



Purpose-led, future-fit

Hindustan Unilever Limited
Annual Report 2020-21
Subsidiary Companies



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 Sanjiv Chatterji- Director *Amit Sood - Director #A. Ravishankar - Director Asha Gopalakrishnan - Director V. Kannan - Independent Director Nikhilesh Panchal - Independent Director	M/s. B S R & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400099

*Mr. Amit Sood resigned as a Director of the Company w.e.f. 30th April, 2021.
#Mr. A. Ravishankar was appointed as an Additional Director w.e.f. 30th April, 2021.

To the Members,
Your Directors are pleased to present the 57th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2021.

		(₹ lakhs)
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue from operations	1,19,384.49	74,062.92
Profit before tax	20,145.34	10,733.00
Profit for the year	15,146.56	7,352.53
Dividend (including tax on distributed profits)	(9,668.75)	(7,173.04)
Profit and Loss Account balance carried forward	10,716.82	5,239.01

OPERATIONAL REVIEW

The Company is a 100% subsidiary of Hindustan Unilever Limited 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, Tea and newly added Nutrition portfolio. Brands like Pears, Dove, Lux, Taj Mahal, Lipton, Brooke Bond have registered healthy growth in the focused markets.

DIVIDEND

During the year, the Board of Directors of your Company declared interim dividend twice -₹200 on 14th September, 2020 and ₹125 on 22nd December, 2020 per Equity Share of face value of ₹10/- each. The total dividend paid for the financial year ended 31st March, 2021 was ₹96,68,75,000/-.

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, 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

Mr. Amit Sood who was appointed effective 13th May, 2020, 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. A. Ravishankar, was appointed as an Additional Director on the Board of the Company with effect from 30th April, 2021 to hold office upto the forthcoming Annual General Meeting of the Company. Being eligible, Mr. A. Ravishankar has offered himself to be appointed as the Director of your Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board recommended the appointment of Mr. A. Ravishankar as Director of the Company and the resolution proposing

Report of Board of Directors (continued)

aforesaid appointment pursuant to Section 152 of the Companies Act, 2013 forms part of the Notice of Annual General Meeting.

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

The Independent Directors of your Company 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. Further, the Independent Directors of the Company have registered themselves with the Institute of Corporate Affairs, Manesar (IICA) for the said purpose.

As per the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2020 effective from 18.12.2020, the Independent Directors of your Company are exempted to pass the test as they have served for more than three years in the Company.

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, 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, offers himself for re-appointment.

BOARD MEETINGS

The Board of Directors meets 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 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 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. Usually, meetings of the Board and Committee 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 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, 2021, four Board Meetings were held on 29th April, 2020, 20th July, 2020, 12th October, 2020 and 22nd January, 2021. The interval between any two meetings was well within the maximum allowed gap of 120 days.

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.

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 Mr. Sanjiv Chatterji 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.

The Audit Committee met four times during the financial year ended 31st March, 2021 on 29th April, 2020, 20th July, 2020, 12th October, 2020 and 22nd January, 2021.

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, based on other terms as defined by the Board of Directors.

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

The Nomination and Remuneration Committee met once during the financial year ended 31st March, 2021 on 29th April, 2020.

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 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: 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.

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

The Corporate Social Responsibility Committee met once during the financial year ended 31st March, 2021 on 29th April, 2020.

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)

Report of Board of Directors (continued)

Amendment Rules, 2021 effective from 22.01.2021 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 Chairman of 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). Recently, we expanded the scope of our POSH Policy 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 LGBTQ+ community.

While maintaining the highest governance norms, the Company has appointed external independent persons who have prior experience of in the areas of women empowerment and prevention of sexual harassment, as Chairpersons of each of the Intern 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 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2021 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 about different complementarities and deliberations in the Board and Committee meetings are enriched by such diversity and complementarities. 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, 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 year.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company doesn't possess 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.

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.

During the year, scheme of merger of Ponds Exports Limited and Jamnagar Properties Private Limited into Unilever India Exports Limited was filed for which the hearing before National Company Law Tribunal (NCLT), Mumbai was held on 1st March, 2021 and the order is reserved.

Except this, 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.

SECRETARIAL AUDIT

Your Company had appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries, to carry out Secretarial Audit for the financial year 2020-21. 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 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 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

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 HSD and F0 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 of 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.

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
I Earnings	1,15,983.62	70,535.00
II Outgo	6,263.06	5,616.91

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

Sanjiv Chatterji
Director
DIN: 07711327

Asha Gopalakrishnan
Director
DIN: 08383915

Mumbai, 26th April, 2021

Annexure to the Report of Board of Directors

Annual Report on Corporate Social Responsibility
[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

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

Water Conservation Project:

During the year, Unilever India Exports Limited 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 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. The Company's programmes currently reach *11,300 villages in 59 districts in 10 states and 2 union territories across India in partnership through 19 NGO partners and multiple co-funders. The Company also supports several knowledge initiatives in water conservation, governance and behaviour change.

By the end of 2020, the cumulative and collective achievements through partnered programmes of the Company (independently assured up to financial year 2019-20) include:

- **Water Conservation:** During the financial year, over #400 billion litres of water saving potential created through improved supply and demand management of water resources. Till financial year 2019-20, the Company's water conservation estimate stood at 1.3 trillion litres cumulatively.
- **Crop Yield:** Additional agriculture production of over 1 million tonnes has been generated.
- **Livelihoods:** Over 30 million person days of employment have been created though water conservation and increased agriculture production.

*The significant reach and livelihood impact are on account of the Company's support to an 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.

#pending independent assurance.

2. COMPOSITION OF CSR COMMITTEE:

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

3. PROVIDE 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. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (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

Sl. 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): ₹ 81,58,56,488/-

Report of Board of Directors (continued)

7.

(a) Two percent of average net profit of the Company as per section 135(5): ₹ 1,63,17,130/-

(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): ₹ 1,63,17,130/-

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

Total Amount Spent for the Financial Year (₹ in Cores)	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
	-	-	-	-	-

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project State District	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Account for the project as per Section 135(6) (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
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)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act*	Local area (Yes/ No)	Location of the project State District	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency CSR registration number
1.	Water conservation	VII (iv)	-	PAN India	1,64,00,000	No	Hindustan Unilever Foundation (HUF) CSR00001805

*Note: (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga]

- (d) Amount Spent in Administrative Overheads: NIL
- (e) Amount spent on Impact Assessment, if applicable: NA
- (f) Total amount spent for the Financial Year (8a + 8b + 8c + 8e): ₹ 1,64,00,000/-

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

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,63,17,130
(ii)	Total amount spent for the Financial Year	1,64,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	82,870
(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:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (₹)	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)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
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

Mumbai, 26th April, 2021

On behalf of the Board

V. Kannan
Independent Director
DIN: 07031155

Sanjiv Chatterji
Director
DIN: 07711327

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 “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	31.03.2021
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 is the Holding Company of both Unilever India Exports Limited and Hindustan Unilever Foundation and it shall consolidate in its consolidated financial statements.
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	4,87,71,365
7. Profit / Loss for the year	
i. Considered in Consolidation	NA
ii. Not Considered in Consolidation	48,55,308

Names of associates/ joint ventures which are yet to commence operations: NA

Names of associates/joint ventures which have been liquidated or sold during the year: NA

Mumbai, 26th April, 2021

On behalf of the Board

Sanjiv Chatterji
Director
DIN: 07711327

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 – N.A.
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
Unilever Plc	Ultimate holding company	Royalty (Technology)	608.27
		Fees for central services	1,145.82
Hindustan Unilever Limited	Holding Company	Purchase of finished goods/raw materials	52,191.00
		Rent Income	12.00
		Sale of Property, Plant and Equipment	5.24
		Sale of finished goods/raw materials	442.13
		Sale of Export incentives	49.69
		Expenses for use of common facilities	1,301.58
		Reimbursement of expenses by holding company (paid)	1,218.70
		Dividend paid	9,668.75
		Reimbursement of expenses for holding company (received)	0.07
		Interest on Inter corporate deposits taken	68.66
Unilever Asia Private Limited	Fellow Subsidiary	Sale of finished goods/raw materials	40,818.54

*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.

Mumbai, 26th April, 2021

On behalf of the Board

Sanjiv Chatterji
Director
DIN: 07711327

Asha Gopalakrishnan
Director
DIN: 08383915

Annexure to the Report of Board of Directors

Statement of Disclosure of remuneration under Section 197 of Companies Act, 2013 and Rule 5(2) & 5(3) of 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	38	PGDIE – NITIE, Mumbai	01-09-2018	UI SC Director, S. Asia & Global Innovations	1,05,59,837	69,30,162	15.5	J & J Medical

- Remuneration received gross includes salary, allowances, commission, performance linked variable pay disbursed, taxable value of perquisites and 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 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.

Mumbai, 26th April, 2021

On behalf of the Board

Sanjiv Chatterji
Director
DIN: 07711327

Asha Gopalakrishnan
Director
DIN: 08383915

FORM NO. MR – 3 Secretarial Audit Report

For the financial year ended 31st March, 2021

[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, 2021**. 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, 2021** 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, 2021** 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;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
 - (i) 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

- As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

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 Members at their Extra-Ordinary General Meeting held on 2nd November, 2020 passed the resolution for availing credit facility, provided that the aggregate of sums so borrowed shall not exceed the limit of ₹ 500 crores at any point of time
- Board at its meeting held on 12th October, 2020, approved the Scheme of Amalgamation of ‘Ponds Exports Limited’ (First Transferor Company) and ‘Jamnagar Properties Private Limited’ (Second Transferor Company) with the Company (Transferee Company) and their respective Shareholders. The Company has filed the said Scheme with NCLT. The hearing for the same was held on 1st March, 2021 and the order of NCLT is reserved.

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: A014713C000160342

Thane, 22nd April, 2021

Annexure A

To,

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

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 believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.
- 4. Wherever required, we have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

- 1. Due to the pandemic caused by Covid-19 and prevailing lockdowns/restrictions on movement of people imposed by the Government, for the purpose of issuing this report we have conducted out audit remotely based on the records and information made available to us by the Company electronically.
- 2. 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.
- 3. 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: A014713C000160342

Thane, 22nd April, 2021

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 2021 and the statement of profit and loss (including other comprehensive income), statement of changes in equity and 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 2021 and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the 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 we have obtained 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 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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, 2016 (“the Order”) issued by the Central Government in terms of section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to 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:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 18 to the financial statements
- ii. 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 41 to the financial statements.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have

not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

- 4. With respect to the matter to be included in the Auditor’s Report under section 197(16):

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAW9350

Mumbai
26 April 2021

Annexure A

To the Independent Auditor’s report on the financial statements of Unilever India Exports Limited for the year ended 31 March 2021

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. However, in accordance with this programme, all the fixed assets of the Company were physically verified by the management during the year ended 31 March 2020 and hence no physical verification has been performed during the current year. No material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to information and explanations given to us, the title deeds of immovable properties, as disclosed in note 3 to the financial statements, are held in the name of the Company, except for the following:

Particulars	Number	(₹ in lakhs)
		Buildings
Gross block as at 31 March 2021	4	389.60
Net block as at 31 March 2021	4	266.78

- (ii) The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made.

- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, goods and services tax, duty of customs, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, goods and services tax, duty of customs, cess, professional tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, goods and services tax, duty of customs and duty of excise which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Annexure I to this Report.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to financial institutions, Government or debenture holders during the year.

Annexure A (continued)

- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration during the year. Thus, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company and accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties

- are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAW9350

Mumbai
26 April 2021

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
Customs Act, 1962	Custom Duty (Including Interest and Penalty, if applicable)	570.00	189.00	2011-2012	Supreme Court
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
Kerala Value Added Tax Rules, 2003	Value Added tax (Including Interest and Penalty, if applicable)	103.19	20.64	2011-2012	Deputy Commissioner (Adjudication)
Kerala Value Added Tax Act, 2003	Value Added tax (Including Interest and Penalty, if applicable)	30.92	5.05	2012-2013, 2013-2014	Assistant Commissioner (Adjudication)
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)	10,047.26	105.00	2014-2015	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 2021

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 2021 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 2021, 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.

Mumbai
26 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAW9350

Balance Sheet
As at 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)			
Particulars	Note	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	5,460.59	5,738.55
Capital work-in-progress	3	4,048.55	1,368.66
Financial assets			
Investment in Associate	4A	0.24	0.24
Loans	5	292.35	221.90
Other financial assets	10	404.29	-
Non- current tax assets (net)	29D	1,539.37	2,693.72
Deferred tax assets (net)	29C	974.18	1,084.20
Other non-current assets	6	1,038.45	309.67
Current assets			
Inventories	7	13,451.71	6,810.92
Financial assets			
Investments	4B	600.09	529.07
Trade receivables	8	22,766.22	7,398.90
Cash and cash equivalents	9	2,839.09	4,815.75
Loans	5	21.80	18.05
Other financial assets	10	5,578.62	1,010.56
Other current assets	11	3,863.73	5,976.66
TOTAL ASSETS		62,879.28	37,976.85
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12A	297.50	297.50
Other equity	12B	23,147.65	17,669.84
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13	-	-
Other financial liabilities	15	3,379.49	3,761.92
Provisions	16	1,472.11	1,747.08
Non- current tax liabilities (net)	29D	132.30	18.52
Current liabilities			
Financial liabilities			
Trade payables	14	-	-
Total outstanding dues of micro enterprises and small enterprises		139.21	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		22,617.79	8,077.53
Other financial liabilities	15	10,780.00	6,184.70
Provisions	16	150.54	-
Other current liabilities	17	762.69	219.76
TOTAL EQUITY AND LIABILITIES		62,879.28	37,976.85
Basis of preparation, measurement and significant accounting policies	2		
Contingent Liabilities and commitments	18, 19		

The accompanying notes are an integral part of these financial statements1 to 41

As per our report of even date attached

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

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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Sanjiv Chatterji
Director
DIN No. 07711327

Amit Sood
Director
DIN No. 08741752

Mumbai: 26th April, 2021

Mumbai: 26th April, 2021

Statement of Profit and Loss
For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)			
Particulars	Note	Year ended 31st March, 2021	Year ended 31st March, 2020
INCOME			
Revenue from operations	20	1,19,384.49	74,062.92
Other income	21	1,801.64	838.57
TOTAL INCOME		1,21,186.13	74,901.49
EXPENSES			
Cost of materials consumed	22	29,683.70	19,015.88
Purchases of stock-in-trade	23	54,027.89	28,968.65
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	24	(1,727.93)	2,187.03
Employee benefits expense	25	3,788.87	2,610.56
Finance costs	26	533.16	858.86
Depreciation expense	27	1,394.60	1,654.54
Other expenses	28A	13,281.67	8,650.34
TOTAL EXPENSES		1,00,981.96	63,945.86
Profit before exceptional items and tax		20,204.17	10,955.63
Exceptional items	28B	(58.83)	(222.63)
Profit before tax		20,145.34	10,733.00
Tax expenses			
Current tax	29A	(4,888.76)	(2,439.32)
Deferred tax charge	29C	(110.02)	(941.15)
PROFIT FOR THE YEAR (A)		15,146.56	7,352.53
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		15,146.56	7,352.53
Earnings per equity share			
Basic and Diluted (Face value of ₹10 each)	30	509.13	247.14
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements1 to 41

As per our report of even date attached

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

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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Sanjiv Chatterji
Director
DIN No. 07711327

Amit Sood
Director
DIN No. 08741752

Mumbai: 26th April, 2021

Mumbai: 26th April, 2021

Statement of Changes in Equity
For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	Total
As at 31st March, 2019	12A	297.50
Changes in equity share capital during 2019-20		-
As at 31st March, 2020	12A	297.50
Changes in equity share capital during 2020-21		-
As at 31st March, 2021	12A	297.50

B. OTHER EQUITY

	Reserves and Surplus					Total
	Capital Reserve	Securities Premium	Export Profit Reserve	General Reserve	Retained Earnings	
As at 31st March, 2019	1.23	6,965.70	4.45	5,459.45	5,335.33	17,766.16
Transition impact of Ind AS 116 (Net of tax)	-	-	-	-	(275.81)	(275.81)
Balance as at 1st April, 2019	1.23	6,965.70	4.45	5,459.45	5,059.52	17,490.35
Profit for the year	-	-	-	-	7,352.53	7,352.53
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	7,352.53	7,352.53
Dividend on equity shares for the year (Note 31)	-	-	-	-	(5,950.00)	(5,950.00)
Dividend distribution tax (Note 31)	-	-	-	-	(1,223.04)	(1,223.04)
As at 31st March, 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)
As at 31st March, 2021	1.23	6,965.70	4.45	5,459.45	10,716.82	23,147.65

The accompanying notes are an integral part of these financial statements 1 to 41

As per our report of even date attached

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

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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Sanjiv Chatterji
Director
DIN No. 07711327

Amit Sood
Director
DIN No. 08741752

Mumbai: 26th April, 2021

Mumbai: 26th April, 2021

Statement of Cash Flows
For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31st March, 2021	Year ended 31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	20,145.34	10,733.00
Adjustments for:		
Restructuring costs	58.83	33.82
Write back of inventory provision	(221.71)	(1,794.31)
Write back of Provision for doubtful receivables during the year	(324.49)	(13.94)
Provision for doubtful exports benefits receivable	1,225.00	-
Depreciation expense	1,394.60	1,654.54
Fair value (gain)/loss on investments	2.60	(0.86)
Unrealised (gain)/loss on foreign currency fluctuation (net)	(1,031.83)	1,137.23
Net gain on sale of Investments	(208.63)	(237.59)
Loss on sale of property, plant and equipment	4.00	81.22
Interest income	(133.47)	(13.29)
Interest expense	361.49	582.97
Unwinding of discount on employee and ex-employee related liabilities	171.66	275.89
Allowance/(Reversal) for credit impairment	28.85	(220.42)
Bad debts written off	9.52	92.48
Cash Generated from Operations before working capital changes	21,481.77	12,310.74
Changes in Working capital:		
Increase in Non-Current Assets	(463.85)	(42.69)
(Increase)/Decrease in Current Assets	(18,843.27)	12,386.64
(Increase)/Decrease in inventories	(6,419.07)	3,705.58
Decrease in Non-Current Liabilities	(749.91)	(1,319.25)
Increase/(Decrease) in Current Liabilities	15,491.81	(3,404.70)
Cash generated from Operations	10,497.48	23,636.32
Taxes paid (net of refunds)	(3,503.94)	(2,814.03)
Net cash generated from operating activities - [A]	6,993.54	20,822.29
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(3,856.73)	(1,632.09)
Sale of property, plant and equipment	5.24	0.66
Purchase of investments	(1,38,296.95)	(2,01,664.41)
Sale proceeds of investments	1,38,431.96	2,03,475.91
Investments in bank deposits	-	(0.11)
Interest received	16.79	13.29
Net cash (used in)/generated from investing activities - [B]	(3,699.69)	193.25

Statement of Cash Flows

For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)		
	Year ended 31st March, 2021	Year ended 31st March, 2020
C CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings received	33,300.00	31,700.00
Borrowings repaid	(27,900.00)	(40,100.00)
Interest paid	(202.50)	(603.17)
Dividends paid	(9,668.75)	(5,950.00)
Taxes paid on dividend	-	(1,223.04)
Principal repayment of leases	(669.90)	(717.64)
Interest payment on leases	(129.36)	(140.37)
Net cash used in financing activities - [C]	(5,270.51)	(17,034.22)
Net (decrease)/increase in cash and cash equivalents - [A+B+C]	(1,976.66)	3,981.32
Add: Cash and cash equivalents at the beginning of the year (Refer Note 9)	4,815.75	834.43
Cash and cash equivalents at the end of the year (Refer Note 9)	2,839.09	4,815.75

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 41

As per our report of even date attached

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

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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Sanjiv Chatterji
Director
DIN No. 07711327

Amit Sood
Director
DIN No. 08741752

Mumbai: 26th April, 2021

Mumbai: 26th April, 2021

Notes to Financial Statements

For the year ended 31st March, 2021

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 the 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.

The financial statements are presented in 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').

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, 2021 were approved for issue in

(All amounts in ₹ lakhs, unless otherwise stated)

accordance with the resolution of the Board of Directors on 26th April, 2021.

(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 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. Actual results may differ from these estimates. 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. 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 risk of causing a material adjustment 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 29;
- (b) Measurement and likelihood of occurrence of provisions and contingencies – Notes 16 and 18.
- (c) Measurement of Lease Liabilities and Right of Use Asset (ROUA) - Note 3 and 15.

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.

Notes to Financial Statements

For the year ended 31st March, 2021

2.3 Recent Accounting Developments

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

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 statement. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

2.4 Significant Accounting Policies

(a) 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.

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 provided on a pro-rata basis on the straight-line method based on estimated useful life

(All amounts in ₹ lakhs, unless otherwise stated)

prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

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

Freehold land is not depreciated.

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) 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.

(c) 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.

(d) 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

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

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.

(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. 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.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

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)
- iii. Financial assets measured at fair value through other comprehensive income (FVOCI)

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 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.

(e) Provisions and 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

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

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.

(f) Revenue Recognition

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.

(g) 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.

(h) Expenditure

Expenses are accounted on accrual basis.

(i) Employee Benefits

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

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

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.

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.

(j) Impairment of Non-Financial Assets

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.

The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the Statement of Profit and Loss.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

(k) 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.

(l) Leases

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 ("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 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, 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 cash flows from financing activities.

(m) Foreign Currencies

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

Notes to Financial Statements
For the year ended 31st March, 2021

- (All amounts in ₹ lakhs, unless otherwise stated)

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.
- (n) **Borrowing Costs**
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.
- (o) **Segment Reporting**
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.
- (p) **Grant**
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.
- (q) **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.
- (r) **Investments 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.

Notes to Financial Statements
For the year ended 31st March, 2021

- (All amounts in ₹ lakhs, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS
Refer Note 2.4 (a) and 2.4 (l) for accounting policy on Property, Plant and Equipment and Leases
- | Property, plant and equipment | As at
31st March, 2021 | As at
31st March, 2020 |
|-------------------------------|---------------------------|---------------------------|
| Owned Assets | 4,566.07 | 4,835.38 |
| Leased Assets | 894.52 | 903.17 |
| Total | 5,460.59 | 5,738.55 |
- A Owned Assets**

	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computers	Total
Gross Block							
Balance as at 31st March, 2019	59.39	2,325.40	6,252.86	-	140.04	1.51	8,779.20
Additions	-	125.22	519.91	11.41	18.68	6.55	681.77
Disposals	-	(68.27)	(327.44)	(1.93)	(14.45)	(0.92)	(413.01)
Balance as at 31st March, 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)
Balance as at 31st March, 2021	59.39	2,425.98	6,488.60	14.79	149.19	7.14	9,145.09
Accumulated Depreciation							
Balance as at 31st March, 2019	-	250.24	3,271.15	-	53.35	1.51	3,576.25
Additions [Refer note (b) below]	-	101.61	836.79	1.90	26.58	1.23	968.11
Disposals	-	(26.63)	(289.90)	(1.90)	(12.43)	(0.92)	(331.78)
Balance as at 31st March, 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)
Balance as at 31st March, 2021	-	420.02	4,060.34	0.55	93.98	4.13	4,579.02
Net Block							
Balance as at 31st March, 2020	59.39	2,057.13	2,627.29	9.48	76.77	5.32	4,835.38
Balance as at 31st March, 2021	59.39	2,005.96	2,428.26	14.24	55.21	3.01	4,566.07
- Notes:**

(a) Buildings include ₹0.01 lakhs (31st March, 2020: ₹0.01 lakhs) being the value of shares in the co-operative housing society.

(b) The addition in accumulated depreciation includes accelerated depreciation which has been charged to exceptional items under a restructuring project amounting to ₹ Nil (31st March, 2020: ₹33.82 lakhs) (refer Note 28B for more details).

(c) The title deeds of buildings aggregating ₹266.78 lakhs (net block) (31st March, 2020: ₹273.33 lakhs) are in the process of perfection of title.

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

B Leased Assets

	Land and Buildings	Plant and Equipment	Total
Gross Block			
Addition on account of Transition to Ind AS 116 - 1st April, 2019	819.60	75.21	894.81
Additions	683.80	44.81	728.61
Deletions	(271.95)	(87.19)	(359.14)
Balance as at 31st March, 2020	1,231.45	32.83	1,264.28
Additions	580.77	261.97	842.74
Deletions	(555.83)	(247.26)	(803.09)
Balance as at 31st March, 2021	1,256.39	47.54	1,303.93
Accumulated Depreciation			
Additions	608.08	112.17	720.25
Deletions	(271.95)	(87.19)	(359.14)
Balance as at 31st March, 2020	336.13	24.98	361.11
Additions	569.56	182.63	752.19
Deletions	(532.87)	(171.02)	(703.89)
Balance as at 31st March, 2021	372.82	36.59	409.41
Net Block			
Balance as at 31st March, 2020	895.32	7.85	903.17
Balance as at 31st March, 2021	883.57	10.95	894.52

Notes:

- (a) The Company incurred ₹17.92 lakhs for the year ended 31st March, 2021 (31st March, 2020: ₹17.92 lakhs) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹817.18 lakhs for the year ended 31st March, 2021, (31st March, 2020: ₹875.93 lakhs) including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹129.36 lakhs for the year ended 31st March, 2021 (31st March, 2020: ₹140.37 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 19(i) and Note 15 respectively.

C Capital Work-in-Progress

Capital work-in-progress as at 31st March, 2021 is ₹4,048.55 lakhs (31st March, 2020: ₹1,368.66 lakhs).

₹431.93 lakhs has been capitalised and transferred to property, plant & equipment during the year ended 31st March, 2021 (31st March, 2020: ₹681.77 lakhs).

For contractual commitment with respect to property, plant and equipment refer Note 19(ii).

4. INVESTMENTS

4A Investment in Associate

Refer Note 2.4 (r) for accounting policy on Investment In Associate

	As at 31st March, 2021	As at 31st March, 2020
NON-CURRENT		
Unquoted		
Hindustan Unilever Foundation - 2,400 equity shares (31st March, 2020: 2,400 equity shares) of ₹10 each fully paid	0.24	0.24
Pond's Export Limited - 19,90,015 equity shares (31st March, 2020: 19,90,015 equity shares) of ₹ 1 each fully paid	-	-
[net of impairment in value of ₹48.47 Lakhs (31st March, 2020: ₹48.47 Lakhs)]		
Total (A)	0.24	0.24

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

4B. INVESTMENTS

Refer Note 2.4 (d) for accounting policy on Investments

	As at 31st March, 2021	As at 31st March, 2020
CURRENT		
Fair value through profit or loss (Quoted)		
Investments in mutual funds	600.09	529.07
Total (B)	600.09	529.07
Total (A+B)	600.33	529.31
Aggregate amount of quoted investments	600.09	529.07
Aggregate Market value of quoted investments	600.09	529.07
Aggregate amount of unquoted investments	0.24	0.24
Aggregate amount of impairment in value of investments	48.47	48.47

Refer Note 34 and 35 for information about fair value measurement, credit risk and market risk of investments.

Information About Associate

Proportion (%) of equity interest

Name of the Company	Country of Incorporation	Principal activities	As at 31st March, 2021	As at 31st March, 2020
Hindustan Unilever Foundation	India	Not-for-profit Company in the field of community development initiatives	24	24

5. LOANS

(Unsecured considered good, unless otherwise stated)

Refer Note 2.4 (d) for accounting policy on Financial Assets

	As at 31st March, 2021	As at 31st March, 2020
NON-CURRENT		
Loan to employees*	216.48	191.90
Security deposits	265.74	219.87
Less: Allowance for credit impairment (Refer (a) below)	(189.87)	(189.87)
Total (A)	292.35	221.90
CURRENT		
Loan to employees*	21.80	18.05
Total (B)	21.80	18.05
Total (A+B)	314.15	239.95
Sub-classification of Loans:		
Loan Receivables considered good- Unsecured	314.15	239.95
Loan Receivables - 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	314.15	239.95
(a) The movement in allowance for credit impairment is as follows:		
Balance as at beginning of the year	189.87	-
Add: Allowance for credit impairment during the year	-	189.87
Balance as at the end of the year	189.87	189.87

Refer Note 34 and 35 for information about fair value measurement, credit risk and market risk of financial assets.

* Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

Notes to Financial Statements
For the year ended 31st March, 2021

6. OTHER NON-CURRENT ASSETS

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31st March, 2021	As at 31st March, 2020
Capital advances	739.68	-
Security deposits with customs, port trust, excise and other Government authorities	298.77	309.67
	1,038.45	309.67

7. INVENTORIES

Refer Note 2.4 (b) for accounting policy on Inventories

	As at 31st March, 2021	As at 31st March, 2020
Raw materials	7,305.77	2,624.82
Packing materials	1,340.66	1,103.34
Work-in-progress	876.91	699.18
Finished goods [includes in transit: ₹3,310.73 Lakhs (31st March, 2020: ₹1,079.97 Lakhs)] (Refer note (a) below)	3,569.72	2,019.52
Stores and spares	358.65	364.06
	13,451.71	6,810.92

- (a) Finished goods includes good purchased for re-sale, as both are stocked together.
- (b) During FY 2020-21 an amount of ₹ Nil (31st March, 2020: ₹ 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 ₹221.71 lakhs (31st March, 2020: ₹1,794.31 lakhs).

8. TRADE RECEIVABLES
(Unsecured unless otherwise stated)

Refer Note 2.4 (d) for accounting policy on Trade Receivables.

	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured	22,838.02	7,401.05
Less: Allowance for expected credit loss (Refer (a) below)	(71.80)	(2.15)
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	40.79
Less: Allowance for credit impairment (Refer (a) below)	-	(40.79)
Balance as at the end of the year	22,766.22	7,398.90
(a) The movement in allowance for credit impairment and expected credit loss is as follows:		
Balance as at beginning of the year	42.94	263.36
Add: Change in allowance for credit impairment during the year	38.38	(127.94)
Less: Trade receivables written off during the year	(9.52)	(92.48)
Balance as at the end of the year	71.80	42.94

Refer Note 34 for information about credit risk and market risk of trade receivables.

Refer Note 37 for information about receivables from Related party.

Notes to Financial Statements
For the year ended 31st March, 2021

9. CASH AND CASH EQUIVALENTS

Refer Note 2.4 (c) for accounting policy on Cash and Cash Equivalents

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
In current accounts	1,438.91	414.56
Term deposits with original maturity of less than three months	1,100.18	1,400.30
Others		
Investment in overnight mutual funds	300.00	3,000.89
	2,839.09	4,815.75

10. OTHER FINANCIAL ASSETS
(Unsecured, considered good unless otherwise stated)

Refer Note 2.4 (d) for accounting policy on Financial Assets

	As at 31st March, 2021	As at 31st March, 2020
NON CURRENT		
Duty drawback receivable	404.29	-
Total (A)	404.29	-
CURRENT		
Investments in term deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	3.17	3.17
Fair value of Derivatives	105.91	151.17
Duty drawback receivable	132.76	612.24
GST refund receivable	5,234.19	-
Other receivables	102.59	243.98
Total (B)	5,578.62	1,010.56
Total (A+B)	5,982.91	1,010.56

Refer Note 34 and 35 for information about fair value measurement, credit risk and market risk of financial assets.

11. OTHER CURRENT ASSETS

	As at 31st March, 2021	As at 31st March, 2020
Balances with Government authorities (GST, VAT, CENVAT, etc.)	3,621.36	4,348.94
Less: Provision for doubtful receivables (Refer (a) below)	(296.29)	(561.82)
Export benefits receivable	1,584.97	2,035.06
Less: Provision for doubtful exports benefits receivable (Refer (a) below)	(1,225.00)	(58.97)
Other advances (includes advances for materials, prepaid expenses etc.)	178.69	213.45
	3,863.73	5,976.66
(a) The movement in provision for doubtful receivables is as follows:		
Balance as at beginning of the year	620.78	575.75
Add: Provision for doubtful exports benefits receivable	1,225.00	58.97
Less: Reversal of provision for doubtful receivables during the year	(324.49)	(13.94)
Balance as at the end of the year	1,521.29	620.78

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

12A EQUITY SHARE CAPITAL

	As at 31st March, 2021	As at 31st March, 2020
Authorised		
30,00,000 (31st March, 2020: 30,00,000) equity shares of ₹10 each	300.00	300.00
Issued, subscribed and fully paid up		
29,75,000 (31st March, 2020: 29,75,000) equity shares of ₹10 each	297.50	297.50
	297.50	297.50

a) Reconciliation of the number of shares

	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
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, 2021	As at 31st March, 2020
Equity Shares of ₹10 each:		
29,75,000 (31st March, 2020: 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, 2021	As at 31st March, 2020
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%

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

12B 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.
- (b) **Securities Premium:** The amount received in excess of face value of the equity shares is recognised in Securities Premium.
- (c) **Export Profit Reserve:** Export Profit Reserve has been created to protect, from any losses due to volatility in business.
- (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.
- (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.

B. Other Equity

	Capital Reserve	Securities Premium	Export Profit Reserve	General Reserve	Retained Earnings	Total
As at 31st March, 2019	1.23	6,965.70	4.45	5,459.45	5,335.33	17,766.16
Transition impact of Ind AS 116 (Net of tax)	-	-	-	-	(275.81)	(275.81)
Balance as at 1st April, 2019	1.23	6,965.70	4.45	5,459.45	5,059.52	17,490.35
Profit for the year	-	-	-	-	7,352.53	7,352.53
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	7,352.53	7,352.53
Dividend on equity shares for the year (Note 31)	-	-	-	-	(5,950.00)	(5,950.00)
Dividend distribution tax (Note 31)	-	-	-	-	(1,223.04)	(1,223.04)
As at 31st March, 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)
As at 31st March, 2021	1.23	6,965.70	4.45	5,459.45	10,716.82	23,147.65

13. BORROWINGS
(Unsecured unless otherwise stated)

Refer Note 2.4 (n) for accounting policy on Borrowings

	As at 31st March, 2021	As at 31st March, 2020
Non-current		
Loans from Related party		
Intercompany deposits	9,500.00	4,100.00
Less: Current maturities of intercompany deposits (Refer Note 15)	(9,500.00)	(4,100.00)
Total	-	-

Refer Note 35 for information about liquidity risk and market risk of borrowings.

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Notes:

- 1. The above are long term borrowings from Hindustan Unilever Limited, the Holding Company.
- 2. This loan was used for working capital requirement. It is repayable over a period of 5 years with no fixed repayment schedule and carries an average rate of interest at 5.84% p.a. in 2020-21 (7.12% p.a in 2019-20).
- 3. Unsecured loan taken from banks for export packing credit requirement amounting to ₹Nil as at 31st March, 2021 (31st March, 2020: ₹ Nil).

14. TRADE PAYABLES

Refer Note 2.4 (d) for accounting policy on Trade Payables

	As at 31st March, 2021	As at 31st March, 2020
Total outstanding dues of Micro Enterprises and Small Enterprises (as per the intimation received from vendors)	139.21	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	22,617.79	8,077.53
	22,757.00	8,077.53

Refer Note 35 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, 2021	As at 31st March, 2020
a. (i) Principal amount remaining unpaid	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	-	-
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	-	-

15. OTHER FINANCIAL LIABILITIES

Refer Note 2.4 (d) and 2.4 (l) for accounting policy on Financial Instruments and Leases

	As at 31st March, 2021	As at 31st March, 2020
NON-CURRENT		
Lease liability	1,106.82	1,185.98
Security deposits	16.27	20.79
Employee and ex-employee related liabilities	2,256.40	2,555.15
Total (A)	3,379.49	3,761.92
CURRENT		
Current maturities of intercorporate deposits (Refer Note 13)	9,500.00	4,100.00
Salaries, wages, bonus and other employee payables	698.32	650.67
Lease liability	290.69	133.88
Fair value of Derivatives	237.75	1,276.53
Interest accrued but not due on borrowings	53.24	23.62
Total (B)	10,780.00	6,184.70
Total (A+B)	14,159.49	9,946.62

Refer Note 35 for information about liquidity risk and market risk of other financial liability.

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

16. PROVISIONS

Refer Note 2.4(e) for accounting policy on Provisions

	As at 31st March, 2021	As at 31st March, 2020
NON-CURRENT		
Other provisions (including sales tax, excise and legal matters etc.) [Refer note (a) below]	1,472.11	1,747.08
Total (A)	1,472.11	1,747.08
CURRENT		
Provision for indirect tax matters [Refer note (a) below]	150.54	-
Total (B)	150.54	-
Total (A+B)	1,622.65	1,747.08

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

	Indirect taxes	Legal and others	Total
Balance as at 31st March, 2019	851.06	1,646.14	2,497.20
Add: Provision/reclass during the year	-	37.29	37.29
Less: Amount utilised/reversed during the year	(139.41)	(648.00)	(787.41)
Balance as at 31st March, 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)
Balance as at 31st March, 2021	749.65	873.00	1,622.65

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.

17. OTHER CURRENT LIABILITIES

	As at 31st March, 2021	As at 31st March, 2020
Statutory dues (including provident fund, tax deducted at source and others)	762.52	199.56
Other payables	0.17	20.20
	762.69	219.76

18. CONTINGENT LIABILITIES

Refer Note 2.4 (e) for accounting policy on Contingent Liabilities

	As at 31st March, 2021	As at 31st March, 2020
Claims against the Company not acknowledged as debts		
Income tax matters	30,467.58	30,470.29
Indirect tax and other matters	54.05	54.05
	30,521.63	30,524.34

- (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.

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

(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.

19. 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 31st March, 2021	As at 31st March, 2020
Not later than one year	17.92	17.92
Later than one year and not later than five years	53.77	71.69
Later than five years	-	-
	71.69	89.61

ii) Capital commitments

	As at 31st March, 2021	As at 31st March, 2020
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	360.50	1,319.26
	360.50	1,319.26

20. REVENUE FROM OPERATIONS

Refer (a) below and Note 2.4 (f) for accounting policy on Revenue Recognition

	Year ended 31st March, 2021	Year ended 31st March, 2020
Sale of products [Refer note (a) below]	1,16,901.25	71,372.57
Other operating revenue [Refer note (b) below]		
Income from services rendered to Group Companies	1,677.59	-
Export incentives	582.64	2,510.77
Scrap sales	223.01	179.58
	1,19,384.49	74,062.92

(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, 2021	Year ended 31st March, 2020
Contract price	1,18,322.63	71,559.44
Less: Trade discounts, volume rebates, etc	(1,421.38)	(186.87)
Sale of products	1,16,901.25	71,372.57

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

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For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

21. OTHER INCOME

Refer Note 2.4 (g) for accounting policy on Other Income.

	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest income		
From bank deposits	16.79	13.12
From others (Interest on Income Tax refund)	116.69	0.17
Other non-operating income		
Fair value gain/(loss) on investments measured at fair value through profit or loss*	206.03	237.59
Net gain on foreign currency transactions	1,315.64	-
Liabilities written back to the extent no longer required	134.49	571.87
Other miscellaneous income (includes rent, etc.)	12.00	15.82
	1,801.64	838.57

*Includes realised gain on sale of investment of ₹208.63 lakhs (31st March, 2020: ₹236.73 lakhs).

22. COST OF MATERIALS CONSUMED

	Year ended 31st March, 2021	Year ended 31st March, 2020
Raw materials consumed	22,476.55	11,763.09
Packing materials consumed	7,207.15	7,252.79
	29,683.70	19,015.88

23. PURCHASES OF STOCK-IN-TRADE

	Year ended 31st March, 2021	Year ended 31st March, 2020
Purchases of stock-in-trade	54,027.89	28,968.65
	54,027.89	28,968.65

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

	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening inventories		
Finished goods	2,019.52	3,766.17
Work-in-progress	699.18	1,139.56
Closing inventories		
Finished goods	(3,569.72)	(2,019.52)
Work-in-progress	(876.91)	(699.18)
	(1,727.93)	2,187.03

25. EMPLOYEE BENEFITS EXPENSES

Refer Note 2.4 (i) for accounting policy on Employee Benefit Expenses

	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries, wages, bonus etc.	3,145.91	2,195.65
Contribution to provident funds and other funds (Refer Note 32)	261.23	161.71
Workmen and staff welfare expenses	381.73	253.20
	3,788.87	2,610.56

Notes to Financial Statements
For the year ended 31st March, 2021

26. FINANCE COSTS

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest expense on Loan from banks under Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit*	163.46	320.04
Interest expense on Intercompany deposits	68.66	122.56
Interest expense on bank overdraft	0.02	-
Interest expense on lease liabilities	129.36	140.37
Unwinding of discount on employee and ex-employee related liabilities	171.66	275.89
	533.16	858.86

*Grant received in the form of interest subsidy amounting to ₹248.29 lakhs (31 March, 2020: ₹198.34 lakhs) are netted off from the finance cost (refer Note 2.4 (p) for accounting policy on Government grant).

27. DEPRECIATION EXPENSES

Refer Note 2.4 (a) and 2.4 (l) for accounting policy on Property, Plant and Equipment and Leases

	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation on property, plant and equipment (owned assets)*	642.41	934.29
Depreciation on property, plant and equipment (leased assets)	752.19	720.25
	1,394.60	1,654.54

*In addition to above accelerated depreciation has been charged to exceptional items under a restructuring project amounting to ₹ Nil (31st March, 2020 : ₹33.82 lakhs) (refer Note 28B for more details).

28A OTHER EXPENSES

	Year ended 31st March, 2021	Year ended 31st March, 2020
Advertising and sales promotion	374.10	72.31
Carriage and freight	4,930.72	2,507.22
Consumption of stores & spares	170.58	162.04
Corporate social responsibility expense [Refer note (a) below]	164.00	190.00
Expenses for shared services	960.00	961.88
Expenses for use of common facilities	1,301.58	865.34
Power, fuel, light and water	957.83	1,088.64
Processing charges	524.10	384.76
Repairs and maintenance	369.06	471.90
Royalty (Technology)	608.27	482.28
Fees for central services from Ultimate Holding Company	1,145.82	697.77
Auditors' remuneration		
- Audit fees	19.00	15.00
- Tax audit fees	3.00	2.00
Miscellaneous expenses	1,753.61	749.20
	13,281.67	8,650.34

Notes:

(a) The Company has spent ₹164 lakhs (2019-20: ₹190 lakhs) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are:

I. Gross amount required to be spent by the Company during the year: ₹163.17 lakhs (31st March, 2020: ₹185.59 lakhs)

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

II. Amount spent during the year on:

	Paid in cash	
	Year ended 31st March, 2021	Year ended 31st March, 2020
i) Construction/Acquisition of any asset	-	-
ii) For purposes other than (i) above	164.00	190.00

III. Above includes a contribution of ₹164 lakhs (2019-20: ₹190 lakhs) to a fellow subsidiary Hindustan Unilever Foundation, which is a Section 8 registered company under Companies Act, 2013, with the main objectives of working in the areas of social, economic and environmental issues such as women empowerment, water harvesting, health and hygiene awareness and enable the less privileged segments of the society to improve their livelihood by enhancing their means and capabilities to meet the emerging opportunities.

IV. The Company does not carry any provisions for Corporate Social Responsibility expenses for current year and previous year.

V. The Company does not wish to carry forward any excess amount spent during the year.

VI. The Company does not have any ongoing projects as at 31st March, 2021.

28B EXCEPTIONAL ITEMS

	Year ended 31st March, 2021	Year ended 31st March, 2020
Restructuring costs*	58.83	222.63
	58.83	222.63

*Above restructuring costs includes accelerated depreciation amounting to ₹ Nil (2019-20 - ₹33.82 lakhs) (Refer note 3A).

29. INCOME TAXES

Refer Note 2.4(k) for accounting policy on Income Taxes

A. Components of Income Tax Expense

	Year ended 31st March, 2021	Year ended 31st March, 2020
I. Tax expense recognised in Profit and Loss		
Current tax		
Current year	4,933.18	2,417.02
Adjustments related to previous years - (net)	(44.42)	22.30
Total (A)	4,888.76	2,439.32
Deferred tax (charge)/credit		
Origination and reversal of temporary differences	110.02	941.15
Total (B)	110.02	941.15
Total (A+B)	4,998.78	3,380.47
II. Tax expense recognised in Other Comprehensive Income	-	-
Total	-	-
III. Tax expense recognised in Equity	-	-
Total	-	-

Notes to Financial Statements
For the year ended 31st March, 2021

(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, 2021	Year ended 31st March, 2020
Statutory income tax rate applicable for the year	25.17%	25.17%
Differences due to:		
Expenses not deductible for tax purposes	0.20%	0.45%
Others*	-0.56%	5.88%
Effective tax rate	24.81%	31.50%

* Others include prior period tax adjustment and impact of tax rate change

Impact of tax rate change: During FY 2019-20, the Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company re-measured its net deferred tax assets basis the rate prescribed in the said section. The full impact of this change was recognised in the Statement of Profit and Loss for that year.

C. Movement in Deferred Tax Assets and Liabilities

Movements during the year ended 31st March, 2020	As at 31st March, 2019	Credit/(charge) in Profit and Loss	Credit/(Charge) in Other Comprehensive Income	As at 31st March, 2020
Deferred tax assets/(liabilities)				
Provision for post retirement benefits and other employee benefits	1,113.79	(580.28)	-	533.51
Provision for doubtful debts and advances	293.22	(141.07)	-	152.15
Expenses allowable for tax purposes when paid	347.69	(115.23)	-	232.46
Property Plant and Equipment	(336.61)	192.87	-	(143.74)
Fair value gain/(loss) on investments	(6.84)	-	-	(6.84)
Impact of Right of use assets and lease liabilities	148.14	(43.27)	-	104.87
Other temporary differences	465.96	(254.17)	-	211.79
	2,025.35	(941.15)	-	1,084.20

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

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

D. Tax assets and liabilities

	As at 31st March, 2021	As at 31st March, 2020
Non-current tax assets (net of tax provisions)	1,539.37	2,693.72
Non-current tax liabilities (net of tax assets)	132.30	18.52

30. EARNINGS PER SHARE

Refer Note 2.4 (q) for accounting policy on Earnings per Share

	Year ended 31st March, 2021	Year ended 31st March, 2020
Earnings Per Share has been computed as under:		
Profit for the year	15,146.56	7,352.53
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)	509.13	247.14

31. DIVIDEND PER SHARE ON EQUITY SHARES

	Year ended 31st March, 2021	Year ended 31st March, 2020
Dividend on equity shares declared and paid during the year		
Interim dividend of ₹325 per share (2019-20 - ₹200 per share)	9,668.75	5,950.00
Dividend distribution tax on interim dividend*	-	1,223.04
	9,668.75	7,173.04
Payout Ratio	63.83%	97.56%

*Dividend distribution tax was applicable only upto FY 2019-20.

32. DEFINED CONTRIBUTION PLANS

Refer Note 2.4 (i) 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, 2021	Year ended 31st March, 2020
Employer's contribution to provident fund and other funds	212.41	114.64
Employer's contribution to pension funds	48.82	47.07
	261.23	161.71

33. DEFINED BENEFIT PLANS

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.

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

34. FINANCIAL INSTRUMENTS

Refer Note 2.4 (d) for accounting policy on Financial Instrument

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, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
FINANCIAL ASSETS					
Financial assets measured at fair value					
Investments in mutual funds measured at Fair Value through Profit or Loss	4B	600.09	529.07	600.09	529.07
Fair Value of Derivatives	10	105.91	151.17	105.91	151.17
Financial assets measured at amortised cost					
Loans	5	314.15	239.95		
Investments in term deposits	10	3.17	3.17		
Duty drawback receivable	10	537.05	612.24		
GST refund receivable	10	5,234.19	-		
Other receivables	10	102.59	243.98		
		6,897.15	1,779.58	706.00	680.24
FINANCIAL LIABILITIES					
Financial liabilities measured at fair value					
Fair Value of Derivatives	15	237.75	1,276.53	237.75	1,276.53
Financial liabilities measured at amortised cost					
Borrowings (Current maturities of intercorporate deposits)	15	9,500.00	4,100.00		
Security deposits	15	16.27	20.79		
Other payables	15	53.24	23.62		
Lease Liability	15	1,397.51	1,319.86		
Employee liabilities	15	2,954.72	3,205.82		
		14,159.49	9,946.62	237.75	1,276.53

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.

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(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:

		Year ended 31st March, 2021	Year ended 31st March, 2020
Financial assets measured at amortised cost			
Interest income	21	16.79	13.12
Bad debts written off	28A	9.52	92.48
Allowance for credit impairment written (back)/off	28A	28.85	(220.42)
Financial assets measured at fair value through profit or loss			
Fair value gain/(loss) on investments in mutual funds	21	206.03	237.59
Financial liabilities measured at amortised cost			
Finance costs	26	533.16	858.86
Derivatives - foreign exchange forward contracts			
Fair value gain	21	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.

	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	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
As at 31st March, 2020				
Assets at fair value				
Investments in mutual funds measured at Fair Value through Profit or Loss	529.07	-	-	529.07
Investment in overnight mutual funds	3,000.89	-	-	3,000.89
Fair Value of Derivatives	-	151.17	-	151.17
Liabilities at fair value				
Fair Value of Derivatives	-	1,276.53	-	1,276.53

Notes to Financial Statements
For the year ended 31st March, 2021

(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, 2020.

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, 2021 :
	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 ₹13.18 lakhs loss in Statement of Profit and Loss. A 10% decrease in rates would have led to an equal but opposite effect.
		As at 31st March, 2020 :
		A 10% increase in prices of open trades would have led to approximately ₹112.54 lakhs loss in Statement of Profit and Loss. A 10% decrease in prices would have led to an equal but opposite effect.

35. 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, 2021 and 31st March, 2020. 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.

Notes to Financial Statements
For the year ended 31st March, 2021

(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.

As at 31st March, 2021, the Company had undrawn credit facilities in aggregate of ₹21,959 lakhs (2019-20 - ₹11,800 lakhs) with a 180 days term out. As part of the regular annual process the intention is that these facilities will again be renewed in the next period.

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.

	Carrying amount	Undiscounted 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
As at 31st March, 2020				
Financial Assets				
Non-derivative assets				
Investments in mutual funds measured at FVTPL	529.07	529.07	-	529.07
Loans	239.95	18.05	221.90	239.95
Trade Receivables	7,398.90	7,398.90	-	7,398.90
Investments in term deposits	3.17	3.17	-	3.17
Duty drawback receivable	612.24	612.24	-	612.24
Other receivables	243.98	243.98	-	243.98
Cash & Cash Equivalents	4,815.75	4,815.75	-	4,815.75
Derivative assets				
Fair Value of Derivatives	151.17	151.17	-	151.17
	13,994.23	13,772.33	221.90	13,994.23

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

	Carrying amount	Undiscounted Amount		
		<1 year	>1 year	Total
Financial Liabilities				
Non-derivative liabilities				
Borrowings (Current maturities of intercorporate deposits)	4,100.00	4,100.00	-	4,100.00
Trade payables	8,077.53	8,077.53	-	8,077.53
Security deposits	20.79	-	20.79	20.79
Lease liability	1,319.86	133.88	1,719.63	1,853.51
Employee liabilities	3,205.82	650.67	3,473.14	4,123.81
Other payables	23.62	23.62	-	23.62
Derivative liabilities				
Fair Value of Derivatives	1,276.53	1,276.53	-	1,276.53
	18,024.15	14,262.23	5,213.56	19,475.79

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;
- 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	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, 2021, 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 ₹1,274.27 lakhs net receivable (31st March, 2020: ₹1,838.20 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 ₹63.71 lakhs loss in the Statement of Profit and Loss (2019-20: ₹91.91 lakhs loss). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.
	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, 2021	As at 31st March, 2020
USD	3.96	1,436.45
GBP	(18.30)	(60.24)
EUR	1,280.96	467.20
CHF	(1.01)	(1.31)
SGD	-	(5.42)
AED	8.66	1.52
	1,274.27	1,838.20

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)		
POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
ii. PRICE RISK		
The Company is mainly exposed to the price risk due to its investment in treasury bills, Government securities and mutual funds. The price risk arises due to uncertainties about the future market values of these investments.	In order to manage its price risk arising from investments in treasury bills, Government securities and mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.	As an estimation of the approximate impact of the price risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in prices.
At 31st March, 2021, the exposure to price risk due to investment in mutual funds amounted to ₹600.09 lakhs (31st March, 2020: ₹529.07 lakhs).	The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the management.	A 1% increase in prices would have led to approximately an additional ₹6.00 lakhs gain in the Statement of Profit and Loss (31st March, 2020: ₹5.29 lakhs gain). A 1% decrease in prices would have led to an equal but opposite effect.
iii. 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, 2021, the exposure to interest rate risk due to investment in fixed deposits amounted to ₹1,103.35 lakhs (31st March, 2020: ₹1,403.47 lakhs) and due to export credit facility taken amounting to ₹ Nil (31st March, 2020: ₹ Nil).		

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, 2021 and 31st March, 2020 is the carrying value of each class of financial assets.

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

36. 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.

37. 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

D. 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, 2021	Year ended 31st March, 2020
(i) Ultimate Holding Company		
Royalty (Technology)	608.27	482.28
Fees for central services	1,145.82	697.77
Reimbursement of expenses (paid)	15.37	-
Payables as at the year end	401.79	267.64
(ii) Holding Company		
Purchase of finished goods/raw materials	52,191.00	26,412.99
Sale of finished goods/raw materials	442.13	804.40
Sale of export incentives	49.69	1,169.79
Sale of property, plant and equipment	5.24	0.66
Rent received	12.00	15.00
Expenses for use of common facilities	1,301.58	865.34
Reimbursement of expenses (paid)	1,218.70	1,320.60
Reimbursement of expenses (received)	0.07	299.92
Dividend paid	9,668.75	5,950.00
Inter corporate deposit received	14,500.00	23,700.00
Inter corporate deposit repaid	9,100.00	22,100.00
Interest expense on inter corporate deposits	68.66	122.56

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31st March, 2021	Year ended 31st March, 2020
Outstanding as at year end-		
Borrowing		
Inter corporate deposit payable	9,500.00	4,100.00
Other current liabilities		
Interest accrued on Inter corporate deposit	53.24	23.62
Trade Receivables		
Receivables as at the year end	249.86	40.18
Trade Payables		
Payables as at the year end	16,613.25	3,228.34
(iii) Fellow Subsidiaries and Associate		
(a) Details of material transactions during the year		
Unilever Asia Private Limited		
Sale of finished goods/raw materials	40,818.54	38,204.71
Income from Services	1,677.59	-
Reimbursement of expenses (received)	119.55	838.17
Purchase of finished goods/raw materials	1,232.60	676.79
Trade Receivables		
Receivables as at the year end	4,491.68	2,779.97
Trade Payables		
Payables as at the year end	106.41	27.92
(b) Others		
Purchase of finished goods/raw materials	0.10	19.37
Sale of finished goods/raw materials	39,405.91	30,039.59
Donations paid	164.00	190.00
Reimbursement of expenses by Fellow subsidiaries (paid)	208.55	48.88
Reimbursement of expenses for Fellow subsidiaries (received)	27.32	640.91
Trade Receivables		
Receivables as at the year end	8,198.78	4,107.24
Trade Payables		
Payables as at the year end	13.87	272.61
(iv) Employees' Benefit Plans where there is significant influence of the Holding Company		
Contributions during the year (Employer's contribution only)	86.49	45.21

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, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2020: ₹ 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.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

38. 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.

39. 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.

40. TRANSFER PRICING

The Company is in the process of carrying out a study for the period from 1st April, 2020 to 31st March, 2021 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.

41. 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.

As per our report of even date attached

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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Mumbai: 26th April, 2021

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

Sanjiv Chatterji
Director
DIN No. 07711327

Mumbai: 26th April, 2021

Amit Sood
Director
DIN No. 08741752

Unilever Nepal Limited

Report of 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 2077 (15th July 2020).

FINANCIAL PERFORMANCE SUMMARY

In NPR Mn.	2076-77	2075-76
Revenue from operations	5,547	5,754
Profit Before Tax	572	1,372
Net Profit for the year	358	1,065
Dividend	(709)	(644)
Retained earnings balance carried forward	1,085	1,436

REVIEW OF FINANCIAL YEAR 2076-77

The year 2076-77 has been a very challenging year for Nepal and it’s a tale of 2 halves: strong growth in the first 6 months (Pre Covid) and a resilient performance in the last 6 months (Post Covid).

In line with the 4 G Growth strategy, your company grew its Revenue from operations by 14.6% in Q1 and 26.4% in Q2 Pre Covid. This was led by a robust localisation, innovation and distribution plans and the growth was broad based across.

With the onset of Covid, 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.

Immediately after the imposition of the national lockdown on 24th March, 2020, the factory had to be shut and could not be opened until 25th April, 2020, with all safety precautions in place, guidance from the local administration and cooperation of our workmen. This resulted in the loss of production of 33 man-days. Even after resuming operations, the turnout was thin, and the production was sub-optimal as compared to the demand in the market and the installed capacity. The company was constrained to operate with fluctuating capacity utilisation in the range of 40%-75% during this period until the end of the period for the financial year 2076-77 BS.

During these difficult times, your company ensured protection of its inner core and outer core and also absorbed the inflation in materials cost without passing it on to the consumers in essentials categories like personal wash products. 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. The disruption in the double-digit growth momentum in Q3 and Q4 impacted the profitability adversely. Due to these factors, your company’s profit has seen a drop from 107 to 36 Cr YoY. Safety and wellbeing of our staff and workers is and will remain our top priority during these difficult times.

Bringing world class technology to Nepal & leveraging the same for business has always been the priority of our company, hence this year also we continued to invest in capability building of existing plant with installation of new product lines. In view of the current financial position post covid-19 situation your board has judicially proposed Divided to shareholders @ 100 to ensure funds to fuel the investment as well as to withstand the disruptions of COVID-19.

~80% of the company’s portfolio are which includes Soaps, Shampoos, Oral, Fabric Solutions and Tea are covid relevant portfolio. Despite slowdown our market presence continue to be strong reflecting the competitive growth of our brand. 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 endeavour to stay true to our corporate 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 Company incorporated and operating in Nepal for the past 27 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 and the country amounts to approx. NPR. 37 million.

Serving the Local Community

We have distributed 4200 ration relief packages to families (2200-Hetauda, 1000-Birgunj, 1000-Chitwan) impacted by COVID in partnership with the local ward officers. We

have contributed PPEs such as N95 Masks, Surgical Masks, Sterilised Gloves and Medical googles to authorities in Hetauda. We have provided medical equipment’s to the hospitals as part of our effort to improve healthcare facilities in the area of our operations. These hospitals are Bharatpur Hospital in Chitwan, Narayani Hospital in Birgunj and Bir Hospital in Kathmandu.

Commitment to Health and Hygiene

We have supported the Ministry of Health for doing 2880 COVID tests containing swabs, sample storage reagents and PCR tubes and ventilator machines (BiPap) to be used for critical patients. We have also handed over 1,50,000 units of Lifebuoy Soap to major government institutions such as Ministry of Health & Population, Department of Industry, Nepal Police, Nepal Army, Ward Offices and other bodies across Nepal. We returned the financial support provided by the government for the months of April, May and June, in the form of SSF relief, by returning back the employer share so that these funds can accessed by smaller businesses who require these support more.

Creating Mass Awareness

We have created a large scale handwash awareness campaign on social media led by major influencers of the entertainment industry of Nepal who have a mass appeal and can drive the message deep in the minds of the people of Nepal. The campaign has reached out to approx. 4 million people. We have also partnered with the Ministry of Health and UNICEF to initiate a campaign through print and digital media to educate public regarding the symptoms of Coronavirus and the necessary precautions.

WINNING WITH BRANDS AND INNOVATION

Advanced Multivitamin Relaunch

On 25th June, 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. UNL also removed any visuals or words on Fair & Lovely’s packaging that could indicate a fairness-led transformation – including the removal of two-faced cameo showing shade

transformation, as well as the shade guides. UNL upholds principles that no association should be made between skin tone and a person’s achievement, potential or worth.

Fair & Lovely is a pioneering technology that has made multiple skin health benefits available to millions of consumers at an affordable price. Fair & Lovely has a combination of vitamin B3, B6, C & E, glycerine, 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.

#Hamro Namaste A plea to choose empathy over self-preservation

#Hamro Namaste, a digital campaign initiated by Unilever Nepal in partnership with UNICEF. At its core, the campaign is a plea to remove all prejudice against returnee migrant workers. Instead, the campaign advocates for welcoming them with joined palms through Nepali film actor, Rajesh Hamal.

POND’S Age Miracle Launch

POND’S Age Miracle Day Cream with SPF 18 PA++, the premium Anti- ageing Skin Care brand was launched this year in addition to Pond’s Portfolio. POND’S Age Miracle repairs daily sun damage for youthful radiant skin in 7 days. Retinol-C complex releases retinol to help reduce wrinkle appearance from inside for youthfully radiant skin on the outside.

This superior mix was deployed in the market with an exciting communication comprising of press, POS materials and trade communication. The pack of New POND’S Age Miracle created a buzz with the launch.

Vaseline Intensive Care Deep Restore Launch

VASELINE was launched in Unilever Hand & Body Portfolio this year. Vaseline Deep Restore Body Lotion contains Pure Oat Extracts and micro-droplets of Vaseline jelly which absorbs fast for a non-greasy feel leaving your skin healthy, glowing, and smooth. Infused with Vaseline jelly, this Deep restore lotion triples skin’s moisture level provides long lasting moisturisation to restore dry skin.

POND’S Parlor Activation

The campaign was activated for each day of the month in 128 Beauty Parlors with 7100+ contacts in Valley. The activation was designed in a way where we communicate our Brand by educating the target group by demonstrating the use of Pond’s Cream & Face wash and its benefits through product experience.

The campaign was done by creatively placing products display inside and outside the parlor premise and 500+ cosmetic and retail outlets for brand visibility along with digital promotion in social media.

Closeup Love Fest + Digital Contest

February the month of love - Valentine’s Day this year was celebrated with much fanfare and élan with the 2020 edition of the Closeup Love Fest, one of the most awaited festival and celebration of love, and this year it has proved to be a much more! Closeup, a leading toothpaste brand in Nepal, has been holding the popular Closeup Love Fest every year with exciting contests, games and extravaganza to create a special ambience for young couples, usually on the time around Valentine’s Week at several colleges of Kathmandu and main day event happening at Civil Mall, Kathmandu on Valentine’s Day itself.

Entire activation was promoted through digital media where Banner Ads, Static KVs were used to engage audience through Facebook. Closeup Love Fest, which is already a favourite annual Valentines event was even shown live from its official Facebook page on 14th February 2020.

Brooke Bond Red Label Tea Shop & Tea Tasting Activation

Brooke Bond Red Label was launched in Nepal with tea leaves sourced from Illam and its taste catered to the Nepali consumers. With Unilever’s wide distribution and its superior taste, Red Label tea will soon revolutionise the tea market of Nepal.

The campaign was activated for each day of the month with branding done in 51 Tea shops with 35000+ Tea Tasting Sampling in Valley, Hetauda and Modern Trade through product experience which created a lot of buzz for brand grasping of our consumer’s attention.

Wheel 2 in 1

Wheel 2 in 1 to relaunch as Active Wheel 2 in 1. Active Wheel 2 in 1 now comes with superior formulation with additional Blue and Orange speckles which lathers well & provides ‘deep clean’ 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.

Rin

Rin Shakti was relaunched in Nepal as Rin to align with the Indian Market. The packaging of Rin was changed from a light blue package to a darker blue. Along with new packaging, the new Rin has added blue and orange speckles for better performance. The new Rin comes with bright clean technology that removes dirt from deep within the fibres.

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

#HaatDhune Digital Campaign

#Lifebuoyhaatdhune was initiated in March 2020 to raise awareness about the importance of handwashing with soap and water using the right technique to win the fight against Coronavirus in social media and Lifebuoy jingle in Tik Tok.

The campaign was also initiated on 5th May, 2020, celebrated as ‘World Hand Hygiene Day’ globally. Let’s clap with the world to #SaluteHealthCareHeroes initiative by Lifebuoy encouraged people to clap for the nurses, ambulance operators, hospital staff, and doctors putting themselves at risk so that we can stay safe at home by posting #CleanHandsClap story in social media.

WINNING IN THE MARKET PLACE

Your company has built one of the strongest distribution networks which now reaches to the farthest corners of the country. In the country like Nepal where the infrastructure is not developed in comparison to its South Asian counterparts, we foresee our distribution strength to be a competitive advantage for the years to come. We are focused on driving high quality direct coverage and increasing the assortment (different number of products) sold in each store using technology and a data-driven analytical approach.

Technology led Distribution

Your company now reaches directly to more than 45,000 outlets which makes us the leading company in direct distribution across Nepal. We are the only company in Nepal to have rolled out cutting edge Global Positioning System (GPS) technology through which we have captured the GPS co-ordinates of all outlets thereby enabling your company to know the exact location of these outlets. Your company can now plan precise interventions at the micro-area level to get better returns on the marketing interventions.

Western and Eastern part of Nepal are seeing better growths. With one of the strongest distribution networks established in last one year, your company is better placed than any other organisation in Nepal to drive strong growths in newly carved out provinces outside Valley.

Technology Enabled Business

Your company has invested in cutting edge technology to unlock massive efficiencies across the distribution chain. We have gained massively in the order taking efficiency through this intervention. We now regularly track in real time the order capturing process inside the store for example: Feet on street basis the GPS co-ordinates of the salesman and outlets, Time spent by salesman in the market, Time spent by salesman in the store, number of stock keeping units (SKUs) sold by the store etc.

Our advanced distributor billing system (IKEA) has drastically improved efficiencies in the order billing and claims at the customer level. Also, we now have rich data which is helping your company to unlock efficiencies in the Supply and Planning process. Our forecasting accuracies have shot up considerably because of the granularity of data available. This has also led to better utilisation of the promotional schemes.

This is the century of data analytics and your Company is ensuring we are well ahead of the curve with respect to data driven decision making in this country. This will remain one of our biggest competitive advantages in Nepal. Your company remains committed to invest ahead of the curve in technology in every aspect of distribution and bring out efficiencies which will result in Winning in Market place.

Tech in Touch

Our employee remains our biggest asset in aiding the company to reach and grow in the farthest of the places in Nepal. Your company has launched a training app called “Paathshala” to enhance the skills of employees in the sales function spanning the entire hierarchy. With eyes on the future, we are upskilling the high-performance employees through exposure to other mature Customer Development functions of other countries.

Your company has also launched a programme called “Unilever Warrior” where we are providing a career path to the high performing distributor salesman to grow in Unilever.

Customer Centricity

Your company is one of the first company in Nepal to launch a dedicated support line called “Primary Levercare” for all our customers. This is to streamline and provide quick

resolution to the customers for the issues faced by them in the day to day running of their businesses. Our endeavor is to become the most customer focused company in the entire country.

WINNING SUPPLY CHAIN AMID VUCA SCENARIO

The Supply chain team continues its vision of delivering “Outstanding Service with highest consumer perceived Quality 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 & 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.

Fire Safety strengthened through expansion of smoke detectors, installation of sprinklers in Key high-risk area, and through expansion and automation of Fire hydrant Pump.

To make ourselves future fit & digital friendly for safety relevant activities, various initiative like E-Modenote, E-permit, USEAT, etc., digital tools were introduced. CCTV Camera & Audio device were installed in employee Bus to heighten the level of Road safety further. We continued to underpin Behavioural safety through various trainings and campaigns. Highest level of Safety precaution taken against COVID. Various activities, also in link with USLP- Unilever Sustainable Living plan, are executed to achieve Environmental KPIs.

Sustainability

The Unilever Sustainable Living Plan (USLP) sets out to decouple our growth from our environmental footprint, while increasing our positive social impact. We achieved breakthrough in decreasing Carbon footprint through installation of Solar thermal plant and Chlorination plant that lead to decrease HSD fired Boiler operation time. Erection of tank facility for storage of SLES and Sorbitol was milestone to ramp down the usage of plastic drums in operation.

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. Business is also picking up actions to increase plastics awareness and reduce the usage in products. Actions to improve Efficiency are being taken across all operations to reduce energy and material waste.

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, and further to facilitate localisation of imported premium pack. This year, in-house manufacturing capacity scaled up by optimising the batch size and batch cycle time in Soap, Shampoo and toothpaste. Capacity de-bottlenecking was done on oral line and shampoo bottle line by increasing machine speed. Upgradation of cream & Facewash manufacturing capacity by upgradation of utilities is under progress.

Engineering excellence

Remarkable improvement on OEE across all lines was the major breakthrough achieved this year. We have been continuously working on to upgrade our machines to meet the business requirements. Installation of four case packers at end of line to automate the laborious and tedious packing job was milestone achieved by team. This has not only increased line speed and efficiency of packing lines, but also has created positive vibes in shopfloor. End of line automation in shampoo bottle line and shampoo sachet lines is in our radar. Installation of highspeed automatic bottle filling line is also at our topmost priority.

Quality

Quality is integral part of business, there is a continuous endeavour to ensure better consumer satisfaction as well as consumer safety in all our products. Advancement of water treatment system, installation of Check-weigher at the end of line to strengthen our quality competence and avoid shortage issue are quantum leap for this year. We have completed project on upgradation of existing metal detector to further ensure robust system in place for soap bars. In addition, with an ambition of zero quality complaints from market, we have sustained a system to connect with customer (business partner) via primary lever care centre. Further, there is planning to introduce consumer care system, which will help us to gather valuable consumer insight closely.

We wish to maintain consumer trust in our products at a high 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” Initiated in 2019 was leveraged further and it continues to deliver savings and provide the best quality products to the consumers at best price. This programme

aims at improving the Material and Conversion cost. These initiatives range from localisation of Premium products, raw materials, and packaging materials to improving formulations of the products, and reducing & optimising cost of Overheads across functions. Even during the difficult times of COVID, savings has been the Focus and an Integral part of the business strategy.

Journey towards excellence in servicing

We have brought improvement in Service Level; new Warehouses streamlined and are in well operational closure to Customer. We have handled the Covid Crisis time with zero disruption in distribution. IPM was implemented for better distribution and improvement in availability of stocks. Improvement of sales by 5% seen in Hills area through PDP alignment. Overall, it was Great Year in terms Service Delivery. CMRP (Centralised Materials Requirements Planning) was incorporated to gain efficiency in material sourcing and requisition. PLM (Product Life Cycle Management) 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.

WINNING WITH PEOPLE

We are in a transformation journey of reimagining our business to help us win in the market through our people and processes. While driving our efforts, we have ensured that people are at the heart of the business while they keep contributing at their best. As a positive changemaker, we have enabled systems and processes in place for our people to grow and become true professional thereby making constructive impact in the business. Our milestones include controls in payroll, talent management and innovative learning initiatives which have strengthened our potential to create a winning environment. We recognise our responsibility towards our employees and the people of Nepal and we are committed to fight together the common challenge of COVID-19 pandemic. We would continue working closely with the government and our partners to ensure that we overcome this health crisis together.

Capability Building Interventions

Learning leads to innovation and it helps in unlocking people potential. We at UNL firmly believe to elevate the expertise of our people. We have 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. The short-term assignments in HUL have proved to develop the capability in the employees where they leverage the experience to come back to UNL adopting and implementing the best practices. The continuous mentoring by the line managers have given the employees an opportunity to get empowered with enhancement of their knowledge and skill. Learning is made accessible to all and this has created a flourishing environment to become purposeful future leaders.

Talent Acquisition and Development

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 2019 among the students of top campuses in the country. At UNL, apart from internship programs, we have been involved in college and university orientation, organising case study competition, mentoring the students on selection of their specialisation, engaging with the colleges on sessions for Intellectual Property Rights and conducting guest lectures with the leadership team of Unilever Nepal where they have connected with the students, alumni and the faculties of these institutes. We have also had virtual connects with our partner institutions during Covid19 in the form of alumni connect, guest lecture and have reached out for virtual internship opportunities with UNL.

Fostering Growth Culture

We are driving performance culture with purpose-led and future-fit strategy where the pioneering growth culture provides employees with fair and transparent continuous performance management. The annual employee survey-Univoice has helped us collectively reflect on our progress, and the aspects of our culture and leadership that enables us to outperform. Our wellbeing initiatives and medical support have been helping our employees to bring out the best in themselves. The internal employee pulse check, culture workshop and leadership connect have enabled us to take action to become more inclusive, build better relationship and collaborate more to navigate the unprecedented challenges of the future. The virtual sessions in collaboration with UNICEF on mental health and access to tele doctors have helped our employees to take better care of their mental and physical health. We are in the perpetual journey of fostering growth in our relationship, collaboration, wellbeing and productivity in UNL.

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 MD connect with Q&A session which was focussed 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 have been consistently communicating the guidelines on safety and wellbeing practices to the inner core and outer core of the business during Covid19 to ensure safe working habits. Regular connects with employees during covid19, offering logistic support and communicating with our distributors and outer core employees have become imperative for us to create awareness and working safely during the Covid19 pandemic.

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.

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, we closed 05 incidents across all areas of our Code and Code Policies, with 04 confirmed breaches followed by necessary disciplinary action. 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 25th September, 2020 recommended final dividend of NPR 100/- per share on each equity share for the financial year that ended on 15th July, 2020.

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.

As, Mr. Pradeep Banerjee has superannuated from HUL after 40 years of distinguished service and consequent to this, Board of Directors of Unilever Nepal Limited ('UNL'). and Ms. Priya Nair has resigned as a Director, the Board would like to thank Mr. Pradeep Banerjee and Priya Nair during their respective tenure of nine years as Non-Executive Chairman of the Company and Director of the company respectively for their contribution towards the Company and wishes them every success in their future endeavours.

On behalf of the Board

Dev Bajpai
Chairman

25th September, 2020, Friday

DIRECTORS

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

COMPANY SECRETARY

- Ms. Elina Acharya

AUDITORS

- PKF TR Upadhya
- 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 Baneswor-10, Kathmandu
- Tel:977-1-4785963
- GPO Box: 7765, Kathmandu, Nepal

SHARE REGISTERED

- 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.
8. Total Management expenses during the year:

	NPR in Lakhs
Employee expenses during the fiscal year	801
Administrative expenses during the fiscal year	331

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 Upadhya & 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

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

S. N. Particulars	Directors	MD	NPR/ Lakhs
			Managers/ Officers/ Staff
1. Meeting Fee	2.16	-	-
2. Salary & Allowances	-	345.96	1,864.01
3. Car Facility	No	Yes	Yes
4. Accommodation	No	Yes	Note (b)
5. Insurance Coverage	No	No	Yes
6. Number of Persons	6	1	226

- 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.	14. Details of transactions carried on between the associated companies pursuant to Section 175:- Refer Note 2.2.19 of the financial statement.
c) Travel expenses of the Directors, whenever required for attending the Board meetings, are borne by the company.	15. Other matters required to be disclosed in the director's report by the Companies Act, 2063 or other laws in force: None
12. Unclaimed Dividends: Total unclaimed dividend is NPR 345.72 lakhs as on 31 Ashad, 2077.	16. Other relevant issues: - None
13. Details of sale and purchase of properties pursuant to Section 141: Nil	

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 2077 (July 15, 2020), 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 2077 (July 15, 2020), 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 2077 (July 15, 2020). 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
<p>Revenue recognition</p> <p>(Refer Note 2.2.17 “Revenue” and Note 16 of the financial statements)</p> <p>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.</p> <p>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.</p> <p>There is a risk of Revenue being recorded before significant risk and reward of ownership is transferred.</p>	<p>Our audit procedures included the following:</p> <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.

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.

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 the course of audit or otherwise appears to be materially misstated.

If, 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 view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence

- 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.

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.

As part of an audit in accordance with NSAs, 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, 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 2077 (July 15, 2020), 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.

UDIN: 200928CA00008HX1z5
Place: Kathmandu
Date: September 25, 2020

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

Figures in NPR

Figures in NPR

Statement of Finanacial Position

As at 31 Ashad 2077 (15th July, 2020)

Figures in NPR			
Particulars	Note	As at 31 Ashad 2077	As at 31 Ashad 2076
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	1,08,30,64,053	88,02,12,897
Intangible assets	4	7,92,49,567	10,15,12,828
Other non-current assets	6	92,887	40,99,708
Deferred tax assets	13	4,73,17,382	-
Total Non-Current Assets		1,20,97,23,889	98,58,25,433
Current assets			
Inventories	7	62,61,20,697	82,24,22,530
Financial assets			
Trade and other receivables	8	84,67,51,848	1,16,32,65,370
Investments	5	33,49,00,000	57,40,23,418
Cash and cash equivalents	9	66,17,21,545	21,01,05,770
Bank balance other than CCE	10	3,50,13,416	3,89,61,499
Other current assets			
Current tax assets	22	-	5,84,13,149
Prepayments		91,90,469	41,70,736
Total Current Assets		2,51,36,97,975	2,87,13,62,472
TOTAL ASSETS		3,72,34,21,864	3,85,71,87,905
EQUITY AND LIABILITIES			
Share capital	11	9,20,70,000	9,20,70,000
Employees' housing reserve	12	79,60,59,325	79,60,59,325
Retained earnings	12	1,08,49,66,136	1,43,62,84,854
Total Equity		1,97,30,95,461	2,32,44,14,179
Liabilities			
Non-Current Liabilities			
Deferred tax liabilities	13	-	1,04,21,301
Provisions	14	1,34,37,379	99,83,537
Total Non-Current Liabilities		1,34,37,379	2,04,04,838
Current Liabilities			
Financial liabilities			
Trade and other payables	15	1,58,86,38,265	1,36,42,97,764
Provisions	14	11,44,49,868	14,80,71,124
Current tax liabilities	22	3,38,00,891	-
Total Current Liabilities		1,73,68,89,024	1,51,23,68,888
Total Liabilities		1,75,03,26,403	1,53,27,73,726
TOTAL EQUITY AND LIABILITIES		3,72,34,21,864	3,85,71,87,905

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

Dev Bajpai Chairman	Ravi Bhakta Shrestha Director	Amlan Mukherjee Managing Director	Shashi Satyal Partner PKF TR Upadhya & Co Chartered Accountants
Asha Gopalakrishnan Director	Subhas Bajracharya Independent Director	Vasudhesh Bhat Chief Finance Officer	
Yogesh Mishra Director	Krishnan Sundaram Director	Elina Acharya Company Secretary	

Kathmandu, Nepal: 25th September, 2020

As per our report of even date

Kathmandu, Nepal: 25th September, 2020

Statement of Profit and Loss

For the year ended 31 Ashad 2077 (15th July, 2020)

Figures in NPR			
Particulars	Note	For the year 2076-77	For the year 2075-76
Revenue from operations	16	5,54,72,21,624	5,75,40,61,451
Other income	17	14,04,94,146	51,78,55,476
TOTAL INCOME		5,68,77,15,771	6,27,19,16,927
EXPENSES			
Cost of materials consumed	18	3,00,06,17,161	3,17,50,14,884
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	19	8,04,19,759	(8,57,77,514)
Employee benefits expenses	20	33,22,82,499	41,23,26,976
Depreciation and amortisation expenses	3,4	9,86,44,632	6,69,35,216
Other expenses	21	1,60,34,23,772	1,33,19,00,256
TOTAL EXPENSES		5,11,53,87,823	4,90,03,99,818
Profit before tax		57,23,27,947	1,37,15,17,108
Income Tax Expense	22	(21,43,22,694)	(30,61,24,813)
Profit from continuing operations		35,80,05,252	1,06,53,92,296
NET PROFIT FOR THE YEAR		35,80,05,252	1,06,53,92,296
Basic and Diluted Earnings per share	24	389	1,157

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

Dev Bajpai Chairman	Ravi Bhakta Shrestha Director	Amlan Mukherjee Managing Director
Asha Gopalakrishnan Director	Subhas Bajracharya Independent Director	Vasudhesh Bhat Chief Finance Officer
Yogesh Mishra Director	Krishnan Sundaram Director	Elina Acharya Company Secretary

Kathmandu, Nepal: 25th September, 2020

As per our report of even date

Shashi Satyal Partner PKF TR Upadhya & Co Chartered Accountants

Kathmandu, Nepal: 25th September, 2020

Statement of Other Comprehensive Income

For the year ended 31 Ashad 2077 (15th July, 2020)

Figures in NPR			
	Note	For the year 2076-77	For the year 2075-76
Net Profit for the year as per Statement of Profit or Loss		35,80,05,252	1,06,53,92,296
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial Gain/(Loss) on defined benefit pension schemes	25	(3,84,971)	35,183
OTHER COMPREHENSIVE GAIN/(LOSS) FOR THE YEAR, NET OF TAX		(3,84,971)	35,183
TOTAL COMPREHENSIVE GAIN/(LOSS) FOR THE YEAR, NET OF TAX		35,76,20,282	1,06,54,27,479

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

Dev Bajpai Chairman	Ravi Bhakta Shrestha Director	Amlan Mukherjee Managing Director
Asha Gopalakrishnan Director	Subhas Bajracharya Independent Director	Vasudhesh Bhat Chief Finance Officer
Yogesh Mishra Director	Krishnan Sundaram Director	Elina Acharya Company Secretary

Kathmandu, Nepal: 25th September, 2020

As per our report of even date

Shashi Satyal Partner PKF TR Upadhy & Co Chartered Accountants

Kathmandu, Nepal: 25th September, 2020

Statement of Cash Flows

For the year ended 31 Ashad 2077 (15th July, 2020)

Figures in NPR			
	Note	As at 31 Ashad 2077	As at 31 Ashad 2076
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		35,80,05,252	1,06,53,92,296
Adjustments for:			
Income tax during the year	22	21,43,22,694	30,61,24,813
Depreciation on property, plant and equipment	3	7,53,77,137	5,56,77,208
Amortisation of Intangible Assets	4	2,32,67,495	1,12,58,008
Allowance for inventory obsolescence	13	5,86,84,758	(78,48,926)
Provision for employee benefits	14	31,80,244	(19,36,078)
Other provisions	14	(3,37,32,629)	(13,00,37,075)
Provision for Bonus	20	6,42,34,338	15,39,30,091
Finance income	16	(4,79,44,947)	(5,61,06,281)
Fixed Assets W/Off	21	1,33,907	28,95,090
Loss/ (gain) on sale of Property, plant and equipment	17	-	-
Working capital adjustments:			
(Increase)/ decrease in Trade & Other receivables	8	31,65,13,522	(56,45,20,147)
(Increase)/ decrease in Other non-current assets	6	40,06,821	(36,294)
(Increase)/ decrease in prepayments		(50,19,734)	(14,34,854)
(Increase)/ decrease in Inventories	7	13,76,17,075	(6,28,37,105)
Increase / (decrease) in trade and other payables	15	30,85,82,053	38,63,96,625
Cash generated from operations		1,47,72,27,988	1,15,69,17,369
Bonus paid		(15,36,65,692)	(14,80,21,742)
Income Tax Paid		(17,98,47,338)	(38,51,70,083)
Net cash flows from operating activities		1,14,37,14,958	62,37,25,544
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Proceeds from sale of Property, Plant and Equipment		1,84,391	-
Interest Received		4,79,44,947	5,61,06,281
Acquisition of Property, plant and Equipment	3	(27,85,46,591)	(30,22,11,502)
Purchase of Intangibles	4	(10,04,234)	(9,68,53,662)
Decrease/(increase) in Investment on FD		23,91,23,418	26,04,13,704
Decrease/(increase) in Bank balance other than CCE		39,48,083	81,10,300
Expenses towards employees' housing reserve		-	-
Net cash flows from investing activities		1,16,50,014	(7,44,34,879)

Statement of Cash Flows

For the year ended 31 Ashad 2077 (15th July, 2020)

		Figures in NPR	
	Note	As at 31 Ashad 2077	As at 31 Ashad 2076
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(70,37,49,198)	(64,28,98,814)
Net cash flows from financing activities		(70,37,49,198)	(64,28,98,814)
Increase/(decrease) in cash and cash equivalents		45,16,15,775	(9,36,08,150)
Cash and cash equivalents, beginning of Year	9	21,01,05,770	30,37,13,920
Cash and cash equivalents, end of year	9	66,17,21,545	21,01,05,770

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

Dev Bajpai Chairman	Ravi Bhakta Shrestha Director	Amlan Mukherjee Managing Director
Asha Gopalakrishnan Director	Subhas Bajracharya Independent Director	Vasudhesh Bhat Chief Finance Officer
Yogesh Mishra Director	Krishnan Sundaram Director	Elina Acharya Company Secretary

Kathmandu, Nepal: 25th September, 2020

As per our report of even date

Shashi Satyal
Partner
PKF TR Upadhya & Co
Chartered Accountants

Kathmandu, Nepal: 25th September, 2020

Statement of Changes in Equity

For the year ended 31 Ashad 2077 (15th July, 2020)

	Figures in NPR			
	Share capital	Employees' Housing reserve	Retained earnings	Total
Balance at 1 Shrawan 2075	9,20,70,000	79,60,59,325	1,01,53,47,375	1,90,34,76,700
Profit for the year	-	-	1,06,53,92,296	1,06,53,92,296
Other comprehensive income	-	-	35,183	35,183
Total comprehensive income	-	-	1,06,54,27,479	1,06,54,27,479
Transfer to Employees' Housing Reserve	-	-	-	-
Dividends to shareholders	-	-	(64,44,90,000)	(64,44,90,000)
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

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

Dev Bajpai Chairman	Ravi Bhakta Shrestha Director	Amlan Mukherjee Managing Director
Asha Gopalakrishnan Director	Subhas Bajracharya Independent Director	Vasudhesh Bhat Chief Finance Officer
Yogesh Mishra Director	Krishnan Sundaram Director	Elina Acharya Company Secretary

Kathmandu, Nepal: 25th September, 2020

As per our report of even date

Shashi Satyal
Partner
PKF TR Upadhya & Co
Chartered Accountants

Kathmandu, Nepal: 25th September, 2020

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(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 VDC-5, 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 9 Ashoj, 2077 (25th September, 2020).

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, 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.

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

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: -

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(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, 2077 and 32 Ashad, 2076.

2.1.8 New standards issued but not yet effective

A new Financial Reporting Standard (NFRS 18) 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	16th July, 2021
NFRS 14	16th July, 2021
NFRS 15	16th July, 2021
NFRS 16	16th July, 2021
NFRS 17	16th 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

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

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

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

incidental to ownership to the Company is classified as a finance lease.

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	As at 31 Ashad 2077	As at 31 Ashad 2076
Less than one year	6,24,13,610	7,30,73,315
One year to five years	17,44,51,509	12,53,05,539
More than five years	18,58,33,135	12,38,57,245
Total	42,26,98,253	32,22,36,099

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

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

investments, readily convertible to known 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

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.

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.

Total gratuity obligation calculated as per previous labor act till the transition date also needs to be deposited to the Social Security Fund. From CY 2076-77, gratuity and provident fund has been replaced by Social Security Fund (SSF) as per Social Security Act, 2075. Hence, from CY 2076/77 onwards, gratuity and provident fund amount has been transferred to Social Security Fund.

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 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.

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For the year ended 31 Ashad 2077 (15th July, 2020)

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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 has 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.

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% (2075/76: 20%)

Income from service charges on ELIDA sales/access fees: 25% (2075/76: 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/

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

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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, during the current fiscal year, service to ELIDA has been materially decreased due to change in Elida income model resulting in a significant decline in the service income as compared to the previous fiscal year.

Interest income

Income from access fees is recognised based on agreements/arrangements with the customers on accrual basis when no significant uncertainty exists

regarding the amount of the consideration that will be derived and is recognised net of value added tax.

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	2076-77
Profit before tax (PBT)	57,23,27,947
Add: Bonus allocation included in PBT	6,42,34,338
Add: CSR allocation as per Industrial Enterprise Act 2076	57,81,090
PBT for bonus calculation	64,23,43,375
Bonus @ 10%	6,42,34,338

Provision for Corporate Social Responsibilities (CSR)

CSR expenses is accounted as per Industrial Enterprises Act 2076 (the "Act") introduced with effect from February 11, 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.

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For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

The Company has calculated and allocated CSR as required by Industrial Enterprises Act 2019 (2076 BS) as below: -

Particulars	2076-77
Profit before tax (PBT)	57,23,27,947
Add: CSR allocation as per Industrial Enterprise Act 2076	57,81,090
PBT for CSR provision	57,81,09,037
CSR allocation as per Industrial Enterprise Act @ 1%	57,81,090

Auditors' remuneration and expenses

Particulars	2076-77
Statutory audit fees	4,25,000
Tax audit fees	2,10,000
Group reporting audit fees	1,05,000
Quarterly limited review	1,50,000
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 Holdings Pvt. Ltd.
Key Management Personnel	Ashish Rai (17th July, 2019 - 29th February, 2020) Amlan Mukherjee (1st March, 2020 onwards)

(b) Transactions with key management personnel

Key management personnel compensation

Particulars	Current Year	Previous Year
Short-term employee benefits	3,45,95,505	5,18,92,918
Post-employment benefits	Nil	Nil
Other long-term benefits	Nil	Nil
Termination benefits	Nil	Nil
Share based payment	Nil	Nil

During the year, Mr. Amlan Mukherjee, has been appointed as managing director with effect from 1st March, 2020.

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.

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

(c) Other related party transactions

Particulars		Transactions		Outstanding Balance	
		Current Year	Previous Year	Current Year	Previous Year
Holding company (HUL)	Royalty*	10,47,05,163	12,59,97,915	19,60,97,616	10,70,98,228
	Dividend	56,71,51,200	51,55,92,000	-	-
	SAP Implementation Cost	-	7,12,52,657	6,05,64,758	6,05,64,758
Ultimate holding company (Unilever PLC)	Royalty	2,52,63,330	2,88,67,002	6,66,68,735	4,51,94,904
Fellow and Group Subsidiaries	Purchase of Raw Materials from Unilever India Export Limited	15,96,473	12,69,18,403	-	2,16,37,480
	Purchase of Raw Materials from PT. Unilever Oleochemical	17,33,93,963	9,99,96,549	-	3,58,05,000
	Debit note for Training programme to Marketers from Unilever UKCR limited, UK	-	-	1,65,095	1,65,095
	Debit note from Unilever N.V, Netherland for MCIP investment by ex-MD	-	-	18,36,005	18,36,005
	Unilever Europe Business Centre B.V., Netherland for Fair Share Cost **	(59,19,191)	9,47,16,734	7,54,77,911	8,05,09,225
	Unilever Europe Business Centre B.V., Netherland for ETS Cost	9,19,32,875	3,79,53,054	7,81,42,944	3,22,60,096
	Unilever N.V, Netherland for Cross Charge	35,70,540	5,32,175	41,02,715	5,32,175

* The basis for royalty calculation has been changed/revised from Gross Sales Value(GSV) to Net Sales Value(NPS) in the agreement from the last financial year. As an impact of the same, the royalty pertaining to the previous financial year 2075-76 of NPR 1,00,13,342 (Gross) has been deducted from the current year royalty payable.

** excess provision of previous year has been reversed during CY.

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 2077, 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.

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 34,20,547 and acceptance outstanding NPR 30,06,522 (2075-76 NPR 5,98,01,994 and NPR 9,37,25,754, respectively).

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

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 and 2071-72. Detail of the same is as below:

Fiscal Year	Case lying at	Additional Demand	Recognised as Contingent Liability
2008-09 (2065/66)	Administrative Review, IRD	45,26,110	26,35,651
2009-10 (2066/67)	Administrative Review, IRD	7,38,90,673	9,55,82,465
2010-11 (2067/68)	Administrative Review, IRD	9,69,45,591	11,58,50,123
2011-12 (2068/69)	Administrative Review, IRD	9,04,44,408	9,27,39,897
2012-13 (2069/70)	Administrative Review, IRD	3,33,20,920	71,26,214
2013-14 (2070/71)	Large Tax officer (LTO)	6,80,31,475	6,03,49,690
2014-15 (2071/72)	Large Tax officer (LTO)	6,67,39,373	2,90,53,433
Total		43,03,72,520	43,38,98,549

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, 2066-67, 2067-68, 2069-70, 2070-71 and 2071-72. Detail of the same is as below:

Fiscal Year	Case lying at	Additional Demand	Recognised as Contingent Liability
2008-09 (2065/66)	Administrative Review, IRD	31,75,485	30,93,917
2009-10 (2066/67)	Administrative Review, IRD	61,69,181	-
2010-11 (2067/68)	Administrative Review, IRD	58,28,399	3,88,159
2012-13 (2069/70)	Administrative Review, IRD	1,45,98,453	-
2014-15 (2071/72)	Large Tax officer (LTO)	5,77,186	6,54,144
Total		3,03,48,704	41,36,219

d. Bank guarantee issued on behalf of the Company

Company has taken following bank guarantees:

Issued to	Purpose	Amount NPR	Beginning on	Valid till
Department of Customs	Exim code certificate	3,00,000	16th June, 2020	15th June, 2021
Green Hands Nepal Pvt. Ltd.	Construction of Godown	79,20,000	19th July, 2020	17th July, 2021

2.2.21 Commitments

The capital commitment (net of advances) on account of capital works are as:

Area	FY 2076-77	FY 2075-76
Expansion of Factory	2,64,18,810	13,58,17,554
SAP Automation	5,21,828	14,77,097
New Corporate Office	2,26,178	98,99,066
Total Capital Commitments	2,71,66,816	14,71,93,717

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

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 analyze 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 2077, 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.
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 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.
3. Interest Rate Risk	
Investment in fixed deposits at fixed rates expose the Company to fair value interest rate risk.	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.
	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.

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

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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	
	2076-77	2075-76	2076-77	2075-76
Number of Buy contracts	-	1	-	-
Aggregate "buy" foreign currency	-	1,36,056	-	-

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, 2077 and 31 Ashad, 2076. 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 product 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 to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

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*	15,702	18,257
Toilet Soaps	5,313	6,117
Personal Products	7,904	8,097
Foods	172	400
Total	29,090	32,871

*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	15,886	1,05,95,35,177	17,979	1,16,08,82,177
Toilet Soaps	5,674	1,35,43,32,697	6,268	1,42,45,73,659
Personal Products	8,200	3,49,84,57,665	7,974	3,55,85,95,053
Foods	165	5,37,42,356	333	10,67,78,242
Less: incentive, discount and others		(41,88,46,270)		(49,67,67,680)
Total	29,925	5,54,72,21,625	32,554	5,75,40,61,451

2.5.4 Closing stock of finished goods

Particulars	Current Year		Previous Year	
	Volume (Mt)	Value (NPR)	Volume (Mt)	Value (NPR)
Detergents/Scourers/Laundry *	785	4,11,28,362	969	5,09,98,509
Toilet Soaps	73	1,17,75,721	434	6,27,88,229
Personal Products	405	11,36,62,921	701	17,58,93,197
Foods	74	1,56,25,419	68	1,41,16,869
Total	1,337	18,21,92,423	2,172	30,37,96,804

*Produced at third party manufacturing locations

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(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 1 Shrawan 2075	56,15,140	15,42,33,760	75,58,63,235	1,56,82,447	1,14,97,173	1,90,34,485	4,69,15,973	1,00,88,42,213
Additions	-	2,38,64,186	12,28,30,204	1,33,39,704	7,08,90,824	1,20,05,640	5,92,80,943	30,22,11,502
Transfer to PPE	-	-	4,28,11,457	-	-	-	(4,28,11,457)	-
Disposals	-	-	(84,99,672)	(8,59,307)	(8,22,547)	(17,09,415)	-	(1,18,90,942)
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
Depreciation and impairment losses								
Balance at 1 Shrawan 2075	-	8,10,23,334	26,46,65,088	95,91,315	34,51,256	1,35,37,527	-	37,22,68,520
Charge for the year	-	38,34,946	4,43,14,256	11,20,026	30,68,908	33,39,072	-	5,56,77,208
Transfer to PPE	-	-	-	-	-	-	-	-
Disposals	-	-	(59,95,473)	(8,05,277)	(5,20,279)	(16,74,823)	-	(89,95,852)
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
Net book value								
At 1 Shrawan 2075	56,15,140	7,32,10,426	49,11,98,147	60,91,132	80,45,917	54,96,959	4,69,15,973	63,65,73,693
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
Gross carrying amount of any fully depreciated property, plant and equipments that are still in use	-	13,28,29,782	71,05,222	19,38,910	61,83,781	-	14,80,57,696	12,27,84,834

Property, Plant and Equipment under construction

The net book value of capital work in progress includes amount of NPR 2.64 crores majorly relating to Facewash Plant Stabilisation (NPR 1.42 crores), Chlorination and Solar Plant (NPR 0.23 crore) and Ponds SPF (NPR 0.20 crore), FAL 80 GMS (NPR 0.14 crore) which is currently under installation. The cost of the assets will be depreciated once the machine is installed and available for use.

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

4. INTANGIBLE ASSETS

	Computer Software	Total
Balance at 1 Shrawan 2075	1,88,98,010	1,88,98,010
Additions - Externally acquired	9,68,53,662	9,68,53,662
Disposals	-	-
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
Amortisation and impairment losses		
Balance at 1 Shrawan 2075	29,80,836	29,80,836
Charge for the year	1,12,58,008	1,12,58,008
Disposals	-	-
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
Net book value		
At 1 Shrawan 2075	1,59,17,174	1,59,17,174
At 31 Ashad 2076	10,15,12,828	10,15,12,828
At 31 Ashad 2077	7,92,49,567	7,92,49,567
Gross carrying amount of any fully amortised intangibles that are still in use	-	-

5. INVESTMENTS

	Maturity Period	Interest rate	As at 31 Ashad 2077	As at 31 Ashad 2076
Fixed Deposits in banks				
	1 Year	7.1% to 9%	3,49,00,000	2,40,23,418
	Upto 6 months	7% to 7.1 %: CY	30,00,00,000	55,00,00,000
		8.5% to 9.5%: PY		
Total			33,49,00,000	57,40,23,418

Of the total investment in fixed deposits, NPR 3,49,00,000 (2075-76: NPR 2,39,00,000) 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 2077	As at 31 Ashad 2076
Capital advance	92,887	40,99,708
Total	92,887	40,99,708

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

7. INVENTORIES

	As at 31 Ashad 2077	As at 31 Ashad 2076
Raw materials	24,57,85,653	23,66,42,201
Packing materials	21,20,38,371	24,29,24,432
Work-in-process	7,77,87,295	3,66,02,673
Finished goods	18,21,92,423	30,37,96,804
Goods in transit	1,77,21,816	5,38,48,720
Stores and Spares	3,07,01,674	3,00,29,477
Less: Allowance for Obsolescence	(14,01,06,535)	(8,14,21,777)
Total	62,61,20,697	82,24,22,530

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 2077	As at 31 Ashad 2076
Trade receivables	58,34,93,180	45,28,25,954
Other receivables - Elida Nepal Pvt. Ltd	2,37,84,333	37,89,32,288
Loans and Advances to Employee	18,14,401	27,04,382
Advance to suppliers	20,77,10,082	21,69,55,089
VAT and Custom Deposits	1,37,53,529	1,19,34,577
VAT Receivables / (Payables)	90,98,920	9,83,11,495
Other deposit	70,97,403	16,01,585
Total	84,67,51,848	1,16,32,65,370

- a) The fair values of all the above financial assets are equal to their carrying amounts.
- b) All the trade receivables are secured against bank guarantees. They are neither past due nor impaired.
- c) Inventories and Trade receivables are pledged against outstanding Letter of Credit as detailed in note no. 2.2.20.
- d) 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.
- e) Provision for doubtful debts of NPR 332.99 million have been provided in the current FY against the total receivables of NPR 356.77 million from Elida based on the Global Policy pertaining to the impairment of financial assets revised guidance effective from January 01, 2018 for recognition of aged debts.

9. CASH AND CASH EQUIVALENTS

	As at 31 Ashad 2077	As at 31 Ashad 2076
Cash at banks	66,17,21,545	21,01,05,770
Total	66,17,21,545	21,01,05,770

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

10. BANK BALANCE OTHER THAN CCE

	As at 31 Ashad 2077	As at 31 Ashad 2076
Unpaid dividend account	3,47,45,632	2,95,56,830
Housing loan account	2,67,784	94,04,669
Total	3,50,13,416	3,89,61,499

11. SHARE CAPITAL

	As at 31 Ashad 2077	As at 31 Ashad 2076
(a) Authorised Shares		
Ordinary shares of NPR 100 each	30,00,00,000	30,00,00,000
(b) Ordinary shares Subscribed and Paid-up Capital		
	Ordinary share	Ordinary share capital
1 Shrawan 2075	9,20,700	9,20,70,000
Share issue	-	-
31 Ashad 2076	9,20,700	9,20,70,000
Share issue	-	-
31 Ashad 2077	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	Retained earnings	Total
Balance at 1 Shrawan 2075	79,60,59,325	1,01,53,47,375	1,81,14,06,700
Profit for the year	-	1,06,53,92,296	1,06,53,92,296
Other comprehensive income	-	35,183	35,183
Transfer to Employees' Housing Reserve	-	-	-
Dividends to shareholders	-	(64,44,90,000)	(64,44,90,000)
Balance at 31 Ashad 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 31 Ashad 2077	79,60,59,325	1,08,49,66,135	1,88,10,25,460

(a) Retained earnings

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

(b) Employees' housing reserve

Employees housing reserve were made up to the financial year 2073-74 as per section 41 of the Labor Act 2048. After the enactment of new Labour ACT, 2074 effective from Bhadra 19, 2074, allocation of employees housing reserve is not required, so the Company has not made such allocation from financial year 2074-75.

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

13. DEFERRED TAX ASSET/ (LIABILITIES):

Deferred tax is calculated on temporary differences using a tax rate of 17% (2075-76: 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 2077	As at 31 Ashad 2076
Reconciliation of deferred tax assets		
Opening Balance as on 1 Shrawan	(1,04,21,301)	15,33,353
Tax income/(expense) during the period recognised in profit or loss	5,77,38,683	(1,19,54,654)
Closing balance as on 31 Ashad	4,73,17,382	(1,04,21,301)

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) 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 Obsolescence	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	4,73,17,381	5,77,38,683

Particulars	Asset/ (Liability) 2075-76	Charged/ Credited to Profit or Loss 2075-76
Fixed Assets	(3,30,14,358)	(1,19,72,703)
Intangible assets	(13,11,277)	(6,45,182)
Allowance for Obsolete Inventory	1,38,41,702	(13,34,317)
Provision for leave encashment	9,67,668	(4,19,549)
Provision for other retirement benefits	7,65,518	91,641
Provision for CSR expenses	67,12,384	20,57,188
Other provisions	16,17,063	2,68,268
Total	(1,04,21,301)	(1,19,54,655)

14. PROVISIONS:

	Non-current As at 31 Ashad 2077	As at 31 Ashad 2076
Provision for employee benefits		
Provision for Other Retirement Benefits (Refer Note 25)	55,68,808	44,15,608
Provision for Leave Encashment	78,68,571	55,67,929
Total	1,34,37,379	99,83,537

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

	Current	
	As at 31 Ashad 2077	As at 31 Ashad 2076
Provision for employee benefits:		
Provision for Other Retirement Benefits (Refer Note 25)	58,489	45,050
Provision for Leave Encashment	2,22,169	1,24,235
Other Provisions:		
Provision for CSR expenses (Refer Note 2.2.18)	3,18,83,322	3,94,84,612
Miscellaneous provisions (Refer Note A below)	8,22,85,888	10,84,17,227
Total	11,44,49,868	14,80,71,124

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 2077	As at 31 Ashad 2076	As at 31 Ashad 2077	As at 31 Ashad 2076
At the beginning of the year	3,94,84,611	2,73,83,507	10,84,17,227	25,05,55,407
Recognised during the year	57,81,090	1,38,53,708	1,44,06,107	5,43,78,894
Utilised during the year	(1,33,82,379)	(17,52,604)	(4,05,37,447)	(19,65,17,074)
Reversed during the year	-	-	-	-
At the end of the year	3,18,83,322	3,94,84,611	8,22,85,888	10,84,17,227
Current portion	3,18,83,322	3,94,84,611	8,22,85,888	10,84,17,227
Non - current portion	-	-	-	-

15. TRADE AND OTHER PAYABLES:

	As at 31 Ashad 2077	As at 31 Ashad 2076
Creditors for Goods and Services	40,82,52,596	39,50,61,629
Creditors for Expenses and Other Liabilities	37,51,89,934	22,76,85,188
Advance from Customers	32,55,391	18,49,140
Bonus payable	6,42,34,338	15,39,30,091
Employee related accruals	1,11,94,480	79,42,629
Deposit - Others	8,33,000	10,91,634
Royalty Payable	26,27,66,351	15,22,93,132
Audit fees payable	8,90,000	11,77,219
Others Payable	35,68,76,786	33,16,90,721
TDS Payable	4,40,70,115	5,24,16,810
Excise duty payable	2,65,03,034	97,77,133
Unclaimed Dividend	3,45,72,240	2,93,82,438
Total	1,58,86,38,265	1,36,42,97,764

- 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.

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

16. REVENUE FROM OPERATIONS

	For the year 2076-77	For the year 2075-76
Sale of goods	5,96,60,67,894	6,25,08,29,131
Less: Discount and Incentives	(41,88,46,270)	(49,67,67,680)
Total	5,54,72,21,624	5,75,40,61,451

No individual customer accounted for more than 10% of the gross sale of goods during the year

17. OTHER INCOME

	For the year 2076-77	For the year 2075-76
Sale of Scrap	1,26,89,502	2,29,96,173
Elida Service Income	4,81,50,838	42,75,82,396
Interest Income on bank deposits	4,79,44,947	5,61,06,281
Miscellaneous income	3,17,08,859	1,11,70,626
Total	14,04,94,146	51,78,55,476

18. COST OF MATERIALS CONSUMED

	For the year 2076-77	For the year 2075-76
Raw materials consumed	2,20,09,65,893	2,31,04,47,452
Packing materials consumed	74,36,00,079	85,75,89,553
Allowance for Inventory Obsolescence	5,60,51,189	69,77,879
Total	3,00,06,17,161	3,17,50,14,884

19. CHANGES IN INVENTORIES OF FINISHED GOODS (Including stock-in-trade) and work-in-progress)

	For the year 2076-77	For the year 2075-76
Opening inventories		
Finished goods	30,37,96,804	23,51,45,190
Work-in-progress	3,66,02,673	1,94,76,773
Closing inventories		
Finished goods	(18,21,92,423)	(30,37,96,804)
Work-in-progress	(7,77,87,295)	(3,66,02,673)
Total	8,04,19,759	(8,57,77,514)

20. EMPLOYEE BENEFITS EXPENSES

	For the year 2076-77	For the year 2075-76
Salaries and wages	22,39,92,643	23,18,28,493
Staff Bonus (Refer Note 2.2.18)	6,42,34,338	15,39,30,091
Contribution to provident, gratuity and other funds	1,08,86,809	1,17,24,584
Defined benefits plan expenses (Refer Note 25)	8,50,816	7,65,067
Workmen and staff welfare expenses	3,23,17,893	1,40,78,740
Total	33,22,82,498	41,23,26,976

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

21. OTHER EXPENSES

	For the year 2076-77	For the year 2075-76
Advertising and sales promotion	24,03,64,364	25,84,68,435
AGM Expenses	6,87,120	9,30,912
Audit Fees & Expenses	10,10,000	20,77,505
Board Meeting Exps	16,91,331	8,58,637
Carriage and freight	20,98,31,554	22,29,15,862
CSR Expenses (Refer Note 2.2.18)	57,81,090	1,38,53,708
Electricity, Fuel & Water	4,98,87,740	4,18,68,527
Fixed Assets W/Off	1,33,907	28,95,090
Insurance	1,38,33,419	1,49,07,456
Legal Expenses	74,67,135	60,36,276
Processing charges	16,66,12,489	19,63,58,858
Professional Services	9,58,89,504	7,41,36,794
Quality Control Charges	10,28,973	26,61,866
Rent	8,58,33,281	6,42,73,799
Repairs and Maintenance	3,74,25,256	3,58,40,199
Royalty	12,99,68,493	15,48,64,917
Security Expenses	1,13,26,604	1,33,31,709
Telephone Expenses	1,04,13,549	37,83,141
Travelling, Conveyance and Accommodation Expenses	4,33,38,902	6,01,77,012
Technical Support & Share Cost	8,60,13,684	13,26,69,788
Other Expenses	7,18,96,086	2,89,89,765
Provision for doubtful debt	33,29,89,291	-
Total	1,60,34,23,772	1,33,19,00,256

22. INCOME TAX

	For the year 2076-77	For the year 2075-76
Current tax expense		
Current tax on profits for the year	18,81,25,789	25,72,87,285
Adjustment for under provision in prior periods	8,39,35,588	3,68,82,873
Total current tax	27,20,61,377	29,41,70,158
Deferred tax expense		
Origination and reversal of temporary differences	(5,77,38,683)	1,19,54,655
Total tax expense for the year	21,43,22,694	30,61,24,813

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

Reconciliation of current tax expense and the accounting profit multiplied by Company's tax rate for 2076-77 and 2075-76 :

	For the year 2076-77	For the year 2075-76
Accounting profit before income tax excluding Elida service income and trading profit	52,41,77,110	93,30,21,129
Other service income	4,81,50,838	42,75,82,396
Trading Profit	-	1,09,13,584
At Company's statutory income tax rate of 17% for normal operation and 25% for service income and trading profit (2075-76: 17% and 25%)	10,11,47,818	26,82,37,587
Adjustment in respect of Repair & Maintenance allowed upto 7% of respective depreciation base of the pool of the assets	-	-
Adjustment in respect of Depreciation allowed as per the rate prescribed under Income Tax Act	(1,31,94,215)	(1,40,64,618)
Adjustment in respect of Inventory	99,76,409	(13,34,317)
Adjustment in respect of provision for leave encashment	4,80,651	(4,19,550)
Adjustment in respect of provision for other retirement benefits	1,19,479	91,641
Adjustment in respect of CSR provisions	(12,92,219)	20,57,188
Adjustment in respect of other provisions	21,97,784	5,79,611
Adjustment for Fixed Assets written off	54,111	4,92,165
Other non-deductible expenses for tax purposes	1,01,38,516	16,47,578
Adjustment for Provision for doubtful debt	5,66,08,180	-
Adjustment for current year cases and Prior period tax	10,58,24,864	-
Total	27,20,61,377	25,72,87,285
Income tax expense reported in the statement of profit or loss	27,20,61,377	25,72,87,285

Current tax (assets)/liabilities

	As at 31 Ashad 2077	As at 31 Ashad 2076
Income Tax Liability	2,75,53,11,573	2,55,21,07,710
Less: Advance Income Tax	(2,72,15,10,682)	(2,61,05,20,859)
Total	3,38,00,891	(5,84,13,149)

23. DECLARED DIVIDENDS AND PROPOSED DIVIDENDS

	Year ended 2076-77	Year ended 2075-76
Declared and approved for during the year:		
Dividends on ordinary shares: Final dividend for 2075-76: NPR 770 per share (2074-75: NPR 700 per share)	70,89,39,000	64,44,90,000
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 2076-77: 100 per share (2075-76: 770 per share)	9,20,70,000	70,89,39,000

Notes to Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

(Figures in NPR)

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.

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

	Continuing Operations 2077	Continuing Operations 2076
Numerator		
Profit for the year and earnings used in basic EPS	35,80,05,252	1,06,53,92,296
Add: Interest on convertible debt	-	-
Less: Tax effect of above items	-	-
Earnings used in diluted EPS	35,80,05,252	1,06,53,92,296
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	389	1,157

25. POST EMPLOYMENT BENEFIT PLANS

Defined benefit 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:

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				
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 Financial Statements

For the year ended 31 Ashad 2077 (15th July, 2020)

2075-76 changes in the defined benefit obligation and Fair value of plan assets

	Balance at 1 Sharwan 2075	Benefit cost charged to income statement			Sub-total included in profit or loss	Benefits paid	Re- measurement gain/(losses) in OCI	Sub- total included in OCI	Balance at 31 Ashad 2076
		Service cost	Past Service cost	Net Interest					
Other retirement benefit obligation	39,63,984	3,99,224	-	3,65,843	7,65,067	(2,26,000)	(42,390)	(42,390)	44,60,661
Benefit Liability	39,63,984	3,99,224	-	3,65,843	7,65,067	(2,26,000)	(42,390)	(42,390)	44,60,661

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

As per our report of even date

Dev Bajpai
Chairman

Ravi Bhakta Shrestha
Director

Amlan Mukherjee
Managing Director

Shashi Satyal
Partner
PKF TR Upadhya & Co
Chartered Accountants

Asha Gopalakrishnan
Director

Subhas Bajracharya
Independent Director

Vasudhesh Bhat
Chief Finance Officer

Yogesh Mishra
Director

Krishnan Sundaram
Director

Elina Acharya
Company Secretary

Kathmandu, Nepal: 25th September, 2020

Kathmandu, Nepal: 25th September, 2020

Lakme Lever Private Limited

Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Pushkaraj Shenai – Whole-Time Director	M/s. B S R & Co. LLP,	Unilever House,
Asha Gopalakrishnan – Director and Chief Financial Officer	Chartered Accountants	B. D. Sawant Marg,
Yogesh Mishra – Director		Chakala, Andheri (East),
V. Kannan – Independent Director		Mumbai – 400099
Nikhilesh Panchal – Independent Director		

To the Members,

Your Directors are pleased to present the 13th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2021.

FINANCIAL RESULTS

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue from Operations	22,981.10	28,431.54
(Loss)/profit before taxation	(1,393.79)	1,211.07
(Loss)/profit for the year	(1,941.10)	594.39
Profit & Loss Account balance brought forward from previous year	(4,563.62)	(4,913.69)
Profit & Loss Account balance carried forward	(6,504.72)	(4,563.62)

OPERATIONAL REVIEW

The Company is a 100% 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 has over 485 owned / managed and franchisee salons. At Lakmé Salon, safety and well-being of our experts and consumers have always been the topmost priority. This is assured by detailed Lakmé SOPs, rigorous training and high-quality products. In order to further enhance hygiene and safety in the post-Covid, the Company modified operations and service protocols to be compliant with the applicable Government guidelines and in collaboration with medical professionals. The extended team comprising the housekeeping staff, experts, salon managers and business partners have been trained in these new methods to ensure complete adherence to protocols. The salons were re-opened after thorough audit and review by an expert team who was responsible to ensure best in class safety standards.

A compelling campaign with client testimonials leveraging social media led to an increase in new customers. This has improved Company's Net Promoter Score significantly to 84% post Covid from 58% pre Covid time. In a study conducted with 2000 clients 96.7% found Lakmé Salon was SAFER THAN HOME. Dermalogica, the world's leading professional skincare brand was scaled up to 200 salons and innovations like Face Fit and Eye treatment helped grow the brand.

The profitability for the year has been largely impacted on account of Covid outbreak. After a stringent lock down which disrupted operations in the first half, the company in the second half of the year has sequentially improved performance to almost previous periods revenue backed by the relaunch of the Runway Rewards programme and a stronger focus on products. With strong focus on safety and quality of operations, better consultation through 'expert' treatments and prudent cost optimisation, the Company continues to be in the attractive beauty services category.

Post the second wave of Covid starting March 2021, salon operations are affected due to lock downs as per government guidelines. The Company is leveraging the digital medium to train our experts and to stay in touch with our clients.

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

In terms of the requirements of the Companies Act, 2013 the Independent Directors of the Company were 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 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. Further, the Independent Directors of the Company have registered themselves with the Institute of Corporate Affairs, Manesar (IICA) for the said purpose.

As per the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2020 effective from 18.12.2020, the Independent Directors of your Company are exempted to pass the test as they have served for more than three years in the Company.

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, 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.

Apart from this, there was no change in the Board of Directors of the Company during the year under review.

BOARD MEETINGS

The Board of Directors meets 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 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 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. 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 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, 2021, five Board Meetings were held on 23rd April, 2020, 29th April, 2020, 20th July, 2020, 12th October, 2020 and 22nd January, 2021. The interval between any two meetings was well within the maximum allowed gap of 120 days.

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.

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 five times during the financial year ended 31st March, 2021 on 23rd April, 2020, 29th April, 2020, 20th July, 2020, 12th October, 2020 and 22nd January, 2021.

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, based on other terms as defined by the Board of Directors.

The minutes of each Nomination and Remuneration Committee meeting are placed at the subsequent meeting of the Board of Directors.

The Nomination and Remuneration Committee met once during the financial year ended 31st March, 2021 on 29th April, 2020.

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 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: 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 of 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.

The Corporate Social Responsibility Committee met once during the financial year ended 31st March, 2021 on 29th April, 2020.

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 22.01.2021 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 Chairman of 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). Recently, we expanded the scope of our POSH Policy 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 LGBTQ+ community.

While maintaining the highest governance norms, the Company has appointed external independent persons who have prior experience of in the areas of women empowerment and prevention of sexual harassment, as Chairpersons of each of the Intern 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 Prohibition of Sexual Harassment Act (POSH). 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 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2021 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 / 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 about different complementarities and deliberations in the Board and Committee meetings are enriched by such diversity and complementarities. 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, 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 year.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company doesn’t possess 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, to carry out Secretarial Audit for the financial year 2020-21. 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 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 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

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 ware houses;
- 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;
- Replacement of electrical heater in utility equipment with steam heating and waste heat recovery in utility equipment;
- 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.

Technology Absorption

Our 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, 2021	For the year ended 31st March, 2020
Earnings	-	-
Outgo	12.53	26.48

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 DIN: 08383915
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Mumbai, 26th April, 2021

Annexure to the Report of Board of Directors

Annual Report on Corporate Social Responsibility

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

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

Water Conservation Project:

During the year, Lakme Lever Private Limited 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 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. The Company's programmes currently reach *11,300 villages in 59 districts in 10 states and 2 union territories across India in partnership through 19 NGO partners and multiple co-funders. The Company also supports several knowledge initiatives in water conservation, governance and behaviour change.

By the end of 2020, the cumulative and collective achievements through partnered programmes of the Company (independently assured up to financial year 2019-20) include:

- **Water Conservation:** During the financial year, over #400 billion litres of water saving potential created through improved supply and demand management of water resources. Till financial year 2019-20, the Company's water conservation estimate stood at 1.3 trillion litres cumulatively.
- **Crop Yield:** Additional agriculture production of over 1 million tonnes has been generated.
- **Livelihoods:** Over 30 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 an 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.

#pending independent assurance.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. V. Kannan	Non-Executive Director	1	1
2	Mr. Nikhilesh Panchal	Non-Executive Director	1	1
3	Mr. Pushkaraj Shenai	Non-Executive Director	1	1
4	Mr. Yogesh Mishra	Non-Executive Director	1	1

3. PROVIDE 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. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (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	

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5): ₹ 12,11,39,628/-

- | | |
|---|--|
| 7. (a) Two percent of average net profit of the Company as per section 135(5): ₹24,22, 923/- | (c) Amount required to be set-off for the financial year, if any: NIL |
| (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year: NIL | (d) Total CSR obligation for the financial year (7a+7b-7c): ₹24,22,923/- |

- 8** (a) CSR amount spent or unspent for the financial year

Total amount spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount Unspent (in ₹) 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
	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)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State	Dis- trict				Account for the project as per Section 135(6) (in ₹)		
Not Applicable											

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

(₹ In crores)								
(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount in the current financial Year (in ₹)	Mode of implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency
				State	District			CSR registration number
1.	Water Conservation Projects	VII (iv)	-	PAN India		25,00,000	No	Hindustan Unilever Foundation (HUF) CSR00001805
	TOTAL					25,00,000		

Note: (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga]

- (d) Amount Spent in Administrative Overheads: NIL
- (e) Amount spent on Impact Assessment, if applicable: NIL
- (f) Total amount spent for the Financial Year (8a + 8b + 8c + 8e): ₹25,00,000/-

Report of Board of Directors (continued)

(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)	24,22,793/-
ii	Total amount spent for the Financial Year	25,00,000/-
iii	Excess amount spent for the financial year [(ii)-(i)]	77,207/-
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)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
								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).
NIL

On behalf of the Board

Mumbai
26th April, 2021

V. Kannan
Independent Director
DIN: 07031155

Pushkaraj Shenai
Whole-Time Director
DIN: 03518297

Annexure to the Report of Board of Directors
Particulars of contracts/arrangements with Related Parties and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form AOC-2
(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013)

1. Details of contracts or arrangements or transactions not at arm’s length basis – N.A.
2. Details of material contracts or arrangements or transactions at arm’s length basis

Name of Related Party	Nature of relationship	Nature of contract*	(₹ Lakhs)
			Amount
Hindustan Unilever Limited	Holding Company	Income from job work contracts	13,203.04
		Display and Commission income	37.68
		Management fees	1,228.87
		Purchases of goods	519.27
		Reimbursement of expenses by holding company (paid)	2,055.55
		Royalty and technical know-how (Brand)	158.96
		Rent expense	50.40
		Expenses for use of common facilities	190.99
		Interest on inter corporate deposits	1,142.71
		Sale of Property, Plant and Equipment	136.51
		Purchases of Property, Plant and Equipment	24.93

*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

Mumbai
26th April, 2021

Pushkaraj Shenai
Whole-Time Director
DIN: 03518297

Asha Gopalakrishnan
Director
DIN: 08383915

Annexure to the Report of Board of Directors

Statement of Disclosure of remuneration under Section 197 of Companies Act, 2013 and Rule 5(2) & 5(3) of 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 (₹)		
Mr. Pushkaraj Shenai	47	B.arch, PGDBM	16.10.2012	Whole-Time Director	1,91,96,155	1,27,50,243	23	Piramal Enterprises Limited

- Remuneration received Gross includes salary, allowances, commission, performance linked variable pay disbursed, taxable value of perquisites and Company's contribution to provident fund. Remuneration received Net includes Gross Remuneration less income tax, profession 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 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

Mumbai
26th April, 2021

Pushkaraj Shenai
Whole-Time Director
DIN: 03518297

Asha Gopalakrishnan
Director
DIN: 08383915

FORM NO. MR – 3 Secretarial Audit Report

For the financial year ended 31st March, 2021

[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, 2021**. 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, 2021** 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, 2021 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;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (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;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- (i) 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) Copyright Act, 1957;
- (b) Contract Labour (Regulation and Abolition) Act, 1970;
- (c) The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
- (d) The Drugs & Cosmetics Act, 1940;
- (e) Information Technology Act, 2000;
- (f) Plastic Waste (Management and Handling) Rules, 2011;
- (g) Apprentices Act, 1961 read with Apprenticeship Rules, 1992;

- (h) Stamp Act I local and Central Acts for Salons;
- (i) 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 except where consent of Directors was received for circulation of Notice, Agenda and Notes to Agenda at a shorter notice 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

- As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

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:

- Members at their Extraordinary General Meeting held on 4th February, 2021 have approved availing credit facility, provided that the aggregate of sums so borrowed shall not exceed the limit of ₹ 300 crores (Rupees Three Hundred Crores only) at any point of time.

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.

Thane, 22nd April, 2021

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: A014713C000160595

Annexure A

To,

The Members,
Lakme Lever Private Limited
CIN: U24247MH2008PTC188539
Unilever House, B D Sawant Marg,
Chakala, Andheri (East), Mumbai – 400099

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 believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.
- 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. Due to the pandemic caused by Covid-19 and prevailing lockdowns/restrictions on movement of people imposed by the Government, for the purpose of issuing this report we have conducted out audit remotely based on the records and information made available to us by the Company electronically.
- 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.

Thane, 22nd April, 2021

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: A014713C000160595

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 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and 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 2021, and 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 we have obtained 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 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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, 2016 (“the Order”) issued by the Central Government in terms of section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to 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:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 18A to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 37 to the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.
4. With respect to the matter to be included in the Auditor’s Report under section 197(16):

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) which are required to be commented upon by us.

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAX7065

Mumbai
26 April, 2021

Annexure A

To the Independent Auditor’s report on the financial statements of Lakme Lever Private Limited for the year ended 31 March 2021

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. However, in accordance with this programme, all fixed assets of the Company were physically verified by the management during the year ended 31 March 2020 and hence no physical verification has been performed during the current year. No material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to information and explanations given to us, the title deeds of immovable properties, as disclosed in note 3 to the financial statements, are held in the name of the Company.
- (ii) The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan, given any guarantee or provided any security for loan taken by others or made any investment covered under Section 185 and 186 of the Act, as applicable, during the year. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 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 specified the maintenance of cost records under section 148 (1) of the Act, for the products of the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, goods and service tax, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, goods and service tax, cess, professional tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Annexure I to this Report.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or Government nor has it issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

Annexure A (continued)

- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

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

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

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

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.
- For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAX7065

Mumbai
26 April, 2021

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	Sale tax	9.63	5.78	2012-13	Deputy commissioner GST
Central Sales Tax Act and Local Sales Tax Act	Sale tax	100.81	8.92	2013-14	Deputy commissioner GST
Central Sales Tax Act and Local Sales Tax Act	Sale 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	721.50	50.05	2015-16	Deputy commissioner GST
Central Sales Tax Act and Local Sales Tax Act	Sales tax	1,464.39	75.58	2014-15	Deputy commissioner GST
Central Sales Tax Act and Local Sales Tax Act	Sales tax	30.53	Nil	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 2021

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 2021 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 2021, 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 (continued)

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAX7065

Mumbai
26 April, 2021

Balance Sheet
As at 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)			
Particulars	Note	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	18,517.06	20,123.10
Capital work-in-progress	3	7,549.83	5,939.43
Goodwill	4	13,001.24	13,001.24
Financial assets			
Loans	5	824.45	885.22
Deferred tax assets (net)	28C	480.25	1,026.66
Non-current tax assets (net)	28D	2,293.79	3,328.45
Other non-current assets	6	352.71	301.19
Current assets			
Inventories	7	1,192.64	1,472.77
Financial assets			
Trade receivables	8	2,073.94	2,318.94
Cash and cash equivalents	9	2,056.30	1,330.90
Loans	5	22.84	-
Other financial assets	10	209.61	30.99
Other current assets	11	943.80	1,035.35
TOTAL ASSETS		49,518.46	50,794.24
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12A	3,590.76	3,590.76
Other equity	12B	15,776.66	17,717.76
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13	13,501.76	13,501.76
Other financial liabilities	15	3,125.72	2,931.93
Non-current tax liabilities (net)	28D	19.81	19.81
Current liabilities			
Financial liabilities			
Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		71.40	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		4,795.40	4,863.20
Other financial liabilities	15	7,520.40	7,528.57
Other current liabilities	17	594.36	632.73
Provisions	16	522.19	7.72
TOTAL EQUITY & LIABILITIES		49,518.46	50,794.24
Basis of preparation, measurement and significant accounting policies	2		
Contingent liabilities and other commitments	18		

The accompanying notes are an integral part of these financial statements 1 to 37

As per our report of even date attached

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

Mumbai: 26th April, 2021

For and on behalf of Board of Directors of Lakme Lever Private Limited
CIN : U24247MH2008PTC188539

Pushkaraj Shenai
Director
DIN No- 03518297

Amit Bhasin
Company Secretary
Membership No: A16804

Mumbai: 26th April, 2021

Asha Gopalakrishnan
Director and Chief Financial Officer
DIN No- 08383915

Statement of Profit and Loss
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)			
Particulars	Note	Year ended 31st March, 2021	Year ended 31st March, 2020
INCOME			
Revenue from operations	19	22,981.10	28,431.54
Other income	20	367.53	138.18
TOTAL INCOME		23,348.63	28,569.72
EXPENSES			
Cost of materials consumed	21	387.67	502.17
Purchases of stock-in-trade	22	2,115.49	3,937.90
Changes in inventories of finished goods (including stock-in-trade)	23	302.25	(75.06)
Employee benefits expense	24	7,436.54	8,071.26
Finance costs	25	1,420.72	1,426.74
Depreciation and amortisation expense	26	3,668.21	3,699.72
Other expenses	27A	8,253.02	9,733.57
TOTAL EXPENSES		23,583.90	27,296.30
(Loss)/Profit before exceptional items and tax		(235.27)	1,273.42
Exceptional items	27B	(1,158.52)	(62.35)
(Loss)/Profit before tax		(1,393.79)	1,211.07
Tax expenses			
Current tax	28A	(0.90)	(248.27)
Deferred tax charge	28C	(546.41)	(368.41)
(LOSS)/PROFIT FOR THE YEAR (A)		(1,941.10)	594.39
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR (A+B)		(1,941.10)	594.39
Earnings per equity share			
Basic and Diluted (Face value of ₹10 each)	29	(5.41)	1.66
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements 1 to 37

As per our report of even date attached

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

For and on behalf of Board of Directors of Lakme Lever Private Limited
CIN : U24247MH2008PTC188539

Pushkaraj Shenai
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DIN No- 03518297

Asha Gopalakrishnan
Director and Chief Financial Officer
DIN No- 08383915

Amit Bhasin
Company Secretary
Membership No: A16804

Mumbai: 26th April, 2021

Mumbai: 26th April, 2021

Statement of Changes in Equity
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)	
	Balance
Balance as at 31st March, 2019	3,590.76
Changes in equity share capital during 2019-20	-
Balance as at 31st March, 2020	3,590.76
Changes in equity share capital during 2020-21	-
Balance as at 31st March, 2021	3,590.76

B. OTHER EQUITY

	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
As at 31st March, 2019	21,749.82	531.56	(4,913.69)	17,367.69
Transition impact of IND AS 116 (Net of tax)	-	-	(244.32)	(244.32)
Balance as at 1st April, 2019	21,749.82	531.56	(5,158.01)	17,123.37
Profit for the year	-	-	594.39	594.39
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income for the year	-	-	594.39	594.39
As at 31st March, 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

The accompanying notes are an integral part of these financial statements 1 to 37

As per our report of even date attached

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

For and on behalf of Board of Directors of Lakme Lever Private Limited
CIN : U24247MH2008PTC188539

Pushkaraj Shenai
Director
DIN No- 03518297

Asha Gopalakrishnan
Director and Chief Financial Officer
DIN No- 08383915

Amit Bhasin
Company Secretary
Membership No: A16804

Mumbai: 26th April, 2021

Mumbai: 26th April, 2021

Statement of Cash Flows

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)		
Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES:		
(Loss)/Profit before tax	(1,393.79)	1,211.07
Adjustments for:		
Restructuring costs	1,158.52	62.35
Write back of provision for Property, Plant and Equipment	(62.35)	(127.95)
Provision for inventory	144.18	106.83
Unrealised foreign exchange differences	(25.48)	(23.05)
Provision for compensated absences	1.87	(3.87)
Depreciation and amortisation expenses	3,668.21	3,699.72
Loss on sale of property, plant and equipment	64.82	68.46
Other income	(367.53)	(138.18)
Interest expense	1,420.72	1,426.74
Allowance for expected credit loss	157.74	53.91
Provision for doubtful receivables	1.73	13.06
Bad debts written off	40.43	4.91
Cash Generated from Operations before working capital changes	4,809.07	6,354.00
Adjustments for:		
Decrease/(increase) in Non-Current Assets	6.17	(225.79)
Increase in Current Assets	(46.06)	(164.31)
Decrease/(increase) in inventories	135.95	(159.21)
Increase in Non-Current Liabilities	46.90	98.08
Increase in Current Liabilities	673.57	260.78
	816.53	(190.45)
Cash generated from operations	5,625.60	6,163.55
Taxes paid (net of refunds)	1,362.25	769.93
Net cash generated from operating activities - [A]	6,987.85	6,933.48
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(4,164.36)	(5,501.07)
Sale proceeds of property, plant and equipment	138.03	13.90
Interest received	39.04	17.13
Net cash used in investing activities - [B]	(3,987.29)	(5,470.04)

(All amounts in ₹ Lakhs, unless otherwise stated)		
Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
C CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	(1,145.60)	(1,208.18)
Inter corporate deposit received	3,500.00	5,500.00
Inter corporate deposit repaid	(3,500.00)	(3,600.00)
Interest payment on leases	(278.01)	(292.61)
Principal repayment of leases	(851.55)	(902.47)
Net cash generated used in financing activities - [C]	(2,275.16)	(503.26)
Net increase in cash and cash equivalents - [A+B+C]	725.40	960.18
Add: Cash and cash equivalents at the beginning of the year	1,330.90	370.72
Cash and cash equivalents at the end of the year (Refer note no 9)	2,056.30	1,330.90

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 statements1 to 37

As per our report of even date attached

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

Mumbai: 26th April, 2021

For and on behalf of Board of Directors of Lakme Lever Private Limited
CIN : U24247MH2008PTC188539

Pushkaraj Shenai Director DIN No- 03518297	Asha Gopalakrishnan Director and Chief Financial Officer DIN No- 08383915
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Amit Bhasin
Company Secretary
Membership No: A16804

Mumbai: 26th April, 2021

Notes to Financial Statements
For the year ended 31st March, 2021

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.

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.

As at 31st March, 2021, the Company's accumulated losses are ₹ 6,504.72 lakhs (31st March, 2020 ₹ 4,563.62 lakhs). The net worth of the Company as at 31st March, 2021 is ₹ 19,367.42 lakhs (31st March, 2020 ₹ 21,308.52 lakhs). Based on the business plan adopted by the Board of directors, the Company's management believes that the Company will continue to operate as a going concern and meet all its liabilities as they fall due for payment and consequently will be in position to continue in operation for a foreseeable future, to release its assets and to discharge its liabilities in the normal course of business. Accordingly, these financial statements have been prepared on a going concern and accrual basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

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 and other criteria as set out in the Division II of

(All amounts in ₹ Lakhs, unless otherwise stated)

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

The financial statements are presented in 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').

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0.00" in the relevant notes in these financial statements.

The financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 26th April, 2021.

(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 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. Actual results may differ from these estimates. 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. 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 risk of causing a material adjustment 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 34
- (b) Measurement and likelihood of occurrence of provisions and contingencies - Note 16 and 18A

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

- (c) Recognition of deferred tax assets - Note 28
- (d) Impairment of Goodwill - Note 4

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 Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or am endments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

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 statement. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

2.4 Significant Accounting Policies

(a) Property, Plant and Equipment

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date.

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 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 provided on a pro-rata basis on the straight-line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

- plant and equipment is depreciated over 3 to 21 years based on the technical evaluation of useful life done by the management.
- Leasehold improvements are depreciated over the lease term.
- assets costing ₹ 5,000 or less are fully depreciated in the year of purchase."

Freehold land is not depreciated.

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) Intangible Assets

Goodwill arising on acquisition is measured at carrying value. Goodwill is not amortised but tested for impairment annually.

(c) Inventories

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

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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, 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.

(d) **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.

(e) **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.

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.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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)
- iii. Financial assets measured at fair value through other comprehensive income (FVOCI)

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

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."

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

(f) Provisions and 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.

(g) Revenue Recognition
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.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

(h) Expenditure
Expenses are accounted on accrual basis.

(i) Employee Benefits
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 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."

(j) Impairment of Non-Financial Assets
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

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For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss.

The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss recognised for goodwill is not reversed in subsequent periods.

(k) 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.

(l) Leases

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous year information has not been restated.

The Company's lease asset primarily consist of leases for Land and Buildings and Plant & Equipment. The Company assesses whether a contract 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

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

(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), leases of low value assets and variable leases. For these leases, 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 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. 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, 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.

(m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs

consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(n) Segment Reporting

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, if any, will be included under "Un-allocated corporate expenses net of un-allocated income".

(o) Foreign Currencies

The financial statements are presented in 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, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss.

(p) 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.

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For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Refer Note 2.4 (a) and 2.4 (l) for accounting policy on Property, Plant and Equipment and Leases

	As at 31st March, 2021	As at 31st March, 2020
Property, plant and equipment		
Owned Assets	15,587.99	17,217.41
Leased Assets	2,929.07	2,905.69
Total	18,517.06	20,123.10

A Owned Assets

	Freehold land	Buildings	Leasehold improvement	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computers	Total
Gross Block								
Balance as at 31st March, 2019	133.53	5,919.67	1,271.26	19,217.38	343.68	326.37	41.57	27,253.46
Additions	-	193.28	61.05	1,032.50	58.24	44.47	-	1,389.54
Disposals/ Adjustments	(21.38)	(32.66)	(125.44)	(534.96)	35.88	183.96	(26.79)	(521.39)
Balance as at 31st March, 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)
Balance as at 31st March, 2021	112.15	6,442.56	1,149.61	20,197.13	399.50	495.56	14.78	28,811.29

Accumulated Depreciation

Balance as at 31st March, 2019	-	959.74	617.42	6,608.51	216.04	158.17	28.60	8,588.48
Additions	-	213.45	145.40	2,166.10	60.27	105.94	9.10	2,700.26
Disposals/ Adjustments	-	(104.85)	(66.37)	(251.67)	(8.56)	69.83	(22.92)	(384.54)
Balance as at 31st March, 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)
Balance as at 31st March, 2021	-	1,125.15	770.86	10,700.98	277.07	334.46	14.78	13,223.30

Net Block

Balance as at 31st March, 2020	112.15	5,011.95	510.42	11,191.98	170.05	220.86	-	17,217.41
Balance as at 31st March, 2021	112.15	5,317.41	378.75	9,496.15	122.43	161.10	-	15,587.99

Notes:

- (a) The addition in accumulated depreciation includes accelerated depreciation which has been charged to exceptional items under a restructuring project amounting to ₹ 276.73 lakhs (31st March, 2020 ₹ Nil) (refer note 27B for more details).

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

B Leased Assets

	Land and Buildings	Plant and Equipment	Total
Gross Block			
Addition on account of Transition to Ind AS 116 - 1st April, 2019	1,947.96	91.60	2,039.56
Additions	1,744.30	137.59	1,881.89
Deletions	(47.96)	(29.97)	(77.93)
Balance as at 31st March, 2020	3,644.30	199.22	3,843.52
Additions*	864.66	206.09	1,070.75
Deletions	(191.38)	(255.78)	(447.16)
Balance as at 31st March, 2021	4,317.58	149.53	4,467.11

Accumulated Depreciation

Additions	844.62	152.11	996.73
Deductions	(28.93)	(29.97)	(58.90)
Balance as at 31st March, 2020	815.69	122.14	937.83
Additions	852.87	136.58	989.45
Deductions	(133.48)	(255.76)	(389.24)
Balance as at 31st March, 2021	1,535.08	2.96	1,538.04

Net Block

Balance as at 31st March, 2020	2,828.61	77.08	2,905.69
Balance as at 31st March, 2021	2,782.50	146.57	2,929.07

* Includes additions of ₹ 263.97 lakhs pertaining to prior period with consequential impact taken in lease liabilities. There is insignificant impact on the Statement of Profit and Loss.

Notes

- (a) The Company incurred ₹157.51 lakhs for the year ended 31st March, 2021 (31st March, 2020: ₹264.00 lakhs) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹1,287.07 lakhs for the year ended 31st March, 2021 (31st March, 2020: ₹1,450.08 lakhs), including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹278.01 lakhs for the year ended 31st March, 2021 (31st March, 2020: ₹292.61 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 equipment for the Job work business.
- (c) Lease Commitments & Lease liabilities : Refer note 18B(i) and Note 15 respectively.

C Capital Work-In-Progress

Capital work-in-progress as at 31st March, 2021 is ₹7,549.83 lakhs (31st March, 2020: ₹5,939.43 lakhs).

Amount of ₹1,706.15 lakhs has been capitalised and transferred to property, plant and equipment during the year ended 31st March, 2021 (31st March, 2020 : ₹1,389.54 lakhs).

For contractual commitment with respect to property, plant and equipment refer Note 18.B(ii).

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

4. INTANGIBLE ASSETS

Refer Note 2.4 (b) for accounting policy on Intangible Assets

	Goodwill	Other Intangible assets- Software	Total
Gross Block			
Balance as at 31st March, 2019	13,001.24	18.27	13,019.51
Additions	-	-	-
Disposals/ Adjustments	-	(18.27)	(18.27)
Balance as at 31st March, 2020	13,001.24	-	13,001.24
Additions	-	-	-
Disposals/ Adjustments	-	-	-
Balance as at 31st March, 2021	13,001.24	-	13,001.24
Accumulated Depreciation			
Balance as at 31st March, 2019	-	3.04	3.04
Additions	-	2.74	2.74
Disposals	-	(5.78)	(5.78)
Balance as at 31st March, 2020	-	-	-
Additions	-	-	-
Disposals/ Adjustments	-	-	-
Balance as at 31st March, 2021	-	-	-
Net Block			
Balance as at 31st March, 2020	13,001.24	-	13,001.24
Balance as at 31st March, 2021	13,001.24	-	13,001.24

Impairment Charges

The goodwill having indefinite life are tested for impairment and accordingly no impairment charge has been recognised in Statement of Profit and Loss for FY 2020-21 (₹ Nil for FY 2019-20).

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, 2021 is ₹13,001.24 Lakhs).

Following key assumptions were considered while performing Impairment testing:

Annual growth rate for five years	3%
Terminal growth rate	2%
Weighted Average Cost of Capital % (WACC) post tax (Discount rate)	10%
Average segmental margins	9%

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) + 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 a CGU to exceed its recoverable amount.

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

5. LOANS

(Unsecured, considered good unless otherwise stated)

Refer Note 2.4 (e) for accounting policy on Financial Assets

	As at 31st March, 2021	As at 31st March, 2020
NON-CURRENT		
Loan to employees*	350.02	345.64
Security deposits	489.72	539.58
Less: Allowance for credit impairment	(15.29)	-
Total (A)	824.45	885.22
CURRENT		
Loan to employees*	22.84	-
Total (B)	22.84	-
Total (A+B)	847.29	885.22
Sub-classification of loans:		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	847.29	885.22
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables - credit impaired	15.29	-
Less: Allowance for credit impairment	(15.29)	-
Balance as at the end of the year	847.29	885.22

* Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

6. OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2021	As at 31st March, 2020
Capital advances	18.82	21.90
Deferred lease rent	53.93	40.37
Balances with Government authorities (sales tax, customs, etc.)	279.96	238.92
	352.71	301.19

7. INVENTORIES

Refer Note 2.4 (c) for accounting policy on Inventories

	As at 31st March, 2021	As at 31st March, 2020
Stock-in-trade [includes in transit: ₹45.42 Lakhs, (31st March, 2020: ₹13.42 Lakhs)]	822.47	1,124.72
Stores and spares (used in job work business)	370.17	348.05
	1,192.64	1,472.77

- (a) Stock-in-trade includes good purchased for re-sale.
- (b) During FY 2020-21 an amount of ₹144.18 lakhs (31st March, 2020: ₹106.83 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 ₹ Nil (31st March, 2020: ₹ Nil).

Notes to Financial Statements
For the year ended 31st March, 2021

8. TRADE RECEIVABLES

Refer Note 2.4 (e) for accounting policy on Trade Receivables

	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured	2,295.26	2,488.91
Less: Allowance for expected credit loss (Refer (a) below)	(221.32)	(169.97)
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	106.38	-
Less: Allowance for credit impairment (Refer (a) below)	(106.38)	-
Balance as at the end of the year	2,073.94	2,318.94
(a) The movement in allowance for credit impairment is as follows:		
Balance as at beginning of the year	(169.97)	(116.06)
Add: Change in allowance for expected credit loss during the year	(198.16)	(58.82)
Less: Trade receivables written off during the year	40.43	4.91
Balance as at the end of the year	(327.70)	(169.97)

There are no trade receivables which has significant increase in credit risk as at 31st March, 2021.

Refer Note 31 for information about credit risk and market risk of trade receivables.

9. CASH AND CASH EQUIVALENTS

Refer Note 2.4 (d) for accounting policy on Cash and Cash Equivalents

	As at 31st March, 2021	As at 31st March, 2020
Cash on hand	3.50	1.30
Balances with banks		
In current accounts	52.42	128.98
Term deposits with original maturity of less than three months	2,000.38	1,200.62
	2,056.30	1,330.90

10. OTHER FINANCIAL ASSET
(Unsecured, considered good unless otherwise stated)

Refer Note 2.4 (e) for accounting policy on Financial Assets

	As at 31st March, 2021	As at 31st March, 2020
Fair Value of Derivatives	-	4.10
Other receivables (includes receivables for sale of assets, employee advance etc.)	209.61	26.89
	209.61	30.99
The movement in provision for doubtful receivables is as follows:		
Balance as at beginning of the year	-	-
Reclassifications/(provision) for doubtful receivables during the year	-	-
Less: Receivables written off during the year	-	-
Balance as at the end of the year	-	-

Notes to Financial Statements
For the year ended 31st March, 2021

11. OTHER CURRENT ASSETS

	As at 31st March, 2021	As at 31st March, 2020
Balances with Government authorities (GST)	689.72	714.20
Other advances (includes prepaid expenses, advance to suppliers, etc.)	263.89	344.51
Less: Provision for doubtful receivables	(9.81)	(23.36)
	943.80	1,035.35
The movement in provision for doubtful receivables is as follows:		
Balance as at beginning of the year	(23.36)	(10.30)
Provision for doubtful receivables during the year	-	(13.06)
Reversal of provision for doubtful receivables during the year	13.55	-
Less: Receivables written off during the year	-	-
Balance as at the end of the year	(9.81)	(23.36)

12A EQUITY SHARE CAPITAL

	As at 31st March, 2021	As at 31st March, 2020
Authorised		
7,21,00,000 (31st March, 2020: 7,21,00,000) equity shares of ₹10 each	7,210.00	7,210.00
Issued, subscribed and fully paid up		
3,59,07,547 (31st March, 2020: 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, 2021		As at 31st March, 2020	
	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 only 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, 2021	As at 31st March, 2020
Equity Shares of ₹10:		
3,59,07,547 (31st March, 2020: 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, 2021	As at 31st March, 2020
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%

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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.
- (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.
- (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.

B. Other Equity

	Securities Premium	General Reserve	Retained Earnings	Total
As at 31st March, 2019	21,749.82	531.56	(4,913.69)	17,367.69
Transition impact of IND AS 116 (Net of tax)	-	-	(244.32)	(244.32)
Balance as at 1st April, 2019	21,749.82	531.56	(5,158.01)	17,123.37
Profit For the year	-	-	594.39	594.39
Other comprehensive income For the year	-	-	-	-
As at 31st March, 2020	21,749.82	531.56	(4,563.62)	17,717.76
Profit for the period	-	-	(1,941.10)	(1,941.10)
Other comprehensive income for the period	-	-	-	-
As at 31st March, 2021	21,749.82	531.56	(6,504.72)	15,776.66

13. BORROWINGS

Refer Note 2.4 (m) for accounting policy on Borrowing Cost

	As at 31st March, 2021	As at 31st March, 2020
Non-current		
Intercompany deposits	18,501.76	18,501.76
Less: Current maturities of long term debt (Refer Note 15)	(5,000.00)	(5,000.00)
Total	13,501.76	13,501.76

Notes:

1. The above are long term borrowings from Hindustan Unilever Limited, the Holding Company.
2. 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 an average rate of interest at 5.84% p.a. in 2020-21 (2019-20 7.04% p.a.).

Refer note 31 for information about liquidity risk and market risk of long term borrowings.

14. TRADE PAYABLES

Refer Note 2.4 (e) for accounting policy on Trade Payables

	As at 31st March, 2021	As at 31st March, 2020
Total outstanding dues of Micro Enterprises and Small Enterprises (as per the intimation received from vendors)	71.40	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	4,795.40	4,863.20
	4,866.80	4,863.20

Refer note 31 for information about liquidity risk and market risk of trade payables.

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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

	As at 31st March, 2021	As at 31st March, 2020
a. (i) Principal amount remaining unpaid	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	-	-
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	-	-

15. OTHER FINANCIAL LIABILITIES

Refer Note 2.4 (e) for accounting policy on Financial Liabilities

	As at 31st March, 2021	As at 31st March, 2020
NON-CURRENT		
Lease liability	2,747.88	2,601.00
Security deposits*	284.17	237.26
Employee and ex-employee related liabilities	93.67	93.67
Total (A)	3,125.72	2,931.93
CURRENT		
Salaries, Wages and bonus payable	1,182.79	1,107.96
Security deposits	294.18	202.71
Lease liability	732.67	746.31
Fair Value of Derivatives	-	0.15
Current maturities of long term debt (Refer Note 13)	5,000.00	5,000.00
Interest accrued but not due on borrowings	252.66	255.55
Creditors for capital goods	58.10	215.89
Total (B)	7,520.40	7,528.57
Total (A+B)	10,646.12	10,460.50

Refer note 31 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.

16. PROVISIONS

Refer Note 2.4 (f) for accounting policy on Provisions

	As at 31st March, 2021	As at 31st March, 2020
CURRENT		
Provision for employee benefits		
Compensated absences	9.58	7.72
Other provisions (including legal and other indirect tax matters)	512.61	-
	522.19	7.72

The provisions for indirect taxes and legal matters comprises 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.

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

a) Movement in other provisions

	Indirect taxes	Legal and others	Total
Balance as at 31st March, 2020	-	-	-
Add: Provision/reclassified during the year	160.43	352.18	512.61
Less: Amount utilised/reversed during the year	-	-	-
Balance as at 31st March, 2021	160.43	352.18	512.61

17. OTHER CURRENT LIABILITIES

	As at 31st March, 2021	As at 31st March, 2020
Statutory dues (including provident fund, tax deducted at source, etc.)	275.99	310.73
Others (advance for membership fees, prepaid cards, etc.)	318.37	322.00
	594.36	632.73

18. CONTINGENT LIABILITIES AND COMMITMENTS

Refer Note 2.4 (f) for accounting policy on Contingent Liabilities

A Contingent Liabilities

	As at 31st March, 2021	As at 31st March, 2020
Income tax matters	206.52	205.11
Indirect tax and other matters	2,764.92	2,071.90
	2,971.44	2,277.01

- (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.

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, 2021	As at 31st March, 2020
Not later than one year	184.45	316.39
Later than one year and not later than five years	574.87	502.77
Later than five years	-	-
	759.32	819.16

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

ii) Capital commitments

	As at 31st March, 2021	As at 31st March, 2020
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	783.10	1,800.10
	783.10	1,800.10

19. REVENUE FROM OPERATIONS

Refer (a) below and Note 2.4 (g) for accounting policy on Revenue Recognition

	Year ended 31st March, 2021	Year ended 31st March, 2020
Sale of products	2,945.05	5,135.01
Sale of services		
Income from own salons	2,350.31	4,876.57
Management fees	4,051.48	6,343.26
Income from job work contracts	13,203.04	11,422.15
Other operating revenue		
Display and Commission income	372.76	552.14
Others (including scrap sales, lease rentals etc.)	58.46	102.41
	22,981.10	28,431.54

(a) The reconciliation of contract price to revenue from operations is as below:

	Year ended 31st March, 2021	Year ended 31st March, 2020
Job work contracts		
Contract price	13,261.49	11,524.56
Less: Trade discounts, volume rebates, etc	-	-
Total	13,261.49	11,524.56
Salon		
Contract price	10,042.85	17,536.30
Less: Trade discounts, volume rebates, etc	(323.24)	(629.32)
Total	9,719.61	16,906.98
	22,981.10	28,431.54

20. OTHER INCOME

	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest income		
Income tax refund	328.49	121.05
Others	39.04	16.58
Unwinding of interest on security deposits (net)	-	0.55
	367.53	138.18

21. COST OF MATERIALS CONSUMED

	Year ended 31st March, 2021	Year ended 31st March, 2020
Materials consumed	387.67	502.17
	387.67	502.17

Notes to Financial Statements
For the year ended 31st March, 2021

22. PURCHASES OF STOCK-IN-TRADE

(All amounts in ₹ Lakhs, unless otherwise stated)

	Year ended 31st March, 2021	Year ended 31st March, 2020
Purchases of traded goods	2,115.49	3,937.90
	2,115.49	3,937.90

23. CHANGES IN INVENTORIES OF FINISHED GOODS (INCLUDING STOCK-IN-TRADE)

	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening stocks		
Finished goods	1,124.72	1,049.66
Less: Closing stocks		
Finished goods	(822.47)	(1,124.72)
	302.25	(75.06)

24. EMPLOYEE BENEFITS EXPENSE

Refer Note 2.4 (i) for accounting policy on Employee Benefit Expenses

	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries, wages and bonus	6,767.15	7,293.49
Contribution to provident fund and other funds [Refer Note - 33]	406.86	405.11
Staff welfare expenses	262.53	372.66
	7,436.54	8,071.26

25. FINANCE COSTS

	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest expense on leases	278.01	292.61
Interest on inter corporate deposits	1,142.71	1,134.13
	1,420.72	1,426.74

26. DEPRECIATION AND AMORTISATION EXPENSE

Refer Note 2.4 (a) and 2.4 (l) for accounting policy on Property, Plant and Equipment and Leases

	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation on tangible assets*	2,679.60	2,700.25
Depreciation on leased assets	988.61	996.73
Amortisation of intangible assets	-	2.74
	3,668.21	3,699.72

*In addition to above, accelerated depreciation has been charged to exceptional items under a restructuring project amounting to ₹276.73 lakhs (2019-20 - Nil lakhs) (refer note 27B for more details).

Notes to Financial Statements
For the year ended 31st March, 2021

27A OTHER EXPENSES

(All amounts in ₹ Lakhs, unless otherwise stated)

	Year ended 31st March, 2021	Year ended 31st March, 2020
Advertising and sales promotion	651.92	1,448.52
Consumption of stores & spares	243.39	219.77
EDP expenses	201.70	299.98
Expenses for use of common facilities	190.99	270.27
Expenses for shared services	1,040.00	1,065.45
Insurance	218.06	143.93
Packing freight and forwarding expenses	580.19	479.51
Power, fuel, light and water charges	2,365.10	2,176.12
Purchased services	659.23	748.26
Rent (Refer note 3B)*	267.95	484.66
Repairs and maintenance	778.71	712.11
Royalty and technical know-how (Brand)	158.96	299.03
Travelling and motor car expenses	112.91	426.16
Auditors remuneration		
- Audit fees	8.50	7.65
- Tax audit fees	1.50	1.35
Miscellaneous expenditure**	773.91	950.80
	8,253.02	9,733.57

** Miscellaneous expenditure above includes

(a) The Company has spent ₹25 lakhs (2019-20: ₹25 lakhs) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013. The details are:

I. Gross amount required to be spent by the Company during the year: ₹24.23 lakhs (31st March, 2020: ₹24.00 lakhs)

II. Amount spent during the year on:

	Paid in cash	
	Year ended 31st March, 2021	Year ended 31st March, 2020
i) Construction/Acquisition of any asset		
ii) For purposes other than (i) above	25.00	25.00

III. Above includes a contribution of ₹25 lakhs (2019-20: ₹25 Lakhs) to a fellow subsidiary Hindustan Unilever Foundation, which is a Section 8 registered Company under Companies Act, 2013, with the main objectives of working in the areas of social, economic and environmental issues such as women empowerment, water harvesting, health and hygiene awareness and enable the less privileged segments of the society to improve their livelihood by enhancing their means and capabilities to meet the emerging opportunities.

IV. The Company does not carry any provisions for Corporate Social Responsibility expenses for current year and previous year.

V. The Company does not wish to carry forward any excess amount spent during the year.

VI. The Company does not have any ongoing projects as at 31st March, 2021.

27B EXCEPTIONAL ITEMS

	Year ended 31st March, 2021	Year ended 31st March, 2020
Restructuring costs*	1,158.52	62.35

*Above restructuring costs includes accelerated depreciation amounting to ₹276.73 lakhs (2019-20 - ₹Nil lakhs) (Refer note 3A).

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

28. INCOME TAXES

Refer Note 2.4(k) for accounting policy on Income Taxes

A. Components of Income Tax Expense

	Year ended 31st March, 2021	Year ended 31st March, 2020
I. Tax expense recognised in the Statement of Profit and Loss		
Current tax		
Current year	-	200.94
Adjustments related to previous years - (net)	0.90	47.33
Total (A)	0.90	248.27
Deferred tax		
Origination and reversal of temporary differences [includes MAT credit of Nil (31st March, 2020: 200.94 lakhs)]	546.41	368.41
Total (B)	546.41	368.41
Total (A+B)	547.31	616.68
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 :

	As at 31st March, 2021	As at 31st March, 2020
Statutory income tax rate	29.12%	29.12%
Differences due to:		
Expenses not deductible for tax purposes	-13.66%	0.60%
Others*	-54.73%	21.19%
Effective tax rate	-39.27%	50.91%

* Others include tax adjustments on account of reversal of deferred tax assets on unutilised carried forward tax losses and prior period adjustments.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

C. Movement in Deferred Tax Assets and Liabilities

	As at 1st April, 2019	Credit/(charge) in the Statement of Profit and Loss	As at 31st March, 2020
Movements during the year ended 31st March, 2020			
Deferred tax assets/(liabilities)			
Provision for post retirement benefits and other employee benefits	9.46	(9.69)	(0.23)
Provision for doubtful debts and advances	40.56	15.74	56.30
Expenses allowable for tax purposes when paid	44.49	(8.20)	36.29
Property, Plant and Equipment	(701.07)	168.83	(532.24)
Tax Losses	1,745.39	(733.51)	1,011.88
MAT credit	125.00	200.94	325.94
Impact on Right of Use Asset and Lease liabilities	131.24	(2.52)	128.72
	1,395.07	(368.41)	1,026.66
	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
	1,026.66	(546.41)	480.25

D. Tax assets and liabilities

	As at 31st March, 2021	As at 31st March, 2020
Non- current tax assets (net)	2,293.79	3,328.45
Non- current tax liabilities (net)	19.81	19.81

29. EARNINGS PER SHARE

Refer Note 2.4(p) for accounting policy on Earnings per Share

	Year ended 31st March, 2021	Year ended 31st March, 2020
Earnings per share has been computed as under:		
(Loss)/Profit For the year	(1,941.10)	594.39
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)	(5.41)	1.66

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

30. FINANCIAL INSTRUMENTS

A Accounting Classifications and Fair Values

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

		Carrying value		Fair value	
	Note	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
FINANCIAL ASSETS					
Financial assets measured at fair value					
Fair Value of Derivatives	10	-	4.10	-	4.10
Financial assets measured at amortised cost					
Security deposits	5	489.72	539.58	-	-
Loan to employees	5	372.86	345.64	-	-
Other receivables	10	209.61	26.89	-	-
		1,072.19	916.21	-	4.10
FINANCIAL LIABILITIES					
Financial liabilities measured at fair value					
Fair Value of Derivatives	15	-	0.15	-	0.15
Financial liabilities measured at amortised cost					
Borrowings	13	18,501.76	18,501.76	-	-
Security deposits	15	578.35	439.97	-	-
Other payables	15	310.77	471.44	-	-
Lease Liability	15	3,480.56	3,347.32	-	-
Employee liabilities	15	1,276.46	1,201.63	-	-
		24,147.90	23,962.27	-	0.15

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, 2021	Year ended 31st March, 2020
Financial assets measured at amortised cost			
Interest income	20	39.04	17.13
Change in allowance for expected credit loss and Bad debts written off	27A	198.16	58.82
Provision for doubtful receivables	27A	1.73	13.06
Financial liabilities measured at amortised cost			
Interest expense	25	1,420.72	1,426.74
Derivatives - foreign exchange forward contracts			
Fair value loss/(gain)	27A	(71.19)	148.09

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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, 2021				
Assets at fair value				
Fair Value of Derivatives	-	-	-	-
Liabilities at fair value				
Fair Value of Derivatives	-	-	-	-
As at 31st March, 2020				
Assets at fair value				
Fair Value of Derivatives	-	4.10	-	4.10
Liabilities at fair value				
Fair Value of Derivatives	-	0.15	-	0.15

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, 2021.

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.

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(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:	As at 31st March, 2021 :
	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 gain of ₹Nil in Statement of Profit and Loss. A 10% decrease in rates would have led to an equal but opposite effect.
		As at 31st March, 2020 :
		A 10% increase in prices of open trades would have led to approximately ₹0.40 lakhs gain in Statement of Profit and Loss. A 10% decrease in rates would have led to an equal but opposite effect.

31. 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, 2021 and 31st March, 2020. 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.

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(All amounts in ₹ Lakhs, unless otherwise stated)

	Carrying amount	Undiscounted Amount		
		< 1 year	>1 year	Total
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	2,056.30	2,056.30	-	2,056.30
Other receivables	209.61	209.61	-	209.61
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
Trade payables	4,866.80	4,866.80	-	4,866.80
Security deposits	578.35	294.18	284.17	578.35
Lease Liability	3,480.55	732.67	3,256.87	3,989.54
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
As at 31st March, 2020				
Financial Assets				
Non-derivative assets				
Trade Receivables	2,318.94	2,318.94	-	2,318.94
Loans	885.22	-	885.22	885.22
Cash & Cash Equivalents	1,330.90	1,330.90	-	1,330.90
Other receivables	26.89	26.89	-	26.89
Derivative assets				
Fair Value of Derivatives	4.10	4.10	-	4.10
	4,566.05	3,680.83	885.22	4,566.05
Financial Liabilities				
Non-derivative liabilities				
Borrowings	18,501.76	5,000.00	13,501.76	18,501.76
Trade payables	4,863.20	4,863.20	-	4,863.20
Security deposits	439.97	202.71	237.26	439.97
Lease Liability	3,347.32	746.32	3,203.99	3,950.31
Employee liabilities	1,201.63	1,107.96	93.67	1,201.63
Other Payables	471.44	471.44	-	471.44
Derivative liabilities				
Fair Value of Derivatives	0.15	0.15	-	0.15
	28,825.47	12,391.78	17,036.68	29,428.46

Notes to Financial Statements

For the year ended 31st March, 2021

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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			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 imports.			The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.	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.
As at 31st March, 2021, 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 ₹92.61 Lakhs Receivable (31st March, 2020: ₹261.99 Lakhs Receivable).			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 ₹4.63 Lakhs loss in the Statement of Profit and Loss (2019-20: ₹13.10 Lakhs loss). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.
			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, 2021	As at 31st March, 2020		
USD	(1.41)	-		
NZD	(12.92)	(11.33)		
GBP	(10.16)	(4.63)		
EUR	117.10	277.95		
	92.61	261.99		

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.

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, 2021 and 31st March, 2020 is the carrying value of each class of financial asset.

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(All amounts in ₹ Lakhs, unless otherwise stated)

32. 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. "

33. 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, 2021	Year ended 31st March, 2020
Employer's contribution to provident fund and other funds	124.12	142.39
Employers' contribution to employee's state insurance	106.11	79.42
Employer's contribution to pension funds	176.63	183.30
	406.86	405.11

34. 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 ₹9.58 lakhs (31st March, 2020 : ₹7.72 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.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

35. 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 'jobwork contracts' have been considered to be different business segments, governed by different set of risks and returns.

	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue		
Salon	9,719.61	16,906.98
Job work contracts	13,261.49	11,524.56
Total Revenue	22,981.10	28,431.54
Result		
Salon	(1,853.20)	790.63
Job work contracts	3,038.65	1,909.53
Total Result	1,185.45	2,700.16
Finance costs		
Salon	(585.60)	(534.83)
Job work contracts	(835.12)	(891.91)
Total Finance costs	(1,420.72)	(1,426.74)
(Loss)/Profit before tax and exceptional items	(235.27)	1,273.42
Exceptional items		
Salon	-	-
Job work contracts	(1,158.52)	(62.35)
Total Exceptional items	(1,158.52)	(62.35)
(Loss)/Profit before tax	(1,393.79)	1,211.07
Tax expenses	(547.31)	(616.68)
(Loss)/Profit after taxation	(1,941.10)	594.39

Other Information

	As at 31st March, 2021		As at 31st March, 2020	
	Capital expenditure	Depreciation	Capital expenditure	Depreciation
Salon	1,149.60	1,027.78	1,926.21	1,051.66
Job work contracts	3,480.46	2,640.43	5,621.96	2,648.05
	4,630.06	3,668.21	7,548.17	3,699.71

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.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

36. RELATED PARTY DISCLOSURES

A. Enterprises exercising control

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

B. Key Management personnel

Whole-Time Director : Pushkaraj Shenai

C. 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, 2021	Year ended 31st March, 2020
Holding Company :		
Income from job work contracts	13,203.04	11,422.15
Display and Commission income	37.68	66.11
Management fees	1,228.87	1,034.03
Purchases of goods	519.27	765.51
Reimbursement of expenses for holding Company (received)	-	71.81
Reimbursement of expenses by holding Company (paid)	2,055.55	2,036.76
Royalty and technical know-how (Brand)	158.96	299.03
Rent expense	50.40	50.40
Rent income	-	2.40
Expenses for use of common facilities	190.99	270.27
Interest on inter corporate deposits	1,142.71	1,134.13
Sale of Property, Plant and Equipment	136.51	11.01
Purchases of Property, Plant and Equipment	24.93	43.95
Inter corporate deposit received	3,500.00	5,500.00
Inter corporate deposit repaid	3,500.00	3,600.00
Outstanding as at year end-		
Long term borrowing		
Inter corporate deposit payable	13,501.76	13,501.76
Other current financial liabilities		
Current maturities of long term debt	5,000.00	5,000.00
Interest accrued on inter corporate deposit	252.66	255.55
Trade Receivables		
Receivables at year end	1,179.19	1,052.70
Trade Payables		
Payables at year end	265.29	724.13
Fellow Subsidiary of the Ultimate Holding Company:		
Expenses for IT services	12.94	16.54
Recovery of expenses	9.83	-
Subsidiary of the Holding Company:		
Donations	25.00	25.00
Key Management Personnel		
Remuneration		
Short-term employee benefits	191.96	194.20

Notes to Financial Statements

For the year ended 31st March, 2021

(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 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, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2020: ₹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.

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

As per our report of even date attached

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

Mumbai: 26th April, 2021

For and on behalf of Board of Directors of Lakme Lever Private Limited
CIN : U24247MH2008PTC188539

Pushkaraj Shenai
Director
DIN No- 03518297

Asha Gopalakrishnan
Director and Chief Financial Officer
DIN No- 08383915

Amit Bhasin
Company Secretary
Membership No: A16804

Mumbai: 26th April, 2021

Pond’s Exports Limited

Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Sanjiv Chatterji Asha Gopalakrishnan *Amit Sood #A. Ravishankar	M/s. B S R & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099.

*Mr. Amit Sood resigned as a Director of the Company w.e.f. 30th April, 2021.

#Mr. A. Ravishankar was appointed as an Additional Director w.e.f. 30th April, 2021.

To the Members,

Your Directors are pleased to present the 40th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2021.

FINANCIAL RESULTS

		(₹ lakhs)
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue from operations	-	-
Loss before tax	(52.40)	(586.88)
Loss for the year	(52.40)	(786.37)
Profit & Loss Account balance carried forward	(1442.87)	(1390.47)

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

Mr. Amit Sood who was appointed effective 13th May 2020, 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. A. Ravishankar, was appointed as an Additional Director on the Board of the Company with effect from 30th April, 2021 to hold office upto the forthcoming

Annual General Meeting of the Company. Being eligible, Mr. A. Ravishankar has offered himself to be appointed as the Director of your Company.

The Board recommended the appointment of Mr. A. Ravishankar as Director of the Company and the resolution proposing aforesaid appointment pursuant to Section 152 of the Companies Act, 2013 form part of the Notice of Annual General Meeting.

In accordance with Article 108 of the Articles of Association of the Company and the Companies Act, 2013, one-third of the total Directors, shall retire by rotation at every Annual General Meeting and accordingly, Mr. Sanjiv Chatterji shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

BOARD MEETINGS

The Board of Directors meets 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, 2021, four Board Meetings were held on 29th April, 2020, 20th July, 2020, 12th October, 2020 and 22nd January, 2021. 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 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 of the Companies Act, 2013 and Rule 5(2) & 5(3) of 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 2020-21.

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 Companies Act, 2013 during the year.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company doesn’t possess 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.

During the year, Scheme of merger of Ponds Exports Limited and Jamnagar Properties Private Limited into Unilever India Exports Limited was filed for which the hearing before National Company Law Tribunal (NCLT), Mumbai was held on 1st March, 2021 and the order is reserved.

Except this, 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.

AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants 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 Act 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 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	
	Sanjiv Chatterji	Asha Gopalakrishnan
	Director	Director
Mumbai, 26th April, 2021	DIN: 07711327	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 – N.A
- 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	Sale of export licenses	11.63
		Reimbursement of expenses to holding company	44.75

* 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

Sanjiv Chatterji

Director

DIN: 07711327

Asha Gopalakrishnan

Director

DIN: 08383915

Mumbai, 26th April, 2021

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 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and 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 31 March 2021, and 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 we have obtained 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 31 March 2021. 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

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 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. In

Independent Auditor’s Report (continued)

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 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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, 2016 (“the Order”) issued by the Central Government in terms of section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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) 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).
 - f) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.
 - 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”.
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:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial

- ii. position in its financial statements - Refer Note 11 to the financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.
4. With respect to the matter to be included in the Auditor’s Report under section 197(16):

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.

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAV3965

Mumbai
26 April 2021

Annexure A
To the Independent Auditor’s report on the financial statements of Pond’s Exports Limited for the year ended 31 March 2021

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

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified over a period of two years. However, in accordance with this programme, all the fixed assets of the Company were physically verified by the management during the year ended 31 March 2020 and hence no physical verification has been performed during the current year. No material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to information and explanations given by the management, the title deeds of immovable properties, as disclosed in note 3 to the financial statements, are held in the name of the Company.
- (ii) The Company does not have any inventory since it has closed down the operations. Accordingly, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 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 specified the maintenance of cost records under section 148 (1) of the Act, for the products of the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is regular in depositing the undisputed statutory dues including income tax and goods and services tax, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax and goods and services tax were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax and goods and services tax which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Annexure I to this Report.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or Government nor has it issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided

- for any managerial remuneration during the year. Thus, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company and accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. The Company does not fall under the definition of a listed company or other class of companies which is required to constitute an audit committee under section 177 of the Act and therefore the said section is not applicable to the Company.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.
- Mumbai
26 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAV3965

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)	1.39	1.39	2015-16	Joint Commissioner (CT) (R.P.) Vellore
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
Income Tax Act, 1961	Income Tax (Including interest and penalty, if applicable)	249.55	50.00	2015-16	Assessing officer

Annexure B
To the Independent Auditor’s report on the financial statements of Pond’s Exports Limited for the year ended 31 March 2021

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 31 March 2021 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 2021, 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.

Mumbai
26 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAV3965

Balance sheet
As at 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)			
Particulars	Note	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	50.53	53.36
Non-current tax assets (net)	19 C	2.90	2.90
Current Assets			
Financial assets			
Cash and cash equivalents	4	102.61	118.06
Other financial assets	5	11.63	-
Other current assets	6	38.69	36.91
TOTAL ASSETS		206.36	211.23
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7 A	199.00	199.00
Other equity	7 B	(1,351.60)	(1,299.20)
Liabilities			
Non-current liabilities			
Non-current tax liabilities (net)	19 C	199.55	199.55
Provisions	8	1,090.44	1,046.20
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		68.65	65.68
Other current liabilities	10	0.05	-
TOTAL EQUITY AND LIABILITIES		206.36	211.23
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 26

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 Export Limited
CIN : U24246TN1981PLC008785

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

Asha Gopalakrishnan
Director
DIN No.- 08383915

Sanjiv Chatterji
Director
DIN No.- 07711327

Mumbai: 26th April, 2021

Mumbai: 26th April, 2021

Statement of Profit and Loss
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)			
Particulars	Note	Year ended 31st March, 2021	Year ended 31st March, 2020
INCOME			
Other income	13	105.53	2.16
TOTAL INCOME		105.53	2.16
EXPENSES			
Employee benefits expenses	14	53.94	95.88
Finance costs	15	28.70	342.74
Depreciation expense	16	2.83	2.83
Other expenses	17	72.46	147.59
TOTAL EXPENSES		157.93	589.04
Loss before Tax		(52.40)	(586.88)
Tax expenses			
Tax adjustments of prior years (net)		-	(199.49)
LOSS FOR THE YEAR (A)		(52.40)	(786.37)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)			
		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR (A+B)		(52.40)	(786.37)
Loss per equity share (In ₹)			
Basic and Diluted (Face value of ₹ 1 each)	18	(0.26)	(3.95)
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements 1 to 26

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 Export Limited
CIN : U24246TN1981PLC008785

Cusrow Noshir Pardiwalla
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Membership No: 117091

Asha Gopalakrishnan
Director
DIN No.- 08383915

Sanjiv Chatterji
Director
DIN No.- 07711327

Mumbai: 26th April, 2021

Mumbai: 26th April, 2021

Statement of Changes in Equity

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Total
Balance as at 31st March, 2019	199.00
Changes in equity share capital during 2019-20	-
Balance as at 31st March, 2020	199.00
Changes in equity share capital during 2020-21	-
Balance as at 31st March, 2021	199.00

B. OTHER EQUITY

	Reserves and Surplus			Total
	Capital Reserve	General Reserve	Retained Earnings	
As at 31st March, 2019	87.56	3.71	(604.10)	(512.83)
Loss for the year	-	-	(786.37)	(786.37)
Other comprehensive income for the year	-	-	-	-
As at 31st March, 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	-	-	-	-
As at 31st March, 2021	87.56	3.71	(1,442.87)	(1,351.60)

Refer note 7B for nature and purpose of reserve

The accompanying notes are an integral part of these financial statements1 to 26

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 Export Limited
CIN : U24246TN1981PLC008785

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

Asha Gopalakrishnan
Director
DIN No.- 08383915

Sanjiv Chatterji
Director
DIN No.- 07711327

Mumbai: 26th April, 2021

Mumbai: 26th April, 2021

Statement of Cash Flows

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

	Year ended 31st March, 2021	Year ended 31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax	(52.40)	(586.88)
Adjustments for:		
Depreciation expense	2.83	2.83
Interest income	(0.31)	(2.16)
Finance costs	28.70	342.74
Bad & Doubtful debts and advances written off	-	7.37
Liabilities written back to the extent no longer required	(105.22)	-
	(74.00)	350.78
Cash used in operations before working capital changes	(126.40)	(236.10)
Adjustments for:		
Decrease in Current assets	20.97	18.94
Increase in Non-current liabilities	47.94	157.34
Increase/(Decrease) in Current liabilities	42.04	(74.10)
	110.95	102.18
Cash used in operations	(15.45)	(133.92)
Income taxes (paid)/refunded - net	-	13.24
Net cash used in operating activities - [A]	(15.45)	(120.68)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Net cash generated from investing activities - [B]	-	-
C CASH FLOW FROM FINANCING ACTIVITIES:		
Net cash generated from financing activities - [C]	-	-
Net decrease in cash and cash equivalents - [A+B+C]	(15.45)	(120.68)
Add: Cash and cash equivalents at the beginning of the year	118.06	238.74
Cash and cash equivalents at the end of the year (Refer Note 4)	102.61	118.06

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 statements1 to 26

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 Export Limited
CIN : U24246TN1981PLC008785

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

Asha Gopalakrishnan
Director
DIN No.- 08383915

Sanjiv Chatterji
Director
DIN No.- 07711327

Mumbai: 26th April, 2021

Mumbai: 26th April, 2021

Notes to the financial statements
For the year ended 31st March, 2021

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 U24246TN1981PLC008785) was incorporated on 26th May, 1981 and the Leather business was transferred from Hindustan Unilever Limited to this Company with effect from 1st April, 2002. The Company has closed down the existing operations.

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.

The financial statements are presented in 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’).

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as “0.00” in the relevant notes in these financial statements.

(All amounts in ₹ Lakhs, unless otherwise stated)

The Company is proposed to be amalgamated with UnileverIndiaExportsLimited, a wholly-owned subsidiary of Hindustan Unilever Limited. (Refer Note No - 24)

The financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 26th April, 2021.

(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 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

Notes to the financial statements
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

continue to closely monitor any material changes to future economic conditions.

2.3 Recent Accounting Developments

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

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 statement. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

2.4 Significant Accounting Policies
(a) 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.

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.

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

- plant and equipment is depreciated over 3 to 21 years based on the technical evaluation of useful life done by the management.

- 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.

(b) 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.

(c) 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.

Notes to the financial statements
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

(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.

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)
- iii. 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, 2021

(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.

(d) **Provisions and 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.

(e) **Revenue Recognition**
Interest income is recognised using the EIR method.

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

(f) **Expenditure**
Expenses are accounted on accrual basis.

(g) **Employee Benefits**
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 when:

- The company has the present obligation as a result of past event
- A reliable estimate can be made of the amount of the obligation
- It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(h) **Impairment Of Non-Financial Assets**
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. 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.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/

Notes to the financial statements
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset’s or cash generating unit’s value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the Statement of Profit and Loss.

(i) **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.

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.

(j) **Foreign 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, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss.

(k) **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.

(l) **Segment Reporting**
The Chief Operating Decision Maker (‘CODM’) of the Company, i.e. the Board of Directors, views the entire activity of the Company as a single business segment and accordingly this is only reportable segment.

Notes to the financial statements
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

3. **PROPERTY, PLANT AND EQUIPMENT**
Refer note 2.4 (a) for accounting policy on Property, Plant And Equipment

	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Total
Gross Block						
Balance as at 31st March, 2019	10.82	56.83	43.31	7.04	0.96	118.96
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 31st March, 2020	10.82	56.83	43.31	7.04	0.96	118.96
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 31st March, 2021	10.82	56.83	43.31	7.04	0.96	118.96
Accumulated Depreciation/ Impairment						
Balance as at 31st March, 2019	-	11.46	43.31	7.04	0.96	62.77
Additions	-	2.83	-	-	-	2.83
Disposals	-	-	-	-	-	-
Balance as at 31st March, 2020	-	14.29	43.31	7.04	0.96	65.60
Additions	-	2.83	-	-	-	2.83
Disposals	-	-	-	-	-	-
Balance as at 31st March, 2021	-	17.12	43.31	7.04	0.96	68.43
Net Block						
Balance as at 31st March, 2020	10.82	42.54	-	-	-	53.36
Balance as at 31st March, 2021	10.82	39.71	-	-	-	50.53

4. **CASH AND CASH EQUIVALENTS**
Refer note 2.4(b) for accounting policy on Cash and Cash Equivalents

	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
In current accounts	102.61	118.06
	102.61	118.06

Notes to the financial statements
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

5. OTHER FINANCIAL ASSETS
(Unsecured, considered good unless otherwise stated)

Refer Note 2.4(c) for accounting policy on Financial Assets

	As at 31st March, 2021	As at 31st March, 2020
Current		
Receivable from Hindustan Unilever Limited, Holding Company (refer note 25)	11.63	-
	11.63	-

6. OTHER CURRENT ASSETS
(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2021	As at 31st March, 2020
Security deposits with customs, port trust, excise and other Government authorities	23.62	23.31
Balances with Government Authorities (VAT, GST)	410.32	431.30
Less: Provision against Balances with Government Authorities (Refer (a) below)	(395.25)	(427.57)
Export benefits receivable	-	12.46
Less: considered doubtful (Refer (a) below)	-	(2.59)
	38.69	36.91

(a) The movement in allowance for doubtful assets is as follows:

	As at 31st March, 2021	As at 31st March, 2020
Balance as at beginning of year	430.16	430.16
Change in allowance for doubtful assets during the year	(34.91)	-
Written off during the year	-	-
Balance as at the end of the year	395.25	430.16

7A EQUITY SHARE CAPITAL

	As at 31st March, 2021	As at 31st March, 2020
Authorised		
2,10,00,000 (31st March, 2020: 2,10,00,000) equity shares of ₹ 1 each	210.00	210.00
Issued, subscribed and fully paid up		
1,99,00,147 (31st March, 2020: 1,99,00,147) equity shares of ₹ 1 each	199.00	199.00
	199.00	199.00

a) Reconciliation of the number of shares

	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
Balance as at the beginning of the year	19,900,147	199.00	19,900,147	199.00
Balance as at the end of the year	19,900,147	199.00	19,900,147	199.00

Notes to the financial statements
For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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, 2021	As at 31st March, 2020
Equity Shares of ₹ 1 :		
1,79,10,132 (31st March, 2020: 1,79,10,132) shares are held by Hindustan Unilever Limited, the Holding Company	179.10	179.10
19,90,015 (31st March, 2020: 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, 2021	As at 31st March, 2020
Hindustan Unilever Limited, the Holding Company	1,79,10,132	1,79,10,132
% of Holding	90	90
Unilever India Exports Limited, Subsidiary of Hindustan Unilever Limited	19,90,015	19,90,015
% of Holding	10	10

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.
- (b) **Retained Earnings:** Retained earnings are the profits/ (losses) that the Company has earned/ incurred till date, less any dividends or other distributions paid to investors.
- (c) **General Reserve:** General Reserves forming part of retained earnings are reserves that were created and utilised in accordance with the erstwhile Companies Act, 1956.

B. Other Equity

	Capital Reserve	General Reserve	Retained Earnings	Total
As at 31st March, 2019	87.56	3.71	(604.10)	(512.83)
Loss for the year	-	-	(786.37)	(786.37)
Other comprehensive income for the year	-	-	-	-
As at 31st March, 2020	87.56	3.71	(1,390.47)	(1,299.20)
Loss for the period	-	-	(52.40)	(52.40)
Other comprehensive income for the year	-	-	-	-
As at 31st March, 2021	87.56	3.71	(1,442.87)	(1,351.60)

Notes to the financial statements
For the year ended 31st March, 2021

8. PROVISIONS

Refer note 2.4(d) for accounting policy on Provisions

(All amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March, 2021	As at 31st March, 2020
Non-Current		
Provision for employee litigations	623.22	575.28
Provision for value added tax	467.22	470.92
	1,090.44	1,046.20

a) Movement in provisions

	Employee Litigations	Value Added Tax	Total
Balance as at 31st March, 2019	479.40	134.08	613.48
Add: Provision during the year	95.88	336.84	432.72
Less: Amount utilised/reversed during the year	-	-	-
Balance as at 31st March, 2020	575.28	470.92	1,046.20
Add: Provision during the year	47.94	28.67	76.61
Less: Amount utilised/reversed during the year	-	(32.37)	(32.37)
Balance as at 31st March, 2021	623.22	467.22	1,090.44

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.

9. TRADE PAYABLES

Refer note 2.4(c) for accounting policy on Trade Payables

	As at 31st March, 2021	As at 31st March, 2020
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	68.65	65.68
	68.92	65.68

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, 2021	As at 31st March, 2020
a. (i) Principal amount remaining unpaid	0.27	-
(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	-	-

Notes to the financial statements
For the year ended 31st March, 2021

10. OTHER CURRENT LIABILITIES

(All amounts in ₹ Lakhs, unless otherwise stated)

	As at 31st March, 2021	As at 31st March, 2020
Statutory dues (Tax deducted at source)	0.05	-
	0.05	-

11. CONTINGENT LIABILITIES

Refer note 2.4(d) for accounting policy on Contingent Liabilities

	As at 31st March, 2021	As at 31st March, 2020
Claims against the Company not acknowledged as debts		
Income tax	13.61	19.30
Sales Tax	8.17	8.17
	21.78	27.47

- (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.

12. COMMITMENTS

The Company does not have any capital and other commitments as at 31st March, 2021 (31st March, 2020 - Nil)

13. OTHER INCOME

Refer note 2.4(e) for accounting policy on Revenue Recognition

	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest income		
From others	0.31	2.16
Liabilities written back to the extent no longer required	105.22	-
	105.53	2.16

14. EMPLOYEE BENEFITS EXPENSES

Refer note 2.4(g) for accounting policy on Employee Benefits

	Year ended 31st March, 2021	Year ended 31st March, 2020
Workmen compensation expense	53.94	95.88
	53.94	95.88

Notes to the financial statements
For the year ended 31st March, 2021

15. FINANCE COSTS

(All amounts in ₹ Lakhs, unless otherwise stated)

	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest on indirect taxes	28.67	275.37
Interest on income taxes	0.03	67.37
	28.70	342.74

16. DEPRECIATION EXPENSE

Refer note 2.4(a) for accounting policy on Property Plant and Equipment

	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation on Property, Plant and Equipment	2.83	2.83
	2.83	2.83

17. OTHER EXPENSES

	Year ended 31st March, 2021	Year ended 31st March, 2020
Rates & taxes (excluding income tax)	-	108.00
Bad and doubtful debts and advances written off	-	7.37
Purchase services	46.75	-
Miscellaneous expenses [Refer Note (a) below]	25.71	32.22
	72.46	147.59

	Year ended 31st March, 2021	Year ended 31st March, 2020
(a) Miscellaneous expense include:		
Auditors’ remuneration and expenses		
Statutory Audit fees	2.00	3.00

18. EARNINGS PER SHARE

Refer note 2.4(k) for accounting policy on Earning per Share

	Year ended 31st March, 2021	Year ended 31st March, 2020
Loss Per Share has been computed as under:		
Loss for the year	(52.40)	(786.37)
Weighted average number of equity shares outstanding	19,900,147	19,900,147
Loss per share (₹) - Basic and Diluted (Face value of ₹ 1 per share)	(0.26)	(3.95)

Notes to the financial statements
For the year ended 31st March, 2021

19. UNRECOGNISED DEFERRED TAX ASSETS AND TAX LOSSES CARRIED FORWARD

Refer note 2.4(i) for accounting policy on Income Taxes

A. Unrecognised Deferred Tax Assets

	As at 31st March, 2021		As at 31st March, 2020	
	Gross Amount	Unrecognised Tax effect	Gross Amount	Unrecognised Tax effect
Deductible temporary difference	1,484.00	373.49	1,516.12	381.58
Tax losses	1,049.32	264.09	1,059.16	266.57
Total	2,533.32	637.58	2,575.28	648.15

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, 2021	Expiry date	31st March, 2020	Expiry date
Brought forward losses (allowed to carry forward for specified period)	1,028.07	2023-28	1,038.65	2023-27
Brought forward losses (allowed to carry forward for infinite period)	21.25	-	20.51	-

Note: The above is arrived basis the balances as at 31st March, 2021. Part of the tax losses expires in 2023-2028. The deductible temporary difference do not expire under the current tax legislation.

C. Tax assets and liabilities

	As at 31st March, 2021	As at 31st March, 2020
Non-current tax assets (net of tax provisions)	2.90	2.90
Non-current tax liabilities (net of tax assets)	199.55	199.55

20. FINANCIAL INSTRUMENTS

Refer note 2.4(c) for accounting policy on Financial Instrument

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.

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:

	As at 31st March, 2021	As at 31st March, 2020
Financial assets measured at amortised cost		
Interest income	0.31	2.16

Notes to the financial statements

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

21. FINANCIAL RISK MANAGEMENT

The Company 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, 2021 and 31st March, 2020.

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.

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, 2021				
Non-derivative Assets				
Other financial assets	11.63	11.63	-	11.63
Non-derivative liabilities				
Trade payables	68.92	68.92	-	68.92
As at 31st March, 2020				
Non-derivative Assets				
Other financial assets	-	-	-	-
Non-derivative liabilities				
Trade payables	65.68	65.68	-	65.68

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.

Notes to the financial statements

For the year ended 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

23. SEGMENT INFORMATION

The Chief Operating Decision Maker (‘CODM’) of the Company, i.e. the Board of Directors, views the entire activity of the Company as a single business segment and accordingly this is only reportable segment.

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 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.

25. RELATED PARTY DISCLOSURES

A. Enterprises exercising control

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

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2021

	Year ended 31st March, 2021	Year ended 31st March, 2020
Holding Company		
Sale of export licenses	11.63	-
Reimbursement of expenses to holding company	44.75	13.91
Outstanding as at year end		
Receivables at year end	11.63	-
Payables at year end	23.75	-

Notes to the financial statements

For the year ended 31st March, 2021

(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.

For the year ended 31st March, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2020: ₹ 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.

26. 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.

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 Export Limited

CIN : U24246TN1981PLC008785

Cusrow Noshir Pardiwalla

Partner
Membership No: 117091

Mumbai: 26th April, 2021

Asha Gopalakrishnan

Director
DIN No.- 08383915

Mumbai: 26th April, 2021

Sanjiv Chatterji

Director
DIN No.- 07711327

Daverashola Estates Private Limited

Report of Board of Directors

BOARD OF DIRECTORS

Asha Gopalakrishnan
*Amit Sood
#A. Ravishankar
Shalini Sinha

AUDITORS

M/s. B S R & Co. LLP,
Chartered Accountants

REGISTERED OFFICE

Unilever House,
B. D. Sawant Marg,
Chakala, Andheri (East),
Mumbai - 400 099.

*Mr. Amit Sood resigned as a Director of the Company w.e.f. 30th April, 2021.

#Mr. A. Ravishankar was appointed as an Additional Director w.e.f. 30th April, 2021.

To the Members,

Your Directors are pleased to present the 16th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2021.

FINANCIAL RESULTS

		(₹ lakhs)
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue	-	-
Expenses	-	(446.92)
(Loss) for the Year	-	(446.92)
Profit and Loss Account balance brought forward from previous year	(480.64)	(33.72)
Profit and Loss Account balance carried forward	(480.64)	(480.64)

OPERATIONAL REVIEW

The Company 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

Mr. Amit Sood who was appointed effective 13th May, 2020, 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. A. Ravishankar, was appointed as an Additional Director on the Board of the Company with effect from 30th April, 2021 to hold office upto the forthcoming Annual General Meeting of the Company. Being eligible, Mr. A. Ravishankar has offered himself to be appointed as the Director of your Company.

The Board recommended the appointment of Mr. A. Ravishankar as Director of the Company and the resolution proposing aforesaid appointment pursuant to Section 152 of the Companies Act, 2013 form part of the Notice of Annual General Meeting.

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 and Ms. Asha Gopalakrishnan 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

Report of Board of Directors (continued)

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, 2021, four Board Meetings were held on 28th April, 2020, 16th July, 2020, 14th October, 2020 and 20th January, 2021. 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 of the Companies Act, 2013 and Rule 5(2) & 5(3) of 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 2020-21.

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 Companies Act, 2013 during the year.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company doesn’t possess 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 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 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

Shalini Sinha Director DIN: 08299362	Asha Gopalakrishnan Director DIN: 08383915
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Mumbai, 23rd April, 2021

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 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and 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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the 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 we have obtained 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 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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, 2016 (“the Order”) issued by the Central Government in terms of section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to 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:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 14 to the financial statements
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made

in these financial statements since they do not pertain to the financial year ended 31 March 2021.

- 4. With respect to the matter to be included in the Auditor’s Report under section 197(16):

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
23 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAR7563

Annexure A

To the Independent Auditor’s report on the financial statements of Daverashola Estates Private Limited for the year ended 31 March 2021

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of physical verification is reasonable.
- (c) According to information and explanations given by the management, the title deeds of immovable properties, as disclosed in Note 3 to the financial statements, are in the process of being transferred in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) According to information and explanations given to us, there are no companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 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 specified the maintenance of cost records under section 148 (1) of the Act. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company did not have any statutory dues which are required to be deposited with the appropriate authorities.

- Thus, paragraph 3 (vii) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and the records of the Company examined by us, in our opinion there are no dues which have not been deposited on account of any dispute by the Company.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or Government nor has it issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration during the year. Thus, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company and accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with 188 of the Act, where applicable. The

Annexure A (continued)

- details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. The Company does not fall under the definition of a listed company or other class of companies which is required to constitute an audit committee under section 177 of the Act and therefore the said section is not applicable to the Company.

(xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

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

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.
- For B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:
101248W/W-100022

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAR7563
- Mumbai
23 April 2021

Annexure B
To the Independent Auditor’s report on the financial statements of Daverashola Estates Private Limited for the year ended 31 March 2021

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 2021 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 2021, 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 (continued)

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
23 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAR7563

Balance Sheet
As at 31st March, 2021

(All amounts in ₹ '000, unless otherwise stated)			
Particulars	Note	As at 31st March, 2021	As at 31st March, 2020
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)
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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Mumbai: 23rd April, 2021

For and on behalf of Board of Directors of Daverashola Estates Private Limited
CIN : U15200MH2004PTC149035

Amit Sood
Director
DIN No. 08741752

Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Statement of Profit & Loss
For the year ended 31st March, 2021

(All amounts in ₹ '000, unless otherwise stated)			
Particulars	Note	Year ended 31st March, 2021	Year ended 31st March, 2020
TOTAL INCOME		-	-
Impairment loss	6	-	44,642
TOTAL EXPENSES		-	44,642
Profit/(Loss) before tax		-	(44,642)
Tax expenses			
Current tax	7	-	(50)
PROFIT/(LOSS) FOR THE YEAR (A)		-	(44,692)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A + B)		-	(44,692)
Earnings per equity share			
Basic and Diluted (Face value of ₹10 each)	8	-	(201.59)
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements1 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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091
Mumbai: 23rd April, 2021

Amit Sood
Director
DIN No. 08741752
Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Statement of Changes in Equity
For the year ended 31st March, 2021

(All amounts in ₹ '000, unless otherwise stated)		
	Note	Total
As at 31st March, 2019	4A	2,217
Changes in equity share capital during 2019-20		-
As at 31st March, 2020	4A	2,217
Changes in equity share capital during 2020-21		-
As at 31st March, 2021	4A	2,217

B. OTHER EQUITY

	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
As at 31st March, 2019	42,925	(3,372)	39,553
Loss for the year	-	(44,692)	(44,692)
Other comprehensive income for the year	-	-	-
As at 31st March, 2020	42,925	(48,064)	(5,139)
Profit for the year	-	-	-
Other comprehensive income for the year	-	-	-
As at 31st March, 2021	42,925	(48,064)	(5,139)

The accompanying notes are an integral part of these financial statements1 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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091
Mumbai: 23rd April, 2021

Amit Sood
Director
DIN No. 08741752
Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Statement of Cash flows
For the year ended 31st March, 2021

(All amounts in ₹ '000, unless otherwise stated)		
	Year ended 31st March, 2021	Year ended 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax	-	(44,642)
Adjustments for:		
Impairment Loss	-	44,642
Cash generated from operations before working capital changes	-	-
Changes in working capital	-	-
Net cash (used in)/ generated from operating activities - [A]	-	-
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Net cash (used in)/ generated from investing activities - [B]	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Net cash (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

For and on behalf of Board of Directors of Daverashola Estates Private Limited
CIN : U15200MH2004PTC149035

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091
Mumbai: 23rd April, 2021

Amit Sood
Director
DIN No. 08741752
Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Notes to Financial Statements
For the year ended 31st March, 2021

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 subsidise 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. All the accounting policies are applied consistently to all the period 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 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

The financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 23rd April, 2021.

b) Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

2.2 Significant Accounting Policies

a) Property, Plant and Equipment

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated

(All amounts in ₹ '000, unless otherwise stated)

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.

b) Earning 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.

c) Provisions And 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.

Notes to Financial Statements

For the year ended 31st March, 2021

d) **Impairment of Non-Financial Assets**

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.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset is made. Asset 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. Recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

(All amounts in ₹ '000, unless otherwise stated)

2.3 Recent Accounting Developments

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

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 statement. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ '000, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT

Refer Note 2.2(a) for accounting policy on property, plant and equipment

	Land Leasehold	Total
Gross Block		
Balance as at 31st March, 2019	44,642	44,642
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2020	44,642	44,642
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2021	44,642	44,642
Accumulated Depreciation/ Impairment		
Balance as at 31st March, 2019	-	-
Additions	44,642	44,642
Disposals	-	-
Balance as at 31st March, 2020	44,642	44,642
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2021	44,642	44,642
Net Block		
Balance as at 31st March, 2020	-	-
Balance as at 31st March, 2021	-	-

Notes:

- i) The title deed of Leasehold Land acquired on demerger of Daverashola Properties of Hindustan Unilever Limited, amounting to ₹44,642 ('000) is in the process of being transferred in the name of the Company.
- ii) 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.

4A EQUITY SHARE CAPITAL

	As at 31st March, 2021	As at 31st March, 2020
Authorised		
5,00,000 (31st March, 2020: 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, 2020: 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

	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity Shares :				
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

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ '000, unless otherwise stated)

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 Subsidiaries of Holding Company in aggregate

	As at 31st March, 2021	As at 31st March, 2020
Equity Shares of ₹10 :		
2,21,700 Equity shares (31st March, 2020: 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, 2021	As at 31st March, 2020
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%

4B OTHER EQUITY

A. Summary of Other Equity Balance:

	Securities Premium	Retained Earnings	Total
As at 31st March, 2019	42,925	(3,372)	39,553
Loss for the year	-	(44,692)	(44,692)
Other comprehensive income for the year	-	-	-
As at 31st March, 2020	42,925	(48,064)	(5,139)
Profit for the year	-	-	-
Other comprehensive income for the year	-	-	-
As at 31st March, 2021	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.
- (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.

5 OTHER NON-CURRENT LIABILITIES

	As at 31st March, 2021	As at 31st March, 2020
Payable to Hindustan Unilever Limited, the Holding company (Refer note 9)	2,922	2,922
	2,922	2,922

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ '000, unless otherwise stated)

6. IMPAIRMENT LOSS

Refer Note 2.2(d) for accounting policy on impairment on non-financial assets

	Year ended 31st March, 2021	Year ended 31st March, 2020
Impairment loss on Property, Plant and Equipment	-	44,642
	-	44,642

7. TAX EXPENSE

Components of Income Tax expense

	Year ended 31st March, 2021	Year ended 31st March, 2020
Tax expense recognised in the Statement of Profit & Loss		
Current Tax		
Current year	-	-
Adjustments related to previous years - (net)	-	50
Total current tax charge	-	50

8. EARNINGS PER SHARE

Refer Note 2.2(b) for accounting policy on Earnings per share.

	Year ended 31st March, 2021	Year ended 31st March, 2020
Profit/(Loss) for the year (₹'000s)	-	(44,692)
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)	-	(201.59)

9. RELATED PARTY DISCLOSURES

A. Enterprise exercising control

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

B. Disclosure of transactions between the Company and Holding Company and the status of outstanding balances.

Balance outstanding as at the year end:

	As at 31st March, 2021	As at 31st March, 2020
Payable to Holding Company	2,922	2,922

There are no related party transactions during the current and the previous year.

10. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31st March, 2021 (Nil for 31st March, 2020).

11. SEGMENT REPORTING

The operations have been considered as representing a single business segment, governed by the same set of risks and returns.

12. 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 171,700 equity shares of face value of ₹10/- each at a premium of ₹250/- per share.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ '000, unless otherwise stated)

13. 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.

14. The Company has reviewed all its pending litigations and proceedings. The Company’s litigations comprise of proceedings pending before the settlement officer, the Madras High Court and the Supreme Court.

During the previous year, Company has reviewed the carrying value of its Property Plant and Equipment and has impaired the Land amounting to ₹44,642 ('000's).

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

For and on behalf of Board of Directors of Daverashola Estates Private Limited
CIN : U15200MH2004PTC149035

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091
Mumbai: 23rd April, 2021

Amit Sood
Director
DIN No. 08741752
Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Jamnagar Properties Private Limited
Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Asha Gopalakrishnan - Director *Amit Sood - Director *A. Ravishankar - Director Shalini Sinha - Director Swati Narayanan - Company Secretary	M/s. B S R & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099.

*Mr. Amit Sood resigned as a Director of the Company w.e.f. 30th April, 2021.
*Mr. A. Ravishankar was appointed as an Additional Director w.e.f. 30th April, 2021.

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, 2021.

FINANCIAL RESULTS

	For the year ended 31st March, 2021	(₹ lakhs) For the year ended 31st March, 2020
Revenue	-	-
Expenses	-	-
Profit / (Loss) for the Year	-	-
Profit and Loss Account balance brought forward from previous year	(500.00)	(500.00)
Profit and Loss Account balance carried forward	(500.00)	(500.00)

OPERATIONAL REVIEW

The litigation over land situated at Jamnagar, leased by Government of Gujarat to erstwhile Brooke Bond India Limited was closed. The Company had surrendered the residuary land to the Collector of Jamnagar, Government of Gujarat and all the formalities had been completed.

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

Mr. Amit Sood who was appointed effective 13th May 2020, 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. A. Ravishankar, was appointed as an Additional Director on the Board of the Company with effect from 30th April, 2021 to hold office upto the forthcoming Annual General Meeting of the Company. Being eligible, Mr. A. Ravishankar has offered himself to be appointed as the Director of your Company.

The Board recommended the appointment of Mr. A. Ravishankar as Director of the Company and the resolution proposing aforesaid appointment pursuant to Section 152 of the Companies Act, 2013 form part of the Notice of Annual General Meeting.

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 and Ms. Asha Gopalakrishnan shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

BOARD MEETINGS

The Board of Directors meets 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, 2021, four Board Meetings were held on 28th April, 2020, 16th July, 2020, 14th October, 2020 and 20th January, 2021. 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 of the Companies Act, 2013 and Rule 5(2) & 5(3) of 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 2020-21.

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 Companies Act, 2013 during the year.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company doesn’t possess 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.

During the year, Scheme of merger of Ponds Exports Limited and Jamnagar Properties Private Limited into Unilever India Exports Limited was filed for which the hearing before National Company Law Tribunal (NCLT), Mumbai was held on 1st March, 2021 and the order is reserved.

Except this, 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.

AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants 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 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

Shalini Sinha	Asha Gopalakrishnan
Director	Director
DIN: 08299362	DIN: 08383915

Mumbai,
23rd April, 2021

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 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and 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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the 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 we have obtained 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 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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, 2016 (“the Order”) issued by the Central Government in terms of section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to 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:
- i. The Company does not have any pending litigations which would impact its financial position.

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November

- 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.
4. With respect to the matter to be included in the Auditor’s Report under section 197(16):
- 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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAA57651
- Mumbai
23 April 2021

Annexure A

To the Independent Auditor’s report on the financial statements of Jamnagar Properties Private Limited for the year ended 31 March 2021

(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 explanation given to us, the Company does not have any fixed assets and hence paragraph 3 (i) (a), (b) and (c) of the Order are not applicable to the Company.

(ii) The Company does not have any inventory. Accordingly, paragraph 3 (ii) of the Order is not applicable to the Company.

(iii) According to information and explanations given to us, there are no companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 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 specified the maintenance of cost records under section 148 (1) of the Act. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Thus, paragraph 3 (vii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and the records of the Company examined by us, in our opinion there are no dues which have not been deposited on account of any dispute by the Company.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or Government nor has it issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration during the year. Thus, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company and accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, there are no related party transactions during the year. The Company does not fall under the definition of a listed company or other class of companies which is required to constitute an audit committee under section 177 of the Act and therefore the said Section is not applicable to the Company. Accordingly, paragraph 3 (xiii) of the Order is not applicable to the Company.

Annexure A (continued)

- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

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

Mumbai
23 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAS7651

Annexure B
To the Independent Auditor’s report on the financial statements of Jamnagar Properties Private Limited for the year ended 31 March 2021

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 2021 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 2021, 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

Annexure B (continued)

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.

Mumbai
23 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAS7651

Balance Sheet
As at 31st March, 2021

(All amounts in ₹ '000, unless otherwise stated)			
Particulars	Note	As at 31st March, 2021	As at 31st March, 2020
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 9

As per our report of even date attached

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

Mumbai: 23rd April, 2021

For and on behalf of Board of Directors of Jamnagar Properties Private Limited
CIN : U70101MH2006PTC165144

Amit Sood
Director
DIN No. 08741752

Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Swati Narayanan
Company Secretary
Membership No: ACS 48572

Statement of Profit and Loss

For the year ended 31st March, 2021

(All amounts in ₹ '000, unless otherwise stated)			
Particulars	Note	Year ended 31st March, 2021	Year ended 31st March, 2020
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 statements1 to 9

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 Jamnagar Properties Private Limited
CIN : U70101MH2006PTC165144

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
Mumbai: 23rd April, 2021

Amit Sood
Director
DIN No. 08741752
Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Swati Narayanan
Company Secretary
Membership No: ACS 48572

Statement of Changes in Equity

For the year ended 31st March, 2021

(All amounts in ₹ '000, unless otherwise stated)		
	Note	Total
As at 31st March, 2019	3A	50,000
Changes in equity share capital during 2019-20		-
As at 31st March, 2020	3A	50,000
Changes in equity share capital during 2020-21		-
As at 31st March, 2021	3A	50,000

B. OTHER EQUITY

	Note	Retained Earnings
As at 31st March, 2019	3B	(50,000)
Profit/(Loss) for the year		-
Other comprehensive income for the year		-
As at 31st March, 2020	3B	(50,000)
Profit/(Loss) for the year		-
Other comprehensive income for the year		-
As at 31st March, 2021	3B	(50,000)

The accompanying notes are an integral part of these financial statements1 to 9

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 Jamnagar Properties Private Limited
CIN : U70101MH2006PTC165144

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
Mumbai: 23rd April, 2021

Amit Sood
Director
DIN No. 08741752
Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Swati Narayanan
Company Secretary
Membership No: ACS 48572

Statement of Cash Flows
For the year ended 31st March, 2021

(All amounts in ₹ '000, unless otherwise stated)		
	Year ended 31st March, 2021	Year ended 31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax	-	-
Cash generated from operations before working capital changes	-	-
Changes in working capital	-	-
Net cash (used in)/ generated from operating activities - [A]	-	-
B CASH FLOW FROM INVESTING ACTIVITIES:		
Net cash (used in)/ generated from investing activities - [B]	-	-
C CASH FLOW FROM FINANCING ACTIVITIES:		
Net cash (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 9

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 Jamnagar Properties Private Limited
CIN : U70101MH2006PTC165144

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
Mumbai: 23rd April, 2021

Amit Sood
Director
DIN No. 08741752
Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Swati Narayanan
Company Secretary
Membership No: ACS 48572

Notes to Financial Statements
For the year ended 31st March, 2021

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 subsidise 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 polices 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 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

The financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 23rd April, 2021.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

2.2 Significant Accounting Policies

(a) Earnings Per Share

Basic earnings per share is computed by dividing the net profit/(loss) for the year attributable to equity

(All amounts in ₹ '000, unless otherwise stated)

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.

(b) Provisions and 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.

2.3 Recent Accounting Developments

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

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 statement. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ '000, unless otherwise stated)

3A EQUITY SHARE CAPITAL

	As at 31st March, 2021	As at 31st March, 2020
Authorised		
50,00,000 (31st March, 2020: 50,00,000) equity shares of ₹10 each	50,000	50,000
Issued, subscribed and fully paid up		
50,00,000 (31st March, 2020: 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

	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
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.

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

	As at 31st March, 2021	As at 31st March, 2020
Equity Shares of ₹10 :		
50,00,000 Equity shares (31st March, 2020: 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, 2021	As at 31st March, 2020
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

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ '000, unless otherwise stated)

3B OTHER EQUITY

A. Summary of other Equity Balance:

	Retained Earnings
As at 31st March, 2019	(50,000)
Profit/(Loss) for the year	-
Other comprehensive income for the year	-
As at 31st March, 2020	(50,000)
Profit/(Loss) for the year	-
Other comprehensive income for the year	-
As at 31st March, 2021	(50,000)

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.

4. EARNINGS PER SHARE

Refer Note 2.2(a) for accounting policy on Earnings per share.

	Year Ended 31st March, 2021	Year Ended 31st March, 2020
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

A. Enterprises exercising control

Holding Company : Hindustan Unilever Limited

Ultimate Holding Company : Unilever PLC

B. There are no related party transactions during the current and the previous year.

6. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31st March, 2021 (Nil for 31st March, 2020).

7. SEGMENT REPORTING

The operations have been considered as representing a single business segment, governed by the same set of risks and returns.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ '000, unless otherwise stated)

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. 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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

Mumbai: 23rd April, 2021

For and on behalf of Board of Directors of Jamnagar Properties Private Limited
CIN : U70101MH2006PTC165144

Amit Sood
Director
DIN No. 08741752

Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Swati Narayanan
Company Secretary
Membership No: ACS 48572

Levers Associated Trust Limited

Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Anuradha Razdan Asha Gopalakrishnan *Amit Sood #A. Ravishankar	M/s. B S R & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099.

*Mr. Amit Sood resigned as a Director of the Company w.e.f. 30th April, 2021.
#Mr. A. Ravishankar was appointed as an Additional Director w.e.f. 30th April, 2021.

To the Members,

Your Directors are pleased to present the 74th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2021.

The Company had neither income nor expenditure during the year and all its out-of-pocket expenses have been borne by Hindustan Unilever Limited, the Holding Company. The Company 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.

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

Mr. Amit Sood who was appointed effective 13th May 2020, 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. A. Ravishankar, was appointed as an Additional Director on the Board of the Company with effect from 30th April, 2021 to hold office upto the forthcoming Annual General Meeting of the Company. Being eligible, Mr. A. Ravishankar has offered himself to be appointed as the Director of your Company.

The Board recommended the appointment of Mr. A. Ravishankar as Director of the Company and the resolution proposing aforesaid appointment pursuant to Section 152 of the Companies Act, 2013 form 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 shall retire by rotation at every Annual General Meeting and accordingly, Ms. Asha Gopalakrishnan and Ms. Anuradha Razdan shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

BOARD MEETINGS

The Board of Directors meets 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, 2021, four Board Meetings were held on 27th April, 2020, 16th July, 2020, 14th October, 2020 and 20th January, 2021. 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;

- 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
- vi. 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 of the Companies Act, 2013 and Rule 5(2) & 5(3) of 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 2020-21.

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 year.

ANNUAL RETURN

Pursuant to Section134(3)(a) of the Companies Act, 2013, since the Company doesn't possess 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 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 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
Director	Director
DIN: 08530676	DIN: 08383915

Mumbai , 23rd April, 2021

Independent Auditor's Report
To the Members of Levers Associated Trust Limited

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 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and 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 2021, and 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 we have obtained 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 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

Independent Auditor’s Report (continued)

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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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, 2016 (“the Order”) issued by the Central Government in terms of section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to 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:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements

since they do not pertain to the financial year ended 31 March 2021.

4. With respect to the matter to be included in the Auditor’s Report under section 197(16):

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
23 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAP6217

Annexure A
To the Independent Auditor’s report on the financial statements of Levers
Associated Trust Limited for the year ended 31 March 2021

(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 explanation given to us, the Company does not have any fixed assets and hence paragraph 3 (i) (a), (b) and (c) of the Order are not applicable to the Company.

examined by us, in our opinion there are no dues which have not been deposited on account of any dispute by the Company.
- (ii) The Company was incorporated 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. Accordingly, it does not hold any inventory. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.

(viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or Government nor has it issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.
- (iii) According to information and explanations given to us, there are no companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(xi) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration during the year. Thus, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company and accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under section 148 (1) of the Act. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Thus, paragraph 3 (vii) (a) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, there are no related party transactions during the year. The Company does not fall under the definition of a listed company or other class of companies which is required to constitute an audit committee under section 177 of the Act and therefore
- (b) According to the information and explanations given to us and the records of the Company

- the said Section is not applicable to the Company. Accordingly, paragraph 3 (xiii) of the Order is not applicable to the Company.

(xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.
- For B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022
- Cusrow Noshir Pardiwalla**
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAP6217
- Mumbai
23 April 2021

Annexure B

To the Independent Auditor’s report on the financial statements of Levers Associated Trust Limited for the year ended 31 March 2021

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 2021 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 2021, 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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAP6217

Mumbai
23 April 2021

Balance sheet
As at 31st March, 2021

(All amounts in ₹, unless otherwise stated)			
Particulars	Note	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-current assets			
Non-current tax assets (net)		24	-
Current Assets			
Financial assets			
Cash and cash equivalents	3	496,658	497,006
TOTAL ASSETS		496,682	497,006
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	4A	500,000	500,000
Other equity	4B	(3,318)	(2,994)
TOTAL EQUITY AND LIABILITIES		496,682	497,006
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 B S R & Co. LLP
Firm Registration No. 101248W/W - 100022
Chartered Accountants

For and on behalf of Board of Directors of Levers Associated Trust Limited
CIN : U74999MH1946PLC005403

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Mumbai: 23rd April, 2021

Amit Sood
Director
DIN No. 08741752

Statement of Profit and Loss
For the year ended 31st March, 2021

(All amounts in ₹, unless otherwise stated)			
Particulars	Note	Year ended 31st March, 2021	Year ended 31st March, 2020
Other Income	5	325	200
TOTAL INCOME		325	200
EXPENSES			
Other Expenses	6	649	649
TOTAL EXPENSES		649	649
Loss before tax		(324)	(449)
Tax expenses			
Current tax		-	-
PROFIT/ (LOSS) FOR THE YEAR (A)		(324)	(449)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A + B)		(324)	(449)
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 statements	1 to 11		

As per our report of even date attached

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

For and on behalf of Board of Directors of Levers Associated Trust Limited
CIN : U74999MH1946PLC005403

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Mumbai: 23rd April, 2021

Amit Sood
Director
DIN No. 08741752

Statement of Changes in Equity

For the year ended 31st March, 2021

(All amounts in ₹, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	Total
As at 31st March, 2019	4A	500,000
Changes in equity share capital during 2019-20		-
As at 31st March, 2020	4A	500,000
Changes in equity share capital during 2020-21		-
As at 31st March, 2021	4A	500,000

B. OTHER EQUITY

	Note	Retained earnings
As at 31st March, 2019	4B	(2,545)
Loss for the year		(449)
Other comprehensive income for the year		-
As at 31st March, 2020	4B	(2,994)
Loss for the year		(324)
Other comprehensive income for the year		-
As at 31st March, 2021	4B	(3,318)

The accompanying notes are an integral part of these financial statements 1 to 11

As per our report of even date attached

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

For and on behalf of Board of Directors of Levers Associated Trust Limited
CIN : U74999MH1946PLC005403

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

Asha Gopalakrishnan
Director
DIN No. 08383915

Amit Sood
Director
DIN No. 08741752

Mumbai: 23rd April, 2021

Mumbai: 23rd April, 2021

Statement of Cash Flows

For the year ended 31st March, 2021

(All amounts in ₹, unless otherwise stated)

	Note	Year ended 31st March, 2021	Year ended 31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES :			
Loss before tax		(324)	(449)
Cash used in operations before working capital changes		(324)	(449)
Changes in working capital		-	-
Cash used in operations		(324)	(449)
Taxes Paid		(24)	-
Net cash used in from operating activities - [A]		(348)	(449)
B CASH FLOW FROM INVESTING ACTIVITIES :			
Net cash (used in)/ generated from financing activities - [B]		-	-
C CASH FLOW FROM FINANCING ACTIVITIES :			
Net cash (used in)/ generated from financing activities - [C]		-	-
Net decrease in Cash and Cash equivalents - [A+B+C]		(348)	(449)
Add: Cash and cash equivalents at the beginning of the year		497,006	497,455
Cash and cash equivalents as at end of the year (Refer Note 3)		496,658	497,006

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

For and on behalf of Board of Directors of Levers Associated Trust Limited
CIN : U74999MH1946PLC005403

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

Asha Gopalakrishnan
Director
DIN No. 08383915

Amit Sood
Director
DIN No. 08741752

Mumbai: 23rd April, 2021

Mumbai: 23rd April, 2021

Notes to the financial statements

For the year ended 31st March, 2021

1. COMPANY INFORMATION

Levers 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 and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

The financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 23rd April, 2021.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

2.2 Significant Accounting Policies

(a) 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.

(b) Earning 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.

(c) Expenses

Expenses are accounted on accrual basis.

(d) Other Income

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

2.3 Recent Accounting Developments

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

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 statement. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

(All amounts in ₹, unless otherwise stated)

Notes to the financial statements

For the year ended 31st March, 2021

3. CASH AND CASH EQUIVALENTS

Refer Note 2.2(a) for accounting policy on cash and cash equivalents

	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
- In current accounts	496,658	497,006
	496,658	497,006

4A EQUITY SHARE CAPITAL

	As at 31st March, 2021	As at 31st March, 2020
Authorised		
50,000 (31st March, 2020: 50,000) equity shares of ₹ 10 each	500,000	500,000
Issued, subscribed and fully paid up		
50,000 (31st March, 2020: 50,000) equity shares of ₹ 10 each fully paid	500,000	500,000
	500,000	500,000

a) Reconciliation of the number of shares

	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
Balance as at the beginning of the year	50,000	500,000	50,000	500,000
Add/Less: issued during the year	-	-	-	-
Balance as at the end of the year	50,000	500,000	50,000	500,000

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.

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

	As at 31st March, 2021	As at 31st March, 2020
Equity Shares of ₹ 10:		
50,000 shares (31st March, 2020: 50,000) held by Hindustan Unilever Limited, the Holding Company and its nominee	500,000	500,000

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

	As at 31st March, 2021	As at 31st March, 2020
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 ₹, unless otherwise stated)

Notes to the financial statements

For the year ended 31st March, 2021

(All amounts in ₹, unless otherwise stated)

4B OTHER EQUITY

A. Summary of Other Equity Balance:

	Retained Earnings
As at 31st March, 2019	(2,545)
Loss for the year	(449)
Other comprehensive income for the year	-
As at 31st March, 2020	(2,994)
Loss for the year	(324)
Other comprehensive income for the year	-
As at 31st March, 2021	(3,318)

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.

5. OTHER INCOME

Refer Note 2.2 (d) for accounting policy on other income

	Year ended 31st March, 2021	Year ended 31st March, 2020
Dividend Income	325	200
	325	200

6. OTHER EXPENSES

Refer Note 2.2 (d) for accounting policy on expenses

	Year ended 31st March, 2021	Year ended 31st March, 2020
Bank charges	649	649
	649	649

7. EARNINGS PER SHARE

Refer Note 2.2 (b) for accounting policy on Earnings per share

	Year ended 31st March, 2021	Year ended 31st March, 2020
Loss for the year	(324)	(449)
Weighted average number of equity shares outstanding	50,000	50,000
Loss per share - basic and diluted (Face value of ₹ 10 per share)	(0.01)	(0.01)

8. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31st March, 2021 (Nil for 31st March, 2020).

9. RELATED PARTY DISCLOSURES

A. Enterprises exercising control

Holding Company : Hindustan Unilever Limited

Ultimate Holding Company : Unilever PLC

B. There are no transactions between related parties in the current year as well as in the previous year.

Notes to the financial statements

For the year ended 31st March, 2021

(All amounts in ₹, unless otherwise stated)

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. 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

Cusrow Noshir Pardiwalla

Partner
Membership No: 117091

Mumbai: 23rd April, 2021

For and on behalf of Board of Directors of Levers Associated Trust Limited

CIN : U74999MH1946PLC005403

Asha Gopalakrishnan

Director
DIN No. 08383915

Mumbai: 23rd April, 2021

Amit Sood

Director
DIN No. 08741752

Levindra Trust Limited

Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Jaising Bhor V. D. Ranade Shabnam Ali *C. S. Varghese	M/s. B S R & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099.

*Mr. C. S. Varghese ceased to be a Director of the Company w.e.f. 1st April, 2021.

To the Members,

Your Directors are pleased to present the 74th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2021.

The Company had neither income nor expenditure during the year and all its out of pocket expenses have been borne by Hindustan Unilever Limited, the Holding Company. The Company 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

Mr. C. S. Varghese who was appointed effective 18th March, 2019, resigned as a Director of your Company with effect from 1st April, 2021. The Board placed on record its sincere appreciation for the services rendered by Mr. C. S. Varghese during his tenure as a Director of the Company.

In accordance with Article 33 of the Articles of Association of the Company and the Companies Act, 2013, all the Directors of the Company retire by rotation at every Annual General Meeting and accordingly, Mr. Jaising Bhor, Ms. Shabnam Ali and Mr. V. D. Ranade retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Apart from this, there was no change in the Board of Directors of the Company during the year under review.

BOARD MEETINGS

The Board of Directors meets 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, 2021, four Board Meetings were held on 27th April, 2020, 16th July, 2020, 14th October, 2020 and 20th January, 2021. 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 employees during the year under review and hence, provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of 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 2020-21.

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 Companies Act, 2013, during the year.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company doesn’t possess 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. BSR & Co. LLP, Chartered Accountants 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 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		
Mumbai, 23rd April, 2021	Jaising Bhor	Shabnam Ali
	Director	Director
	DIN: 08165955	DIN: 08406396

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 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and 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 2021, and 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 we have obtained 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 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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, 2016 (“the Order”) issued by the Central Government in terms of section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to 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:

i. The Company does not have any pending litigations which would impact its financial position.	4. With respect to the matter to be included in the Auditor’s Report under section 197(16):
ii. 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 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.
iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.	
iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.	

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAQ9586

Mumbai
23 April 2021

Annexure A

To the Independent Auditor’s report on the financial statements of Levindra Trust Limited for the year ended 31 March 2021

(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 explanation given to us, the Company does not have any fixed assets and hence paragraph 3 (i) (a), (b) and (c) of the Order are not applicable to the Company.

(ii) The Company was incorporated 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. Accordingly, it does not hold any inventory. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.

(iii) According to information and explanations given to us, there are no companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 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 specified the maintenance of cost records under section 148 (1) of the Act. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Thus, paragraph 3 (vii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and the records of the Company
- examined by us, in our opinion there are no dues which have not been deposited on account of any dispute by the Company.

(viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or Government nor has it issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration during the year. Thus, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company and accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, there are no related party transactions during the year. The Company does not fall under the definition of a listed company or other class of companies which is required to constitute an audit committee under section 177 of the Act and therefore

Annexure A (continued)

the said Section is not applicable to the Company. Accordingly, paragraph 3 (xiii) of the Order is not applicable to the Company.	(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.
(xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.	
(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.	

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAQ9586

Mumbai
23 April 2021

Annexure B

To the Independent Auditor's report on the financial statements of Levindra Trust Limited for the year ended 31 March 2021

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 2021 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 2021, 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 (continued)

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
23 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAQ9586

Balance Sheet
As at 31st March, 2021

(All amounts in ₹ unless otherwise stated)			
Particulars	Note	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Current Assets			
Financial assets			
Cash and cash equivalents	3	494,831	495,480
TOTAL ASSETS		494,831	495,480
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	4A	500,000	500,000
Other equity	4B	(5,169)	(4,520)
TOTAL EQUITY AND LIABILITIES		494,831	495,480
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements1 to 10

As per our report of even date attached

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

Mumbai: 23rd April, 2021

For and on behalf of Board of Directors of Levindra Trust Limited
CIN : U67120MH1946PLC005402

Shabnam Ali
Director
DIN No. 08406396

Mumbai: 23rd April, 2021

Jaising Bhora
Director
DIN No. 08165955

Statement of Profit and Loss
For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)			
Particulars	Note	Year ended 31st March, 2021	Year ended 31st March, 2020
TOTAL INCOME		-	-
EXPENSES			
Other Expenses	5	649	649
TOTAL EXPENSES		649	649
Loss before tax		(649)	(649)
Tax expenses			
Current tax		-	-
LOSS FOR THE YEAR (A)		(649)	(649)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A + B)		(649)	(649)
Loss per equity share			
Basic and Diluted (Face value of ₹10 each)	6	(0.01)	(0.01)
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements1 to 10

As per our report of even date attached

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

For and on behalf of Board of Directors of Levindra Trust Limited
CIN : U67120MH1946PLC005402

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

Mumbai: 23rd April, 2021

Shabnam Ali
Director
DIN No. 08406396

Mumbai: 23rd April, 2021

Jaising Bhor
Director
DIN No. 08165955

Statement of Changes in Equity
For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)		
A. EQUITY SHARE CAPITAL		
	Note	Amount
As at 31st March, 2019	4A	500,000
Changes in equity share capital during 2019-20		-
As at 31st March, 2020	4A	500,000
Changes in equity share capital during 2020-21		-
As at 31st March, 2021	4A	500,000

B. OTHER EQUITY

	Note	Retained Earnings
As at 31st March, 2019	4B	(3,871)
Loss for the year		(649)
Other comprehensive income for the year		-
As at 31st March, 2020	4B	(4,520)
Loss for the year		(649)
Other comprehensive income for the year		-
As at 31st March, 2021	4B	(5,169)

The accompanying notes are an integral part of these financial statements1 to 10

As per our report of even date attached

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

For and on behalf of Board of Directors of Levindra Trust Limited
CIN : U67120MH1946PLC005402

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091

Mumbai: 23rd April, 2021

Shabnam Ali
Director
DIN No. 08406396

Mumbai: 23rd April, 2021

Jaising Bhor
Director
DIN No. 08165955

Statement of Cash Flows

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)		
	Year ended 31st March, 2021	Year ended 31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax	(649)	(649)
Cash used in operations before working capital changes	(649)	(649)
Changes in working capital	-	-
Net cash used in operating activities - [A]	(649)	(649)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Net cash generated from investing activities - [B]	-	-
C CASH FLOW FROM FINANCING ACTIVITIES:		
Net cash generated from financing activities - [C]	-	-
Net decrease in Cash and Cash equivalents - [A+B+C]	(649)	(649)
Add: Cash and cash equivalents at the beginning of the year	495,480	496,129
Cash and cash equivalents as at end of the year (Refer Note 3)	494,831	495,480

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 10

As per our report of even date attached

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

For and on behalf of Board of Directors of Levindra Trust Limited
CIN : U67120MH1946PLC005402

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
Mumbai: 23rd April, 2021

Shabnam Ali
Director
DIN No. 08406396
Mumbai: 23rd April, 2021

Jaising Bhor
Director
DIN No. 08165955

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

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 and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

The financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 23rd April, 2021.

(b) Basis of measurement

These financial statements are prepared under historical cost convention unless otherwise indicated.

2.2 Significant Accounting Policies

(a) 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 and which are subject to an insignificant risk of changes in value.

(b) 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.

(c) Expenses

Expenses are accounted on accrual basis.

2.3 Recent accounting developments

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

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 statement. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

3. CASH AND CASH EQUIVALENTS

Refer Note 2.2(a) for accounting policy on cash and cash equivalents

	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
- In current accounts	494,831	495,480
	494,831	495,480

4A EQUITY SHARE CAPITAL

	As at 31st March, 2021	As at 31st March, 2020
Authorised		
50,000 (31st March, 2020: 50,000) equity shares of ₹10 each	500,000	500,000
Issued, subscribed and fully paid up		
50,000 (31st March, 2020: 50,000) equity shares of ₹10 each fully paid	500,000	500,000
	500,000	500,000

a) Reconciliation of the number of shares

	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
Balance as at the beginning of the year	50,000	500,000	50,000	500,000
Add/Less: issued during the year	-	-	-	-
Balance as at the end of the year	50,000	500,000	50,000	500,000

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.

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

	As at 31st March, 2021	As at 31st March, 2020
Equity Shares of ₹10 :		
50,000 Equity shares (31st March, 2020: 50,000) of ₹10 each held by Hindustan Unilever Limited, the Holding Company and its nominee	500,000	500,000

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

	As at 31st March, 2021	As at 31st March, 2020
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%

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

4B OTHER EQUITY:

A. Summary of other Equity Balance:

	Retained Earnings
As at 31st March, 2019	(3,871)
Loss for the year	(649)
Other comprehensive income for the year	-
As at 31st March, 2020	(4,520)
Loss for the year	(649)
Other comprehensive income for the year	-
As at 31st March, 2021	(5,169)

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.

5. OTHER EXPENSES

Refer Note 2.2 (c) for accounting policy on expenses

	Year ended 31st March, 2021	Year ended 31st March, 2020
Bank charges	649	649
	649	649

6. LOSS PER SHARE:

Refer Note 2.2 (b) for accounting policy on Earnings per share

	Year ended 31st March, 2021	Year ended 31st March, 2020
Loss for the year	(649)	(649)
Weighted average number of equity shares outstanding	50,000	50,000
Loss per share - basic and diluted (Face value of ₹10 per share)	(0.01)	(0.01)

7. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31st March, 2021 (Nil for 31st March, 2020).

8. RELATED PARTY DISCLOSURES

A. Enterprises exercising control

Holding Company : Hindustan Unilever Limited

Ultimate Holding Company : Unilever PLC

B. There are no transactions between related parties in the current year as well as in the previous year.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ 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. 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

Cusrow Noshir Pardiwalla

Partner
Membership No: 117091
Mumbai: 23rd April, 2021

For and on behalf of Board of Directors of Levindra Trust Limited

CIN : U67120MH1946PLC005402

Shabnam Ali

Director
DIN No. 08406396
Mumbai: 23rd April, 2021

Jaising Bhor

Director
DIN No. 08165955

Hindlever Trust Limited

Report of Board of Directors

BOARD OF DIRECTORS

Asha Gopalakrishnan
Boishakhi Banerjee
*Amit Sood
#A. Ravishankar

AUDITORS

M/s. B S R & Co. LLP,
Chartered Accountants

REGISTERED OFFICE

Unilever House,
B. D. Sawant Marg,
Chakala, Andheri (East),
Mumbai - 400 099.

*Mr. Amit Sood resigned as a Director of the Company w.e.f. 30th April, 2021.

#Mr. A. Ravishankar was appointed as an Additional Director w.e.f. 30th April, 2021.

To the Members,

Your Directors are pleased to present the 63rd Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2021.

The Company had neither income nor expenditure during the year and all its out of pocket expenses have been borne by Hindustan Unilever Limited, the Holding Company. The Company 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

Mr. Amit Sood who was appointed effective 13th May, 2020, 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. A. Ravishankar, was appointed as an Additional Director on the Board of the Company with effect from 30th April, 2021 to hold office upto the forthcoming Annual General Meeting of the Company. Being eligible, Mr. A. Ravishankar has offered himself to be appointed as the Director of your Company.

The Board recommended the appointment of Mr. A. Ravishankar as Director of the Company and the resolution proposing aforesaid appointment pursuant to Section 152 of the Companies Act, 2013 form 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 shall retire by rotation at every Annual General Meeting and accordingly,

Ms. Asha Gopalakrishnan and Ms. Boishakhi Banerjee shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

BOARD MEETINGS

The Board of Directors meets 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, 2021, four Board Meetings were held on 27th April, 2020, 16th July, 2020, 14th October, 2020 and 20th January, 2021. 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 were adequate and operating effectively.

PERSONNEL

The Company had no employee during the year under review and hence, provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of 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 2020-21.

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 year.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company doesn't possess 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 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 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 Amit Sood

Director Director
Mumbai, 23rd April, 2021 DIN: 08383915 DIN: 08741752

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 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and 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 2021, and 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 we have obtained 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 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

Independent Auditor’s Report (continued)

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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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, 2016 (“the Order”) issued by the Central Government in terms of section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to 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:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

4. With respect to the matter to be included in the Auditor’s Report under section 197(16):

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
23 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAO7930

Annexure A
To the Independent Auditor’s report on the financial statements of Hindlever Trust Limited for the year ended 31 March 2021

(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 explanation given to us, the Company does not have any fixed assets and hence paragraph 3 (i) (a), (b) and (c) of the Order are not applicable to the Company.

(ii) The Company was incorporated 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. Accordingly, it does not hold any inventory. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.

(iii) According to information and explanations given to us, there are no companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 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 specified the maintenance of cost records under section 148 (1) of the Act. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Thus, paragraph 3 (vii) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and the records of the Company examined by us, in our opinion there are no dues which have not been deposited on account of any dispute by the Company.

(viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or Government nor has it issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration during the year. Thus, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company and accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

- (xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, there are no related party transactions during the year. The Company does not fall under the definition of a listed company or other class of companies which is required to constitute an audit committee under section 177 of the Act and therefore the said Section is not applicable to the Company. Accordingly, paragraph 3 (xiii) of the Order is not applicable to the Company.

(xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of

the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

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

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAO7930

Mumbai
23 April 2021

Annexure B
To the Independent Auditor’s report on the financial statements of Hindlever Trust Limited for the year ended 31 March 2021

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, 2021 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 2021, 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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAO7930

Mumbai
23 April 2021

Balance Sheet
As at 31st March, 2021

(All amounts in ₹ unless otherwise stated)			
Particulars	Note	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-Current Assets			
Financial Assets			
Cash and cash equivalents	3	4,94,808	4,95,457
TOTAL ASSETS		4,94,808	4,95,457
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4A	5,00,000	5,00,000
Other equity	4B	(5,192)	(4,543)
TOTAL EQUITY AND LIABILITIES		4,94,808	4,95,457
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements 1 to 10

As per our report of even date attached

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

For and on behalf of Board of Directors of Hindlever Trust Limited
CIN : U65990MH1958PLC011060

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Mumbai: 23rd April, 2021

Amit Sood
Director
DIN No. 08741752

Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Statement of Profit and Loss
For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)			
Particulars	Note	Year ended 31st March, 2021	Year ended 31st March, 2020
TOTAL INCOME		-	-
EXPENSES			
Other expenses	5	649	649
TOTAL EXPENSES		649	649
Loss before tax		(649)	(649)
Tax expenses			
Current tax		-	-
LOSS FOR THE YEAR (A)		(649)	(649)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		(649)	(649)
Loss per equity share			
Basic and Diluted (Face value of ₹ 10 each)	6	(0.01)	(0.01)
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements 1 to 10

As per our report of even date attached

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

For and on behalf of Board of Directors of Hindlever Trust Limited
CIN : U65990MH1958PLC011060

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Mumbai: 23rd April, 2021

Amit Sood
Director
DIN No. 08741752

Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Statement of Changes in Equity

For the year ended 31st March, 2021

A. EQUITY SHARE CAPITAL

(All amounts in ₹ unless otherwise stated)

	Note	Total
As at 31st March, 2019	4A	5,00,000
Changes in equity share capital during 2019-20		-
As at 31st March, 2020	4A	5,00,000
Changes in equity share capital during 2020-21		-
As at 31st March 2021	4A	5,00,000

B. OTHER EQUITY

	Note	Retained Earnings
As at 31st March, 2019	4B	(3,894)
Loss for the year		(649)
Other comprehensive income for the year		-
As at 31st March, 2020	4B	(4,543)
Loss for the year		(649)
Other comprehensive income for the year		-
As at 31st March, 2021	4B	(5,192)

The accompanying notes are an integral part of these financial statements1 to 10

As per our report of even date attached

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

For and on behalf of Board of Directors of Hindlever Trust Limited
CIN : U65990MH1958PLC011060

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Mumbai: 23rd April, 2021

Amit Sood
Director
DIN No. 08741752

Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Statement of Cash Flows

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

	Year ended 31st March, 2021	Year ended 31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before tax	(649)	(649)
Cash used in operations before working capital changes	(649)	(649)
Changes in working capital	-	-
Net cash (used in)/ generated from operating activities - [A]	(649)	(649)
B CASH FLOW FROM INVESTING ACTIVITIES :		
Net cash (used in)/ generated from investing activities - [B]	-	-
C CASH FLOW FROM FINANCING ACTIVITIES :		
Net cash (used in)/ generated from financing activities - [C]	-	-
Net decrease in Cash and Cash equivalents - [A+B+C]	(649)	(649)
Add: Cash and cash equivalents at the beginning of the year	4,95,457	4,96,106
Cash and cash equivalents as at end of the year (Refer Note 3)	4,94,808	4,95,457

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 statements1 to 10

As per our report of even date attached

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

For and on behalf of Board of Directors of Hindlever Trust Limited
CIN : U65990MH1958PLC011060

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Mumbai: 23rd April, 2021

Amit Sood
Director
DIN No. 08741752

Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Notes to Financial Statements

For the year ended 31st March, 2021

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 and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

The financial statements of the company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 23rd April, 2021.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

(All amounts in ₹ unless otherwise stated)

2.2 Significant Accounting Policies

(a) 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 and which are subject to an insignificant risk of changes in value.

(b) Earning 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.

(c) Expenses

Expenses are accounted on accrual basis.

2.3 Recent Accounting Developments

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

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 statement. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

3. CASH AND CASH EQUIVALENTS

Refer Note 2.2 (a) for accounting policy on cash and cash equivalents

	Year ended 31st March, 2021	As at 31st March, 2020
Balances with banks		
In current accounts	4,94,808	4,95,457
Total	4,94,808	4,95,457

4A EQUITY SHARE CAPITAL

	Year ended 31st March, 2021	As at 31st March, 2020
Authorised		
50,000 (31st March, 2020: 50,000) equity shares of ₹ 10 each	5,00,000	5,00,000
Issued, subscribed and fully paid up		
50,000 (31st March, 2020: 50,000) equity shares of ₹ 10 each fully paid	5,00,000	5,00,000
	5,00,000	5,00,000

a) Reconciliation of the number of shares

	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
Balance as at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Add : Issued during the year	-	-	-	-
Balance as at the end of the year	50,000	5,00,000	50,000	5,00,000

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.

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

	Year ended 31st March, 2021	As at 31st March, 2020
Equity Shares of ₹ 10 :		
50,000 Equity shares (31st March, 2020: 50,000) of ₹10 each held by Hindustan Unilever Limited, the Holding Company and its nominee	5,00,000	5,00,000

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

	Year ended 31st March, 2021	As at 31st March, 2020
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%

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

4B OTHER EQUITY

A. Summary of Other Equity Balance:

	Retained Earnings
As at 31st March, 2019	(3,894)
Shortfall of income over expenditure for the year	(649)
Other Comprehensive Income for the year	-
As at 31st March, 2020	(4,543)
Loss for the year	(649)
Other comprehensive income for the year	-
As at 31st March, 2021	(5,192)

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.

5. OTHER EXPENSES

Refer Note 2.2 (c) for accounting policy on expenses

	Year ended 31st March, 2021	As at 31st March, 2020
Bank Charges	649	649
	649	649

6. LOSS PER SHARE

Refer Note 2.2 (b) for accounting policy on Earnings per share

	Year ended 31st March, 2021	As at 31st March, 2020
Loss for the year	(649)	(649)
Weighted average number of equity shares outstanding	50,000	50,000
Loss per share - basic and diluted (Face value of ₹ 10 per share)	(0.01)	(0.01)

7. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31st March, 2021 (Nil for 31st March, 2020).

8. RELATED PARTY DISCLOSURES

A. Enterprises exercising control

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

B. There are no transactions between related parties in the current year as well as in the previous year.

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.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

10. 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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Mumbai: 23rd April, 2021

For and on behalf of Board of Directors of Hindlevar Trust Limited
CIN : U65990MH1958PLC011060

Amit Sood
Director
DIN No. 08741752

Mumbai: 23rd April, 2021

Asha Gopalakrishnan
Director
DIN No. 08383915

Hindustan Unilever Foundation

Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Sanjiv Mehta ^Srinivas Phatak ~Ritesh Tiwari Dev Bajpai *Priya Nair #Prabha Narasimhan	M/s. B S R & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099.

^Mr. Srinivas Phatak resigned as a Director of the Company w.e.f. 30th April, 2021.
~Mr. Ritesh Tiwari was appointed as an Additional Director w.e.f. 30th April, 2021.
*Ms. Priya Nair ceased to be a Director of the Company w.e.f. 21st April, 2021.
#Ms. Prabha Narasimhan was appointed as an Additional Director w.e.f. 21st April, 2021.

To the Members,

Your Directors are pleased to present the 11th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2021.

FINANCIAL RESULTS

Particulars	₹ lakhs	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Total Income	2,266.06	3,325.00
Less: Total Expenditure	2,217.51	3,252.16
Excess of Income over Expenditure	48.55	72.84

OPERATIONAL REVIEW

The 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 11,300 villages* in 59 districts in 10 states and 2 union territories across India in partnership through 19 NGO partners and multiple co-funders. The Company also supports several knowledge initiatives in water conservation, governance and behaviour change.

By the end of 2020, the cumulative and collective achievements through partnered programmes of the Company (independently assured up to financial year 2019-20) include:

- **Water Conservation:** Over 400 billion litres of water saving potential created through improved supply and demand management of water resources. Till financial year 2019-20, the Company’s water conservation estimate stood at 1,300 billion litres cumulatively.

- **Crop Yield:** Additional agriculture production of over 1 million tonnes has been generated.
- **Livelihoods:** Over 31 million person days of employment have been created though water conservation and increased agriculture production.

*The significant reach and livelihood impact are on account of the Company’s support to an 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.

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

During the year, Ms. Priya Nair resigned as a Director of your Company with effect from 21st April, 2021 due to change in her role. The Board placed on record its sincere appreciation for the services rendered by Ms. Priya Nair during her tenure as a Director of the Company.

Ms. Prabha Narasimhan was appointed as an Additional Director on the Board of the Company

with effect from 21st April, 2021 to hold office upto the forthcoming Annual General Meeting of the Company. Being eligible, Ms. Prabha Narasimhan has offered herself to be appointed as the Director of your Company.

During the year, Mr. Srinivas Phatak also resigned as a Director of your Company with effect from 30th April, 2021 due to change in his role. 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 forthcoming Annual General Meeting of the Company. Being eligible, Mr. Ritesh Tiwari has offered himself to be appointed as the Director of your Company.

The Board recommended the appointment of Ms. Prabha Narasimhan and Mr. Ritesh Tiwari as Director of the Company and the resolutions proposing aforesaid appointment pursuant to Section 152 of the Companies Act, 2013 form part of the Notice of Annual General Meeting.

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. Dev Bajpai 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 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, 2021, four Board Meetings were held on 9th April, 2020, 10th July, 2020, 8th October, 2020 and 15th January, 2021. 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 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2021 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 2020-21.

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.

DEPOSITS

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

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 link: 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. B S R & Co. LLP, Chartered Accountants 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 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 Dev Bajpai
Director Director
DIN: 06699923 DIN: 00050516

Mumbai, 21st April, 2021

Annexure to the Report of Board of Directors
Statement of Disclosure of remuneration under Section 197 of Companies Act, 2013 and Rule 5(2) & 5(3) of 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 (₹)		
Reshma Anand	45	BA (Hons), Economics, PGDM (IIMB)	11.12.2017	CEO	1,00,38,471	66,53,597	23	TATA Trust

- Remuneration received Gross includes salary, allowances, commission, performance linked variable pay disbursed, taxable value of perquisites and Company’s contribution to provident fund. Remuneration received Net includes Gross Remuneration less income tax, profession 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 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.

Mumbai, 21st April, 2021

On behalf of the Board

Sanjiv Mehta Dev Bajpai
Director Director
DIN: 06699923 DIN: 00050516

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 2021, and the statement of income and expenditure (including other comprehensive income), statement of changes in equity and 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 2021, 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 we have obtained 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 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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, 2016 (“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.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

Independent Auditor’s Report (continued)

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:	in these financial statements since they do not pertain to the financial year ended 31 March 2021.
i.	The Company does not have any pending litigations which would impact its financial position.	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.
ii.	The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.	
iii.	There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.	
iv.	The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made	

Mumbai
21 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAL8549

Annexure A

To the Independent Auditor’s report on the financial statements of Hindustan Unilever Foundation for the year ended 31 March 2021

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 2021 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 2021, 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 A (continued)

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
21 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAL8549

Balance Sheet
As at 31st March, 2021

(All amounts in ₹ unless otherwise stated)			
Particulars	Note	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non - Current Assets			
Property, plant and equipment	3	-	51,597
Non - Current tax assets (net)	4	-	203,187
Current Assets			
Financial Assets			
Cash and cash equivalents	5	50,452,320	49,265,336
TOTAL ASSETS		50,452,320	49,520,120
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6A	100,000	100,000
Other equity	6B	48,671,365	43,816,057
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		886,473	4,489,964
Other financial liabilities	8	-	33,463
Other current liabilities	9	794,482	1,080,636
TOTAL EQUITY AND LIABILITIES		50,452,320	49,520,120
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements. 1 to 23

As per our report of even date attached

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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091
Mumbai: 21st April, 2021

For and on behalf of Board of Directors of Hindustan Unilever Foundation
CIN: U93090MH2010NPL201468

Sanjiv Mehta
Director
DIN: 06699923
Mumbai: 21st April, 2021

Srinivas Phatak
Director
DIN: 02743340

Statement of Income and Expenditure

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)			
Particulars	Note	Year ended 31st March, 2021	Year ended 31st March, 2020
INCOME			
Donations Received	10	226,500,000	332,500,000
Other Income	11	105,859	-
TOTAL INCOME		226,605,859	332,500,000
EXPENDITURE			
Donations paid	12	193,055,088	285,059,627
Employee benefits expense	13	23,798,703	21,973,256
Depreciation expense	3	51,597	68,796
Other expenses	14	4,845,163	18,114,075
TOTAL EXPENSES		221,750,551	325,215,754
EXCESS OF INCOME OVER EXPENDITURE (A)		4,855,308	7,284,246
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		4,855,308	7,284,246
Earnings per equity share			
Basic and diluted (Face value of ₹ 10 each)	18	486	728
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements. 1 to 23

As per our report of even date attached

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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091
Mumbai: 21st April, 2021

For and on behalf of Board of Directors of Hindustan Unilever Foundation
CIN: U93090MH2010NPL201468

Sanjiv Mehta
Director
DIN: 06699923
Mumbai: 21st April, 2021

Srinivas Phatak
Director
DIN: 02743340

Statement of Changes in Equity

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)		
A. EQUITY SHARE CAPITAL		
	Note	Total
As at 31st March, 2019	6A	100,000
Changes in equity share capital during 2019-20		-
As at 31st March, 2020	6A	100,000
Changes in equity share capital during 2020-21		-
As at 31st March, 2021	6A	100,000
B. OTHER EQUITY		
	Note	Retained Earnings
As at 31st March, 2019	6B	36,531,811
Excess of income over expenditure for the year		7,284,246
As at 31st March, 2020	6B	43,816,057
Excess of income over expenditure for the year		4,855,308
As at 31st March, 2021	6B	48,671,365

The accompanying notes are an integral part of these financial statements. 1 to 23

As per our report of even date attached

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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091
Mumbai: 21st April, 2021

For and on behalf of Board of Directors of Hindustan Unilever Foundation
CIN: U93090MH2010NPL201468

Sanjiv Mehta
Director
DIN: 06699923
Mumbai: 21st April, 2021

Srinivas Phatak
Director
DIN: 02743340

Statement of Cash Flows

For the year ended 31st March, 2021

	(All amounts in ₹ unless otherwise stated)	
	Year ended 31st March, 2021	Year ended 31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES:		
Excess of income over expenditure	4,855,308	7,284,246
Adjustments for :		
Interest Income	(8,123)	-
Liabilities written back to the extent no longer required	(97,736)	-
Depreciation expense	51,597	68,796
Cash generated from operations before working capital changes	4,801,046	7,353,042
Changes in working capital :		
Increase/(decrease) in trade payables	(3,505,755)	2,786,543
Increase/(decrease) in other current liabilities	(286,154)	(742,153)
Increase/(decrease) in other financial liabilities	(33,463)	33,463
Cash generated from operations	975,674	9,430,895
Income tax refund received	211,310	-
Net cash generated from operating activities - [A]	1,186,984	9,430,895
B CASH FLOW FROM INVESTING ACTIVITIES:		
Net cash generated from investing activities - [B]	-	-
C CASH FLOW FROM FINANCING ACTIVITIES:		
Net cash generated from/ (used in) Financing Activities - [C]	-	-
Net Increase in Cash and Cash equivalents - [A+B+C]	1,186,984	9,430,895
Add: Cash and cash equivalents at the beginning of the year	49,265,336	39,834,441
Cash and cash equivalents at the end of the year (Refer note 5)	50,452,320	49,265,336

Note : The above Statement of Cash Flow 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 23

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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Sanjiv Mehta
Director
DIN: 06699923

Srinivas Phatak
Director
DIN: 02743340

Mumbai: 21st April, 2021

Mumbai: 21st April, 2021

Notes to Financial Statements

For the year ended 31st March, 2021

	(All amounts in ₹ 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 financial statements are presented in 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 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.		The financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 21st April, 2021.
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 the 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 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of operations and the time between acquisition of assets 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.		
b) Basis of measurement		
These financial statements are prepared under the historical cost convention unless otherwise indicated.		
2.2 Significant Accounting Policies		
a) Donation		
Donation is received and applied for objects as mentioned in Memorandum of Association of the Company. Donation is accounted upon receipt by the Company and donation paid is accounted upon disbursement.		
b) Expenses		
All expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.		
c) 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.		
d) 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		

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.	h) 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. Depreciation is provided on a pro-rata basis on the straight-line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013. 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.
e) 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 and which are subject to an insignificant risk of changes in value.	
f) Employee Benefit 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.	
g) Income Taxes 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.	

Notes to Financial Statements
For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

3. PROPERTY, PLANT & EQUIPMENT		As at 31st March, 2021	As at 31st March, 2020
Office equipment			
Gross Block			
- Balance as at the beginning of the year		343,980	343,980
- Additions		-	-
- Disposals		-	-
- Balance as at the end of the year		343,980	343,980
Accumulated Depreciation			
- Balance as at the beginning of the year		(292,383)	(223,587)
- Additions		(51,597)	(68,796)
- Disposals		-	-
- Balance as at the end of the year		(343,980)	(292,383)
Net Block		-	51,597

4. NON - CURRENT TAX ASSETS (NET)		As at 31st March, 2021	As at 31st March, 2020
Non - Current Tax Assets (TDS Receivable)		-	203,187
		-	203,187

5. CASH AND CASH EQUIVALENTS		As at 31st March, 2021	As at 31st March, 2020
Refer Note 2.2 (e) of accounting policy on Cash and cash equivalents			
Balances with banks			
In current accounts		50,452,320	49,265,336
		50,452,320	49,265,336

6A EQUITY SHARE CAPITAL		As at 31st March, 2021	As at 31st March, 2020
Authorised			
500,000 (31st March, 2020 : 500,000) equity shares of ₹ 10 each		5,000,000	5,000,000
Issued, subscribed and fully paid up			
10,000 (31st March, 2020 : 10,000) equity shares of ₹10 each fully paid		100,000	100,000
		100,000	100,000

a) Reconciliation of the number of shares		As at 31st March, 2021		As at 31st March, 2020	
		Number of shares	Amount	Number of shares	Amount
Equity Shares:					
Balance as at the beginning of the year		10,000	100,000	10,000	100,000
Add : Issued during the year		-	-	-	-
Balance as at the end of the year		10,000	100,000	10,000	100,000

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

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, 2021	As at 31st March, 2020
Equity Shares of ₹10 held by :		
7,600 (31st March, 2020 : 7,600) shares are held by Hindustan Unilever Limited, the Holding Company	76,000	76,000
2,400 (31st March, 2020 : 2,400) shares are held by Unilever India Exports Limited, Subsidiary of Holding Company	24,000	24,000

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

	As at 31st March, 2021	As at 31st March, 2020
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%

6B OTHER EQUITY

A. Summary of Other Equity Balance:

	Retained Earnings
As at 31st March, 2019	36,531,811
Excess of income over expenditure for the year	7,284,246
As at 31st March, 2020	43,816,057
Excess of income over expenditure for the year	4,855,308
As at 31st March, 2021	48,671,365

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.

7. TRADE PAYABLES

	As at 31st March, 2021	As at 31st March, 2020
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	886,473	4,489,964
	886,473	4,489,964

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

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

	As at 31st March, 2021	As at 31st March, 2020
a. (i) Principal amount remaining unpaid	-	-
(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	-	-

8. OTHER FINANCIAL LIABILITIES

	As at 31st March, 2021	As at 31st March, 2020
Salaries and Bonus Payable	-	33,463
	-	33,463

9. OTHER CURRENT LIABILITIES

	As at 31st March, 2021	As at 31st March, 2020
Statutory dues (including provident fund, Tax Deducted at Source and others)	794,482	1,080,636
	794,482	1,080,636

10. DONATIONS RECEIVED

Refer Note 2.2 (a) for accounting policy on Donation

	Year ended 31st March, 2021	Year ended 31st March, 2020
Donation Received (Refer Note 15)	226,500,000	332,500,000
	226,500,000	332,500,000

11. OTHER INCOME

Refer Note 2.2 (c) for accounting policy on Other Income

	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest income on others	8,123	-
Liabilities written back to the extent no longer required	97,736	-
	105,859	-

12. DONATIONS PAID

Refer Note 2.2 (a) for accounting policy on Donation

	Year ended 31st March, 2021	Year ended 31st March, 2020
Donations Paid	193,055,088	285,059,627
	193,055,088	285,059,627

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

13. EMPLOYEE BENEFIT EXPENSE

Refer Note 2.2 (f) for accounting policy on Employee Benefit

	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries and bonus	22,490,121	20,799,851
Contribution to provident fund (Refer Note 17)	1,308,582	1,173,405
	23,798,703	21,973,256

14. OTHER EXPENSES

Refer Note 2.2 (b) for accounting policy on Expenses

	Year ended 31st March, 2021	Year ended 31st March, 2020
Travelling expenses	-	5,920,855
Payment to auditors		
- Statutory audit (including taxes)	100,000	106,200
Professional Fees	4,670,242	11,136,460
Miscellaneous expenses	74,921	950,560
	4,845,163	18,114,075

15. RELATED PARTY DISCLOSURES

A. Enterprises exercising control

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

B. Fellow subsidiaries

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 Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

E. Disclosure of transactions between the Company and Related parties and the status of outstanding balance

	Year ended 31st March, 2021	Year ended 31st March, 2020
Holding Company		
Donation received	183,100,000	283,000,000
Reimbursement of expenses to Holding Company	-	128,489
Fellow Subsidiaries		
Donation received		
Unilever India Exports Limited	16,400,000	19,000,000
Unilever Industries Private Limited	24,500,000	28,000,000
Lakme Lever Private Limited	2,500,000	2,500,000
Employees' Benefit Plans where there is significant influence of Holding Company		
Contributions during the year (Employer's contribution only)	1,308,582	1,173,405
Key management personnel compensation		
Short-term employee benefits	10,038,471	9,922,239

16. 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

During the year, the Company has recognised the following amounts in Statement of Income and Expenditure.

	Year ended 31st March, 2021	Year ended 31st March, 2020
Employer’s Contribution to provident fund	1,308,582	1,173,405

18. EARNINGS PER SHARE

Refer Note 2.2 (d) for accounting policy on Earnings Per Share

	Year ended 31st March, 2021	Year ended 31st March, 2020
Excess of income over expenditure for the year	4,855,308	7,284,246
Weighted average number of equity shares outstanding	10,000	10,000
Earnings per share (₹) - basic and diluted (face value of ₹ 10 per share)	486	728

19. TAX EXPENSE

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.

20. 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.

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

21. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31st March, 2021 (Nil for 31st March, 2020).

22. 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.

23. 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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091
Mumbai: 21st April, 2021

For and on behalf of Board of Directors of Hindustan Unilever Foundation
CIN: U93090MH2010NPL201468

Sanjiv Mehta
Director
DIN: 06699923
Mumbai: 21st April, 2021

Srinivas Phatak
Director
DIN: 02743340

Bhavishya Alliance Child Nutrition Initiatives

Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Sanjiv Mehta *Srinivas Phatak 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.

*Mr. Srinivas Phatak resigned as a Director of the Company w.e.f. 30th April, 2021.
#Mr. Ritesh Tiwari was appointed as an Additional Director w.e.f. 30th April, 2021.

To the Members,

Your Directors are pleased to present the 11th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2021.

REPORT OF BOARD OF DIRECTORS

Particulars	(₹ lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Total Income (Donations Received)	-	-
Less: Total Expenditure	13.35	0.09
(Shortfall)/ Excess of Income over Expenditure	(13.35)	(0.09)
Less: Taxation	-	(0.00)
(Shortfall) of Income over Expenditure	(13.35)	(0.09)

OPERATIONAL REVIEW

The Company is a not-for-profit subsidiary of Hindustan Unilever Limited (HUL) and had launched a hand washing behaviour change programme in the state of Bihar that aims to reduce diarrhoea and pneumonia in children under the age of five years. It discontinued operations and a similar handwashing programme is now being driven by HUL directly.

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

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 forthcoming Annual General Meeting of the Company. Being eligible,

Mr. Ritesh Tiwari has offered himself to be appointed as the Director of your Company.

The Board recommended the appointment of Mr. Ritesh Tiwari as Director of the Company and the resolution proposing aforesaid appointment pursuant to Section 152 of the Companies Act, 2013 form part of the Notice of Annual General Meeting.

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. Dev Bajpai shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

BOARD MEETINGS

The Board of Directors meets 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

Report of Board of Directors (continued)

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, 2021, four Board Meetings were held on 9th April, 2020, 10th July, 2020, 8th October, 2020 and 15th January, 2021. 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 employees during the year under review and hence, provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of 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 2020-21.

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 Companies Act, 2013, during the year.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company doesn’t possess 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 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, 21st April, 2021

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 31 March 2021, and the statement of income and expenditure (including other comprehensive income), statement of changes in equity and 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 2021, 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 we have obtained 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 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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, 2016 (“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.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

Independent Auditor’s Report (continued)

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:	since they do not pertain to the financial year ended 31 March 2021.
	i. The Company does not have any pending litigations which would impact its financial position.	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.
	ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.	
	iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.	
	iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements	
		Mumbai 21 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAM5043

Annexure A
To the Independent Auditor’s report on the financial statements of Bhavishya Alliance Child Nutrition Initiatives for the year ended 31 March 2021

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, 2021 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 2021, 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 A (continued)

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
21 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAM5043

Balance Sheet
As at 31st March, 2021

(All amounts in ₹ unless otherwise stated)			
Particulars	Note	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Current Assets			
Financial Assets			
Cash and cash equivalents	3	-	13,34,973
TOTAL ASSETS		-	13,34,973
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4A	1,00,000	1,00,000
Other equity	4B	(1,00,000)	12,34,973
TOTAL EQUITY AND LIABILITIES		-	13,34,973
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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Mumbai: 21st April, 2021

For and on behalf of Board of Directors of Bhavishya Alliance Child Nutrition Initiatives
CIN : U93090MH2010NPL208544

Dev Bajpai
Director
DIN: 00050516

Mumbai: 21st April, 2021

Srinivas Phatak
Director
DIN: 02743340

Statement of Income and Expenditure

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)			
Particulars	Note	Year ended 31st March, 2021	Year ended 31st March, 2020
INCOME			
TOTAL INCOME		-	-
EXPENSES			
Donation Paid	5	13,33,793	-
Other expenses	6	1,180	8,820
TOTAL EXPENSES		13,34,973	8,820
Shortfall of income over expenditure		(13,34,973)	(8,820)
Tax expenses			
Current tax credit	7	-	(350)
SHORTFALL OF INCOME OVER EXPENDITURE (A)		(13,34,973)	(8,470)
OTHER COMPREHENSIVE INCOME (B)		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR (A+B)		(13,34,973)	(8,470)
Loss per equity share			
Basic and diluted (Face value of ₹10 each)	8	(133)	(1)
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 Bhavishya Alliance Child Nutrition Initiatives

CIN : U93090MH2010NPL208544

Cusrow Noshir Pardiwalla

Partner
Membership No. 117091

Mumbai: 21st April, 2021

Dev Bajpai

Director
DIN: 00050516

Mumbai: 21st April, 2021

Srinivas Phatak

Director
DIN: 02743340

Statement of Changes in Equity

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)		
A. EQUITY SHARE CAPITAL		
	Note	Total
As at 31st March, 2019	4A	1,00,000
Changes in equity share capital during 2019-20		-
As at 31st March, 2020	4A	1,00,000
Changes in equity share capital during 2020-21		-
As at 31st March, 2021	4A	1,00,000
B. OTHER EQUITY		
	Note	Retained Earnings
As at 31st March, 2019	4B	12,43,443
Shortfall of income over expenditure for the year		(8,470)
Other Comprehensive Income for the year		-
As at 31st March, 2020	4B	12,34,973
Shortfall of income over expenditure for the year		(13,34,973)
Other Comprehensive Income for the year		-
As at 31st March, 2021	4B	(1,00,000)

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

Cusrow Noshir Pardiwalla

Partner
Membership No. 117091

Mumbai: 21st April, 2021

For and on behalf of Board of Directors of Bhavishya Alliance Child Nutrition Initiatives

CIN : U93090MH2010NPL208544

Dev Bajpai

Director
DIN: 00050516

Mumbai: 21st April, 2021

Srinivas Phatak

Director
DIN: 02743340

Statement of Cash Flows

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)		
	Year ended 31st March, 2021	Year ended 31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES:		
Shortfall of income over expenditure	(13,34,973)	(8,820)
Cash used in operations before working capital changes	(13,34,973)	(8,820)
Changes in working capital:		
Cash used in Operations	(13,34,973)	(8,820)
Income Tax refunded	-	350
Net cash used in operating activities - [A]	(13,34,973)	(8,470)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Net cash generated from/(used in) investing activities - [B]	-	-
C CASH FLOW FROM FINANCING ACTIVITIES:		
Net cash generated from/(used in) financing activities - [C]	-	-
Net decrease in cash and cash equivalents - [A+B+C]	(13,34,973)	(8,470)
Add: Cash and cash equivalents at the beginning of the year	13,34,973	13,43,443
Cash and cash equivalents at the end of the year (Refer Note 3)	-	13,34,973

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 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 Bhavishya Alliance Child Nutrition Initiatives
CIN : U93090MH2010NPL208544

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091
Mumbai: 21st April, 2021

Dev Bajpai
Director
DIN: 00050516
Mumbai: 21st April, 2021

Srinivas Phatak
Director
DIN: 02743340

Notes to Financial Statements

For the year ended 31st March, 2021

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 an other 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.

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and measurement

(a) Basis of preparation of accounts

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 the 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 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of operations and the time between acquisition of assets 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.

The financial statements are presented in 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 financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 21st April, 2021

(b) Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

2.2 Significant Accounting Policies

(a) Donation

Donation is received and applied for objects as mentioned in Memorandum of Association of the Company. Donation is accounted upon receipt by the Company and donation paid is accounted upon disbursement.

(b) Expenses

All expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

(c) Earnings Per Share

Basic earnings per share is computed by dividing the net excess/(shortfall) for the period attributable to equity shareholders 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

Notes to Financial Statements
For the year ended 31st March, 2021

earnings per share, the net excess/(shortfall) 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.

(d) 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.

(e) Income Taxes

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.

(All amounts in ₹ unless otherwise stated)

Notes to Financial Statements
For the year ended 31st March, 2021

3. CASH AND CASH EQUIVALENTS

Refer Note 2.2 (d) of accounting policy on Cash and cash equivalents

	Year ended 31st March, 2021	As at 31st March, 2020
Balances with banks		
In current accounts	-	13,34,973
Total	-	13,34,973

4A EQUITY SHARE CAPITAL

	Year ended 31st March, 2021	As at 31st March, 2020
Authorised		
10,000 (31st March, 2020 : 10,000) equity shares of ₹10 each	1,00,000	1,00,000
Issued, subscribed and fully paid up		
10,000 (31st March, 2020 : 10,000) equity shares of ₹10 each fully paid	1,00,000	1,00,000
	1,00,000	1,00,000

a) Reconciliation of the number of shares

	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity Shares :				
Balance as at the beginning of the year	10,000	1,00,000	10,000	1,00,000
Add : Issued during the year	-	-	-	-
Balance as at the end of the year	10,000	1,00,000	10,000	1,00,000

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 Subsidiary of Holding Company in aggregate

	Year ended 31st March, 2021	As at 31st March, 2020
Equity Shares of ₹10 held by :		
10,000 (31st March, 2020 : 10,000) shares are held by Hindustan Unilever Limited the Holding Company and its nominee	1,00,000	1,00,000

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

	Year ended 31st March, 2021	As at 31st March, 2020
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%

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

4B OTHER EQUITY

A. Summary of Other Equity Balance:

	Retained Earnings
As at 31st March, 2019	12,43,443
Shortfall of income over expenditure for the year	(8,470)
Other Comprehensive Income for the year	-
As at 31st March, 2020	12,34,973
Shortfall of income over expenditure for the year	(13,34,973)
Other Comprehensive Income for the year	-
As at 31st March, 2021	(1,00,000)

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.

5. DONATION PAID

Refer Note 2.2 (a) of accounting policy on Donation paid

	Year ended 31st March, 2021	As at 31st March, 2020
Donation Paid	13,33,793	-
	13,33,793	-

6. OTHER EXPENSES

Refer Note 2.2 (b) of accounting policy on Expense

	Year ended 31st March, 2021	As at 31st March, 2020
Bank Charges	1,180	8,820
	1,180	8,820

7. TAX EXPENSES

Refer Note 2.2 (e) of accounting policy on Income Taxes

A. Components of Income Tax expense

	Year ended 31st March, 2021	As at 31st March, 2020
Tax expense recognised in the statement of Income and Expenditure		
Current Tax		
Current year	-	-
(Credits) related to previous years - (net)	-	(350)
Total current tax charge	-	(350)

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, 2021	As at 31st March, 2020
Statutory income tax rate*	-	-
Differences due to:	-	-
Others	-	-
Effective tax rate	-	-

* There is no tax expense in the current year and previous year

Notes to Financial Statements

For the year ended 31st March, 2021

(All amounts in ₹ unless otherwise stated)

8. LOSS PER SHARE

Refer Note 2.2 (c) of accounting policy on Earnings Per Share

	Year ended 31st March, 2021	As at 31st March, 2020
Shortfall of income over expenditure for the year	(13,34,973)	(8,470)
Weighted average number of Equity shares outstanding during the year	10,000	10,000
Loss per share (₹) - basic and diluted (face value of ₹10 per share)	(133)	(1)

9. RELATED PARTY DISCLOSURES

A. Enterprises exercising control

Holding Company : Hindustan Unilever Limited

Ultimate Holding Company : Unilever PLC

B. There are no transactions between related parties in the current year as well as in the previous year.

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. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31st March, 2021 (Nil for 31st March, 2020)

12. 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

Cusrow Noshir Pardiwalla

Partner
Membership No. 117091

Mumbai: 21st April, 2021

For and on behalf of Board of Directors of Bhavishya Alliance Child Nutrition Initiatives

CIN : U93090MH2010NPL208544

Dev Bajpai

Director
DIN: 00050516

Mumbai: 21st April, 2021

Srinivas Phatak

Director
DIN: 02743340

Unilever India Limited

Report of Board of Directors

BOARD OF DIRECTORS		AUDITORS	REGISTERED OFFICE
^Srinivas Phatak	- Director	M/s. B S R & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099
#Ritesh Tiwari	- Director		
Dev Bajpai	- Director		
Priya Nair	- Director		
Prabha Narasimhan	- Director		
Wilhelmus Uijen	- Director		
Rakhi Gupta	- CS		
Mani Balaji	- CFO		
Rohit- Kumar Nanda	- Manager		

^Mr. Srinivas Phatak resigned as a Director of the Company w.e.f. 30th April, 2021.
#Mr. Ritesh Tiwari was appointed as an Additional Director w.e.f. 30th April, 2021.

To the Members,

Your Directors are pleased to present the 1st Annual Report of the Company along with Audited Financial Statements for the period from 7th June, 2020 to 31st March, 2021.

FINANCIAL RESULTS

	(₹ lakhs)
	For the period from 7th June, 2020 to 31st March, 2021
Revenue from operations	-
Loss before tax	(247.68)
Loss for the period from 7th June, 2020 to 31st March, 2021	(354.14)
Dividend (including tax on distributed profits)	-
Profit and Loss Account balance carried forward	(354.14)

OPERATIONAL REVIEW

The Company is a 100% subsidiary of Hindustan Unilever Limited incorporated on 7th June, 2020 to leverage the growth opportunities in a fast-changing business in this new environment. Presently, the Company is in the process of setting up its manufacturing facility at Sumerpur, Uttar Pradesh. It is proposed to manufacture spray drying washing powders at this factory.

DIVIDEND

The Directors did not recommend any dividend for the period from 7th June, 2020 to 31st March, 2021 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 period from 7th June, 2020 to 31st March, 2021 under review, your Company did not have any subsidiary, associate and joint venture company.

THE BOARD OF DIRECTORS

Mr. Srinivas Phatak, Mr. Dev Bajpai and Ms. Priya Nair were appointed as the First Directors on the Board of the Company with effect from 7th June, 2020.

Further, Mr. Wilhelmus Uijen and Ms. Prabha Narasimhan were appointed as Additional Directors on the Board of the Company with effect from 4th November, 2020 to hold office upto the forthcoming Annual General Meeting of the Company. Being eligible, Mr. Wilhelmus Uijen and Ms. Prabha Narasimhan have offered themselves to be appointed as Directors of your Company.

Mr. Srinivas Phatak resigned as a Director of your Company with effect from 30th April, 2021 due to change in his role. 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 forthcoming Annual General Meeting of the Company. Being eligible, Mr. Ritesh Tiwari

has offered himself to be appointed as the Director of your Company.

The Board recommended the appointment of Mr. Wilhelmus Uijen, Ms. Prabha Narasimhan and Mr. Ritesh Tiwari as Directors of the Company and the resolutions proposing aforesaid appointments pursuant to Section 152 of the Companies Act, 2013 form part of the Notice of Annual General Meeting.

Mr. Mani Balaji, Mr. Rohit-Kumar Nanda and Ms. Rakhi Gupta were also appointed as Chief Financial Officer, Manager and Company Secretary respectively on the Board of the Company with effect from 3rd July, 2020.

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. Dev Bajpai 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 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 period from 7th June, 2020 to 31st March, 2021, 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 period from 7th June, 2020 to 31st March, 2021, five Board Meetings were held on 11th June, 2020, 3rd July, 2020, 16th July, 2020, 8th October, 2020 and 15th January, 2021. 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 for the period from 7th June, 2020 to 31st March, 2021 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

The Company had no employee during the period from 7th June, 2020 to 31st March, 2021 under review and hence, provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of 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 under Section 186 of the Companies Act, 2013 during the period from 7th June, 2020 to 31st March, 2021.

RELATED PARTY TRANSACTIONS

All related party transactions entered during the period from 7th June, 2020 to 31st March, 2021 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 period from 7th June, 2020 to 31st March, 2021.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013, since the Company doesn’t possess 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 period from 7th June, 2020 to 31st March, 2021 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.

The Company is in the process of issuing shares of ₹ 300 Crores by preferential allotment. Apart from this, there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year (from 7th June, 2020 to 31st March, 2021) 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, to carry out Secretarial Audit for the period from 7th June, 2020 to 31st March, 2021. 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 were appointed as the First Statutory Auditors of your Company until the conclusion of 1st Annual General Meeting of the Company.

M/s. B S R & Co. LLP, Chartered Accountants shall be re-appointed for the period of five years at the forthcoming Annual General Meeting of the Company.

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 spray drying washing 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.

Details of foreign exchange earnings and outgo as per the Companies Act, 2013, for the period from 7th June, 2020 to 31st March, 2021 are given below.

	(₹ in Lakhs) For the period from 7th June, 2020 to 31st March, 2021
I Earnings	NA
II Outgo	NA

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 Director DIN: 00050516	Wilhelmus Uijen Director DIN: 08614686
Mumbai, 21st April, 2021		

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 – N.A.
- 2. Details of material contracts or arrangements or transactions at arm’s length basis -

Name of Related Party	Nature of relationship	Nature of contract*	(₹ lakhs)
			Amount
Hindustan Unilever Limited	Holding Company	Proceeds from issuance of equity share capital	6,000
Hindustan Unilever Limited	Holding Company	Expenses for use of common facilities	40.55
Hindustan Unilever Limited	Holding Company	Expenses for services	59.66
Hindustan Unilever Limited	Holding Company	Reimbursement of expenses by holding company (paid)	653.63
Hindustan Unilever Limited	Holding Company	Payables as at the year end	102.18

*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.

Mumbai, 21st April, 2021

On behalf of the Board

Dev Bajpai
Director
DIN: 00050516

Wilhelmus Uijen
Director
DIN: 08614686

FORM NO. MR – 3 Secretarial Audit Report
For the financial year ended 31st March, 2021

[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 First **Financial Year commencing from the date of incorporation on 7th June, 2020 and ending on 31st March, 2021 (hereinafter referred to as Financial Year ended 31st March, 2021)**. 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 **First Financial Year ended 31st March, 2021** 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, 2021** 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;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
 - (i) 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 proper balance of 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 except where consent of Directors was received for circulation of Notice, Agenda and Notes to Agenda at a shorter notice 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:

- Alteration of the Memorandum of Association at the Extra-Ordinary General Meeting of the Company held on 26th August, 2020 to reflect the increase in the Authorised Share Capital of the Company to ₹ 2,000 crores divided into 2,000 crores Equity shares of ₹ 1/- each.
- Members at the Extra-Ordinary General Meeting of the Company held on 26th August, 2020 passed special resolution authorising the Board to borrow funds, provided that the aggregate of sums so borrowed shall not exceed the limit of ₹ 400 crores (Rupees Four Hundred Crores only) at any point of time;

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: A014713C000140465

Thane, 22nd April, 2021

Annexure A

To,

The Members,
Unilever India Limited
CIN: U36999MH2020PLC340390
Unilever House, B D Sawant Marg,
Chakala, Andheri (East), Mumbai – 400099

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 believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.
- 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. 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.
- 6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Thane, 22nd April, 2021

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: A014713C000140465

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 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period from 7 June 2020 to 31 March 2021, 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 2021, and loss and other comprehensive income, changes in equity and its cash flows for the period from 7 June 2020 to 31 March 2021.

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 we have obtained 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 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the 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, 2016 (“the Order”) issued by the Central Government in terms of section 143(11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to 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:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30th December 2016 have not been made in these financial statements since they do not pertain to the financial period from 7 June 2020 to 31 March 2021.

4. With respect to the matter to be included in the Auditor’s Report under section 197(16):

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 period from 7 June 2020 to 31 March 2021. 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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAN3799

Mumbai
21 April 2021

Annexure A

To the Independent Auditor’s report on the financial statements of Unilever India Limited for the period from 7 June 2020 to 31 March 2021

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

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the period from 7 June 2020 to 31 March 2021 and no material discrepancies have been noticed on such verification. In our opinion, the frequency of physical verification is reasonable.

(c) According to information and explanations given by the management, the title deeds of immovable properties, as disclosed in Note 3 to the financial statements, are in the name of the Company.

(ii) The Company does not have any inventory. Accordingly, paragraph 3 (ii) of the Order is not applicable to the Company.

(iii) According to information and explanations given to us, there are no companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 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 specified the maintenance of cost records under section 148 (1) of the Act. Accordingly, paragraph 3 (vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including income tax and goods and services tax, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax and goods and services tax were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, goods and services tax and duty of customs which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or Government nor has it issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the period from 7 June 2020 to 31 March 2021. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the period from 7 June 2020 to 31 March 2021, nor have we been informed of any such case by the management.

(xi) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for

Annexure A (continued)

- any managerial remuneration during the period from 7 June 2020 to 31 March 2021. Thus, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company and accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. The Company does not fall under the definition of a listed company or other class of companies which is required to constitute an audit committee under section 177 of the Act and therefore the said section is not applicable to the Company.

(xiv) According to the information and explanations given to us and based on our examination of the records,
- the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period from 7 June 2020 to 31 March 2021. Accordingly, paragraph3 (xiv) of the Order is not applicable to the Company.

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

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.
- Mumbai
21 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAN3799

Annexure B

To the Independent Auditor’s report on the financial statements of Unilever India Limited for the period from 7 June 2020 to 31 March 2021

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 31 March 2021 in conjunction with our audit of the financial statements of the Company for the period from 7 June 2020 to 31 March 2021.

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 2021, 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

Annexure B (continued)

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
21 April 2021

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

Cusrow Noshir Pardiwalla
Partner
Membership No: 117091
ICAI UDIN: 21117091AAAAAN3799

Balance Sheet
As at 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2021
ASSETS		
Non-current assets		
Property, plant and equipment	3A	818.06
Capital work-in-progress	3B	632.91
Non- current tax assets (net)	17D	9.50
Other non-current assets	4	2,344.82
Current assets		
Financial assets		
Investments	5	1,882.42
Cash and cash equivalents	6	328.35
Other current assets	7	172.51
TOTAL ASSETS		6,188.57
EQUITY AND LIABILITIES		
Equity		
Equity share capital	8A	6,000.00
Other equity	8B	(354.14)
Liabilities		
Non-current liabilities		
Financial liabilities		
Other financial liabilities	10	11.29
Deferred tax liabilities (net)	17C	79.43
Current liabilities		
Financial liabilities		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	9	6.23
Total outstanding dues of creditors other than micro enterprises and small enterprises	9	202.94
Other financial liabilities	10	235.29
Other current liabilities	11	7.53
TOTAL EQUITY AND LIABILITIES		6,188.57
Basis of preparation, measurement and significant accounting policies	2	
Contingent liabilities and commitments	12	

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

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Mumbai: 21st April, 2021

For and on behalf of Board of Directors of Unilever India Limited
CIN:U36999MH2020PLC340390

Dev Bajpai

Director
[DIN No-00050516]

Balaji Mani

Chief Financial Officer
PAN - AMSPM9584F

Mumbai: 21st April, 2021

Srinivas Phatak

Director
[DIN No-02743340]

Dr Rakhi Gupta

Company Secretary
Membership No. FCS 07822

Statement of Profit and Loss

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	For the period from 7th June, 2020 to 31st March, 2021
INCOME		
Other income	13	117.50
TOTAL INCOME		117.50
EXPENSES		
Finance costs	14	3.10
Depreciation expense	15	3.60
Other expenses	16	358.48
TOTAL EXPENSES		365.18
Loss before tax		(247.68)
Tax expenses		
Current tax	17A	(27.03)
Deferred tax charge	17A	(79.43)
LOSS FOR THE PERIOD (A)		(354.14)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD (B)		-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD (A+B)		(354.14)
Earnings per equity share		
Basic and Diluted (Face value of ₹ 1 each)	18	(0.06)
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 Unilever India Limited
CIN:U36999MH2020PLC340390

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Dev Bajpai
Director
[DIN No-00050516]

Srinivas Phatak
Director
[DIN No-02743340]

Dr Rakhi Gupta
Company Secretary
Membership No. FCS 07822

Balaji Mani
Chief Financial Officer
PAN - AMSPM9584F

Mumbai: 21st April, 2021

Mumbai: 21st April, 2021

Statement of Changes in Equity

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	Balance
Issue of equity share capital during the period		6,000
As at 31st March, 2021	8A	6,000

B. OTHER EQUITY

	Retained Earnings	Total
Loss for the period	(354.14)	(354.14)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	(354.14)	(354.14)
As at 31st March, 2021	(354.14)	(354.14)

Refer note 8B for nature and purpose of reserves

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 Unilever India Limited
CIN:U36999MH2020PLC340390

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Dev Bajpai
Director
[DIN No-00050516]

Srinivas Phatak
Director
[DIN No-02743340]

Dr Rakhi Gupta
Company Secretary
Membership No. FCS 07822

Balaji Mani
Chief Financial Officer
PAN - AMSPM9584F

Mumbai: 21st April, 2021

Mumbai: 21st April, 2021

Statement of Cash Flows

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the period from 7th June, 2020 to 31st March, 2021
A CASH FLOW FROM OPERATING ACTIVITIES:	
Loss before tax	(247.68)
Adjustments for:	
Depreciation expense	3.60
Fair value gain on investments	(10.12)
Net gain on sale of Investments	(20.30)
Interest income	(87.08)
Interest expense	3.10
Cash used in operations before working capital changes	(358.48)
Changes in Working capital:	
Increase in Current Assets	(172.51)
Increase in Current Liabilities	216.71
Cash used in operations	(314.28)
Taxes paid	(36.53)
Net cash used in operating activities - [A]	(350.81)
B CASH FLOW FROM INVESTING ACTIVITIES:	
Purchase of property, plant and equipment	(2,742.68)
Purchase of investments	(4,353.88)
Sale proceeds of investments	2,501.86
Investments in bank deposits	(44,900.00)
Redemption/maturity of bank deposits (having original maturity more than 3 months)	44,900.00
Interest received	87.08
Net cash used in investing activities - [B]	(4,507.62)
C CASH FLOW FROM FINANCING ACTIVITIES:	
Proceeds from issuance of equity share capital	6,000.00
Interest payment on leases	(3.10)
Principal repayment of leases	(810.12)
Net cash generated from financing activities - [C]	5,186.78
Net Increase in cash and cash equivalents - [A+B+C]	328.35
Cash and cash equivalents at the end of the period (Refer Note 6)	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 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 Unilever India Limited
CIN:U36999MH2020PLC340390

Cusrow Noshir Pardiwalla
Partner
Membership No. 117091

Dev Bajpai
Director
[DIN No-00050516]

Srinivas Phatak
Director
[DIN No-02743340]

Dr Rakhi Gupta
Company Secretary
Membership No. FCS 07822

Balaji Mani
Chief Financial Officer
PAN - AMSPM9584F

Mumbai: 21st April, 2021

Mumbai: 21st April, 2021

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(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 to 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 the accrual and going concern basis. The accounting policies are applied consistently throughout the period 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 assessment of management the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in 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').

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0.00" in the relevant notes in these financial statements.

The financial statements of the Company for the period from 7th June, 2020 to 31st March, 2021 were approved

for issue in accordance with the resolution of the Board of Directors on 21st April, 2021

(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 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. Actual results may differ from these estimates. 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. 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 risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes: (a) Recognition of deferred tax liabilities – Note 19; (b) Measurement and likelihood of occurrence of provisions and contingencies – Notes 13.

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 performed sensitivity analysis on 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.

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

2.3 Recent Accounting Developments

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

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 statement. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

2.4 Significant Accounting Policies

(a) 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.

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 provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

- plant and equipment is depreciated over 3 to 21 years based on the technical evaluation of useful life done by the management.
- 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.

(b) 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.

(c) 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

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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 (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)
- iii. Financial assets measured at fair value through other comprehensive income (FVOCI)

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

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

(d) Provisions And 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.

(e) 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.

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

(f) Expenditure

Expenses are accounted on accrual basis.

(g) Impairment of Non-Financial Assets

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 intangibles 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.

The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset’s or cash generating unit’s value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Basis the assessment a reversal of an

impairment loss for an asset other than goodwill is recognised in the Statement of Profit and Loss.

(h) 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.

(i) Leases

The Company’s lease asset classes primarily consist of leases of 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

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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 low value leases. For these short-term and low value leases, 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 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. 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, 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.

(j) Foreign Currencies

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.

(k) Segment Reporting

The Company is engaged in the business of Home care products. The Chief Operating Decision Maker (CODM) views it as a single business segment and accordingly this is the only reportable segment.

(l) 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.

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Refer Note 2.4 (a) and 2.4 (i) for accounting policy on property, plant and equipment and leases

A Property, plant and equipment

	As at 31st March, 2021
Leased Assets	818.06
Total	818.06

Leased Assets

	Land	Total
Gross Block		
Additions	821.66	821.66
Disposals	-	-
Balance as at 31st March, 2021	821.66	821.66
Accumulated Depreciation		
Additions	(3.60)	(3.60)
Disposals	-	-
Balance as at 31st March, 2021	(3.60)	(3.60)
Net Block		
Balance as at 31st March, 2021	818.06	818.06

Notes:

- (a) The total cash outflow for leases is ₹ 813.22 lakhs and interest on lease liabilities is ₹ 3.10 lakhs for the period from 7th June, 2020 to 31st March, 2021.
- (b) The Company's leases comprise land.
- (c) The Company does not have any short-term leases and leases for low-value assets for the period from 7th June, 2020 to 31st March, 2021.
- (d) Lease Liability : Refer Note 10.

B Capital Work-in-Progress

Capital work in progress as at 31st March, 2021 is ₹ 632.91 lakhs.

For contractual commitment with respect to property, plant and equipment refer Note 12B

4. OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2021
Capital advances	2,344.82
	2,344.82

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

5. INVESTMENTS

Refer Note 2.4 (c) for accounting policy on investments

	As at 31st March, 2021
Current	
Fair value through profit or loss (Quoted)	
Investments in mutual funds	1,882.42
	1,882.42
Aggregate amount of quoted investments	1,882.42
Aggregate Market value of quoted investments	1,882.42
Aggregate amount of unquoted investments	-
Aggregate amount of impairment in value of investments	-

Refer note 19 and note 20 for information about fair value measurement, credit risk and market risk of investments.

6. CASH AND CASH EQUIVALENTS

Refer Note 2.4 (b) for accounting policy on Cash and cash equivalents

	As at 31st March, 2021
Balances with banks	
In current accounts	328.35
	328.35

7. OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2021
Balances with government authorities (GST credit)	151.55
Other advances (includes prepaid expenses etc.)	20.96
	172.51

8A EQUITY SHARE CAPITAL

	As at 31st March, 2021
Authorised	
2,00,00,00,000 equity shares of ₹ 1 each	20,000
Issued, subscribed and fully paid up	
60,00,00,000 equity shares of ₹ 1 each	6,000
	6,000

a) Reconciliation of the number of shares

	As at 31st March, 2021	
	Number of shares	Amount
Equity Shares:		
Shares issued during the period	60,00,00,000	6,000
Balance as at the end of the period	60,00,00,000	6,000

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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, 2021
Equity Shares of ₹ 1 each:	
60,00,00,000 shares are held by the Holding Company, Hindustan Unilever Limited and its nominees	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, 2021
Equity Shares held by the Holding Company, Hindustan Unilever Limited and its nominees	
Number of Shares held	6,000
% of Holding	100

8B 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.

B. Other Equity

	Retained Earnings	Total
Loss for the period	(354.14)	(354.14)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	(354.14)	(354.14)
As at 31st March, 2021	(354.14)	(354.14)

Refer Note 21 for capital management

9. TRADE PAYABLES

Refer Note 2.4 (c) for accounting policy on Trade Payables

	As at 31st March, 2021
Total outstanding dues of Micro Enterprises and Small Enterprises (as per the intimation received from vendors)	6.23
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	202.94
	209.17

Refer note 20 for information about liquidity risk and market risk of trade payables.

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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

	As at 31st March, 2021
a. (i) Principal amount remaining unpaid	6.23
(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	-

10. OTHER FINANCIAL LIABILITIES

Refer Note 2.4 (c) and 2.4 (i) for accounting policy on financial instruments and leases

	As at 31st March, 2021
NON-CURRENT	
Lease liabilities	11.29
Total (A)	11.29
CURRENT	
Lease liabilities	0.24
Creditors for capital goods	235.05
Total (B)	235.29
Total (A+B)	246.58

Refer note 20 for information about liquidity risk and market risk of other financial liabilities.

11. OTHER CURRENT LIABILITIES

	As at 31st March, 2021
Statutory dues (including tax deducted at source and others)	7.53
	7.53

12. CONTINGENT LIABILITIES AND COMMITMENTS

A Contingent Liabilities

There are no contingent liabilities as at 31st March, 2021.

B Capital commitments

	As at 31st March, 2021
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	10,052.69
	10,052.69

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

13. OTHER INCOME

Refer Note 2.4 (e) for accounting policy on other income

	For the period from 7th June, 2020 to 31st March, 2021
Interest income	
From bank deposits	87.08
Other non-operating income	
Fair value gain on investments measured at fair value through profit or loss*	30.42
	117.50

*Includes realised gain on sale of investment of ₹ 20.30 lakhs.

14. FINANCE COSTS

Refer Note 2.4 (i) for accounting policy on leases

	For the period from 7th June, 2020 to 31st March, 2021
Interest expense on lease liabilities	3.10
	3.10

15. DEPRECIATION EXPENSES

Refer Note 2.4 (a) and 2.4 (i) for accounting policy on property, plant and equipment and leases

	For the period from 7th June, 2020 to 31st March, 2021
Depreciation on property, plant and equipment (leased assets)	3.60
	3.60

16. OTHER EXPENSES

	For the period from 7th June, 2020 to 31st March, 2021
Expenses for use of common facilities	40.54
Incorporation & Legal expenses	307.32
Auditors' remuneration	
- Audit fees	2.00
Miscellaneous expenses	8.62
	358.48

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

17. INCOME TAXES

Refer Note 2.4(h) for accounting policy on Income Taxes

A. Components of income tax expense

	For the period from 7th June, 2020 to 31st March, 2021
Tax expense recognised in the Statement of Profit and Loss	
Current tax	
Current period	(27.03)
Total (A)	(27.03)
Deferred tax charge	
Origination of temporary differences	(79.43)
Total (B)	(79.43)
Total (A+B)	(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 :

	For the period from 7th June, 2020 to 31st March, 2021
Statutory income tax rate applicable for the period	17.16%
Differences due to:	
Expenses not deductible for tax purposes	-56.34%
Others*	-3.80%
Effective tax rate	-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)

D. Tax assets and liabilities

	As at 31st March, 2021
Non-current tax assets (net of tax provisions)	9.50

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

18. EARNINGS PER SHARE

Refer Note 2.4 (l) for accounting policy on Earnings per share

	For the period from 7th June, 2020 to 31st March, 2021
Earnings Per Share has been computed as under:	
Loss for the period (₹ Lakhs)	(354.14)
Weighted average number of equity shares outstanding	60,00,00,000
Earnings per share (₹) - basic and diluted (Face value of ₹ 1 per share)	(0.06)

19. FINANCIAL INSTRUMENTS

Refer Note 2.4 (c) for accounting policy on financial instruments

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, 2021
FINANCIAL ASSETS		
Financial assets measured at fair value		
Investments in mutual funds measured at Fair Value through Profit or Loss	5	1,882.42
		1,882.42
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost		
Lease Liability	10	11.53
Creditors for capital goods	10	235.05
		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

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

	Note	For the period from 7th June, 2020 to 31st March, 2021
Financial assets measured at amortised cost		
Interest income	13	87.08
Financial assets measured at fair value through profit or loss		
Fair value gain/(loss) on investments in mutual funds	13	30.42
Financial liabilities measured at amortised cost		
Interest expense on lease liabilities	14	3.10

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(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 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:

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	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.

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.

20. 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 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

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

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.

	Undiscounted Amount			
	Carrying 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				
Trade payables	209.17	209.17	-	209.17
Lease Liability	11.53	0.24	145.47	145.71
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:

- 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	SENSITIVITY TO RISK
i. PRICE RISK		
The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments.	In order to manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.	As an estimation of the approximate impact of the price risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in prices.
At 31st March, 2021, the exposure to price risk due to investment in mutual funds amounted to ₹ 1,882.42 lakhs.	The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.	A 1% increase in prices would have led to approximately an additional ₹ 18.82 Lakhs gain in the Statement of Profit and Loss. A 1% decrease in prices would have led to an equal but opposite effect.
ii. 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.	Considering the short term period of the deposits, there is no significant interest rate risk pertaining to the said deposits.
At 31st March, 2021, the exposure to interest rate risk due to investment in fixed deposits amounted to Nil.		

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(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.

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, 2021 is the carrying value of each class of financial assets.

21. 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 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.

22. 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 period from 7th June, 2020 to 31st March, 2021
Holding Company	
Proceeds from issuance of equity share capital	6,000.00
Expenses for use of common facilities	40.54
Enterprise & Technological Solution (ETS) costs	1.98
Engineering services	59.66
Amount paid for obtaining rights of leasehold land	461.01
Reimbursement of expenses by holding company (paid)	192.86
Outstanding as at period end	
Payables as at the period end	102.18

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.

For the period from 7th June, 2020 to 31st March, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken through examining the financial position of the related party and the market in which the related party operates.

Notes to Financial Statements

For the period from 7th June, 2020 to 31st March, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

23. 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.

24. 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

25. Previous year figures are not applicable since this is the first year of the Company.

As per our report of even date attached

For B S R & Co. LLP

Firm's Registration No. 101248W/W - 100022
Chartered Accountants

Cusrow Noshir Pardiwalla

Partner
Membership No. 117091

Mumbai: 21st April, 2021

For and on behalf of Board of Directors of Unilever India Limited

CIN:U36999MH2020PLC340390

Dev Bajpai

Director
[DIN No-00050516]

Balaji Mani

Chief Financial Officer
PAN - AMSPM9584F

Mumbai: 21st April, 2021

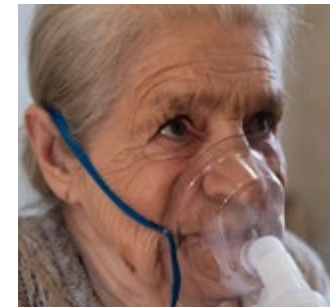
Srinivas Phatak

Director
[DIN No-02743340]

Dr Rakhi Gupta

Company Secretary
Membership No. FCS 07822

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In order to help the country during the severe second wave of the pandemic, we are procuring more than 5,000 oxygen concentrators from around the world. As part of our Mission HO₂PE, these are being made available in the most impacted areas in the country. Oxygen concentrators will be sent to Covid-19 hospitals. In addition, we have initiated a partnership with Portea Medical and KVN Foundation, through which we are executing a model that delivers oxygen concentrators to Covid-19 patients recovering at home through a borrow-use-return model, available free of charge.

For further information on our Economic,
Environmental and Social Performance
please visit our website:
www.hul.co.in

Hindustan Unilever Limited

Registered Office:

Unilever House,
B. D. Sawant Marg, Chakala,
Andheri (East),
Mumbai - 400 099

CIN : L15140MH1933PLC002030