial statements are prepared on a going concern basis

10) DISCLOSURE OF RATIOS

Ratios are not provided for the current year and the previous year as there are no material transactions.



(All amounts in ₹ '000, unless otherwise stated)

11) DISCLOSURE OF STRUCK OFF COMPANIES

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

12) OTHER MATTER

Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of Profit and Loss as specified in Schedule III to the Companies Act, 2013 is either 'nil ' or ' not applicable ' to the Company for the year.

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai, 21st April, 2022

For and on behalf of Board of Directors of Levindra Trust Limited
CIN : U67120MH1946PLC005402

Rajani Gopalkrishna Rao
Director
DIN: 09406355

Mumbai, 21st April, 2022

Jaising Bhor
Director
DIN: 08165955

Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Asha Gopalakrishnan Ravishankar A. Mallika Mutreja	M/s. BSR & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099. CIN - U65990MH1958PLC011060

To the Members,

Your Directors are pleased to present the 64th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2022.

FINANCIAL RESULTS

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue from operations	-	-
Profit/(Loss) before tax	(0.89)	(0.65)
Profit/(Loss) for the year	(0.89)	(0.65)

OPERATIONAL REVIEW

The Company is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) and continued to act jointly with Levers Associated Trust Limited as the Trustees of the Hindlever Pension Fund, Hindustan Lever Gratuity Fund, Hindlever Limited Superannuation Fund and Hindustan Lever Educational and Welfare Trust.

DIVIDEND

The Directors did not recommend any dividend for the year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate or joint venture company.

THE BOARD OF DIRECTORS

The composition of the Board of your Company is in line with the applicable provisions of the Companies Act, 2013.

During the year, Mr. Amit Sood and Ms. Boishakhi Banerjee resigned as Directors of your Company with effect from 30th April, 2021 and 31st August, 2021 respectively. The Board placed on record, its sincere appreciation for the services rendered by Mr. Amit Sood and Ms. Boishakhi Banerjee during their tenures as Directors of the Company.

Mr. Ravishankar A. was appointed as an Additional Director on the Board of the Company with effect from 30th April, 2021 to hold office up to the 63rd Annual General Meeting of the Company. Based on the recommendation of the Board, the Shareholders of the Company approved the above mentioned appointment at the 63rd Annual General Meeting of the Company held on 10th August, 2021.

Further, Ms. Mallika Mutreja, was appointed as an Additional Director on the Board of the Company with effect from 31st August, 2021 to hold office up to the forthcoming Annual General Meeting of the Company. Being eligible, Ms. Mallika Mutreja has offered herself to be appointed as the Director of your Company.

The Board recommended the appointment of Ms. Mallika Mutreja as Director of the Company and the resolution proposing aforesaid appointment pursuant to Section 152 of the Companies Act, 2013 forms part of the Notice of Annual General Meeting.

Except as mentioned above, there was no change in the Board of Directors of the Company during the financial year under review.

In accordance with Article 33 of the Articles of Association of the Company and the provisions of Companies Act, 2013, all the Directors of the Company other than Managing Director, if any, shall retire by rotation at every Annual General Meeting and accordingly, Ms. Asha Gopalakrishnan and Mr. Ravishankar A. shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's operations, business policies and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed in the subsequent Board Meeting.

The notice of Board Meeting is given well in advance to all the Directors. Usually, Meetings of the Board are held in Mumbai. The agenda is circulated a week prior to the date of the Meeting. The Agenda for the Board Meetings includes detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. During the year, in terms of various circulars issued by Ministry of Corporate Affairs because of COVID-19, all the Meetings were held through audio – video means.

During the financial year ended 31st March, 2022, four Board Meetings were held on 23rd April, 2021, 14th July, 2021, 13th October, 2021 and 12th January, 2022. The interval between any two Meetings was well within the maximum allowed gap of 120 days.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

PERSONNEL

The Company had no employee during the year under review and hence, provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There have been no loans, guarantees or investments made by your Company in accordance with the provisions of Section 186 of the Companies Act, 2013 during the financial year 2021-22.

RELATED PARTY TRANSACTIONS

The Company has not entered into any related party transactions during the year under review.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Companies Act, 2013, during the financial year 2021-22.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company does not have any website, thus it is not required to upload its Annual Return on the website and a copy of the Annual Return shall be filed with the Registrar.

DECLARATIONS AND CONFIRMATIONS

The Company has adequate internal financial control system in place with reference to the Financial Statements which operates effectively. According to the Directors of your Company, elements of risks that threaten the existence of your Company are very minimal. Hence, no separate Risk Management Policy is formulated.

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

The Company had no employee during the year under review and hence, provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable to the Company.

Report of Board of Directors

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

The Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively issued by Institute of Company Secretaries of India.

AUDITORS

M/s. BSR & Co. LLP, Chartered Accountants (Firm’s Registration No.: 101248W/W-100022) were re-appointed as Statutory Auditors of your Company for a second term of five consecutive years at the Annual General Meeting held on 25th June, 2019.

The Report given by the Auditors on the financial statements of the Company forms part of this Annual Report. There has been no qualification, reservation,

adverse remark or disclaimer given by the Auditors in their Report.

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

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

The requirements under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 in so far as energy conservation, technology absorption and foreign exchange are concerned, are not applicable to the Company.

ACKNOWLEDGEMENTS

The Directors take this opportunity to thank all the Stakeholders for their support and co-operation.

On behalf of the Board

Asha Gopalakrishnan

Director

DIN: 08383915

Ravishankar A.

Director

DIN: 09136289

Mumbai, 21st April, 2022



Independent Auditor’s Report

To the Members of Hindlever Trust Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Hindlever Trust Limited (“the Company”), which comprise the balance sheet as at 31st March, 2022, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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 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 31st March, 2022, and its loss 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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 financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Independent Auditor’s Report

The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements

and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid 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 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act; and
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
3. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (a) The Company does not have any pending litigations which would impact its financial position;
 - (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (d) (i) The management has represented that, to the best of its knowledge and belief,

no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party; or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement; and
 - (e) The Company has neither declared nor paid any dividend during the year.

Independent Auditor’s Report

4. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

According to the information and explanations given to us and based on our examination of the records, there is no remuneration paid to the directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Mumbai,
21st April, 2022

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

Aniruddha Godbole
Partner
Membership No. 105149
ICAI UDIN: 22105149AHNKSV9937

Annexure A

to the Independent Auditor’s report on the financial statements of
Hindlever Trust Limited for the year ended 31st March, 2022

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any property plant and equipment (including Right of Use assets) or intangible assets. Accordingly, provisions of clauses 3(i)(a) to 3(i)(e) of the Order are not applicable to the Company.

(ii) (a) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any inventory and hence clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 (“Act”) are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1st July, 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Accordingly, clause 3(vii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or borrowings from any lender. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

Annexure A

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loans from any lender. Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company did not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31st March, 2022. Accordingly, clause 3(ix)(e) is not applicable to the Company.

(f) The Company did not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31st March, 2022. Accordingly, clause 3(ix)(f) is not applicable to the Company.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.

(xiii) The Company is not a listed public company or a company covered under rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and accordingly the requirements as stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions with the related parties during the year.

(xiv) Based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Companies Act, 2013.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable to the Company.

(d) According to the information and explanations provided to us during the course of audit, the Group (Group means companies in the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

- (xvii)The Company has incurred cash losses of ₹0.89 thousand in the current financial year and ₹0.65 thousand in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability

of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Aniruddha Godbole
Partner
Membership No. 105149
ICAI UDIN: 22105149AHNKS9937

Mumbai,
21st April, 2022

Annexure B

to the Independent Auditor’s report on the financial statements of Hindlever Trust Limited for the year ended 31st March, 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Section 143(3)(i) of the Companies Act, 2013
(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Hindlever Trust Limited (“the Company”) as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

MANAGEMENT’S 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 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”).

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform

the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.



(All amounts in ₹ '000, unless otherwise stated)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Aniruddha Godbole
Partner
Membership No. 105149
ICAI UDIN: 22105149AHNKS9937

Mumbai,
21st April, 2022

Balance Sheet
as at 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Current assets			
Financial assets			
Cash and cash equivalents	3	493.92	494.81
TOTAL ASSETS		493.92	494.81
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	4A	500.00	500.00
Other equity	4B	(6.08)	(5.19)
TOTAL EQUITY AND LIABILITIES		493.92	494.81
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements 1 to 12

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W-100022
Chartered Accountants

For and on behalf of Board of Directors of Hindlever Trust Limited

CIN: U65990MH1958PLC011060

Aniruddha Godbole

Partner
Membership No. 105149

Ravishankar A.

Director
DIN: 09136289

Asha Gopalakrishnan

Director
DIN: 08383915

Mumbai, 21st April, 2022

Mumbai, 21st April, 2022

Statement of Profit and Loss
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
TOTAL INCOME		-	-
Expenses			
Other Expenses	5	0.89	0.65
TOTAL EXPENSES		0.89	0.65
Loss before tax		(0.89)	(0.65)
Tax expenses			
Current tax		-	-
LOSS FOR THE YEAR (A)		(0.89)	(0.65)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		(0.89)	(0.65)
Loss per equity share			
Basic & Diluted (Face value of ₹10 each)	6	(0.02)	(0.01)
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements 1 to 12

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W-100022
Chartered Accountants

For and on behalf of Board of Directors of Hindlever Trust Limited

CIN: U65990MH1958PLC011060

Aniruddha Godbole

Partner
Membership No. 105149

Ravishankar A.

Director
DIN: 09136289

Asha Gopalakrishnan

Director
DIN: 08383915

Mumbai, 21st April, 2022

Mumbai, 21st April, 2022

Statement of Changes in Equity

for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	As at 31st March, 2022	As at 31st March, 2021
Balance as at the beginning of the year	4A	500.00	500.00
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year	4A	500.00	500.00
Changes in equity share capital during the year		-	-
Balance as at the end of the year	4A	500.00	500.00

B. OTHER EQUITY

	Note	Retained Earnings
As at 31st March, 2020		(4.54)
Changes due to prior period errors		-
Restated balance as at 1st April, 2020	4B	(4.54)
Loss for the year		(0.65)
Other comprehensive income for the year		-
Total comprehensive loss for the year		(0.65)
As at 31st March, 2021		(5.19)
Changes due to prior period errors		-
Restated balance as at 1st April, 2021	4B	(5.19)
Loss for the year		(0.89)
Other comprehensive income for the year		-
Total comprehensive loss for the year		(0.89)
As at 31st March, 2022	4B	(6.08)

The accompanying notes are an integral part of these financial statements

1 to 12

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W-100022
Chartered Accountants

Aniruddha Godbole

Partner
Membership No. 105149

Mumbai, 21st April, 2022

For and on behalf of Board of Directors of Hindlever Trust Limited

CIN: U65990MH1958PLC011060

Ravishankar A.

Director
DIN: 09136289

Mumbai, 21st April, 2022

Asha Gopalakrishnan

Director
DIN: 08383915



Statement of Cash Flows

for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

	Year ended 31st March, 2022	Year ended 31st March, 2021
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before tax	(0.89)	(0.65)
Cash flows used in operations before working capital changes	(0.89)	(0.65)
Changes in working capital	-	-
Net cash flows (used in)/ generated from operating activities – [A]	(0.89)	(0.65)
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash flows (used in)/ generated from investing activities – [B]	-	-
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash flows (used in)/ generated from financing activities – [C]	-	-
Net decrease in Cash and Cash equivalents – [A+B+C]	(0.89)	(0.65)
Add: Cash and cash equivalents at the beginning of the year	494.81	495.46
Cash and cash equivalents as at end of the year (Refer Note 3)	493.92	494.81

Note: The above Statement of cashflows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes are an integral part of these financial statements

1 to 12

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W-100022
Chartered Accountants

Aniruddha Godbole

Partner
Membership No: 105149.

Mumbai, 21st April, 2022

For and on behalf of Board of Directors of Hindlever Trust Limited

CIN: U65990MH1958PLC011060

Ravishankar A.

Director
DIN: 09136289

Mumbai, 21st April, 2022

Asha Gopalakrishnan

Director
DIN: 08383915

Notes
to the standalone financial statements for the year ended 31st March, 2022

1. COMPANY INFORMATION

Hindlever Trust Limited (the ‘Company’) incorporated on 1st April, 1958 is a public limited company domiciled in India with its registered office located at Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099, with the main objective to undertake the office of and act as trustee for any person or persons, company, corporation or otherwise, and generally to undertake, perform and discharge any trust or agency business, and any office of confidence.

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND MEASUREMENT

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;
- c. Expected to be realised within twelve months after the reporting period; or
- d. 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 treated as current when:

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

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian National Rupee (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the ‘functional currency’).

The Company has decided to round off the figures to the nearest thousands. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as “0.00” in the relevant notes to these financial statements.

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 21st April, 2022.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities, share based payments and net liability for defined benefit plans that are measured at fair value.

The accounting policies adopted are the same as those which were applied for the previous financial year.

2.2 COMPLIANCE WITH AMENDED SCHEDULE III

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the

Company for the financial year starting 1st April, 2021 and applied to the Financial Statements. The key amendments are as follows:

- a) Additional disclosure for shareholding of promoters.
- b) Specific disclosure such as compliance with approved schemes of arrangements, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, relationship with struck off companies etc.

2.3 RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following

amendments to Ind AS which are effective 1st April, 2022:

- 1. Ind AS 109: Annual Improvements to Ind AS (2021)
- 2. Ind AS 103: Reference to Conceptual Framework
- 3. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- 4. Ind AS 16: Proceeds before intended use

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Standalone Financial Statements.

2.4 SIGNIFICANT ACCOUNTING POLICIES

- a) The significant accounting policies used in preparation of the financial statements have been included in the relevant notes to the financial statements.

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

3. CASH AND CASH EQUIVALENTS

	As at 31st March, 2022	As at 31st March, 2021
Balances with banks		
- In current accounts	493.92	494.81
	493.92	494.81

4A. EQUITY SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Authorised		
50,000 (31st March, 2021: 50,000) equity shares of ₹10 each	500.00	500.00
Issued, subscribed and fully paid up		
50,000 (31st March, 2021: 50,000) equity shares of ₹10 each fully paid	500.00	500.00
	500.00	500.00

a) Reconciliation of the number of shares

Equity Shares:	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	50,000	500.00	50,000	500.00
Add/Less: issued during the year	-	-	-	-
Balance as at the end of the year	50,000	500.00	50,000	500.00

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

c) Shares held by Holding Company and nominees of Holding Company in aggregate

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares of ₹10 :		
50,000 Equity shares (31st March, 2021: 50,000) of ₹10 each held by Hindustan Unilever Limited, the Holding Company and its nominee	500.00	500.00

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2022	As at 31st March, 2021
Equity shares held by the Holding Company, Hindustan Unilever Limited and its nominee		
Number of shares held	50,000	50,000
% of holding	100%	100%



(All amounts in ₹ '000, unless otherwise stated)

e) Details of shareholdings by the Promoter's of the Company

Sr. No.	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its nominees	50,000	100%	50,000	100%	-

Sr. No.	Promoter Name	As at 31st March, 2021		As at 31st March, 2020		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its nominees	50,000	100%	50,000	100%	-

4B. OTHER EQUITY

A. Summary of Other Equity Balance:

	Retained Earnings
Opening balance as at 1st April, 2020	(4.54)
Loss for the year	(0.65)
Other comprehensive income for the year	-
Total comprehensive loss for the year	(0.65)
Opening balance as at 1st April, 2021	(5.19)
Loss for the year	(0.89)
Other comprehensive income for the year	-
Total comprehensive loss for the year	(0.89)
As at 31st March, 2022	(6.08)

B. Nature and Purpose of Reserves:

Retained Earnings: Retained earnings are the profit/(losses) that the Company has earned/incurred till date, less any transfer to general reserve, dividends or other distributions paid to the shareholders.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	(5.19)	(4.54)
Add: Loss for the year	(0.89)	(0.65)
Add: Other comprehensive income for the year	-	-
Balance at the end of the year	(6.08)	(5.19)

5. OTHER EXPENSES

	Year ended 31st March, 2022	Year ended 31st March, 2021
Bank charges	0.89	0.65
	0.89	0.65

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

6. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit/(loss) for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all year presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit/(loss) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Loss for the year	(0.89)	(0.65)
Weighted average number of equity shares outstanding	50,000	50,000
Earnings per share – basic and diluted (Face value of ₹10 per share)	(0.02)	(0.01)

7. CONTINGENT LIABILITIES

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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

There are no contingent liabilities as at 31st March, 2022 (Nil for 31st March, 2021).

8. RELATED PARTY DISCLOSURES

- i) Enterprises exercising control
- Holding Company : Hindustan Unilever Limited
- Ultimate Holding Company : Unilever PLC
- ii) There are no transactions between related parties in the current year as well as in the previous year.
- iii) There are no outstanding balance receivable from/payable to any related party as at 31st March, 2022 (31st March, 2021: Nil).

There have been no guarantees provided or received for any related party receivables or payables.



(All amounts in ₹ '000, unless otherwise stated)

9. GOING CONCERN

Having regard to the continued support of the Company's Holding Company, Hindustan Unilever Limited, the financial statements are prepared on a going concern basis.

10. ACCOUNTING RATIOS

Ratios are not provided for the current year and the previous year as there are no material transactions.

11. DISCLOSURE OF STRUCK OFF COMPANIES

The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

12. OTHER MATTER

Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of Profit and Loss as specified in Schedule III to the Companies Act, 2013 is either 'nil' or 'not applicable' to the Company for the year.

As per our report of even date attached

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

For and on behalf of Board of Directors of Hindlever Trust Limited
CIN: U65990MH1958PLC011060

Aniruddha Godbole
Partner
Membership No. 105149

Ravishankar A.
Director
DIN: 09136289

Asha Gopalakrishnan
Director
DIN: 08383915

Mumbai, 21st April, 2022

Mumbai, 21st April, 2022

Hindustan Unilever Foundation
Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Sanjiv Mehta Ritesh Tiwari Dev Bajpai Prabha Narasimhan*	M/s. BSR & Co. LLP, Chartered Accountants.	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099. CIN - U93090MH2010NPL201468

*Ms. Prabha Narasimhan, Director of the Company has resigned with effect from 30th April, 2022.

To the Members,

Your Directors are pleased to present the 12th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2022.

FINANCIAL RESULTS

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Total Income	1,414.65	2,266.06
Less: Total Expenditure	1,737.17	2,217.51
(Shortfall) / Excess of Income over Expenditure	(322.52)	48.55

OPERATIONAL REVIEW

Your Company is a not-for-profit Company that anchors water management related community development and sustainability initiatives of Hindustan Unilever Limited (HUL).

The Company operates the 'Water for Public Good' programme, with a specific focus on water conservation, building local community institutions to govern water resources and enhancing farm-based livelihoods through adoption of judicious water practices. The Company's programmes currently reach over 10,000 villages* in 46 districts in 8 states and 2 union territories across India in partnership through 15 NGO partners and multiple co-funders. The Company also supports several knowledge initiatives in water conservation, governance and behaviour change.

By the end of financial year 2020-21, the cumulative and collective achievements through partnered programmes of the Company (independently assured) include:

- **Water Conservation:** Over 1.9 trillion litres of water potential created.
- **Crop Yield:** Additional agriculture production of over 1.3 million tonnes has been generated.
- **Livelihoods:** Over 60 million person-days of employment have been created through water conservation and increased agriculture production*.

*The significant reach and livelihood impact are on account of the Company's support to MGNREGS programme partnership in West Bengal with PRADAN, a reputed non-profit organisation. This programme reaches out to over 7,000 villages across 54 blocks in 6 districts.

DIVIDEND

The Directors did not recommend any dividend for the financial year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate or joint venture company.

THE BOARD OF DIRECTORS

The composition of the Board of your Company is in line with the applicable provisions of the Companies Act, 2013.

During the year, Ms. Priya Nair and Mr. Srinivas Phatak resigned as Directors of your Company with effect from 21st April, 2021 and 30th April, 2021 respectively. The Board placed on record, its sincere appreciation for the services rendered by Ms. Priya Nair and Mr. Srinivas Phatak during their tenures as Directors of the Company.

Further, Ms. Prabha Narasimhan and Mr. Ritesh Tiwari were appointed as Additional Directors on the Board of the Company with effect from 21st April, 2021 and 30th April, 2021 respectively to hold office upto the 11th Annual General Meeting of the Company. Based on

the recommendation of the Board, the Shareholders of the Company approved the above mentioned appointments at the 11th Annual General Meeting of the Company held on 15th July, 2021.

Ms. Prabha Narasimhan, Director of the Company, has resigned with effect from 30th April, 2022. The Board placed on record, its sincere appreciation for the services rendered by Ms. Prabha Narasimhan during her tenure as a Director of the Company.

In the succession of Ms. Prabha Narasimhan, it is proposed to appoint Mr. Deepak Subramanian as an Additional Director of the Company subject to the allotment of his Director's Identification Number (DIN) by the Ministry of Corporate Affairs (MCA).

Except as mentioned above, there was no change in the Board of Directors of the Company during the financial year under review.

In accordance with the provisions of the Companies Act, 2013, one-third of the Directors of the Company are liable to retire by rotation at every Annual General Meeting and accordingly, Mr. Sanjiv Mehta shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's operation, business policies or projects to be undertaken and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed at the subsequent Board Meeting.

The notice of Board Meeting is given well in advance to all the Directors. Usually, Meetings of the Board are held in Mumbai. The Agenda is circulated a week prior to the date of the Meeting. The Agenda for the Board Meetings include detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. During the year, in terms of various circulars issued by Ministry of Corporate Affairs because of COVID 19, all the Meetings were held through audio - video means.

During the financial year ended 31st March, 2022, five Board Meetings were held on 21st April, 2021, 20th July, 2021, 8th October, 2021, 16th December, 2021 and 19th January, 2022. The interval between any two meetings was well within the maximum allowed gap of 120 days.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the income/expenditure of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

PERSONNEL

Disclosure with respect to remuneration of employee as per Section 197(12) of the Companies Act, 2013 and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2022 is appended as an Annexure to this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There have been no loans or guarantees made by your Company under Section 186 of the Companies Act, 2013 during the financial year 2021-22.

RELATED PARTY TRANSACTIONS

During the year, your Company received donations from related parties for the purpose of Corporate Social Responsibility activities and the same were appropriated accordingly.

Report of Board of Directors

DEPOSITS

The Company has not accepted any public deposits under Chapter V of Companies Act, 2013, during financial year 2021-22.

ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the www.huf.co.in.

DECLARATIONS AND CONFIRMATIONS

The Company has adequate internal financial control system in place with reference to the Financial Statements which operates effectively. According to the Directors of your Company, elements of risks that threaten the existence of your Company are very minimal. Hence, no separate Risk Management Policy is formulated.

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company’s operations in future.

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

The Company had less than 10 employees during the year under review and hence, provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable to the Company.

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

The Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 relating to ‘Meetings of the Board of Directors’

and ‘General Meetings’, respectively issued by Institute of Company Secretaries of India.

AUDITORS

M/s. BSR & Co. LLP, Chartered Accountants (Firm’s Registration No.: 101248W/W-100022) were re-appointed as Statutory Auditors of your Company for a second term of five consecutive years at the Annual General Meeting held on 25th June, 2019.

The Report given by the Auditors on the financial statements of the Company is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

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

The requirements under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 in so far as energy conservation, technology absorption and foreign exchange are concerned, are not applicable to the Company.

ENVIRONMENT, SAFETY, HEALTH AND QUALITY

The Company is committed to excellence in safety, health, environment and quality management. It accords the highest priority to the health and safety of its employees and other Stakeholders as well as protection of the environment. The management of your Company is focused on continuous improvement in these areas which are fundamental to the sustainable growth of the Company.

ACKNOWLEDGEMENT

The Directors take this opportunity to thank all the stakeholders for their support and co-operation.

On behalf of the Board

Sanjiv Mehta

Director

DIN: 06699923

Dev Bajpai

Director

DIN: 00050516

Mumbai, 22nd April, 2022

Annexure to the Report of Board of Directors

Statement of Disclosure of remuneration under Section 197(12) of the Companies Act, 2013 and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Age	Qualification	Date of employment	Designation/ Nature of duties	Remuneration received		Experience (in years)	Last employment
					Gross (₹)	Net (₹)		
Reshma Anand	46	BA(Hons), Economics, PGDM (IIMB)	11.12.2017	Chief Executive officer	1,39,88,254	90,19,457	24	TATA Trust

- Remuneration received Gross includes salary, allowances, commission, performance linked variable pay disbursed, taxable value of perquisites and the Company’s contribution to provident fund. Remuneration received Net includes Gross Remuneration less income tax, professional tax and employees contribution to provident fund.
- Remuneration excludes provision for / contributions to pension, gratuity and leave encashment, special awards, payments made in respect of earlier years including those pursuant to settlements during the year, payments made under voluntary retirement schemes and stock options granted. However, contributions to pension in respect of employees who have opted for contribution defined scheme has been included.
- Nature of employment is permanent for employees.
- Other terms and conditions are as per the Company’s Rules.
- The employee is not related to any Director of the Company.
- None of the employees is covered under Rule 5(3)(viii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Section 197 of the Companies Act, 2013.

On behalf of the Board

Sanjiv Mehta

Director

DIN: 06699923

Dev Bajpai

Director

DIN: 00050516

Mumbai, 22nd April, 2022

Independent Auditor’s Report

To the Members of
Hindustan Unilever Foundation

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OPINION

We have audited the financial statements of Hindustan Unilever Foundation (“the Company”), which comprise the balance sheet as at 31 March 2022, and the statement of income and expenditure (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and shortfall of income over expenditure 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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 financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 financial statements that give a true and fair view of the state of affairs, excess/shortfall of income over expenditure and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. This report does not contain a statement on the matters specified in paragraphs 3 and 4 as required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, as in our opinion, and according to the information and explanations given to us, the Order is not applicable to the Company.
2. 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 balance sheet, the statement of income and expenditure (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;

Independent Auditor’s Report

- (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act; and

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

3. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(a) The Company does not have any pending litigations which would impact its financial position;

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

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

• directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or

• provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

• directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or

• provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement; and

(e) The Company has neither declared nor paid any dividend during the year.

4. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

According to the information and explanations given to us and based on our examination of the records, there is no remuneration paid to the directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHPEJN1124

Mumbai,
22 April 2022



Annexure A

To the Independent Auditor’s report on the financial statements of Hindustan Unilever Foundation for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Section 143(3)(i) of the Companies Act, 2013

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Hindustan Unilever Foundation (“the Company”) as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

MANAGEMENT’S 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 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”).

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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)

ANNEXURE A

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 FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with

reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Mumbai,
22 April 2022

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

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

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHPEJN1124



Balance Sheet
as at 31st March, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non - Current Assets			
Property, plant and equipment	3	-	-
Non - Current tax assets	4	1.08	-
TOTAL NON-CURRENT ASSETS (A)		1.08	-
Current Assets			
Financial Assets			
Cash and cash equivalents	5	198.43	504.52
TOTAL CURRENT ASSETS (B)		198.43	504.52
TOTAL ASSETS ((A) + (B))		199.51	504.52
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6A	1.00	1.00
Other equity	6B	164.19	486.71
TOTAL EQUITY (A)		165.19	487.71
Liabilities			
Current Liabilities			
Financial Liabilities			
Trade payables	7		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		11.15	8.86
Other financial liabilities	8	1.20	-
Other current liabilities	9	21.97	7.95
TOTAL CURRENT LIABILITIES (B)		34.32	16.81
TOTAL EQUITY & LIABILITIES (A) + (B)		199.51	504.52
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements. 1 to 25

As per our report of even date attached

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

For and on behalf of Board of Directors of Hindustan Unilever Foundation
CIN: U93090MH2010NPL201468

Aniruddha Godbole
Partner
Membership No. 105149

Sanjiv Mehta
Director
DIN: 06699923

Ritesh Tiwari
Director
DIN: 05349994

Mumbai, 22nd April, 2022

Mumbai, 22nd April, 2022

Statement of Income and Expenditure
for the year ended 31st March, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
INCOME			
Donations Received	10	1,403.89	2,265.00
Other Income	11	10.76	1.06
TOTAL INCOME		1,414.65	2,266.06
EXPENDITURE			
Donations paid	12	1,341.39	1,930.55
Employee benefits expense	13	325.14	237.99
Depreciation expense	3	-	0.52
Other expenses	14	70.64	48.45
TOTAL EXPENSES		1,737.17	2,217.51
(SHORTFALL) / EXCESS OF INCOME OVER EXPENDITURE (A)		(322.52)	48.55
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR (A+B)		(322.52)	48.55
Earnings per equity share			
Basic and diluted (Face value of ₹10 each)	19	(3,225.19)	485.53
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements. 1 to 25

As per our report of even date attached

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

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

Chartered Accountants

Aniruddha Godbole

Partner

Membership No. 105149

Mumbai, 22nd April, 2022

For and on behalf of Board of Directors of Hindustan Unilever Foundation

CIN: U93090MH2010NPL201468

Sanjiv Mehta

Director

DIN: 06699923

Mumbai, 22nd April, 2022

Ritesh Tiwari

Director

DIN: 05349994



Statement of Changes in Equity
for the year ended 31st March, 2022

(All amounts in ₹ lakhs unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	As at 31st March, 2022	As at 31st March, 2021
Balance as at the beginning of the year	6A	1.00	1.00
Changes in equity share capital due to prior period errors		-	-
Restated Balance as at the beginning of the year	6A	1.00	1.00
Changes in equity share capital during the year		-	-
Balance as at the end of the year	6A	1.00	1.00

B. OTHER EQUITY

	Note	Retained Earnings	Total
As at 31st March, 2020		438.16	438.16
Changes due to prior period error		-	-
Restated balance as at 1st April, 2020	6B	438.16	438.16
Excess of income over expenditure for the year		48.55	48.55
As at 31st March, 2021		486.71	486.71
Changes due to prior period error		-	-
Restated balance as at 1st April, 2021	6B	486.71	486.71
Shortfall of income over expenditure for the year		(322.52)	(322.52)
As at 31st March, 2022	6B	164.19	164.19

Refer Note 6B for nature and purpose of reserve

The accompanying notes are an integral part of these financial statements. 1 to 25

As per our report of even date attached

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

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

Chartered Accountants

Aniruddha Godbole

Partner

Membership No. 105149

Mumbai, 22nd April, 2022

For and on behalf of Board of Directors of Hindustan Unilever Foundation

CIN: U93090MH2010NPL201468

Sanjiv Mehta

Director

DIN: 06699923

Mumbai, 22nd April, 2022

Ritesh Tiwari

Director

DIN: 05349994

Statement of Cash Flows
for the year ended 31st March, 2022

(All amounts in ₹ lakhs unless otherwise stated)

	Year ended 31st March, 2022	Year ended 31st March, 2021
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of income over expenditure	(322.52)	48.55
Adjustments for :		
Interest Income	(10.76)	(0.08)
Liabilities written back to the extent no longer required	-	(0.98)
Depreciation expense	-	0.52
Cash generated from operations before working capital charges	(333.28)	48.01
Changes in working capital :		
Increase/(decrease) in trade payables	2.29	(35.06)
Increase/(decrease) in other current liabilities	14.02	(2.86)
Increase/(decrease) in other financial liabilities	1.20	(0.33)
Cash generated from operations	(315.77)	9.76
Income tax (paid)/ refund received	(1.08)	2.11
Net cash flows (used in) /generated from Operating activities - [A]	(316.85)	11.87
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	10.76	-
Net cash flows generated from Investing activities - [B]	10.76	-
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash flows generated from Financing Activities - [C]	-	-
Net (decrease) / Increase in Cash and Cash equivalents - [A+B+C]	(306.09)	11.87
Add: Cash and cash equivalents at the beginning of the year	504.52	492.65
Cash and cash equivalents at the end of the year (Refer note 5)	198.43	504.52

Note : The above Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes are an integral part of these financial statements. 1 to 25

As per our report of even date attached

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

For and on behalf of Board of Directors of Hindustan Unilever Foundation
CIN: U93090MH2010NPL201468

Aniruddha Godbole
Partner
Membership No. 105149

Sanjiv Mehta
Director
DIN: 06699923

Ritesh Tiwari
Director
DIN: 05349994

Mumbai, 22nd April, 2022

Mumbai, 22nd April, 2022



Notes
to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs unless otherwise stated)

1) COMPANY INFORMATION

Hindustan Unilever Foundation (the “Company”) is established to pursue the main objects - viz., to promote and implement the Social Responsibility Agenda - to work in the area of social, economic and environmental issues such as women empowerment, water harvesting, health and hygiene awareness, conservation and management of environment and natural resources in India, and enable the less privileged segments of the society to improve their livelihood by enhancing their means and capabilities to meet the emerging opportunities. The Company has been incorporated on 30th March, 2010 as a private Company and has been granted a license under Section 25 of the erstwhile Companies Act, 1956 (Section 8 of the Companies Act, 2013) by Government of India, vide its letter No. Reg. Dir / 68/ S.25(1)/ STA/ 9/ 09/ 10764 dated 26th February, 2010. The Company is registered under Section 12AA of the Income Tax Act, 1961 vide Registration no. 43786 granted w.e.f. 1st April, 2010 vide letter dated 21st January, 2011. The Company is also registered for exemption under Section 80G of the Income Tax Act, 1961 vide Registration no. DIT(P)/ MC/80G/1059/2011-12 letter dated 25th July, 2011 with effect from 8th February, 2011.

2) BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES
2.1 BASIS OF PREPARATION AND MEASUREMENT

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash

and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;
- c. Expected to be realised within twelve months after the reporting period; or
- d. 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 treated as current when:

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

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian National Rupee (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the ‘functional currency’).

The Company has decided to round off the figures to the nearest lakhs. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as “0.00” in the relevant notes to these financial statements.

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 22nd April, 2022.

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs unless otherwise stated)

(b) Basis of measurement

These financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities that are measured at fair value.

2.2 AMENDMENTS TO SCHEDULE III OF COMPANIES ACT, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021 and applied to the Financial Statements:

- a. Certain additional disclosures in the Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- b. Additional disclosure for shareholding of promoters.
- c. Additional disclosure for ageing schedule of trade payables.

- d. Additional disclosures relating to undisclosed income and crypto or virtual currency.

2.3 RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

- a. Ind AS 109: Annual Improvements to Ind AS (2021)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial Statements.

2.4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in preparation of the financial statements have been included in the relevant notes to the Financial Statements.



(All amounts in ₹ lakhs unless otherwise stated)

3) PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Income and Expenditure during the year in which they are incurred.

Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Income and Expenditure.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is calculated on pro rata basis on straight-line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. The useful life is as follows:

Asset	Useful life	
Office equipment	5-10 years	

	As at 31st March, 2022	As at 31st March, 2021
Office equipment		
Gross Block		
- Balance as at the beginning of the year	3.44	3.44
- Additions	-	-
- Disposals	-	-
- Balance as at the end of the year	3.44	3.44
Accumulated Depreciation		
- Balance as at the beginning of the year	(3.44)	(2.92)
- Additions	-	(0.52)
- Disposals	-	-
- Balance as at the end of the year	(3.44)	(3.44)
Net Block	-	-

- (a) The Company has not revalued any of its property, plant and equipment.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

4) NON - CURRENT TAX ASSETS

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on net basis.

Interest received on income tax refunds is recognised as other income.

The Company is exempt from Income Tax under Section 12AA of the Income Tax Act, 1961 and hence no provision for taxation is required for current year tax expense. As, the Company is exempt from Income Tax, no deferred tax (asset or liability) is recognised in respect of timing differences.

	As at 31st March, 2022	As at 31st March, 2021
Non - Current Tax Assets (TDS Receivable)	1.08	-
	1.08	-

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs unless otherwise stated)

5) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

	As at 31st March, 2022	As at 31st March, 2021
Balances with banks		
In current accounts	198.43	504.52
	198.43	504.52

6A) EQUITY SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Authorised		
5,00,000 (31st March, 2021 : 5,00,000) equity shares of ₹10 each	50.00	50.00
Issued, subscribed and fully paid up		
10,000 (31st March, 2021 : 10,000) equity shares of ₹10 each fully paid	1.00	1.00
	1.00	1.00

a) Reconciliation of the number of shares

Equity Shares:	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	10,000	1.00	10,000	1.00
Add : Issued during the year	-	-	-	-
Balance as at the end of the year	10,000	1.00	10,000	1.00

b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. As the Company is a private company limited by shares formed under section 8 of the Companies Act, 2013, no dividend is to be proposed and paid to the shareholders. In the event of winding up or dissolution of the Company, after the satisfaction of all its debts and liabilities, any property whatsoever shall be given or transferred to some other institution(s) having object similar to the objects of the Company, to be determined by the members of the Company at or before the time of dissolution or in default thereof by the High Court.

c) Shares held by Holding Company and Subsidiary of Holding Company in aggregate

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares of ₹10 held by :		
7,600 (31st March, 2021 : 7,600) shares are held by Hindustan Unilever Limited, the Holding Company	0.76	0.76
2,400 (31st March, 2021 : 2,400) shares are held by Unilever India Exports Limited, Subsidiary of Holding Company	0.24	0.24



(All amounts in ₹ lakhs unless otherwise stated)

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2022	As at 31st March, 2021
Number of shares of ₹10 each held by:		
Hindustan Unilever Limited, the Holding Company	7,600	7,600
% of Holding	76%	76%
Unilever India Exports Limited, Subsidiary of the Holding Company	2,400	2,400
% of Holding	24%	24%

e) Details of shareholdings by the Promoter's of the Company

Sr. No.	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% change during the year
		Number of shares	% of Total shares	Number of shares	% of Total shares	
1	Hindustan Unilever Limited	7,600	76%	7,600	76%	-
2	Unilever India Exports Limited	2,400	24%	2,400	24%	-
	TOTAL	10,000	100%	10,000	100%	-

Sr. No.	Promoter Name	As at 31st March, 2021		As at 31st March, 2020		% change during the year
		Number of shares	% of Total shares	Number of shares	% of Total shares	
1	Hindustan Unilever Limited	7,600	76%	7,600	76%	-
2	Unilever India Exports Limited	2,400	24%	2,400	24%	-
	TOTAL	10,000	100%	10,000	100%	-

6B) OTHER EQUITY

a) Summary of Other Equity Balance:

	Retained Earnings
Opening balance as at 1st April, 2020	438.16
Excess of income over expenditure for the year	48.55
Opening balance as at 1st April, 2021	486.71
Shortfall of income over expenditure for the year	(322.52)
As at 31st March, 2022	164.19

b) Nature and purpose of reserves:

Retained earnings: Retained earnings are the excess/(shortage) of income over expenditure that the Company has received till date.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	486.71	438.16
Add: (Shortfall) / Excess of income over expenditure for the year	(322.52)	48.55
Balance at the beginning of the year	164.19	486.71

Notes
to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs unless otherwise stated)

7) TRADE PAYABLES

Refer Note 21 for accounting policy on Trade payables

	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of Micro Enterprises and Small Enterprises (as per the intimation received from vendors)	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	11.15	8.86
	11.15	8.86

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

	As at 31st March, 2022	As at 31st March, 2021
a (i) Principal amount remaining unpaid	-	-
a (ii) Interest due thereon remaining unpaid	-	-
b. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
c. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d. Interest accrued and remaining unpaid	-	-
e. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022 is as follows:

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Undisputed dues of creditors other than micro enterprises and small enterprises	11.15	-	-	-	-	11.15
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	11.15	-	-	-	-	11.15

*Not due includes payables not billed and hence not due



(All amounts in ₹ lakhs unless otherwise stated)

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2021 is as follows:

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Undisputed dues of creditors other than micro enterprises and small enterprises	8.86	-	-	-	-	8.86
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	8.86	-	-	-	-	8.86

*Not due includes payables not billed and hence not due

8) OTHER FINANCIAL LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Salaries and Bonus Payable	1.20	-
	1.20	-

9) OTHER CURRENT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Statutory dues (including provident fund, Tax Deducted at Source and others)	21.97	7.95
	21.97	7.95

10) DONATIONS RECEIVED

Donations are recognised as income in the Statement of Income and Expenditure in the year in which the collections are actually received. Donation is received and applied for objects as mentioned in Memorandum of Association of the Company.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Donation Received (Refer Note 15)	1,403.89	2,265.00
	1,403.89	2,265.00

Notes
to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs unless otherwise stated)

11) OTHER INCOME

Interest income is recognised using the effective interest rate (EIR) method.

Dividend Income on investments is recognised for when the right to receive the dividend is established.

Interest on Investments is recognised on a time proportion basis taking into account the amounts invested and the rate of interest.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest Income		
On others	-	0.08
On bank deposits	10.76	-
Other non-operating income		
Liabilities written back to the extent no longer required	-	0.98
	10.76	1.06

12) DONATIONS PAID

Donation paid is accounted upon disbursement.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Donations Paid	1,341.39	1,930.55
	1,341.39	1,930.55

13) EMPLOYEE BENEFIT EXPENSE

Short Term Employee Benefits

Short term employee benefits including salaries and performance incentives, are charged to standalone statement of profit and loss on an undiscounted, accrual basis during the period of employment.

Defined contribution plans

Provident Fund contributions are made to a trust administered by the Holding Company, Hindustan Unilever Limited and are charged as an expense to the Statement of Income and Expenditure.

Defined benefit plans

In respect of certain employees, provident fund contributions are made to a trust administered by the Holding Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation.

The Company also provides for retirement/post-retirement benefits in the form of gratuity, compensated absences (in respect of certain employees) and long term service awards. The Company's Gratuity Fund Scheme is considered as defined benefit plans and the gratuity fund assets are being controlled by separate independent trust for entire Hindustan Unilever Limited and its subsidiaries including Hindustan Unilever Foundation. The group's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at Balance Sheet date, made by independent actuaries.



(All amounts in ₹ lakhs unless otherwise stated)

As per Ind AS 19 Employee Benefits, in respect of group plans that share risks between various enterprises under common control, the net defined benefit cost is recognised in the separate financial statements of the group enterprise that is legally the sponsoring employer for the plan. Hence, the gratuity plan assets, liabilities towards gratuity, leave encashment and long term service awards are recognised in the books of the holding company for the group. Actuarial gains and losses in respect of the defined benefit plans are recognised in the Statement of Profit and Loss of the parent company in the year in which they arise.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries and bonus	310.53	224.90
Contribution to provident fund (Refer Note 18)	14.61	13.09
	325.14	237.99

14) OTHER EXPENSES

	Year ended 31st March, 2022	Year ended 31st March, 2021
Travelling expenses	4.69	-
Payment to auditors		
- Statutory audit (excluding taxes)	1.50	1.00
Professional Fees	59.94	46.70
Miscellaneous expenses	4.51	0.75
	70.64	48.45

15) RELATED PARTY DISCLOSURES

A Enterprises exercising control

Ultimate Holding Company : Unilever PLC

Holding Company : Hindustan Unilever Limited

B Fellow subsidiaries with whom the Company had transactions during the year

Unilever India Exports Limited

Unilever Industries Private Limited

Lakme Lever Private Limited

C Key Managerial Personnel

Chief Executive Officer : Reshma Anand

D Employees' Benefit Plans where there is significant influence of Holding Company

The Union Provident Fund

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs unless otherwise stated)

E Disclosure of transactions between the Company and Related parties and the status of outstanding balance as on 31st March, 2022

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Holding Company		
Donation received	2,170.00	1,831.00
Donation returned	1,118.61	-
Fellow Subsidiaries		
Donation received		
Unilever India Exports Limited	260.00	164.00
Unilever Industries Private Limited	85.00	245.00
Lakme Lever Private Limited	7.50	25.00
Employees' Benefit Plans where there is significant influence of Holding Company		
Contributions during the year (Employer's contribution only)	14.61	13.09
Key Management Personnel compensation		
Short-term employee benefits	139.88	100.38

16) DEFINED BENEFIT PLANS

Refer note 13 for accounting policy on defined benefit plans

Gratuity assets are being controlled by separate independent Trusts for Hindustan Unilever Limited, the Holding Company and its subsidiaries including the Company. These trusts maintain their assets at the group level and do not have assets identifiable specifically for the Company. Thus all the disclosures required by Ind AS 19 "Employee Benefits" have been made in the Holding Company's Financial Statements.

17) DEFINED CONTRIBUTION PLANS

Refer note 13 for accounting policy on defined benefit plans

During the year, the Company has recognised the following amounts in Statement of Income and Expenditure.

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Employer's Contribution to provident fund	14.61	13.09



(All amounts in ₹ lakhs unless otherwise stated)

18) EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net excess/(shortfall) for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net excess/(shortfall) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Excess of income over expenditure for the year	(322.52)	48.55
Weighted average number of equity shares outstanding	10,000.00	10,000.00
Earnings per share (₹) - basic and diluted (face value of ₹10 per share)	(3,225.19)	485.53

19) GOING CONCERN

Having regard to the continued support of the Company's Holding Company, Hindustan Unilever Limited, the financial statements are prepared on a going concern basis.

20) CONTINGENT LIABILITIES

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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made."

There are no contingent liabilities as at 31st March, 2022 (Nil for 31st March, 2021).

21) FINANCIAL INSTRUMENTS

The Company has disclosed financial instruments such as cash and cash equivalents, trade payables & other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs unless otherwise stated)

22) ACCOUNTING RATIOS

Name of the Ratio	Numerator	Denominator	FY 22	FY 21	% variance	Reason for variance
Current Ratio (in times)	Current assets	Current liabilities	5.78	30.01	-81%	Decrease in current assets led by lower donations received
Trade payables turnover ratio (in times)	Net purchases	Average trade payables	7.06	1.80	292%	Lower payables on account of payments made to vendors

Definitions:

(a) Net purchases = Net purchases consist of gross purchases minus purchase return

(b) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2

The following ratios are not applicable to the entity since the Company is a Not for Profit Organisation or does not have the relevant transactions

- 1 Debt Equity ratio
- 2 Debt Service coverage ratio
- 3 Inventory Turnover Ratio
- 4 Trade receivables turnover ratio
- 5 Net capital turnover ratio
- 6 Return on Investment
- 7 Net Profit Ratio
- 8 Return on Capital Employed
- 9 Return on equity

23) DISCLOSURE OF STRUCK OFF COMPANIES

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

24) NO TRANSACTIONS TO REPORT AGAINST THE FOLLOWING DISCLOSURE REQUIREMENTS AS NOTIFIED BY MCA PURSUANT TO AMENDED SCHEDULE III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:

i. Wilful defaulter

ii. Utilisation of borrowed funds & share premium

iii. Borrowings obtained on the basis of security of current assets

iv. Discrepancy in utilisation of borrowings



(All amounts in ₹ lakhs unless otherwise stated)

25) OTHER MATTERS

Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of Income and Expenditure as specified in Schedule III to the Companies Act, 2013 is either ‘nil ‘ or ‘ not applicable ‘ to the Company for the year.

As per our report of even date attached

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

Firm’s Registration No. 101248W/W-100022

Chartered Accountants

For and on behalf of Board of Directors of Hindustan Unilever Foundation

CIN: U93090MH2010NPL201468

Aniruddha Godbole

Partner

Membership No. 105149

Sanjiv Mehta

Director

DIN: 06699923

Ritesh Tiwari

Director

DIN: 05349994

Mumbai, 22nd April, 2022

Mumbai, 22nd April, 2022

Bhavishya Alliance Child Nutrition Initiatives

Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Sanjiv Mehta Dev Bajpai Ritesh Tiwari	M/s. B S R & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099. CIN - U93090MH2010NPL208544

To the Members,

Your Directors are pleased to present the 12th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2022.

FINANCIAL RESULTS

		(₹ lakhs)
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Total Income (Donations Received)	-	-
Less: Total Expenditure	-	13.35
Excess / (Shortfall) of Income over Expenditure	-	(13.35)
Less: Taxation	-	-
Excess / (Shortfall) of Income over Expenditure	-	(13.35)

OPERATIONAL REVIEW

The Company is a not-for-profit subsidiary of Hindustan Unilever Limited (HUL) and has discontinued its operations.

DIVIDEND

The Directors did not recommend any dividend for the financial year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate or joint venture company.

THE BOARD OF DIRECTORS

The composition of the Board of your Company is in line with the applicable provisions of Companies Act, 2013.

During the year, Mr. Srinivas Phatak resigned as a Director of your Company with effect from 30th April, 2021. The Board placed on record, its sincere appreciation for the services rendered by Mr. Srinivas Phatak during his tenure as a Director of the Company.

Mr. Ritesh Tiwari was appointed as an Additional Director on the Board of the Company with effect from 30th April, 2021 to hold office upto the 11th Annual General Meeting of the Company. Based on the recommendation of the Board, the Shareholders of the Company approved the above mentioned appointment at the 11th Annual General Meeting of the Company held on 15th July, 2021.

Except as mentioned above, there was no change in the Board of Directors of the Company during the financial year under review.

In accordance with the Companies Act, 2013, one-third of the Directors of the Company are liable to retire by rotation at every Annual General Meeting and accordingly, Mr. Sanjiv Mehta shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's operations, business policies and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board Meeting.

The notice of Board Meeting is given well in advance to all the Directors. Usually, Meetings of the Board are held in Mumbai. The Agenda is circulated a week prior to the date of the Meeting. The Agenda for the Board Meetings include detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. During the year, in terms of various circulars issued by Ministry of Corporate Affairs because of COVID 19, all the Meetings were held through audio – video means.

During the financial year ended 31st March, 2022, four Board Meetings were held on 21st April, 2021, 20th July, 2021, 8th October, 2021 and 19th January, 2022. The interval between any two Meetings was well within the maximum allowed gap of 120 days.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

PERSONNEL

The Company had no employee during the year under review and hence, provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There have been no loans, guarantees or investments made by your Company under Section 186 of the Companies Act, 2013 during the financial year 2021-22.

RELATED PARTY TRANSACTIONS

There were no related party transactions as per the Companies Act, 2013 entered by the Company during the year under review.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Companies Act, 2013, during the financial year 2021-22.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company does not have any website, thus it is not required to upload its Annual Return on the website and a copy of the Annual Return shall be filed with the Registrar.

DECLARATIONS AND CONFIRMATIONS

The Company has adequate internal financial control system in place with reference to the Financial Statements which operates effectively. According to the Directors of your Company, elements of risks that threaten the existence of your Company are very minimal. Hence, no separate Risk Management Policy is formulated.

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

The Company is not required to maintain cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.

The Company had no employee during the year under review and hence, provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable to the Company.

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

Report of Board of Directors

The Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively issued by Institute of Company Secretaries of India.

AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants (Firm’s Registration No.: 101248W/W-100022) were re-appointed as Statutory Auditors of your Company for a second term of five consecutive years at the Annual General Meeting held on 10th July, 2020.

The Report given by the Auditors on the financial statement of the Company is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

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

The requirements under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 in so far as energy conservation, technology absorption and foreign exchange are concerned, are not applicable to the Company.

ACKNOWLEDGEMENT

The Directors take this opportunity to thank all the Stakeholders for their support and co-operation.

On behalf of the Board

Sanjiv Mehta

Dev Bajpai

Director

Director

DIN: 06699923

DIN: 00050516

Mumbai, 22nd April, 2022



Independent Auditor’s Report

To the Members of
Bhavishya Alliance Child Nutrition Initiatives

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Bhavishya Alliance Child Nutrition Initiatives (“the Company”), which comprise the balance sheet as at 31st March, 2022, and the statement of income and expenditure (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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 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 31st March, 2022, and excess of income over expenditure 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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 financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 financial statements that give a true and fair view of the state of affairs, excess/shortfall of income over expenditure and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,



Independent Auditor’s Report

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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 financial statements, including the disclosures,

and whether the 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.

Report on Other Legal and Regulatory Requirements

1. This report does not contain a statement on the matters specified in paragraphs 3 and 4 as required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, as in our opinion, and according to the information and explanations given to us, the Order is not applicable to the Company.
2. 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 balance sheet, the statement of income and expenditure (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid 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 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act; and

- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
3. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (a) The Company does not have any pending litigations which would impact its financial position;
 - (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (d)
 - (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
 - (ii) The management has represented that, to the best of its knowledge and belief, no

- funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement; and
- (e) The Company has neither declared nor paid any dividend during the year.
4. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

According to the information and explanations given to us and based on our examination of the records, there is no remuneration paid to the directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Co. LLP**
Chartered Accountants
Firm’s Registration No: 101248W/W-100022
Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHPEQH2519

Mumbai,
22nd April, 2022

Annexure A
to the Independent Auditor’s report on the financial statements of
Bhavishya Alliance Child Nutrition Initiatives for the year ended 31st March, 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Section 143(3)(i) of the Companies Act, 2013

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Bhavishya Alliance Child Nutrition Initiatives (“the Company”) as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

MANAGEMENT’S 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 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”).

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10)

of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error

or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Aniruddha Godbole
Partner
Membership No: 105149
Mumbai, 22nd April, 2022
ICAI UDIN: 22105149AHPEQH2519

Balance Sheet
as at 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
TOTAL ASSETS		-	-
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3A	100.00	100.00
Other equity	3B	(100.00)	(100.00)
TOTAL EQUITY AND LIABILITIES		-	-
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

1 to 14

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W - 100022
Chartered Accountants

Aniruddha Godbole

Partner
Membership No. 105149

Mumbai, 22nd April, 2022

For and on behalf of Board of Directors of
Bhavishya Alliance Child Nutrition Initiatives

CIN: U93090MH2010NPL208544

Dev Bajpai

Director
DIN: 00050516

Mumbai, 22nd April, 2022

Ritesh Tiwari

Director
DIN: 05349994



Statement of Income and Expenditure
for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
INCOME			
Total Income		-	-
EXPENDITURE			
Donation Paid	4	-	1,333.79
Other expenses	5	-	1.18
Total Expenses		-	1,334.97
Excess /(Shortfall) of income over expenditure		-	(1,334.97)
Tax expenses			
Current tax		-	-
EXCESS / (SHORTFALL) OF INCOME OVER EXPENDITURE (A)		-	(1,334.97)
OTHER COMPREHENSIVE INCOME (B)		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR (A+B)		-	(1,334.97)
Earnings per equity share			
Basic and diluted (Face value of ₹10 each)	6	-	(133.50)
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

1 to 14

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W - 100022
Chartered Accountants

Aniruddha Godbole

Partner
Membership No. 105149

Mumbai, 22nd April, 2022

For and on behalf of Board of Directors of
Bhavishya Alliance Child Nutrition Initiatives

CIN: U93090MH2010NPL208544

Dev Bajpai

Director
DIN: 00050516

Mumbai, 22nd April, 2022

Ritesh Tiwari

Director
DIN: 05349994

Statement of Changes in Equity for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	As at 31st March, 2022	As at 31st March, 2021
Balance as at the beginning of the year	3A	100.00	100.00
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year	3A	100.00	100.00
Changes in equity share capital during the year		-	-
Balance as at the end of the year	3A	100.00	100.00

B. OTHER EQUITY

	Note	Retained Earnings
As at 31st March, 2020		1,234.97
Changes due to prior period errors		-
Restated balance as at 1st April, 2020	3B	1,234.97
Shortfall of income over expenditure for the year		(1,334.97)
Other Comprehensive Income for the year		-
As at 31st March, 2021		(100.00)
Changes due to prior period errors		-
Restated balance as at 1st April, 2021	3B	(100.00)
Shortfall of income over expenditure for the year		-
Other Comprehensive Income for the year		-
As at 31st March, 2022	3B	(100.00)

The accompanying notes are an integral part of these financial statements1 to 14

As per our report of even date attached

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

**For and on behalf of Board of Directors of
Bhavishya Alliance Child Nutrition Initiatives**
CIN: U93090MH2010NPL208544

Aniruddha Godbole
Partner
Membership No. 105149

Dev Bajpai
Director
DIN: 00050516

Ritesh Tiwari
Director
DIN: 05349994

Mumbai, 22nd April, 2022

Mumbai, 22nd April, 2022



Statement of Cash Flows ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Shortfall of income over expenditure	-	(1,334.97)
Cash flows used in operations before working capital changes	-	(1,334.97)
Changes in working capital:		
Cash used in Operations	-	(1,334.97)
Income Tax refunded	-	-
Net cash flows used in operating activities - [A]	-	(1,334.97)
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash flows generated from/(used in) investing activities - [B]	-	-
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash flows generated from/(used in) financing activities - [C]	-	-
Net decrease in cash and cash equivalents - [A+B+C]	-	(1,334.97)
Add: Cash and cash equivalents at the beginning of the year	-	1,334.97
Cash and cash equivalents at the end of the year	-	-

Note: The above Statement of Cash flows has been prepared under the indirect method as set out in the Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes are an integral part of these financial statements1 to 14

As per our report of even date attached

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

**For and on behalf of Board of Directors of
Bhavishya Alliance Child Nutrition Initiatives**
CIN: U93090MH2010NPL208544

Aniruddha Godbole
Partner
Membership No. 105149

Dev Bajpai
Director
DIN: 00050516

Ritesh Tiwari
Director
DIN: 05349994

Mumbai, 22nd April, 2022

Mumbai, 22nd April, 2022

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

NOTE 1: COMPANY INFORMATION

Bhavishya Alliance Child Nutrition Initiatives (The “Company”) is established to pursue the main objects - inter alia, to promote and strategise sets of proven, systematic, advance innovations and initiatives that are expected to bring down the current rate of child malnutrition in India; to carry on by themselves or in association with another trust, organisation, agency, resource centre, institution (whether governmental or non-governmental) projects or activities to benefit the children suffering from malnutrition. Also, one of the objects incidental or ancillary to the attainment of the main objects is to cooperate and achieve common objects, goals with other institutions, organisations, companies, enterprises having objects that are the same as or are similar to those of the Company. The Company was incorporated on 3rd October, 2010 as a private company and has been granted a license under Section 25 of the erstwhile Companies Act, 1956 (Section 8 of Companies Act, 2013) by Government of India.

NOTE 2: BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;
- c. Expected to be realised within twelve months after the reporting period; or
- d. 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 treated as current when:

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

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian National Rupee (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the ‘functional currency’).

The Company has decided to round off the figures to the nearest thousands. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as “0.00” in the relevant notes to these financial statements.

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 22nd April, 2022.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities that are measured at fair value.



(All amounts in ₹ '000, unless otherwise stated)

2.2 Amendments to Schedule III of Companies Act, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021 and applied to the Financial Statements:

- a. Certain additional disclosures in the Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- b. Additional disclosure for shareholding of promoters.
- c. Additional disclosures relating to undisclosed income and crypto or virtual currency.

2.3 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

- a. Ind AS 109: Annual Improvements to Ind AS (2021)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial Statements.

2.4 Significant Accounting Policies

The significant accounting policies used in preparation of the financial statements have been included in the relevant notes to the Financial Statements.

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

NOTE 3A: EQUITY SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Authorised		
10,000 (31st March, 2021: 10,000) equity shares of ₹10 each	100.00	100.00
Issued, subscribed and fully paid up		
10,000 (31st March, 2021: 10,000) equity shares of ₹10 each fully paid	100.00	100.00
	100.00	100.00

a) Reconciliation of the number of shares

Equity Shares:	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	10,000	100.00	10,000	100.00
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	10,000	100.00	10,000	100.00

b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. As the Company is a private company limited by shares formed under section 8 of the Companies Act, 2013, no dividend is to be proposed and paid to the shareholders. In the event of winding up or dissolution of the Company, after the satisfaction of all its debts and liabilities, any property whatsoever shall be given or transferred to some other institution(s) having object similar to the objects of the Company, to be determined by the members of the Company at or before the time of dissolution or in default thereof by the High Court.

c) Shares held by the Holding Company and nominee of Holding Company in aggregate

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares of ₹10 held by:		
10,000 (31st March, 2021: 10,000) shares are held by Hindustan Unilever Limited the Holding Company and its nominee	100.00	100.00

d) Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company

	As at 31st March, 2022	As at 31st March, 2021
Number of shares of ₹10 each held by:		
Hindustan Unilever Limited, the Holding Company and its nominee	10,000	10,000
% of Holding	100%	100%



(All amounts in ₹ '000, unless otherwise stated)

e) Details of shareholdings by the Promoter's of the Company

Sr. No.	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% change during the year
		Number of shares	% of Total shares	Number of shares	% of Total shares	
1	Hindustan Unilever Limited and its Nominees	10,000	100%	10,000	100%	-

Sr. No.	Promoter Name	As at 31st March, 2021		As at 31st March, 2020		% change during the year
		Number of shares	% of Total shares	Number of shares	% of Total shares	
1	Hindustan Unilever Limited and its Nominees	10,000	100%	10,000	100%	-

NOTE 3B: OTHER EQUITY

A. Summary of Other Equity Balance:

	Retained Earnings
Opening balance as at 1st April, 2020	1,234.97
Shortfall of income over expenditure for the year	(1,334.97)
Other Comprehensive Income for the year	-
Opening balance as at 1st April, 2021	(100.00)
Excess/(Shortfall) of income over expenditure for the year	-
Other Comprehensive Income for the year	-
As at 31st March, 2022	(100.00)

B. Nature and Purpose of Reserves:

Retained Earnings: Retained earnings are the excess/(shortage) of income over expenditure that the Company has received till date.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	(100.00)	1,234.97
Add: Excess/(Shortfall) of income over expenditure for the year	-	(1,334.97)
Add: Other comprehensive income for the year	-	-
Balance at the end of the year	(100.00)	(100.00)

NOTE 4: DONATION PAID

Donation paid is accounted upon disbursement.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Donation Paid	-	1,333.79
	-	1,333.79

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

NOTE 5: OTHER EXPENSES

	Year ended 31st March, 2022	Year ended 31st March, 2021
Bank Charges	-	1.18
	-	1.18

NOTE 6: EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit/(loss) for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all year presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit/(loss) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

	Year ended 31st March, 2022	Year ended 31st March, 2021
Excess/(Shortfall) of income over expenditure for the year	-	(1,334.97)
Weighted average number of Equity shares outstanding during the year	10,000.00	10,000.00
Earnings per share (₹) - basic and diluted (face value of ₹10 per share)	-	(133.50)

NOTE 7:

The Company is exempt from Income Tax under Section 12AA of the Income Tax Act, 1961 and hence no provision for taxation is required for current year tax expense. Since, the Company is exempt from Income Tax, no deferred tax (asset or liability) is recognised in respect of timing differences.

NOTE 8: RELATED PARTY DISCLOSURES

- i) Enterprises exercising control
- Holding Company : Hindustan Unilever Limited
- Ultimate Holding Company : Unilever PLC
- ii) There are no related party transactions during the current and the previous year.
- iii) There are no outstanding balance receivable from / payable to any related party as at 31st March, 2022 (31st March, 2021: Nil).
- There have been no guarantees provided or received for any related party receivables or payables.

NOTE 9: GOING CONCERN

Having regard to the continued support of the Company's holding Company, Hindustan Unilever Limited, the financial statements are prepared on a going concern basis.

NOTE 10: CONTINGENT LIABILITIES

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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

There are no contingent liabilities as at 31st March, 2022 (Nil for 31st March, 2021)

NOTE 11: ACCOUNTING RATIOS

Ratios are not applicable to the entity since the Company is a Not for Profit Organisation or does not have the relevant transactions

NOTE 12: DISCLOSURE OF STRUCK OFF COMPANIES

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

NOTE 13: NO TRANSACTIONS TO REPORT AGAINST THE FOLLOWING DISCLOSURE REQUIREMENTS AS NOTIFIED BY MCA PURSUANT TO AMENDED SCHEDULE III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
- i. Wilful defaulter
- ii. Utilisation of borrowed funds & share premium
- iii. Borrowings obtained on the basis of security of current assets
- iv. Discrepancy in utilisation of borrowings

NOTE 14: OTHER MATTERS

Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of Income and Expenditure as specified in Schedule III to the Companies Act, 2013 is either 'nil' or 'not applicable' to the Company for the year.

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W - 100022
Chartered Accountants

Aniruddha Godbole

Partner
Membership No. 105149

Mumbai, 22nd April, 2022

For and on behalf of Board of Directors of Bhavishya Alliance Child Nutrition Initiatives

CIN: U93090MH2010NPL208544

Dev Bajpai

Director
DIN: 00050516

Mumbai, 22nd April, 2022

Ritesh Tiwari

Director
DIN: 05349994

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL		AUDITORS	REGISTERED OFFICE
Ritesh Tiwari	- Director	M/s. B S R & Co. LLP, Chartered Accountants.	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099 CIN - U36999MH2020PLC340390
Dev Bajpai	- Director		
Priya Nair*	- Director		
Prabha Narasimhan*	- Director		
Wilhelmus Uijen	- Director		
Rakesh Thakur	- Chief Financial Officer		
Rohit- Kumar Nanda	- Manager		
Rakhi Gupta	- Company Secretary		

*Ms. Priya Nair and Ms. Prabha Narasimhan, Directors of the Company, have resigned with effect from 30th April, 2022.

To the Members,

Your Directors are pleased to present the 2nd Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2022.

FINANCIAL RESULTS

	(₹ lakhs)	
	For the year ended 31st March, 2022	For the period from 7th June, 2020 to 31st March, 2021
Revenue from operations	-	-
Profit / (Loss) before tax	141.25	(247.68)
Profit / (Loss) during the period	59.25	(354.14)
Dividend	-	-
Profit & Loss Account balance brought forward from previous year	(354.14)	-
Profit & Loss Account balance carried forward	(294.89)	(354.14)

OPERATIONAL REVIEW

The Company is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) that had been incorporated to leverage the growth opportunities in a fast-changing business environment. Presently, it is in the process of setting up its manufacturing facility at Sumerpur, Uttar Pradesh. It is proposed to manufacture detergent powder at this facility. The Company is on-track to commission its factory and start commercial production in the financial year 2022-23.

DIVIDEND

The Directors did not recommend any dividend for the financial year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the financial year under review, your Company did not have any subsidiary, associate and joint venture company.

THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of your Company is a good and diverse mix of Directors and the same is in line with the applicable provisions of the Companies Act, 2013. As on the financial year ended 31st March, 2022, the Board consisted of five Directors. The Board has also appointed a Chief Financial Officer, a Manager and a Company Secretary as Key Managerial Personnel.

During the year, Mr. Srinivas Phatak resigned as Director of your Company with effect from 30th April, 2021. The Board placed on record, its sincere appreciation for the services

rendered by Mr. Srinivas Phatak during his tenure as a Director of the Company.

Mr. Ritesh Tiwari was appointed as an Additional Director on the Board of the Company with effect from 30th April, 2021 to hold office upto the 1st Annual General Meeting of the Company. Based on the recommendation of the Board, the Shareholders of the Company approved the above mentioned appointment at the 1st Annual General Meeting of the Company held on 10th August, 2021.

Further, Mr. Mani Balaji resigned as the Chief Financial Officer of your Company with effect from 15th October, 2021. The Board placed on record its sincere appreciation for the services rendered by Mr. Mani Balaji during his tenure as the Chief Financial Officer of the Company. Mr. Rakesh Thakur was appointed as the Chief Financial Officer of your Company with effect from 15th October, 2021.

Ms. Priya Nair and Ms. Prabha Narasimhan, Directors of the Company, have resigned with effect from 30th April, 2022. The Board placed on record, its sincere appreciation for the services rendered by Ms. Priya Nair and Ms. Prabha Narasimhan during their tenure as Directors of the Company.

Except as mentioned above, there was no change in the Board of Directors and Key Managerial Personnel of the Company during the financial year under review.

In accordance with Article 43(9) of the Articles of Association of the Company and the Companies Act, 2013, one-third of the total Directors, other than Independent Directors of the Company, retire by rotation at every Annual General Meeting and accordingly, Mr. Wilhelmus Uijen shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company’s operations, business policies and strategy apart from other Board business. However, in case of a special and urgent business need, the Board’s approval is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed in the subsequent Board Meeting.

The notice of Board Meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Mumbai. The Agenda is circulated a week prior to the date of the meeting except in case of urgency. The Agenda for the Board Meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. During the financial year ended

31st March, 2022, in terms of various circulars issued by Ministry of Corporate Affairs because of COVID 19, all the meetings were held through audio – video means.

During the financial year ended 31st March, 2022, four Board Meetings were held on 21st April, 2021, 20th July, 2021, 14th October, 2021 and 19th January, 2022. The interval between any two meetings was well within the maximum allowed gap of 120 days.

Vigil Mechanism Policy for the Directors and Employees

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed ‘Vigil Mechanism Policy’ for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimisation on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Board.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis; and

Report of Board of Directors

- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

PERSONNEL

The Company had no employee during the year falling under the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ANNUAL EVALUATION

In terms of the requirement of the Companies Act, 2013, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board. The performance evaluation was carried out as per the evaluation framework under Companies Act, 2013 and ICSI Guidance Note to Board Evaluation.

During the year, Board Evaluation cycle was completed by the Company, which included the Evaluation of the Board as a whole and Peer Evaluation of the Directors. The Evaluation process focused on various aspects of the functioning of the Board such as composition of the Board, improving Board effectiveness, performance of Board, Board knowledge sessions and time allocation for strategic issues, etc.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board Members from different backgrounds bring diverse experiences that help the Board discussions to be rich and value adding.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There have been no loans, guarantees or investments made by your Company under Section 186 of the Companies Act, 2013 during the financial year ended 31st March, 2022.

RELATED PARTY TRANSACTIONS

All related party transactions entered during the financial year ended 31st March, 2022 were in the ordinary course of business and on arm's length basis. In terms of Section 134(3)(h) of the Companies Act, 2013, the details of contracts or arrangements entered with related parties in Form AOC-2 is appended as an Annexure to this Annual Report.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of Companies Act, 2013 during the financial year 2021-22.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company does not have any website, thus it is not required to upload its Annual return on the website and a copy of the annual return shall be filed with the Registrar.

DECLARATIONS AND CONFIRMATIONS

The Company has adequate internal financial control system in place with reference to the Financial Statements which operates effectively. According to the Directors of your Company, elements of risks that threaten the existence of your Company are very minimal. Hence, no separate Risk Management Policy is formulated.

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

The Company had more than 10 employees during the year under review and hence, provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are applicable to the Company. Accordingly, the Company has constituted Internal Committee and has adopted Prevention of Sexual Harassment (POSH) Policy under the said Act.

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

The Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively issued by Institute of Company Secretaries of India.

During the year, the Company had issued and allotted 300,00,00,000 (Three Hundred crore) equity shares of ₹1/- each share aggregating to ₹300,00,00,000 (Rupees Three Hundred crore only) to Hindustan Unilever Limited (Holding Company) on Preferential basis, approved vide special resolution passed by Shareholders on 21st April, 2021.



SECRETARIAL AUDIT

Your Company had appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries (ICSI Unique Code: P1991MH040400), to carry out Secretarial Audit for the financial year ended 31st March, 2022. A detailed report on the same is appended as an Annexure to this Annual Report. There has been no qualification, reservation or adverse remark given by Secretarial Auditors of the Company.

AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants (Firm's Registration No: 101248W/W-100022), were appointed as the Statutory Auditors of your Company for five consecutive years at the 1st Annual General Meeting of the Company held on 10th August, 2021.

The Report given by the Auditors on the financial statement of the Company is part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

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

The information required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is given below:

Conservation of energy

Presently, the Company is in the process of setting up its manufacturing facility at Sumerpur, Uttar Pradesh. It is proposed to manufacture detergent powders at this factory.

Your Company strives cautiously to conserve energy by adopting innovative measures. Some of the measures that are being undertaken are designing Hot Air Generators with ecofriendly fuel, plant with energy efficient motors, energy efficient lighting systems.

Technology Absorption

Your Company is receiving support and guidance from Hindustan Unilever Limited, the Holding Company and Unilever PLC, the Ultimate Holding Company to drive functional excellence in technology which shall help your Company in achieving manufacturing excellence. Unilever Group is committed to ensuring that the support in terms of new products, innovations, technologies and services is commensurate with the needs of your Company and enables it to win in the marketplace.

Your Company continues to derive sustainable benefit from the strong foundation and long tradition of R&D at Unilever, which differentiates it from others.

There were no foreign exchange earnings and outgo as per the Companies Act, 2013, for the financial year ended 31st March, 2022.

ENVIRONMENT, SAFETY, HEALTH AND QUALITY

Your Company is committed to excellence in safety, health, environment and quality management. It accords the highest priority to the health and safety of its employees, customers and other stakeholders as well as to protection of the environment. The management of your Company is strongly focused on continuous improvement in these areas which are fundamental to the sustainable growth of the Company.

ACKNOWLEDGEMENTS

The Directors take this opportunity to thank all the stakeholders for their support and co-operation.

On behalf of the Board

Dev Bajpai	Wilhelmus Uijen
Director	Director
DIN: 00050516	DIN: 08614686

Mumbai, 25th April, 2022

Annexure to the Report of Board of Directors

Particulars of contracts/arrangements with Related Parties

FORM AOC-2

[Pursuant to Section 134(3)(h) 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: Not Applicable
- 2. Details of contracts or arrangements or transactions at arm’s length basis:

(₹ lakhs)			
Name of Related Party	Nature of relationship	Nature of contract*	Amount
Hindustan Unilever Limited	Holding Company	Proceeds from issuance of equity share capital	30,000.00
		Expenses for use of common facilities	83.42
		Expenses for services	578.44
		Enterprise and Technological solution (ETS) cost	27.11
		Purchases of Property, Plant and Equipment	22.50

*All transactions are in the Ordinary Course of Business, at Arm’s Length basis and are of on-going nature. All transactions are placed before the Board of the Company. The terms of these transactions are governed by the respective agreements/terms of purchase.

On behalf of the Board

Dev Bajpai

Director

DIN: 00050516

Wilhelmus Uijen

Director

DIN: 08614686

Mumbai, 25th April, 2022

Annexure to the Report of Board of Directors

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[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]

To,
The Members,
Unilever India Limited
CIN: U36999MH2020PLC340390
Unilever House, B D Sawant Marg,
Chakala, Andheri (East), Mumbai – 400099

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **Unilever India Limited** (hereinafter called ‘the Company’) for the **Financial Year ended on 31st March, 2022**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books and papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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, 2022** complied with 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.

We have examined the books and papers, minute books, forms and returns filed and other records maintained by the Company for the **Financial Year ended 31st March, 2022** according to the provisions of:

- (i) The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder – **Not applicable as Securities of the Company were not listed on any Stock Exchange during the period under review;**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder – **Not applicable as securities of the Company are held in physical form;**

- (iv) Foreign Exchange Management Act, 1999 and rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Applicable to the extent of Foreign Direct Investment (Downstream Investment)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): – Not applicable as Securities of the Company were not listed on any Stock Exchange during the period under review;
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 15th August, 2021);
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (up to 9th June, 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June, 2021);

Report of Board of Directors

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August, 2021); and
 - (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) The Company is in the process of setting up manufacturing facility and has not yet commenced its operations. Accordingly, there are no Acts which were specifically applicable to the Company during the year under review.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with the stock exchanges – **Not applicable as Securities of the Company were not listed on any Stock Exchange during the period under review.**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

- (i) The Board of Directors of the Company is duly constituted with Non-Executive Directors including Woman Directors. Changes in the composition of Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Act;
- (ii) Adequate notice is given to all Directors to schedule 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 agenda items before the meeting and for meaningful participation at the meeting;
- (iii) All the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate issued by the Chief Financial Officer and taken on record by the Board of Directors at their Meeting (s), we are of the opinion that systems and processes in the Company are commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the financial year under review, the following events/ actions having a major bearing on the Company’s affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred:

- The Company has vide special resolution passed by Shareholders on 21st April, 2021, issued and allotted 300,00,00,000 (Three Hundred crore) equity shares of ₹1/- each share aggregating to ₹300,00,00,000 (Rupees Three Hundred crore only) to Hindustan Unilever Limited (Holding Company) on Preferential basis on 24th May 2021.

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

For **S. N. ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 606/2019

Aparna Gadgil
Partner

ACS: 14713 | COP No.: 8430
ICSI UDIN: A014713D000176930

Thane, 21st April, 2022

Annexure to the Report of Board of Directors

ANNEXURE A TO SECRETARIAL AUDITORS’ REPORT

To,
The Members,
Unilever India Limited
CIN: U36999MH2020PLC340390
Unilever House, B D Sawant Marg,
Chakala, Andheri (East), Mumbai – 400099

Our Secretarial Audit Report for Financial Year ended 31st March, 2022 of even date is to be read along with this letter.

MANAGEMENT’S RESPONSIBILITY

- 1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR’S RESPONSIBILITY

- 2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- 3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
- 4. Wherever required, we have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

- 5. Wherever required, we have obtained reasonable assurance about whether the statements prepared, documents or records, in relation to Secretarial Audit, maintained by the Auditee, are free from misstatement.
- 6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
- 7. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **S. N. ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 606/2019

Aparna Gadgil
Partner

ACS: 14713 | COP No.: 8430
ICSI UDIN: A014713D000176930

Thane, 21st April, 2022

Independent Auditor’s Report

To the Members of Unilever India Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Unilever India Limited (“the Company”), which comprise the balance sheet as at 31st March, 2022, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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 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 31st March, 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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 financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is

materially inconsistent with the 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 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 financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid 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 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act; and
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

Independent Auditor’s Report

3. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(a) The Company does not have any pending litigations which would impact its financial position;

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

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement; and

(e) The Company has neither declared nor paid any dividend during the year.

4. With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

According to the information and explanations given to us and based on our examination of the records, there is no remuneration paid to the directors during the current year. 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 **BSR & Co. LLP**
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHUCFV3303

Mumbai,
25th April, 2022



Annexure A
to the Independent Auditor’s report on the financial statements of
Unilever India Limited for the year ended 31st March, 2022

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. The Company does not have any intangible assets.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 (“Act”) are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the activities carried on by the Company. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1st July, 2017, these statutory dues have been subsumed into Goods and Services Tax.



Annexure A

<p>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 Goods and Services Tax, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.</p> <p>According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.</p> <p>(b) According to the information and explanations given to us, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.</p> <p>(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.</p> <p>(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.</p> <p>(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.</p> <p>(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.</p>	<p>(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.</p> <p>(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31st March, 2022. Accordingly, clause 3(ix)(e) is not applicable to the Company.</p> <p>(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31st March, 2022. Accordingly, clause 3(ix)(f) is not applicable to the Company.</p> <p>(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.</p> <p>(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. Out of the total proceeds from issue of equity shares of ₹30,000 lakhs, ₹25,100 lakhs have been used for the purposes for which the funds were raised. Pending utilisation of funds, ₹4,900 lakhs have been temporarily invested in fixed deposits as at 31st March, 2022.</p> <p>(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.</p> <p>(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.</p>	<p>(c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.</p> <p>(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.</p> <p>(xiii) The Company is not a listed public company or a company covered under rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.</p> <p>(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.</p> <p>(b) We have considered the internal audit reports of the Company issued till date for the period under audit.</p> <p>(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.</p> <p>(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.</p> <p>(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.</p> <p>(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the</p>	<p>Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.</p> <p>(d) According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.</p> <p>(xvii) The Company has not incurred cash losses in the current. The Company had incurred cash loss of ₹271.11 lakhs in the immediately preceding financial year.</p> <p>(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.</p> <p>(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.</p> <p>(xx) The requirements as stipulated by the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable to the Company.</p>
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For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHUCFV3303

Mumbai,
25th April, 2022

Annexure B

to the Independent Auditor’s report on the financial statements of Unilever India Limited for the year ended 31st March, 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Section 143(3)(i) of the Companies Act, 2013

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Unilever India Limited (“the Company”) as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

MANAGEMENT’S 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 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”).

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal

financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with

reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Aniruddha Godbole
Partner
Membership No: 105149
ICAI UDIN: 22105149AHUCFV3303
Mumbai,
25th April, 2022

Balance Sheet
as at 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	878.86	818.06
Capital work-in-progress	3	25,398.92	632.91
Non- current tax assets (net)	21D	23.28	9.50
Other non-current assets	4	1,348.42	2,344.82
Total - Non-current assets (A)		27,649.48	3,805.29
Current assets			
Inventories	5	371.56	-
Financial assets			
Investments	6	936.21	1,882.42
Cash and cash equivalents	7	1,298.59	328.35
Bank balances other than cash and cash equivalents mentioned above	8	4,900.00	-
Other current assets	9	4,141.86	172.51
Total - Current assets (B)		11,648.22	2,383.28
TOTAL ASSETS [(A) + (B)]		39,297.70	6,188.57
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10A	36,000.00	6,000.00
Other equity	10B	(294.89)	(354.14)
Total - Equity (A)		35,705.11	5,645.86
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	11	11.46	11.29
Other financial liabilities	12	5.01	-
Deferred tax liabilities (net)	21C	5.33	79.43
Total - Non-current liabilities (B)		21.80	90.72
Current liabilities			
Financial liabilities			
Lease liabilities	11	0.82	0.24
Trade payables	13		
Total outstanding dues of micro enterprises and small enterprises		-	6.23
Total outstanding dues of creditors other than micro enterprises and small enterprises		196.83	202.94
Other financial liabilities	12	3,348.83	235.05
Other current liabilities	14	24.31	7.53
Total - Current liabilities (C)		3,570.79	451.99
TOTAL EQUITY AND LIABILITIES [(A) + (B)+ (C)]		39,297.70	6,188.57
Basis of preparation, measurement and significant accounting policies	2		
Contingent liabilities and commitments	15		

The accompanying notes are an integral part of these financial statements1 to 33

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W - 100022
Chartered Accountants

Aniruddha Godbole

Partner
Membership No. 105149

For and on behalf of Board of Directors of Unilever India Limited

CIN:U36999MH2020PLC340390

Dev Bajpai

Director
DIN: 00050516

Ritesh Tiwari

Director
DIN: 05349994

Dr Rakhi Gupta

Company Secretary
Membership No. FCS 07822

Rakesh Thakur

Chief Financial Officer

Mumbai, 25th April, 2022

Mumbai, 25th April, 2022



Statement of Profit and Loss
for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
INCOME			
Other income	16	639.65	117.50
TOTAL INCOME		639.65	117.50
EXPENSES			
Employee benefits expense	17	62.81	-
Finance costs	18	0.77	3.10
Depreciation expense	19	11.20	3.60
Other expenses	20	423.62	358.48
TOTAL EXPENSES		498.40	365.18
Profit/(loss) before tax		141.25	(247.68)
Tax expenses			
Current tax	21A	(156.10)	(27.03)
Deferred tax credit / (charge)	21A	74.10	(79.43)
PROFIT/(LOSS) FOR THE YEAR/PERIOD (A)		59.25	(354.14)
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD (B)		-	-
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR/PERIOD (A+B)		59.25	(354.14)
Earnings per equity share			
Basic and Diluted (Face value of ₹1 each)	22	0.00	(0.06)
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements1 to 33

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W - 100022
Chartered Accountants

Aniruddha Godbole

Partner
Membership No. 105149

For and on behalf of Board of Directors of Unilever India Limited

CIN:U36999MH2020PLC340390

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Company Secretary
Membership No. FCS 07822

Rakesh Thakur

Chief Financial Officer

Mumbai, 25th April, 2022

Mumbai, 25th April, 2022

Statement of Changes in Equity for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	As at 31st March, 2022	As at 31st March, 2021
Balance as at the beginning of the year		6,000.00	-
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year	10A	6,000.00	-
Changes in equity share capital during year		30,000.00	6,000.00
Balance at the end of the year	10A	36,000.00	6,000.00

B. OTHER EQUITY

	Retained Earnings	Total
Loss for the period 7th June, 2020 to 31st March, 2021	(354.14)	(354.14)
Other comprehensive income for the period 7th June, 2020 to 31st March, 2021	-	-
Total comprehensive loss for the period 7th June, 2020 to 31st March, 2021	(354.14)	(354.14)
As at 31st March, 2021	(354.14)	(354.14)
Changes due to prior period errors	-	-
Restated balance as at 1st April, 2021	(354.14)	(354.14)
Profit for the year	59.25	59.25
Other comprehensive income for the year	-	-
Total comprehensive income for the year	59.25	59.25
As at 31st March, 2022	(294.89)	(294.89)

Refer note 10B for nature and purpose of reserves

The accompanying notes are an integral part of these financial statements 1 to 33
As per our report of even date attached

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

For and on behalf of Board of Directors of Unilever India Limited
CIN:U36999MH2020PLC340390

Aniruddha Godbole
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Director
DIN: 00050516

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Dr Rakhi Gupta
Company Secretary
Membership No. FCS 07822

Rakesh Thakur
Chief Financial Officer

Mumbai, 25th April, 2022

Mumbai, 25th April, 2022



Statement of Cash Flows For the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax	141.25	(247.68)
Adjustments for:		
Depreciation expense	11.20	3.60
Fair value (gain) on investments	(464.60)	(10.12)
Net loss / (gain) on sale of Investments	8.81	(20.30)
Interest income	(155.64)	(87.08)
Interest expense	0.77	3.10
Cash flows used in operations before working capital changes	(458.21)	(358.48)
Changes in Working capital:		
(Increase) / decrease in Non Current Assets	(88.00)	-
(Increase) in Current Assets	(3,971.69)	(172.51)
(Increase) / decrease in Inventories	(371.56)	-
Increase in Non Current Liabilities	5.01	-
Increase in Current Liabilities	4.44	216.71
Cash flows used in operations	(4,880.00)	(314.28)
Taxes paid	(169.88)	(36.53)
Net cash flows used in operating activities - [A]	(5,049.88)	(350.81)
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(20,645.50)	(2,742.68)
Purchase of investments	(41,020.95)	(4,353.88)
Sale proceeds of investments	42,431.70	2,501.86
Investments in bank deposits	(7,900.00)	(44,900.00)
Redemption/maturity of bank deposits (having original maturity more than 3 months)	3,000.00	44,900.00
Interest received	155.64	87.08
Net cash flows used in investing activities - [B]	(23,979.11)	(4,507.62)
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of equity share capital	30,000.00	6,000.00
Principal repayment of leases	(0.00)	(810.12)
Interest payment on leases	(0.75)	(3.10)
Interest paid	(0.02)	-
Net cash flows generated from financing activities - [C]	29,999.23	5,186.78
Net Increase in cash and cash equivalents - [A+B+C]	970.24	328.35
Add: Cash and cash equivalents at the beginning of the year/period (Refer Note 7)	328.35	-
Cash and cash equivalents at the end of the year/period (Refer Note 7)	1,298.59	328.35

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes are an integral part of these financial statements 1 to 33
As per our report of even date attached

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

For and on behalf of Board of Directors of Unilever India Limited
CIN:U36999MH2020PLC340390

Aniruddha Godbole
Partner
Membership No. 105149

Dev Bajpai
Director
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Director
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Dr Rakhi Gupta
Company Secretary
Membership No. FCS 07822

Rakesh Thakur
Chief Financial Officer

Mumbai, 25th April, 2022

Mumbai, 25th April, 2022

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

1 COMPANY INFORMATION

Unilever India Limited (the ‘Company’) is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) domiciled in India with its registered office located at Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099. The Company (bearing CIN U36999MH2020PLC340390) was incorporated on 7th June, 2020 with its main objective to set up a state of the art manufacturing facility in Uttar Pradesh, for capturing the growing demand of the Home care product portfolios in the Indian markets, by engaging as a dedicated contract manufacturer of HUL.

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES
2.1 BASIS OF PREPARATION AND MEASUREMENT

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;
- c. Expected to be realised within twelve months after the reporting period; or

- d. 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 treated as current when:

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

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian National Rupee (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the ‘functional currency’). Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Statement of Profit and Loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the statement of profit and loss.

The expenses in Statement of Profit and Loss are net of reimbursements (individually not material) received from Group Companies.

The Company has decided to round off the figures to the nearest lakhs. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as “0.00” in the relevant notes to these financial statements.

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 25th April, 2022.



(b) Basis of measurement

These financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities that are measured at fair value.

The accounting policies adopted are the same as those which were applied for the previous financial year. The Company has adopted amendments to Schedule III as specified under note 2.3 below.

2.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- a. Recognition of deferred tax assets –Note 21

2.3 AMENDMENTS TO SCHEDULE III OF COMPANIES ACT, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021 and applied to the Financial Statements:

- a. Lease liabilities to be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- b. Certain additional disclosures in the Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- c. Additional disclosure for shareholding of promoters.
- d. Additional disclosure for ageing schedule of trade payables and capital work-in-progress.
- e. Specific disclosure such as title deeds of immovable property not held in the name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.
- f. Additional disclosures relating to undisclosed income and crypto or virtual currency.

2.4 RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

- a. Ind AS 109: Annual Improvements to Ind AS (2021)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial Statements.

2.5 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in preparation of the financial statements have been included in the relevant notes to the Financial Statements.

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	As at 31st March, 2022	As at 31st March, 2021
Property, plant and equipment		
Owned Assets	70.12	-
Leased Assets	808.75	818.06
Total Property, plant and equipment	878.87	818.06
Total Capital work-in-progress	25,398.92	632.91

A Owned Assets

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the standalone Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as “Capital work-in-progress”.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under “Other Non-Current Assets”.

Depreciation is calculated on pro rata basis on straight-line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. The useful life is as follows:

Asset	Useful life
Factory Buildings	60 Years
Plant and equipment*	3-21 Years
General Furniture and fixtures	10 Years

*In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management’s best judgement of economic benefits from those classes of assets. The exception are as under:

- a) Plant and equipment is depreciated over 3 to 21 years based on the technical evaluation of useful life done by the management.
- b) Assets costing ₹5,000 or less are fully depreciated in the year of purchase.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.



(All amounts in ₹ lakhs, unless otherwise stated)

	Buildings	Plant and equipment	Furniture and fixtures	TOTAL
Gross Block				
Additions	24.45	34.02	13.54	72.01
Disposals / Reclassifications	-	-	-	-
Balance as at 31st March, 2022	24.45	34.02	13.54	72.01
Accumulated Depreciation				
Additions	0.05	1.13	0.71	1.89
Disposals / Reclassifications	-	-	-	-
Balance as at 31st March, 2022	0.05	1.13	0.71	1.89
Net Block				
Balance as at 31st March, 2021	-	-	-	-
Balance as at 31st March, 2022	24.40	32.89	12.83	70.12

(a) The Company has not revalued any of its property, plant and equipment.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

B Leased Assets

The Company’s lease asset classes primarily consist of leases for Land. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is a lessee’s right to use an asset over the life of a lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Leased Assets

	Land	Total
Gross Block		
Additions	821.66	821.66
Disposals	-	-
Opening balance as at 1st April, 2021	821.66	821.66
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2022	821.66	821.66
Accumulated Depreciation		
Additions	(3.60)	(3.60)
Disposals	-	-
Opening balance as at 1st April, 2021	(3.60)	(3.60)
Additions	(9.31)	(9.31)
Disposals	-	-
Balance as at 31st March, 2022	(12.91)	(12.91)
Net Block		
Balance as at 31st March, 2021	818.06	818.06
Balance as at 31st March, 2022	808.75	808.75

Notes:

- (a) The total cash outflow for leases is ₹0.75 lakhs for the year ended 31st March, 2022 (period from 7th June, 2020 to 31st March, 2021: ₹813.22 lakhs). Interest on lease liabilities is ₹0.75 lakhs for the year ended 31st March, 2022 (31st March, 2021: ₹3.10 lakhs).
- (b) The Company does not have any short-term leases and leases for low-value assets for the year ended 31st March, 2022 and period from 7th June, 2020 to 31st March, 2021.
- (c) Lease Commitments and Lease Liability: Refer Note 15 B and Note 11.

C Capital Work-In-Progress

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Temporarily suspended projects does not include those projects where temporary suspension is a necessary part of the process of getting an asset ready for its intended use.

Ageing of Capital work-in-progress as at 31st March, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	24,766.01	632.91	-	-	25,398.92
Projects temporarily suspended	-	-	-	-	-
TOTAL	24,766.01	632.91	-	-	25,398.92

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2022

There are no projects which had exceeded their original timeline as at 31st March, 2022.



(All amounts in ₹ lakhs, unless otherwise stated)

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2022

There are no projects which had exceeded their original budget as at 31st March, 2022.

Ageing of Capital work-in-progress as at 31st March, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	632.91	-	-	-	632.91
Projects temporarily suspended	-	-	-	-	-
TOTAL	632.91	-	-	-	632.91

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2021

There are no projects which had exceeded their original timeline as at 31st March, 2021.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2021

There are no projects which had exceeded their original budget as at 31st March, 2021.

For contractual commitment with respect to property, plant and equipment refer Note 15B.

4 OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Capital advances	1,260.42	2,344.82
Advance other than capital advance		
Security deposits with customs, port trust, excise and other Government authorities	88.00	-
	1,348.42	2,344.82

There are no advances to directors or other officers of the company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

5 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis.

Cost of raw materials and stores and spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The aforesaid items are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss.

	As at 31st March, 2022	As at 31st March, 2021
Raw materials	191.87	-
Stores and spares	179.69	-
	371.56	-



Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

6 INVESTMENTS

Refer Note 23 for accounting policy on investments

	As at 31st March, 2022	As at 31st March, 2021
CURRENT		
Fair value through profit or loss (Quoted)		
Investments in mutual funds	936.21	1,882.42
	936.21	1,882.42
Aggregate amount of quoted investments	936.21	1,882.42
Aggregate Market value of quoted investments	936.21	1,882.42
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

Refer note 23 and note 24 for information about fair value measurement, credit risk and market risk of investments.

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are short-term (three months or less from the date of placement), highly liquid investments (including investment in overnight mutual funds) and bank balances that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

	As at 31st March, 2022	As at 31st March, 2021
Balances with banks		
In current accounts	1,298.59	328.35
	1,298.59	328.35

8 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2022	As at 31st March, 2021
Investments in term deposits (with original maturity of more than three months but less than twelve months)	4,900.00	-
	4,900.00	-

9 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Balances with government authorities (GST credit)	3,870.92	151.55
Other advances (includes prepaid expenses etc.)	270.94	20.96
	4,141.86	172.51

There are no advances to directors or other officers of the company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

(All amounts in ₹ lakhs, unless otherwise stated)

10A EQUITY SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
Authorised		
20,00,00,00,000 (31st March, 2021: 20,00,00,00,000) equity shares of ₹1 each	2,00,000	2,00,000
Issued, subscribed and fully paid up		
3,60,00,00,00,000 (31st March, 2021: 60,00,00,00,000) equity shares of ₹1 each	36,000	6,000
	36,000	6,000

a) Reconciliation of the number of shares

Equity Shares:	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year/period	60,00,00,000	6,000	-	-
Add: Shares issued during the year/period*	3,00,00,00,000	30,000	60,00,00,000	6,000
Balance as at the end of the year	3,60,00,00,000	36,000	60,00,00,000	6,000

*During the year, Company raised ₹30,000 lakhs by way of preferential allotment of shares. The funds have been used/will be used for the purpose for which they were raised.

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Shares held by Holding Company and nominees of Holding Company in aggregate

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares of ₹1 each:		
3,60,00,00,00,000 (31st March, 2021: 60,00,00,00,000) shares are held by the Holding Company, Hindustan Unilever Limited and its nominees	36,000	6,000

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2022	As at 31st March, 2021
Equity Shares held by the Holding Company, Hindustan Unilever Limited and its nominees		
Number of Shares held	36,000	6,000
% of Holding	100	100

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to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

e) Details of shareholdings by the Promoter’s of the Company

Sr. No.	Promoter Name	As at 31st March, 2022		As at 31st March, 2021		% change during the year
		Number of shares	% of Total shares	Number of shares	% of Total shares	
1	Hindustan Unilever Limited and its Nominees	3,60,00,00,000	100%	60,00,00,000	100%	-
TOTAL		3,60,00,00,000	100%	60,00,00,000	100%	-

Sr. No.	Promoter Name	As at 31st March, 2021		As at 7th June, 2020		% change during the year
		Number of shares	% of Total shares	Number of shares	% of Total shares	
1	Hindustan Unilever Limited and its Nominees	3,60,00,00,000	100%	60,00,00,000	100%	-
TOTAL		3,60,00,00,000	100%	60,00,00,000	100%	-

10B OTHER EQUITY

a) Nature and purpose of reserves

Retained Earnings: Retained earnings are the profits/losses that the Company has earned/incurred till date, less any transfer to general reserve, dividends or other distributions paid to the shareholder.

	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year/period	(354.14)	-
Add: Profit /(loss) for the year/period	59.25	(354.14)
Add: Other comprehensive income/(loss) for the year/period	-	-
Balance at the end of the year	(294.89)	(354.14)

b) Other Equity

	Retained Earnings	Total
Loss for the period from 7th June, 2020 to 31st March, 2021	(354.14)	(354.14)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	(354.14)	(354.14)
Opening balance as at 1st April, 2021	(354.14)	(354.14)
Profit for the year	59.25	59.25
Other comprehensive income for the year	-	-
As at 31st March, 2022	(294.89)	(294.89)

Refer Note 25 for capital management



(All amounts in ₹ lakhs, unless otherwise stated)

11 LEASE LIABILITIES

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

	As at 31st March, 2022	As at 31st March, 2021
NON-CURRENT		
Lease liabilities payable beyond 12 months	11.46	11.29
Total (A)	11.46	11.29
CURRENT		
Lease liabilities payable within 12 months	0.82	0.24
Total (B)	0.82	0.24
Total (A+B)	12.28	11.53

Refer note 24 for information about liquidity risk and market risk of lease liabilities.

The movement in Lease liabilities (Non-current and Current) is as follows:

	As at 31st March, 2022	As at 31st March, 2021
Balance as at beginning of the year	11.53	-
Add: Addition	-	8.43
Add: Accretion of interest	0.75	3.10
Less: Payments (including foreclosure)	-	-
Balance as at end of the year	12.28	11.53

12 OTHER FINANCIAL LIABILITIES

Refer Note 23 for accounting policy on Other Financial Liabilities

	As at 31st March, 2022	As at 31st March, 2021
NON-CURRENT		
Security deposits	5.01	-
Total (A)	5.01	-
CURRENT		
Salaries, wages, bonus and other employee payables	18.75	-
Creditors for capital goods	3,330.08	235.05
Total (B)	3,348.83	235.05
Total (A+B)	3,353.84	235.05

Refer note 24 for information about liquidity risk and market risk of other financial liabilities.

Notes
to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

13 TRADE PAYABLES

Refer Note 23 for accounting policy on Trade Payables

	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of Micro Enterprises and Small Enterprises	-	6.23
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	196.83	202.94
	196.83	209.17

Note: Identification of micro and small enterprises is basis intimation received from vendors
Refer note 24 for information about liquidity risk and market risk of trade payables.

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

	As at 31st March, 2022	As at 31st March, 2021
a (i) Principal amount remaining unpaid	-	6.23
a (ii) Interest due thereon remaining unpaid	-	-
b. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
c. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d. Interest accrued and remaining unpaid	-	-
e. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022 is as follows:

	Unbilled / Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Undisputed dues of creditors other than micro enterprises and small enterprises	196.83	-	-	-	-	196.83
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	196.83	-	-	-	-	196.83



(All amounts in ₹ lakhs, unless otherwise stated)

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2021 is as follows:

	Unbilled / Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	0.36	5.87	-	-	-	6.23
Undisputed dues of creditors other than micro enterprises and small enterprises	168.58	34.36	-	-	-	202.94
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	168.94	40.23	-	-	-	209.17

14 OTHER CURRENT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Statutory dues (including tax deducted at source and others)	24.31	7.53
	24.31	7.53

15 CONTINGENT LIABILITIES AND COMMITMENTS

A Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

There are no contingent liabilities as at 31st March, 2022 (31st March, 2021: Nil).

B Commitments

i) Lease commitments

Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets and leases with term less than twelve months.

As at year ended 31st March, 2022, (31st March, 2021: Nil) the Company does not have any potential future payments related to leases of low value assets and leases with term less than twelve months.

ii) Capital commitments

	As at 31st March, 2022	As at 31st March, 2021
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	3,903.22	10,052.69
	3,903.22	10,052.69

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(All amounts in ₹ lakhs, unless otherwise stated)

16 OTHER INCOME

Interest income is recognised using the effective interest rate (EIR) method.

Dividend Income on investments is recognised for when the right to receive the dividend is established.

Interest on Investments is recognised on a time proportion basis taking into account the amounts invested and the rate of interest.

	Year ended 31st March, 2022	For the period from 07th June, 2020 to 31st March, 2021
Interest income		
From bank deposits	155.64	87.08
Other non-operating income		
Fair value gain on investments measured at fair value through profit or loss*	455.79	30.42
Scrap sales	28.22	-
	639.65	117.50

*Includes realised gain on sale of investment of ₹464.60 lakhs (31st March, 2021: ₹20.30 lakhs).

17 EMPLOYEE BENEFITS EXPENSES
Short Term Employee Benefits

Short term employee benefits including salaries and performance incentives, are charged to standalone statement of profit and loss on an undiscounted, accrual basis during the period of employment.

Defined contribution plans

Contributions to defined contribution schemes such as employees’ state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company’s provident fund contribution, in respect of certain employees, is made to a Government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

	Year ended 31st March, 2022	For the period from 07th June, 2020 to 31st March, 2021
Salaries, wages, bonus etc.	57.97	-
Contribution to provident funds and other funds	4.84	-
Staff welfare expenses	0.00	-
	62.81	-

18 FINANCE COSTS

	Year ended 31st March, 2022	For the period from 07th June, 2020 to 31st March, 2021
Interest expense on lease liabilities	0.75	3.10
Interest expense on Indirect taxes	0.02	-
	0.77	3.10



(All amounts in ₹ lakhs, unless otherwise stated)

19 DEPRECIATION EXPENSES

	Year ended 31st March, 2022	For the period from 07th June, 2020 to 31st March, 2021
Depreciation on property, plant and equipment (owned assets)	1.89	-
Depreciation on property, plant and equipment (leased assets)	9.31	3.60
	11.20	3.60

20 OTHER EXPENSES

	Year ended 31st March, 2022	For the period from 07th June, 2020 to 31st March, 2021
Expenses for use of common facilities	83.42	40.54
Power, fuel, light and water	45.03	-
Incorporation & Legal expenses	-	307.32
Rates & Taxes	30.03	-
Payments to the auditors for:		
- Audit fees	5.00	2.00
Purchase Services	203.63	-
Miscellaneous expenses	56.51	8.62
	423.62	358.48

21 INCOME TAXES

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.



Notes

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(All amounts in ₹ lakhs, unless otherwise stated)

A. Components of Income Tax Expense

	Year ended 31st March, 2022	For the period from 07th June, 2020 to 31st March, 2021
Tax expense recognised in the Statement of Profit and Loss		
Current tax		
Current period	156.10	27.03
Total (A)	156.10	27.03
Deferred tax (credit) / charge		
Origination of temporary differences	(74.10)	79.43
Total (B)	(74.10)	79.43
Total (A+B)	82.00	106.46

B. Reconciliation of Effective Tax Rate

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

	Year ended 31st March, 2022	For the period from 07th June, 2020 to 31st March, 2021
Statutory income tax rate applicable for the year/period	17.16%	17.16%
Differences due to:		
Expenses not deductible for tax purposes	-	-56.34%
Reversal of Deferred Tax Asset	6.22%	-
Others*	34.69%	-3.80%
Effective tax rate	58.07%	-42.98%

*Current Tax charge on Income from Other Sources is at a higher rate of 25.17%.

C. Movement in Deferred Tax Assets and Liabilities

Movements during the period from 7th June, 2020 to 31st March, 2021	As at 7th June, 2020	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31st March, 2021
Deferred tax assets/(liabilities)				
Fair value gain/(loss) on investments	-	(2.55)	-	(2.55)
Other temporary differences	-	61.52	-	61.52
Impact of Right of use assets and lease liabilities	-	(138.40)	-	(138.40)
	-	(79.43)	-	(79.43)
Movements during the year ended 31st March, 2021 to 31st March, 2022	As at 31st March, 2021	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31st March, 2022
Deferred tax assets/(liabilities)				
Property Plant and Equipment	-	0.32	-	0.32
Fair value gain/(loss) on investments	(2.55)	2.22	-	(0.33)
Other temporary differences	61.52	69.83	-	131.35
Impact of Right of use assets and lease liabilities	(138.40)	1.73	-	(136.67)
	(79.43)	74.10	-	(5.33)

(All amounts in ₹ lakhs, unless otherwise stated)

D. TAX ASSETS AND LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
Non-current tax assets (net of tax provisions)	23.28	9.50

E. Disclosure in Relation to Undisclosed Income

During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

22 EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

	Year ended 31st March, 2022	For the period from 07th June, 2020 to 31st March, 2021
Earnings Per Share has been computed as under:		
Profit/ (Loss) for the year/period (₹ lakhs)	59.25	(354.14)
Weighted average number of equity shares outstanding	3,16,43,83,562	60,00,00,000
Earnings per share (₹) - basic and diluted (Face value of ₹1 per share)	0.00	(0.06)

23 FINANCIAL INSTRUMENTS

Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

(i) Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

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(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Measured at fair value through other comprehensive income (FVOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(iii) Measured at fair value through profit or loss (FVTPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Derivative Financial Instruments:

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered and are subsequently re-measured at fair value. Any changes therein are recognised in the Statement of Profit and Loss account. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Offsetting 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 them on a net basis or to realise the assets and settle the liabilities simultaneously.

Impairment of Financial Asset

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortised cost (other than trade receivables)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased



(All amounts in ₹ lakhs, unless otherwise stated)

significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

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 Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events and current conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables. At each reporting date, the historically observed default rates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

Write - off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

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A Accounting Classifications and Fair Values

The carrying amounts and fair values of financial instruments by class are as follows:

	Note	For the year ended 31st March, 2022	For the period from 7th June, 2020 to 31st March, 2021
Financial assets measured at fair value			
Investments in mutual funds measured at Fair Value through Profit or Loss	6	936.21	1,882.42
		936.21	1,882.42
FINANCIAL LIABILITIES			
Financial liabilities measured at amortised cost			
Lease Liability	11	12.28	11.53
Employee liabilities	12	18.75	-
Creditors for capital goods	12	3,330.08	235.05
		3,361.11	246.58

The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents and trade payables because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

B Income, Expenses, Gains or Losses on Financial Instruments

	Note	For the year ended 31st March, 2022	For the period from 7th June, 2020 to 31st March, 2021
Financial assets measured at amortised cost			
Interest income	16	155.64	87.08
Financial assets measured at fair value through profit or loss			
Fair value gain/(loss) on investments in mutual funds	16	455.79	30.42
Financial liabilities measured at amortised cost			
Interest expense on lease liabilities	18	0.75	3.10

C FAIR VALUE HIERARCHY

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: quoted prices for identical instruments in an active market;
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

	Level 1	Level 2	Level 3	Total
As at 31st March, 2022				
Assets at fair value				
Investments in mutual funds measured at Fair Value through Profit or Loss	936.21	-	-	936.21

(All amounts in ₹ lakhs, unless otherwise stated)

	Level 1	Level 2	Level 3	Total
As at 31st March, 2021				
Assets at fair value				
Investments in mutual funds measured at Fair Value through Profit or Loss	1,882.42	-	-	1,882.42

D Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2021.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

The fair values of investment in mutual fund units classified as Level 1 is based on the net asset value (‘NAV’) as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Other financial assets and liabilities (fair values for disclosure purpose only)

Cash and cash equivalents, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

24 FINANCIAL RISK MANAGEMENT

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 the establishment and oversight of the Company’s risk management framework. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities.

A Management of 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 to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company has maintained a cautious funding strategy for the year 31st March, 2022 and period from 7th June, 2020 to 31st March, 2021. Cash flow from financing activities provides the funds to service the financing of 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 by the operating entities, over and above the amount required for working capital management and other operational requirements, are retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits to optimise its cash returns on investments. The said investments are made in instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

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to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

The following table shows the maturity analysis of the Company's financial assets and financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

	Carrying amount	Undiscounted Amount		
		<1 year	>1 year	Total
As at 31st March, 2022				
Non-derivative Assets				
Investments	936.21	936.21	-	936.21
Cash and cash equivalents	1,298.59	1,298.59	-	1,298.59
	2,234.80	2,234.80	-	2,234.80
As at 31st March, 2022				
Non-derivative liabilities				
Lease Liability	12.28	0.82	49.64	50.46
Trade payables	196.83	196.83	-	196.83
Security deposits	5.01	-	5.01	5.01
Employee liabilities	18.75	18.75	-	18.75
Creditors for capital goods	3,330.08	3,330.08	-	3,330.08
	3,562.95	3,546.48	54.65	3,601.13

	Carrying amount	Undiscounted Amount		
		<1 year	>1 year	Total
As at 31st March, 2021				
Non-derivative Assets				
Investments	1,882.42	1,882.42	-	1,882.42
Cash and cash equivalents	328.35	328.35	-	328.35
	2,210.77	2,210.77	-	2,210.77
As at 31st March, 2021				
Non-derivative liabilities				
Lease Liability	11.53	0.24	145.47	145.71
Trade payables	209.17	209.17	-	209.17
Creditors for capital goods	235.05	235.05	-	235.05
	455.75	444.46	145.47	589.93

B Management of Market Risk

Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency risk
- Interest rate risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below.

(All amounts in ₹ lakhs, unless otherwise stated)

POTENTIAL IMPACT OF RISK		MANAGEMENT POLICY	SENSITIVITY TO RISK
CURRENCY RISK			
The Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material and property, plant and equipment.		The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar, GBP and Euro etc.	As an estimation of the approximate impact of the residual risk, with respect to financial instruments, the Company has calculated the impact of a 5% change in exchange rates.
As at 31st March, 2022, the net unhedged exposure to the Company on holding financial assets (trade receivables and capital advances) and liabilities (trade payables and capital creditors) other than in their functional currency amounted to ₹392.11 lakhs net payable (31st March, 2021: Nil).		The aim of the Group's approach to management of currency risk is to leave the Company with no material residual risk. This aim has been achieved in all years presented.	A 5% strengthening of the INR against key currencies to which the Company is exposed would have led to approximately an additional ₹51.99 lakhs loss in the Statement of Profit and Loss (2020-21: Nil). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.
Net (Receivable)/ Payable	As at 31st March, 2022	As at 31st March, 2021	
USD	1.62	-	
GBP	70.78	-	
EUR	288.87	-	
CHF	30.84	-	
Total	392.11	-	
INTEREST RATE RISK			
The Company is mainly exposed to the interest rate risk due to its investment in debt mutual funds. The interest rate risk arises due to uncertainties about the future market interest rate on these investments.		The Company invests in the term deposits for a period of less than one year and there is no significant fair value interest rate risk pertaining to the said deposits.	A 0.25% decrease in interest rates would have led to approximately ₹2.34 lakhs in the Standalone Statement of Profit and Loss (2020-21: ₹4.71 lakhs). A 0.25% increase in interest rates would have led to an equal but opposite effect.
In addition to debt mutual funds, the Company invests in term deposits. Considering the short-term nature, there is no significant interest rate risk pertaining to these deposits.			
As at 31st March, 2022, the investments in debt mutual funds amounts to ₹936.21 lakhs (31st March, 2021: ₹1,882.33 lakhs).			

C Management of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in money market liquid mutual funds with financial institutions. The Company has concentrated its main activities with a limited number of counter-parties which have secure credit ratings, to reduce this risk. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Treasury department.

The Company's maximum exposure to credit risk as at 31st March, 2022 and 31st March, 2021 is the carrying value of each class of financial assets.

25 CAPITAL MANAGEMENT

The Company considers total equity, i.e. equity share capital and other equity, for the purpose of Company's capital management.

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 the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The management considers the

Notes

to the standalone financial statements for the year ended 31st March, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

26 RELATED PARTY DISCLOSURES

A Enterprise exercising control

Ultimate Holding Company : Unilever PLC
Holding Company : Hindustan Unilever Limited

B Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as per Ind AS 24 Related Party Disclosures:

	For the year ended 31st March, 2022	For the period from 7th June, 2020 to 31st March, 2021
(i) Holding Company		
Proceeds from issuance of equity share capital	30,000.00	6,000.00
Expenses for use of common facilities	83.42	40.54
Enterprise & Technological Solution (ETS) costs	27.11	1.98
Engineering services	578.44	59.66
Amount paid for obtaining rights of leasehold land	-	461.01
Reimbursement of expenses by holding company (paid)	1.98	192.86
Purchases of Property, Plant and Equipment	22.50	-
Outstanding as at year end		
Other financial liabilities		
Payables as at the period end	752.01	-
Trade Payables		
Payables as at the period end	25.31	102.18

C Terms and conditions of transactions with related parties

All Related Party Transactions entered during the period were in ordinary course of the business and are on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (period from 7th June, 2020 to 31st March, 2021: Nil). This assessment is undertaken through examining the financial position of the related party and the market in which the related party operates.

27 SEGMENT INFORMATION

The Company is in the process of setting up manufacturing facility in Uttar Pradesh and plans to act as a dedicated contract manufacturer to HUL. Based on the information reviewed by the Company's Chief Operating Decision Maker ('CODM'), the entire set of business is considered as a single business segment, governed by similar set of risks and returns.

28 DISCLOSURE OF RATIOS

The Company is in the process of setting up manufacturing facility and did not have any operations in current year. Accordingly, the disclosure with respect to ratios have not been provided in the financial statements.



(All amounts in ₹ lakhs, unless otherwise stated)

29 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and there were no long-term contracts including derivative contracts for which there were any material foreseeable losses.

30 DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956

31 NO TRANSACTIONS TO REPORT AGAINST THE FOLLOWING DISCLOSURE REQUIREMENTS AS NOTIFIED BY MCA PURSUANT TO AMENDED SCHEDULE III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
 - i. Wilful defaulter
 - ii. Utilisation of borrowed funds & share premium
 - iii. Borrowings obtained on the basis of security of current assets
 - iv. Discrepancy in utilisation of borrowings

32 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April, 2021.

- (a) Lease liabilities separately disclosed (Note 11) under the head 'Financial Liabilities'

33 The Company was incorporated on 7th June, 2020 and hence the financial statements for previous period are for the period from 7th June, 2020 to 31st March, 2021. Accordingly, previous period figures are not comparable with current year to that extent

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

For and on behalf of Board of Directors of Unilever India Limited
CIN: U36999MH2020PLC340390

Dev Bajpai
Director
DIN: 00050516

Ritesh Tiwari
Director
DIN: 05349994

Dr Rakhi Gupta
Company Secretary
Membership No. FCS 07822

Rakesh Thakur
Chief Financial Officer

Mumbai, 25th April, 2022

Mumbai, 25th April, 2022

[illegible]

Hindustan Unilever Limited's latest and largest urban community hygiene and sanitation centre will help nearly 2 lakh individuals gain access to better hygiene and sanitation.

Located in one of the most densely populated urban slums, Dharavi in Mumbai, the 7th Suvidha centre has **111 toilets**, is powered by solar panels and is designed to **save over 6.5 million litres of freshwater every year** by reusing treated wastewater and rainwater harvesting. Additionally, to ensure maximum impact, HUL will undertake behaviour change programmes on water, sanitation, nutrition, health & hygiene in the communities around the centre. The centre is built in partnership with HSBC and the Brihanmumbai Municipal Corporation (BMC).



For further information on our Economic,
Environmental and Social Performance
please visit our website:
www.hul.co.in

Hindustan Unilever Limited

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