



Purpose-led, future-fit

Hindustan Unilever Limited - Subsidiary Companies
Annual Report 2023-24



Hindustan Unilever Limited

Contents

1.	Unilever India Exports Limited	1
2.	Lakme Lever Private Limited	73
3.	Unilever India Limited	136
4.	Unilever Nepal Limited	190
5.	Zywie Ventures Private Limited	235
6.	Daverashola Estates Private Limited	357
7.	Levers Associated Trust Limited	378
8.	Levindra Trust Limited	399
9.	Hindlever Trust Limited	418

UNILEVER INDIA EXPORTS LIMITED

In this section

2 Report of Board of Directors

18 Financial Statements

Unilever India Exports Limited

Report of Board of Directors

BOARD OF DIRECTORS	DESIGNATION	AUDITORS	REGISTERED OFFICE
V. Kannan (DIN: 07031155)	Independent Director	M/s. B S R & Co. LLP,	Unilever House,
Nikhilesh Panchal (DIN: 00041080)	Independent Director	Chartered Accountants	B. D. Sawant Marg, Chakala,
Ravishankar A. (DIN: 09136289)	Director		Andheri (East), Mumbai - 400 099
Gerard Irudayaraj (DIN: 09716092)	Director		CIN - U51900MH1963PLC012667
Shilpa Kedia (DIN: 10508350)	Additional Director		

To the Members,

Your Directors are pleased to present the 60th Annual Report of Unilever India Exports Limited (the Company) along with Audited Financial Statements for the financial year ended 31st March, 2024.

FINANCIAL RESULTS

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from operations	1,21,404.51	1,30,503.34
Profit before tax	10,701.90	15,759.40
Profit for the year	8,017.22	11,830.82
Dividend	(10,025.75)	(6,009.50)

(₹ In lakhs)

OPERATIONAL REVIEW

The Company is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) and is engaged in Fast Moving Consumer Goods (FMCG) exports business. The focus of the FMCG exports operation is two-fold: to expand global presence of brands, such as Vaseline, Dove, Pears, Bru, Lakmē, Sunsilk, Horlicks and Boost and to effectively provide cross-border sourcing of FMCG products to other Unilever companies across the world.

The turnover of the Company was driven by products in Skin Care, Nutrition Drinks, Hair Care and Personal Wash. Brands like Dove, Horlicks, Vaseline, Pears, Bru, Sunsilk, Glow and Lovely, Pond's, Lakmē, Lifebuoy have contributed in the focused markets.

There has been no change in the nature of business of the Company during the year under review.

DIVIDEND

During the year under review, the Board of Directors of the Company declared an Interim Dividend of ₹337 / - (Rupees Three Hundred and Thirty-Seven Only) per Equity Share of face value of ₹10 / - (Rupees Ten) each, on 29,75,000 fully paid-up Equity Shares aggregating to ₹1,00,25,75,000 / - (Rupees Hundred Crores Twenty-Five lakhs and Seventy-Five Thousand Only) on 11th September, 2023.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve during the year under review.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, the Company did not have any subsidiary or joint venture company. Further, Hindustan Unilever Foundation (HUF) is an associate company of the Company as per the Companies Act, 2013 (the Act). In terms of Section 129(3) of the Act read with

Rule 5 of Companies (Accounts) Rules, 2014 (including any modifications or re-enactments thereof), a statement containing salient features of subsidiaries, associate companies and joint ventures as applicable is appended as an Annexure AOC - 1 to this Report.

THE BOARD OF DIRECTORS

The Board of the Company is a diverse mix of Non-Executive and Independent Directors and the composition of the same is in line with the applicable provisions of the Act. As on date of this Report, the Board consists of five (5) Directors comprising of three (3) Non-Executive Directors and two (2) Independent Directors.

In terms of the requirements of the Act and based on the recommendation of the Nomination and Remuneration Committee, the Independent Directors of the Company were re-appointed for a further period of five (5) years commencing from 30th March, 2020.

The Independent Directors of the Company have given the Certificate of Independence to the Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Act and that the Independent Directors have complied with the Code for Independent Directors as prescribed in Section 149(8) read with Schedule IV to the Act. The Independent Directors have also confirmed their registration with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

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

During the year under review, Ms. Asha Gopalakrishnan (DIN: 08383915) resigned as a Director of the Company with effect from 19th July, 2023. In succession to her, Ms. Suman Hegde (DIN: 06539295) was appointed as an Additional (Non-Executive) Director on the Board of the Company with effect from 19th July, 2023 to hold office

up to the conclusion of ensuing AGM of the Company. However, Ms. Suman Hegde resigned as an Additional (Non-Executive) Director of the Company with effect from 19th February, 2024. The Board placed on record, its sincere appreciation for the contribution made by Ms. Asha Gopalakrishnan and Ms. Suman Hegde during their tenure as Directors of the Company.

In succession to Ms. Suman Hegde, Ms. Shilpa Kedia was appointed as an Additional (Non - Executive) Director on the Board of the Company with effect from 17th February, 2024, to hold office up to the conclusion of ensuing AGM of the Company. Being eligible, Ms. Shilpa Kedia has offered her candidature for appointment as a Director of the Company.

The Board recommends the appointment of Ms. Shilpa Kedia as Director of the Company and the resolution proposing the aforesaid appointment pursuant to the Section 152 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

Except as mentioned above, there were no changes in the composition of the Board of Directors of the Company during the year under review.

RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT

In accordance with Article 108 of the Articles of Association of the Company and the relevant provisions of the Act, one-third of the total Directors, excluding Independent Directors of the Company, shall retire by rotation at every AGM and accordingly, Mr. Gerard Irudayaraj, Director of the Company shall retire by rotation at the ensuing AGM and being eligible, has offered his candidature for re-appointment.

The Board recommends the re-appointment of Mr. Gerard Irudayaraj as Director of the Company and the resolution proposing the same pursuant to the Section 152 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

BOARD MEETINGS

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

The Notice of Board and Committee Meetings are given well in advance to all the Directors and Committee members. Usually, meetings of the Board and Committees

are held in Mumbai. The Agenda is circulated a week prior to the date of the meeting. However, during certain circumstances, the Agenda is circulated on a shorter notice with due consent of the Directors. The Agenda for the Board and Committee Meetings include detailed notes on the items to be discussed at the meeting to enable the Directors and members to take an informed decision.

During the financial year ended 31st March, 2024, six (6) Board Meetings were held on 24th April, 2023, 18th July, 2023, 17th October, 2023, 30th November, 2023, 15th January, 2024 and 18th March, 2024. The interval between any two meetings was well within the maximum allowed gap of 120 days as per the Act.

MEETING OF INDEPENDENT DIRECTORS

Pursuant to the provisions of Schedule IV of the Act, the Independent Directors shall hold at least one meeting during the financial year without presence of Non-Independent Directors and members of management. Accordingly, the Independent Directors of the Company met once (1) during the financial year ended 31st March, 2024, on 24th April, 2023.

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 practices. 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 request special invitees to join the meeting, as appropriate.

During the year under review, all recommendations of the Committees of the Board have been accepted by the Board.

As on 31st March, 2024, the Board has constituted the following Committees:

Audit Committee

As on 31st March, 2024, the Audit Committee of the Company comprises Mr. Nikhilesh Panchal, Mr. V. Kannan, Independent Directors and Ms. Shilpa Kedia, Additional (Non-Executive) Director as its members.

Ms. Asha Gopalakrishnan ceased to be member of the Committee with effect from 19th July, 2023. Ms. Suman Hegde was appointed as a member of the Committee with effect from 19th July, 2023. However, Ms. Suman Hegde ceased to be member of the Committee with effect from 19th February, 2024. Ms. Shilpa Kedia was appointed as a member of the Committee with effect from 17th February, 2024.

Except as mentioned above, there were no changes in the composition of Audit Committee of the Company during the year under review.

Report of Board of Directors

The power, role and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Act, 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 meetings of the Audit Committee are also attended by Finance Heads / Leads, Statutory Auditors and Internal Auditor as special invitees.

The Audit Committee met five (5) times during the financial year ended 31st March, 2024 on 24th April, 2023, 18th July, 2023, 17th October, 2023, 15th January, 2024 and 18th March, 2024. However, in case of a special and urgent business need, the approval of the Committee is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed at the subsequent Committee Meeting respectively.

Nomination and Remuneration Committee

As on 31st March, 2024, the Nomination and Remuneration Committee of the Company comprises Mr. Nikhilesh Panchal, Mr. V. Kannan, Independent Directors, Mr. Gerard Irudayaraj, Non-Executive Director and Ms. Shilpa Kedia, Additional (Non-Executive) Director as its members.

Ms. Asha Gopalakrishnan ceased to be member of the Committee with effect from 19th July, 2023. Ms. Suman Hegde was appointed as a member of the Committee with effect from 19th July, 2023. However, Ms. Suman Hegde ceased to be member of the Committee with effect from 19th February, 2024. Ms. Shilpa Kedia was appointed as a member of the Committee with effect from 17th February, 2024.

Except as mentioned above, there were no changes in the composition of Nomination and Remuneration Committee of the Company during the year under review.

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria and appointment procedures for both internal and external appointments.

The power, role and terms of reference of the Nomination and Remuneration Committee cover the areas as contemplated under Section 178 of Act, 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 twice (2) during the financial year ended 31st March, 2024 on 24th April, 2023 and 18th July, 2023. However, in case of a special and urgent business need, the approval of the Committee is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed at the subsequent Committee Meeting respectively.

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 composition of 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, responsibility, respect and 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.

Independent Directors are eligible for sitting fees not exceeding the limits prescribed under the Act. Independent Directors are currently paid sitting fees of ₹30,000 / - (Rupees Thirty Thousand only) for attending every meeting of the Board or Committee or Independent Directors thereof.

During the year, there were no pecuniary relationships or transactions between the Company and any of its Independent Directors apart from sitting fees. The Company has not granted any stock options to any of its Independent Directors.

Corporate Social Responsibility Committee

As on 31st March, 2024, the Corporate Social Responsibility (CSR) Committee comprises Mr. Nikhilesh Panchal, Mr. V. Kannan, Independent Directors, Mr. Gerard Irudayaraj, Non-Executive Director and Ms. Shilpa Kedia, Additional (Non-Executive) Director as its members.

Ms. Asha Gopalakrishnan ceased to be member of the Committee with effect from 19th July, 2023. Ms. Suman Hegde was appointed as a member of the Committee with effect from 19th July, 2023. However, Ms. Suman Hegde ceased to be member of the Committee with effect from 19th February, 2024. Ms. Shilpa Kedia was appointed as a member of the Committee with effect from 17th February, 2024.

Except as mentioned above, there were no changes in the composition of Corporate Social Responsibility Committee of the Company during the year under review.

The power, role and terms of reference of the Corporate Social Responsibility Committee cover the areas as contemplated under Section 135 and Schedule VII of the Act, 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 twice (2) during the financial year ended 31st March, 2024 on 24th April, 2023 and 15th January, 2024. However, in case of a special and urgent business need, the approval of the Committee is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed at the subsequent Committee Meeting respectively.

A report on CSR activities as required under the Companies (Corporate Social Responsibility) Rules, 2014 (including any modifications or re-enactments thereof) is appended as an Annexure to this Report.

COMPANY POLICIES

Vigil Mechanism Policy for the Directors and Employees:

The Board of Directors of the Company pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any modifications or re-enactments

thereof) has framed 'Vigil Mechanism Policy' (the Policy) for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to Directors and employees from any victimisation on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

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

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

During the year under review, the Board of Directors amended the Policy as recommended by the Audit Committee to:

- Widen the scope of the policy by including vendors and other stakeholders who can report the issues and concerns.
- Change the reporting mechanisms as per Holding Company's Policy.
- Define the role of the Board of Directors as per the provisions of the Act under the said policy.

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, the Company has constituted Internal Committees (IC). Our POSH Policy is inclusive and gender neutral, detailing the governance mechanisms for prevention of sexual harassment issues relating to employees across genders including employees who identify themselves with LGBTQI+ community.

The Company has constituted IC as per the provisions of the POSH Act.

To build awareness in this area, the Company has been conducting induction / refresher programmes in the organisation on a continuous basis. During the year under review, the Company organised offline training sessions for all blue collared employees across the Company which included POSH as one of the topics of training.

Corporate Social Responsibility Policy

Pursuant to the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII, the Company has formulated Corporate Social Responsibility (CSR) Policy. This CSR Policy of the Company outlines a clear agenda through which we will continue to contribute to the community at large. The objective of this policy is to set the direction for the CSR activities of the Company and define the governance and monitoring framework for ensuring the effectiveness of the policy. Our multi-stakeholder model is being embedded into the business completely, so the business can continue to be a force for good.

As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and has been focusing on a wide range of issues

Report of Board of Directors

in relation to water conservation, health and hygiene, skill development, education, social advancement, gender equality, empowerment of women, ensuring environmental sustainability and rural development projects. The Company will continue to focus our resources on accelerating progress against these priorities with short-term actions to deliver impact. At the same time, the Company will take long-term actions that will help protect the environment.

During the year under review, the Board of Directors amended the Policy as recommended by the CSR Committee to widen the scope of focus areas for CSR Spending as per Schedule VII of the Companies Act, 2013 in addition to the existing focus areas.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended 31st March, 2024, the Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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 Act, 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

Disclosures with respect to remuneration of employees as per Section 197 of the Act and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any modifications or re-enactments thereof) for the year ended 31st March, 2024 is appended as an Annexure to this Report.

ANNUAL EVALUATION

In terms of the requirement of the Act, 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 as a whole. The criteria of performance evaluation of Board, its Committees and Peers on the Board 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 Peers on the Board. The evaluation process of the Board focused on various aspects such as Board Oversight, Board Management, Board Engagement, Board Skills & Structure and an Overall Assessment. The evaluation process of the Committees covered aspects such as Composition, Effectiveness of Committees, Structure of the Committee and meetings, Independence of the Committee from the Board and Contribution to decisions of the Board.

Separate exercise was carried out to evaluate the performance of Peers on the Board on parameters such as attendance, contribution, constructive relationship with the Board & Management of the Company and independent judgement.

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 background bring diverse opinion that helps the Board discussion to be rich and value adding. It was also noted that the Committees are functioning well and important issues are brought up and discussed in the Committees.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS OR SECURITY GIVEN IN CONNECTION TO LOAN

The details relating to loans, guarantees or investments made by the Company or security given by the Company in connection to any loan in accordance with the provisions of Section 186 of the Act are provided in the Notes 4 and 5 to financial statements.

During the year under review, the Company has entered into a strategic partnership with Brookfield to set up a solar energy park with 45 MW capacity in Rajasthan. This will help the Company in its journey towards Net zero commitment. The project is being developed at the site of Brookfield's solar park, being undertaken as a part of Brookfield Global Transition Fund (Brookfield). The Board, at its meeting held on 30th November, 2023, approved an equity investment of up to 1.11% in Transition Sustainable Energy Services One Private Limited, a Special Purpose Vehicle (SPV) incorporated by Brookfield, a leading global alternative asset manager with one of the world's largest renewable power platforms.

The SPV is formed under the Government's Group Captive Open Access Renewable Energy Scheme. This is seen as a

transformative partnership that aligns with environmental and economic sustainability and will help stakeholders across the value chain. As on the date of this Annual Report, the Company has completed the acquisition of 0.90% of equity share capital of the SPV.

The Company will obtain a certificate from the Statutory Auditors certifying that the Company is in compliance with the FEMA Regulations with respect to the downstream investment made in the SPV.

RELATED PARTY TRANSACTIONS / CONTRACTS / ARRANGEMENTS

All Related Party Transactions entered during the financial year were in the ordinary course of business and on arm's length basis. Pursuant to provision of Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 as amended from time to time, the details of contracts or arrangements entered into with related parties are provided in Form AOC-2 and appended as an Annexure to this Report.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Act (including any modifications or re-enactments thereof), during the year under review.

ANNUAL RETURN

The Company does not have any website and therefore as per provisions of Section 92(3) and 134(3)(a) of the Act read with the Companies (Management and Administration) Rules, 2014, the Company is not required to upload its Annual Return on the website. Further a copy of Annual Return shall be filed with the Registrar of Companies.

SCHEME OF AMALGAMATION

The scheme of amalgamation was filed under the provisions of Sections 230 to 232 of the Act, providing for amalgamation of Ponds Exports Limited (PEL) and Jamnagar Properties Private Limited (JPPL) into the Company on 3rd December, 2020 before the Hon'ble National Company Law Tribunal (NCLT), Mumbai.

The Company Petitions were admitted by NCLT vide order dated 1st October, 2021. The NCLT approved the scheme of amalgamation in respect of PEL and JPPL on 12th April, 2023 and in respect of the Company on 16th January, 2024. The certified copies of the order were received on 31st January, 2024. The Company filed the Form INC-28 (Intimation of sanctioned scheme of amalgamation) with Registrar of Companies, on 13th February, 2024, the effective date of amalgamation.

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

DECLARATIONS AND CONFIRMATIONS

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

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014 (including any modifications or reenactments thereof), during the year under review.

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 this Report.

The Company has generally 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 The Institute of Company Secretaries of India.

The Company has not issued any shares with differential voting rights, sweat equity shares and equity shares under Employees Stock Option Scheme during the year under review.

There were no instances of non-exercise of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 (including any modifications or re-enactments thereof) to be furnished.

The Company has not transferred any amount to the Investor Education & Protection Fund (IEPF) and no amount is lying in Unpaid Dividend Account of the Company during the year under review.

AUDIT & AUDITORS

Statutory Auditors

M/s. B S R & Co. LLP, Chartered Accountants (Firm's Registration No.: 101248W/W-100022) were re-appointed as Statutory Auditors of the Company for a second term of five (5) consecutive years at the AGM held on 25th June, 2019. Accordingly, the second term of Statutory Auditors expires on the conclusion of ensuing 60th AGM.

The report given by the Statutory Auditors on the financial statements of the Company for the financial year ended 31st March, 2024 forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory 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.

The Board based on the recommendation of the Audit Committee, at its meeting held on 22nd April, 2024 recommended the proposal of appointment of M/s. Walker

Report of Board of Directors

Chandiok & Co. LLP, (Firm registration No. 001076N/N500013), as the Statutory Auditors of the Company for a term of five (5) consecutive years commencing from the conclusion of 60th AGM up to the conclusion of 65th AGM to be held in the year 2029, subject to approval of the Members at the ensuing AGM.

The resolution proposing the aforesaid appointment pursuant to Section 139, 142 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

M/s. Walker Chandiok & Co. LLP, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It was established in the year 1935 and is a Limited Liability Partnership Firm incorporated in India. It has its registered office at L-41, Connaught Circus, New Delhi - 110001 apart from 15 other branch offices in various cities in India. It is primarily engaged in providing audit and assurance services to its clients.

Secretarial Auditors

The Board had appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries (ICSI Unique Code: P1991MH040400), to carry out Secretarial Audit for the Financial year 2023-24.

The report given by the Secretarial Auditors on the Secretarial Audit of the Company for the financial year ended 31st March, 2024 forms part of this Report. There has been no qualification, reservation or adverse remark given by Secretarial Auditors of the Company.

The Board at its meeting held on 15th January, 2024, appointed M/s. Parikh & Associates, Company Secretaries (ICSI Unique Code: P1988MH009800) as Secretarial Auditors of the Company for the Financial year 2024-25.

M/s. Parikh & Associates is a firm of Practising Company Secretaries founded in 1987. The firm provides professional services in the field of Corporate Laws, SEBI Regulations, FEMA Regulations including carrying out Secretarial Audits, Due Diligence Audits and Compliance Audits. The firm is Peer Reviewed and Quality Reviewed by the Institute of the Company Secretaries of India.

Internal Auditor

Pursuant to provisions of Section 138 of the Act read with relevant Rules made thereunder, Ms. Surabhi Mehrotra continues to be the Internal Auditor of the Company.

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

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

Conservation of Energy

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

- Replacement of fuels from High-Speed Diesel and Furnace Oil of Steam Boilers and Hot Air Generators with Bio Mass, eco-friendly fuel;
- Putting upgraded technology in utilities area – Air Compressors, Chillers, Vacuum Pumps;
- Installation of Variable Frequency Drives for power optimisation where loads are varying;
- Installation of energy efficient lighting on the shop floors and warehouses;
- Use of skylight in day time on the shop floors;
- Installation of energy efficient pumps and heat recovery systems;
- Recovery of condensate and recovering heat and water in the process plant;
- Use of solar energy for hot water generation.

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

Technology Absorption

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

The Company receives support and guidance from HUL, the Holding Company and Unilever PLC to drive functional excellence in marketing, supply management, media buying and IT, among others, which helps the

Company in product improvement, cost reduction, product development / import substitution as also to remain competitive and further step-up its overall business performance. Unilever PLC is committed to ensure that the support in terms of new products, innovations, technologies and services is commensurate with the needs of the Company and enables it to win in the marketplace.

There was no expenditure incurred on Research and Development during the year under review. The Company leverages HUL, the Holding Company and Unilever PLC for all initiatives and deploys the same technology improvements as done by the Holding Company.

Foreign exchange earnings and outgo

Details of foreign exchange earnings and outgo are as follows:

	(₹ In lakhs)	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Earnings	1,16,733.48	1,22,787.74
Outgo	4,721.30	7,131.90

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 environment. The management of the Company is strongly focused on continuous improvement in these areas which are fundamental to the sustainable growth of the Company.

DETAILS OF PROCEEDINGS PENDING OR APPLICATION MADE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

No application was filed for Corporate Insolvency Resolution Process, by a Financial creditor or Operational creditor or by the Company itself under the Insolvency and Bankruptcy Code, 2016 before the NCLT during the year under review.

DETAILS OF DIFFERENCE BETWEEN VALUATION DONE AT THE TIME OF TAKING LOAN FROM BANK AND AT THE TIME OF ONE-TIME SETTLEMENT ALONG WITH REASONS

There was no instance of one-time settlement with any Bank or Financial Institution during the year under review.

ACKNOWLEDGEMENTS

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

On behalf of the Board

Ravishankar A.

Director

DIN: 09136289

Shilpa Kedia

Director

DIN: 10508350

Mumbai, 22nd April, 2024

Annexure to the Report of Board of Directors

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name	Age	Qualification	Date of employment	Designation / Nature of duties	Remuneration received		Experience	Last employment
					Gross (In ₹)	Net (In ₹)		
Rajesh Razdan	59	B.E. (Hons.) Chemical	05.08.1986	Factory Manager	1,13,51,027	76,93,481	38	Birla Cement
Chandan Goyal	39	PGDIM	24.06.2019	UI SC Head of South Asia, Global Partnerships & GIC(Mascot)	1,24,52,348	79,63,153	15	General Mills India Pvt Ltd.
Bhaveen Sahni	48	MBA	21.01.2019	UI Business Development Lead Global	1,24,06,304	82,08,375	5	Landmark Group - Spar Hypermarket
Jatin Batra*	40	PGDM, B.E. in Electronics and Communications	03.03.2021	Global Marketing Manager (Oral care & Baby), Marketing	21,16,616	17,19,031	3	Colgate Palmolive (India) Ltd.

*Employed for part of the year

- Gross Remuneration includes salary, allowances, commission, performance linked variable pay disbursed, taxable value of perquisites and Company's contribution to provident fund. Net Remuneration includes Gross Remuneration less income tax, professional tax and employee's 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;
- None of these employees along with their spouse and dependent children hold any equity shares of the Company;
- Other terms and conditions are 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 and Section 197 of the Companies Act, 2013.

On behalf of the Board

Ravishankar A.

Director

DIN: 09136289

Shilpa Kedia

Director

DIN: 10508350

Mumbai, 22nd April, 2024

Annexure to the Report of Board of Directors

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

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

A belief that sustainable business drives superior performance lies at the heart of the Company. We seek to deliver long-term sustainable growth while driving change for People and the Planet. The Company strives to create a fairer and more inclusive world, where everyone lives with, rather than at the expense of, nature and the environment.

We will continue to focus our resources on accelerating progress against these priorities with short-term actions to deliver impact. At the same time, we will take long-term actions that will help protect the environment. Our plans are now fully integrated into our business strategy, which we believe will enable us to make progress on sustainability while also delivering better performance.

Water Conservation Project:

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

HUF operates the 'Water for Public Good' programme, with a specific focus on water conservation, building local community institutions to govern water resources and enhancing farm-based livelihoods through adoption of judicious water practices. HUF aims to catalyse effective solutions to India's water challenges through a partnership approach involving the Government, Communities, Experts and Mission-Based Organisations. Across diverse river basins and hydrogeological zones, three core pillars define HUF's work with rural communities:

- **Know more:** Build water numeracy to help quantify availability, budget and allocate water use.
- **Save more:** Promote scientific citizen-led water conservation and governance efforts.
- **Use less:** Drive behaviour change for responsible water use in agriculture.

HUF's programmes has reached more than 15,000 villages in 13 states and 2 union territories across India in partnership with NGOs and multiple co-funders. HUF also supports several knowledge initiatives in water conservation, governance and behaviour change.

By the end of financial year 2022-23, the cumulative and collective achievements through partnered programmes of the Company include:

- **Water Conservation:** Over 3.2 trillion litres of water potential created¹.
- **Crop Yield:** Additional agriculture production of over 2 million tonnes has been generated¹.
- **Livelihoods:** Over 114 million person-days of employment have been created through water conservation and increased agriculture production¹.

2. COMPOSITION OF CSR COMMITTEE:

Sr. No.	Name of the Members	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee eligible to attend during the year	Number of meetings of CSR Committee attended during the year
1	Mr. V. Kannan	Independent Director	2	2	2
2	Mr. Nikhilesh Panchal	Independent Director	2	2	2
3	Mr. Gerard Irudayaraj	Non-Executive Director	2	2	2
4	Ms. Asha Gopalkrishnan [^]	Non-Executive Director	2	1	1
5	Ms. Suman Hegde ^{^^}	Non-Executive Director	2	1	1
6	Ms. Shilpa Kedia [*]	Non-Executive Director	2	-	-

[^]Ms. Asha Gopalkrishnan ceased to be a member of the Committee with effect from 19th July, 2023.

^{^^}Ms. Suman Hegde was appointed as a member with effect from 19th July, 2023 and ceased to be a member of the Committee with effect from 19th February, 2024.

^{*}Ms. Shilpa Kedia was appointed as a member with effect from 17th February, 2024.

3. THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

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

¹Assured by an external independent firm

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

Not Applicable

5.	Sr.no.	Particulars	Amount (in ₹)
	5a)	Average Net Profit of the Company as per Section 135(5)	1,78,48,54,603.60
	5b)	Two percent of average Net Profit of the Company as per Section 135(5)	3,56,97,092.07
	5c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	5d)	Amount required to be set off for the financial year, if any	Nil
	5e)	Total CSR obligation for the financial year (5b+5c-5d)	3,56,97,092.07

6.	Sr.no.	Particulars	Amount (in ₹)
	6a)	Amount Spent on CSR projects (both ongoing project and other than ongoing project)	3,59,00,000.00
	6b)	Amount spent in Administrative Overheads	Nil
	6c)	Amount spent on Impact Assessment, if applicable	Nil
	6d)	Total amount spent for the financial year (6a + 6b + 6c)	3,59,00,000.00

6E) CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR:

Total Amount Spent for the financial year (Amount in ₹)	Amount Unspent (Amount in ₹)				
	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso of Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
3,59,00,000			Nil		

6F) EXCESS AMOUNT FOR SET-OFF, IF ANY:

Sr.no.	Particulars	Amount (in ₹)
(i)	Two percent of average Net Profit of the Company as per Section 135(5)	3,56,97,092.07
(ii)	Total amount spent for the financial year	3,59,00,000.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,02,907.93
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any	Nil
(v)	Amount available for set off in succeeding financial year [(iii)-(iv)]	Refer Note

Note - The Company does not wish to claim set-off for the excess amount spent of ₹2,02,907.93.

7. DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the financial Year (in ₹)	Amount transferred to a fund specified under Schedule VII as per second proviso to Section 135(5), if any	Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any (in ₹)
1	FY-2022-23				Amount (in ₹) Date of Transfer		
2	FY-2021-22						
3	FY-2020-21						

Not Applicable

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CSR AMOUNT SPENT IN THE FINANCIAL YEAR:

No

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5):

Not Applicable

On behalf of the Board

Ravishankar A.

Director

DIN: 09136289

Gerard Irudayaraj

Director

DIN: 09716092

Mumbai, 22nd April, 2024

Annexure to the Report of Board of Directors

SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES OR ASSOCIATE COMPANIES OR JOINT VENTURES

Form AOC-1

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

PART A: SUBSIDIARIES – NIL

PART B: ASSOCIATES AND JOINT VENTURES

Particulars	
1. Name of Associate	Hindustan Unilever Foundation
2. Latest audited Balance Sheet Date	31st March, 2024
3. Shares of Associate held by the Company on the year end (in numbers)	
Number	2,400
Amount of Investment in Associate	24,000
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 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	₹27,55,869
7. Profit / Loss for the year	
i. Considered in Consolidation	Not Applicable
ii. Not Considered in Consolidation	(₹2,29,348)

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

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

On behalf of the Board

Ravishankar A.

Director

DIN: 09136289

Shilpa Kedia

Director

DIN: 10508350

Mumbai, 22nd April, 2024

Annexure to the Report of Board of Directors

PARTICULARS OF TRANSACTIONS / CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES

Form AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable
2. Details of material contracts or arrangements or transactions at arm's length basis:

(₹ In lakhs)			
Name of Related Party	Nature of relationship	Nature of contract*	Amount
Unilever Asia Private Limited	Fellow Subsidiary	Sale of finished goods	58,009.10
Hindustan Unilever Limited	Holding Company	Purchase of Finished Goods	59,126.21
Hindustan Unilever Limited	Holding Company	Inter corporate deposit taken	38,500.00
Hindustan Unilever Limited	Holding Company	Inter corporate deposit repaid	27,800.00

* All transactions are in the ordinary course of business, at arm's length basis and are of on-going nature. All transactions are placed before the Audit Committee of the Company. The terms of these transactions are governed by the respective agreements / terms of purchase.

On behalf of the Board

Ravishankar A.

Director

DIN: 09136289

Shilpa Kedia

Director

DIN: 10508350

Mumbai, 22nd April, 2024

Annexure to the Report of Board of Directors

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[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 – 400 099.

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, 2024**. 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, 2024** 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, 2024** 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 – **As applicable;**
- (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 and Sweat Equity) Regulations, 2021;
 - (e) 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;
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; 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 Factories Act, 1948;
 - b. The Contract Labour (Regulation and Abolition) Act, 1970;
 - c. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016;
 - d. The Legal Metrology Act, 2009;
 - e. The Legal Metrology (Packaged Commodities) Rules, 2011;
 - f. The Customs Act, 1962;

Annexure to the Report of Board of Directors

- g. The Foreign Trade Development and Regulation Act, 1992;
- h. The Foreign Trade Policy;
- i. The Conservation of Foreign Exchange, Prevention of Smuggling Activities Act, 1974;
- j. The Medicinal and Toilet Preparations (Excise Duties) Act, 1955;
- k. Apprentices Act, 1961 read with Apprenticeship Rules, 1992;
- l. Information and Technology Act, 2000
- m. Electricity Act, 2003.

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 except for meetings where the directors had consented to receive notice, agenda, notes to agenda less than 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 based on the certificates issued by vertical heads and taken on record by the Board of Directors at their meeting(s), we are of the opinion there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

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

- The Scheme of merger of amalgamation of Ponds Exports Limited (First Transferor Company) and Jamnagar Properties Private Limited (Second Transferor Company) into the Company (Transferee Company) was approved by the Hon'ble National Company Law Tribunal (NCLT), Mumbai vide its order delivered on 16th January 2024. Accordingly, the said merger / amalgamation is effective from 1st April, 2020, the Appointed date for the said Scheme.

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.: 5218/2023

Aparna Gadgil

Partner

ACS: 14713 | COP No.: 8430

22nd April, 2024 | Thane ICSI UDIN: A014713F000203101

ANNEXURE A TO SECRETARIAL AUDIT REPORT

To,
The Members,
Unilever India Exports Limited
CIN: U51900MH1963PLC012667
Unilever House, B. D. Sawant Marg,
Chakala, Andheri (East), Mumbai – 400 099.

Our Secretarial Audit Report for Financial Year ended 31st March 2024 of even date is to be read along with this letter.

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. 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.
5. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
6. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.

DISCLAIMER

7. 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.
8. 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. : 5218/2023

Aparna Gadgil

Partner

ACS: 14713 | COP No.: 8430
ICSI UDIN: A014713F000203101

22nd April, 2024 | Thane

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 2024, 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 material 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 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2A. 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, except for certain matters in respect of audit trail as stated in the paragraph 2B(f) below.
- 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 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March,

2024 from being appointed as a director in terms of Section 164(2) of the Act.

- f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - 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".
- B.** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 17 and 19 to the financial statements.
 - b. The Company did not have any long-term contracts for which there were any material foreseeable losses. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on derivative contracts - Refer Note 44 to the financial statements;
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 5 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 5 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner

Independent Auditor's Report

whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in compliance with Section 123 of the Act.
- f. Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares except that, in case of such accounting softwares other than the software used for posting journal entries, the audit trail was not enabled at the database level to log any direct data changes. Further, changes to the application level by a super user does not

have feature of a concurrent real time audit trail. Where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.

The back-up of audit trail (edit log) has been maintained on the servers physically located in India for financial year ended 31st March, 2024, except for the back-up of audit trail (edit log) of rate masters and purchase orders (not maintained on servers physically in India).

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

According to the information and explanations given to us and based on our examination of the records, there is no remuneration paid to the directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For BSR & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Membership No.: 105149

Date: 22 April 2024

ICAI UDIN:24105149BKEXCL6434

Annexure A

to the Independent Auditor's Report on the Financial Statements of Unilever India Exports Limited for the year ended 31 March, 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

All amounts in ₹ lakhs

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Leasehold land	235.56	Ind Export Pvt Ltd	No	20 years	Pending application
Freehold land	2.26	Tata Vashisti Detergents Limited	No	16 years	Pending application
Freehold Building	62.48	Tata Vashisti Detergents Limited	No	24 years	Pending application

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) during the year. The Company does not have any intangible assets.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investment in a company and granted interest free unsecured loans to other parties (employees), in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has made investment in a company and provided interest free unsecured loans to other parties (employees) as below.

(₹ in lakhs)

Particulars	Loans
Aggregate amount during the year	16.90
Balance outstanding as at balance sheet date	296.95

Annexure A

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investment made and the terms and conditions of the grant of interest free unsecured loans are, *prima facie*, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of interest free unsecured loans given, in our opinion the repayment of principal has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods by it and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March, 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, statutory dues relating to Sales Tax, Income-Tax, Duty of Customs, or other statutory dues which have not been deposited on account of any dispute are as per Annexure I to this Report.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate company (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment of shares or fully or partly convertible debentures during the year. In our opinion, in respect of private placement of equity shares made during, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group (Group means companies in the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of

Annexure A

balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No.: 105149

ICAI UDIN:24105149BKEXCL6434

Place: Mumbai

Date: 22 April 2024

ANNEXURE I

Name of the Statute	Nature of dues	Amount Demanded ₹ in lakhs	Amount Paid ₹ in lakhs	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom Duty (Including Interest and Penalty, if applicable)	423.46	-	2020-2021	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)	394.10	-	2017 - 2020	Commissioner GST
Central Sales Tax Act and Local Sales Tax Act	Sales Tax (Including Interest and Penalty, if applicable)	1.38	-	2017 - 2018	Deputy commissioner GST
Central Sales Tax Act and Local Sales Tax Act	Sales Tax (Including Interest and Penalty, if applicable)	19.82	-	2018 - 19	Assistant/ Deputy / Joint Commissioner (Adjudication)
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
Central Sales Tax Act and Local Sales Tax Act	Sales Tax (Including Interest and Penalty, if applicable)	6.40	-	2012-2013	Commissioner of Sales Tax
Income Tax Act, 1961	Income Tax (Including Interest and Penalty, if applicable)	531.00	-	AY 1996-97 AY 1997-98	High Court (Income Tax) - Department Appeal
Income Tax Act, 1961	Income Tax (Including Interest and Penalty, if applicable)	2.58	-	2007 - 2018	Commissioner
Income Tax Act, 1961	Income Tax (Including Interest and Penalty, if applicable)	20,524.11	-	2011-2012 2012-2013	High Court (Appeals)
Income Tax Act, 1961	Income Tax (Including Interest and Penalty, if applicable)	10,047.26	105	AY 2015-16 FY 2014-15	High Court (Income Tax) - Department Appeal
Income Tax Act, 1961	Income Tax (Including Interest and Penalty, if applicable)	669.30	107.00	2017-2018	High Court (Appeals)
Income Tax Act, 1961	Income Tax (Including Interest and Penalty, if applicable)	11,566.45	94.30	2015-2016	High Court (Appeals)
Income Tax Act, 1961	Income Tax (Including Interest and Penalty, if applicable)	429.90	-	2017-18	High Court (Appeals)

to the Independent Auditor's Report on the financial statements of Unilever India Exports Limited for the year ended 31 March, 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(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 Unilever India Exports Limited ("the Company") as of 31 March, 2024 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, 2024, 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 and Board of Directors' Responsibilities 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 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Membership No.: 105149

Date: 22 April 2024

ICAI UDIN:24105149BKEXCL6434

Balance Sheet

as at 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	11,651.62	11,836.85
Capital work-in-progress	3	858.18	319.20
Financial assets			
Investment in Associate	4A	0.24	0.24
Investment	4B	0.09	-
Loans	5	261.97	279.81
Other financial assets	10	439.90	453.49
Non-current tax assets (net)	30D	2,611.45	1,827.09
Deferred tax assets (net)	30C	347.08	569.96
Other non-current assets	6	245.12	292.49
Total - Non-current assets (A)		16,415.65	15,579.13
Current assets			
Inventories	7	8,234.67	11,547.23
Financial assets			
Trade receivables	8	25,370.08	27,919.77
Cash and cash equivalents	9	3,543.92	2,409.07
Loans	5	34.98	37.51
Other financial assets	10	4,068.97	3,241.69
Other current assets	11	5,187.00	5,413.66
Total - Current assets (B)		46,439.62	50,568.93
TOTAL ASSETS [(A)+(B)]		62,855.27	66,148.06

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12A	297.50	297.50
Other equity	12B	29,072.39	31,080.92
Total - Equity (A)		29,369.89	31,378.42
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13	10,700.00	-
Lease liabilities	14	852.58	1,065.44
Other financial liabilities	15	1,321.29	1,651.89
Provisions	17	2,202.12	2,591.26
Non-current tax liabilities (net)	30D	13.68	13.68
Total - Non-current liabilities (B)		15,089.67	5,322.27
Current liabilities			
Financial liabilities			
Borrowings	13	-	8,487.17
Lease liabilities	14	429.92	505.29
Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises		577.18	214.95
Total outstanding dues of creditors other than micro enterprises and small enterprises		14,967.73	18,164.52
Other financial liabilities	15	1,697.65	1,468.87
Other current liabilities	18	706.23	563.66
Provisions	17	17.00	42.91
Total - Current liabilities (C)		18,395.71	29,447.37
TOTAL EQUITY AND LIABILITIES [(A)+(B)+(C)]		62,855.27	66,148.06
Basis of preparation, measurement and material accounting policies	2		
Contingent liabilities and commitments	19, 20		

The accompanying notes 1 to 48 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole

Partner
Membership No. 105149

Place: Mumbai
Date: 22nd April, 2024

For and on behalf of Board of Directors of Unilever India Exports Limited

CIN: U51900MH1963PLC012667

Shilpa Kedia

Director
DIN No. 10508350

Place: Mumbai
Date: 22nd April, 2024

Ravishankar A.

Director
DIN No. 09136289

Place: Mumbai
Date: 22nd April, 2024

Statement of Profit and Loss

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
INCOME			
Revenue from operations	21	1,21,404.51	1,30,503.34
Other income	22	1,311.86	115.17
TOTAL INCOME		1,22,716.37	1,30,618.51
EXPENSES			
Cost of materials consumed	23	26,955.54	35,295.30
Purchases of stock-in-trade	24	60,211.60	56,889.52
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	25	1,668.51	(517.58)
Employee benefits expense	26	5,468.29	5,080.10
Finance costs	27	1,109.99	1,358.47
Depreciation expense	28	2,329.44	2,119.69
Other expenses	29	14,271.10	14,633.61
TOTAL EXPENSES		1,12,014.47	1,14,859.11
Profit before tax		10,701.90	15,759.40
Tax expenses			
Current tax charge	30A	(2,461.80)	(4,069.53)
Deferred tax credit/ (charge)	30A	(222.88)	140.95
PROFIT FOR THE YEAR (A)		8,017.22	11,830.82
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR [(A)+(B)]		8,017.22	11,830.82
Earnings per equity share (₹)			
Basic (Face value of ₹10 each)	31	269.49	397.67
Diluted (Face value of ₹10 each)	31	269.49	397.67
Basis of preparation, measurement and material accounting policies	2		

The accompanying notes 1 to 48 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole

Partner
Membership No. 105149

Place: Mumbai

Date: 22nd April, 2024

For and on behalf of Board of Directors of Unilever India Exports Limited

CIN: U51900MH1963PLC012667

Shilpa Kedia

Director
DIN No. 10508350

Place: Mumbai

Date: 22nd April, 2024

Ravishankar A.

Director
DIN No. 09136289

Place: Mumbai

Date: 22nd April, 2024

Statement of Changes in Equity

for the year ended 31st March, 2024

FINANCIAL STATEMENTS



(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	As at 31st March, 2024	As at 31st March, 2023
Balance as at the beginning of the year	12A	297.50	297.50
Changes in equity share capital due prior period error		-	-
Restated balance at the beginning of the year	12A	297.50	297.50
Changes in equity share capital during the year*		0.00	-
Balance as at the end of the year	12A	297.50	297.50

*Shares issued on account of merger (Refer Note 39)

B. OTHER EQUITY

	Reserves and Surplus					
	Capital Reserve	Securities Premium	Export Profit Reserve	General Reserve	Retained Earnings	Total
As at 1st April, 2022 [#]	1.23	6,965.70	4.45	5,459.45	13,462.73	25,893.56
Additions on account of business combination (Refer Note 39)	87.56	-	-	3.71	(1,424.23)	(1,332.96)
Impact on account of business combination (Refer Note 39)	699.00	-	-	-	-	699.00
Restated balance as at 1st April, 2022	787.79	6,965.70	4.45	5,463.16	12,038.50	25,259.60
Profit for the year	-	-	-	-	11,830.82	11,830.82
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	11,830.82	11,830.82
Dividend on equity shares for the year (Note 32)	-	-	-	-	(6,009.50)	(6,009.50)
Restated balance as at 31st March, 2023	787.79	6,965.70	4.45	5,463.16	17,859.82	31,080.92
Profit for the year	-	-	-	-	8,017.22	8,017.22
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	8,017.22	8,017.22
Dividend on equity shares for the year (Note 32)	-	-	-	-	(10,025.75)	(10,025.75)
As at 31st March, 2024	787.79	6,965.70	4.45	5,463.16	15,851.29	29,072.39

Refer note 12B for nature and purpose of reserves

[#]There are no changes in other equity due to prior period errors

The accompanying notes 1 to 48 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole

Partner
Membership No. 105149

Place: Mumbai
Date: 22nd April, 2024

For and on behalf of Board of Directors of Unilever India Exports Limited

CIN: U51900MH1963PLC012667

Shilpa Kedia

Director
DIN No. 10508350

Place: Mumbai
Date: 22nd April, 2024

Ravishankar A.

Director
DIN No. 09136289

Place: Mumbai
Date: 22nd April, 2024

Statement of Cash Flows

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	10,701.90	15,759.40
Adjustments for:		
Provision/ (Write back) of inventory	905.30	474.37
Provison/ (Write off) of provision for doubtful receivables during the year	-	(228.20)
(Reversal) of indirect tax and other provisions (net)	(89.78)	(81.79)
Depreciation expense	2,329.44	2,119.69
Fair value loss/ (gain) on investments	(117.50)	0.24
Unrealised (gain)/ loss on foreign currency fluctuation (net)	31.97	(105.28)
Net gain on sale of Investments	(80.51)	(106.02)
(Profit)/ Loss on sale of property, plant and equipment	32.24	-
Interest income	(8.68)	(9.39)
Interest expense	999.37	1,274.05
Unwinding of discount on employee and ex-employee related liabilities	110.62	84.42
Allowance for credit impairment	-	792.86
Liabilities/ Provisions written back to the extent no longer required	(1,219.80)	-
Bad debts written off	248.68	0.22
Cash flows Generated from Operations before working capital changes	13,843.25	19,974.57
Changes in Working capital:		
Decrease in Non-current assets	66.64	19.08
Decrease/ (Increase) in Current assets	2,723.21	6,469.32
Decrease in inventories	2,407.26	1,140.86
(Decrease)/ Increase in Non-current liabilities	(484.50)	(443.41)
(Decrease) in Current liabilities	(2,559.65)	(2,394.99)
Cash generated from operations	15,996.21	24,765.43
Taxes paid (net of refunds)	(3,246.16)	(4,335.55)
Net cash flows generated from operating activities - (A)	12,750.05	20,429.88
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and Right-of-Use assets	(2,259.79)	(1,459.15)
Purchase of investments	(0.09)	(4,829.76)
Sale proceeds of investments	81.76	4,935.52
Redemption/ (Investments) in bank deposits	-	401.63
Interest received	8.68	9.39
Net cash flows (used in) from investing activities - (B)	(2,169.44)	(942.37)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings received	38,487.17	63,530.00
Borrowings repaid	(36,287.17)	(77,245.00)
Interest paid	(754.33)	(1,254.32)
Dividends paid	(10,025.75)	(6,009.50)
Principal repayment of leases	(744.54)	(740.86)
Interest payment on leases	(121.15)	(142.54)
Net cash flows (used in)/ generated from financing activities - (C)	(9,445.77)	(21,862.22)
Net decrease/ (increase) in cash and cash equivalents - [(A)+(B)+(C)]	1,134.84	(2,374.71)
Add: Cash and cash equivalents at the beginning of the year	2,409.08	4,306.12
Add: Cash and cash equivalents acquired on Business Combination (Refer Note 40)	-	477.67
Cash and cash equivalents at the end of the year (Refer Note 9)	3,543.92	2,409.08

Note:**Movement in Lease liabilities and Borrowings**

Reconciliation between opening and closing balance	Opening balance 1st April, 2023	Cash flows	Non-cash movement	Closing balance 31st March, 2024
Borrowings (Refer Note 13)	8,487.17	2,200.00	12.83	10,700.00
Lease liabilities (Refer Note 14)	1,570.73	(865.69)	577.46	1,282.50

Reconciliation between opening and closing balance	Opening balance 1st April, 2022	Cash flows	Non-cash movement	Closing balance 31st March, 2023
Borrowings (Refer Note 13)	22,215.00	(13,715.00)	(12.83)	8,487.17
Lease liabilities (Refer Note 14)	1,787.63	(883.40)	870.90	1,570.73

In addition to the above, there are no non-cash movements for liabilities arising from financing activities except interest accrued.

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes 1 to 48 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole

Partner
Membership No. 105149

Place: Mumbai
Date: 22nd April, 2024

For and on behalf of Board of Directors of Unilever India Exports Limited

CIN: U51900MH1963PLC012667

Shilpa Kedia

Director
DIN No. 10508350

Place: Mumbai
Date: 22nd April, 2024

Ravishankar A.

Director
DIN No. 09136289

Place: Mumbai
Date: 22nd April, 2024

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 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.

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND MATERIAL 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.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated 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.

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian Rupee (₹), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Statement of Profit and Loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the Statement of Profit and Loss. The expenses in Statement of Profit and Loss are net of reimbursements (individually not material) received from Group Companies.

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

The financial statements of the Company for the year ended 31st March, 2024 were approved for issue

(All amounts in ₹ lakhs, unless otherwise stated)

in accordance with the resolution of the Board of Directors on 22nd April, 2024.

(b) Basis of measurement

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

The accounting policies adopted are the same as those which were applied for the previous financial year.

2.2 Key Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. 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. Revision 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 30;
- (b) Measurement and likelihood of occurrence of provisions and contingencies – Notes 17 and 19;
- (c) Measurement of Right-of-Use Assets (ROUA) and Lease liabilities - Note 3 and 14, respectively”

2.3 New Standards, Interpretations and amendments adopted by The Company

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2.4 Material Accounting Policies

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

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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

Property, plant and equipment	As at 31st March, 2024	As at 31st March, 2023
Owned Assets	10,913.42	10,872.61
Leased Assets (Right-of-Use Assets)	738.20	964.24
Total	11,651.62	11,836.85
Total Capital work-in-progress	858.18	319.20

A Owned Assets

Property, plant and equipment, other than freehold land, 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. Freehold land is carried at historical cost less any accumulated impairment losses and is not depreciated.

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

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

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

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

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

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

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

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

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

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

(All amounts in ₹ lakhs, unless otherwise stated)

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
Gross Block								
Opening balance as at 1st April, 2022	59.39	2,427.83	8,515.53	103.55	193.82	5.65	66.71	11,372.48
Additions through business combination (Refer note 39)	10.82	56.83	43.31	7.04	0.96	-	-	118.96
Additions	-	411.49	4,209.55	52.38	51.77	-	39.52	4,764.71
Disposals	-	(68.57)	(0.00)	0.00	(0.00)	(0.00)	-	(68.57)
Opening balance as at 1st April, 2023	70.21	2,827.58	12,768.39	162.97	246.55	5.65	106.23	16,187.58
Additions	-	58.36	1,621.10	-	2.79	9.41	-	1,691.66
Disposals	-	(2.76)	(388.75)	(37.34)	(110.03)	(5.65)	-	(544.53)
Balance as at 31st March, 2024	70.21	2,883.18	14,000.74	125.63	139.31	9.41	106.23	17,334.71
Accumulated Depreciation								
Opening balance as at 1st April, 2022	-	507.92	3,380.50	7.79	111.38	4.47	1.86	4,013.92
Additions through business combination (Refer note 39)	-	19.95	43.31	7.04	0.96	-	-	71.26
Additions	-	106.97	1,116.16	21.17	43.81	1.18	9.07	1,298.36
Disposals	-	(68.57)	(0.00)	(0.00)	(0.00)	(0.00)	-	(68.57)
Opening balance as at 1st April, 2023	-	566.27	4,539.97	36.00	156.15	5.65	10.93	5,314.97
Additions	-	109.53	1,444.92	16.46	28.77	1.72	10.12	1,611.52
Disposals	-	(2.65)	(351.71)	(35.19)	(110.00)	(5.65)	-	(505.20)
Balance as at 31st March, 2024	-	673.15	5,633.18	17.27	74.92	1.72	21.05	6,421.29
Net Block								
Balance as at 31st March, 2023	70.21	2,261.31	8,228.42	126.97	90.40	-	95.30	10,872.61
Balance as at 31st March, 2024	70.21	2,210.03	8,367.56	108.36	64.39	7.69	85.18	10,913.42

Notes:

- (a) The Company has not revalued any of its property, plant and equipment
- (b) The title deeds of certain freehold land and building are in the process of perfection of title. Details of such freehold land and buildings are as follows:

Details as on 31st March, 2024

Relevant line item in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of company
Property, plant and equipment	Freehold land	2.26	Tata Vashisti Detergents Limited	No	27th August, 2007	Pending application
Property, plant and equipment	Freehold Building	62.48	Tata Vashisti Detergents Limited	No	7th January, 1999	Pending application
		64.74				

Details as on 31st March, 2023

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Relevant line item in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of company
Property, plant and equipment	Freehold land	2.26	Tata Vashisti Detergents Limited	No	27th August, 2007	Pending application
Property, plant and equipment	Freehold Building	62.48	Tata Vashisti Detergents Limited	No	7th January, 1999	Pending application
		64.74				

B Leased Assets (Right-of-Use Assets)

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant and Equipment and Vehicles. 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:

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

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

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

	Land	Buildings	Plant and Equipment	Vehicles	Total
Gross Block					
Opening balance as at 1st April, 2022	932.95	678.24	112.81	320.31	2,044.31
Additions	-	356.67	153.49	114.99	625.15
Deletions	-	(358.92)	(127.67)	(199.91)	(686.50)
Opening balance as at 1st April, 2023	932.95	675.99	138.63	235.39	1,982.96
Additions	-	300.45	73.50	138.00	511.95
Deletions	-	(480.80)	(100.97)	(120.18)	(701.95)
Balance as at 31st March, 2024	932.95	495.64	111.16	253.21	1,792.96
Accumulated Depreciation					
Opening balance as at 1st April, 2022	387.00	203.77	95.43	91.15	777.35
Additions	72.64	477.38	118.25	153.06	821.33
Deletions	-	(324.77)	(127.67)	(127.52)	(579.96)
Opening balance as at 1st April, 2023	459.64	356.38	86.01	116.69	1,018.72
Additions	72.59	404.87	80.88	159.58	717.92
Deletions	-	(471.98)	(89.73)	(120.17)	(681.88)
Balance as at 31st March, 2024	532.23	289.27	77.16	156.10	1,054.76
Net Block					
Balance as at 31st March, 2023	473.31	319.61	52.62	118.70	964.24
Balance as at 31st March, 2024	400.72	206.37	34.00	97.11	738.20

Notes:

(All amounts in ₹ lakhs, unless otherwise stated)

- (a) The Company incurred ₹ 17.48 lakhs for the year ended 31st March, 2024 (31st March, 2023: ₹ 8.35 lakhs) towards expenses relating to leases of low-value assets. The total cash outflow for leases is ₹ 883.17 lakhs for the year ended 31st March, 2024 (31st March, 2023: ₹ 891.75 lakhs) including cash outflow for leases of low-value assets. Interest on lease liabilities is ₹ 121.15 lakhs for the year ended 31st March, 2024 (31st March, 2023: ₹ 142.54 lakhs).
- (b) The Company's leases mainly comprise land, buildings, plant and equipment and vehicles. The Company leases land and buildings for manufacturing and warehouse facilities.
- (c) The title deeds of certain leasehold land and building are in the process of perfection of title. Details of such leasehold land and buildings are as follows:

Details as on 31st March, 2024

Relevant line item in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of company
Property, plant and equipment	Leasehold land	235.56	Ind Export Pvt Ltd	No	29th December, 2003	Pending application
		235.56				

Details as on 31st March, 2023

Relevant line item in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of company
Property, plant and equipment	Leasehold land	235.56	Ind Export Pvt Ltd	No	29th December, 2003	Pending application
		235.56				

(d) Lease Commitments & Lease liabilities : Refer note 20(i) and Note 14, respectively.

(e) The Company has not revalued any of its Right-of-Use Assets.

C Capital Work-In-Progress

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

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

The movement in capital work-in-progress is as follows:

	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	319.20	3,498.38
Add: Additions	2,230.64	1,585.53
Less: Capitalisations	(1,691.66)	(4,764.71)
Balance as at end of the year	858.18	319.20

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing of Capital work-in-progress as at 31st March, 2024

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	858.18	-	-	-	858.18
Projects temporarily suspended	-	-	-	-	-
Total	858.18	-	-	-	858.18

	Amount
Projects which have exceeded their original timeline	335.78
Projects which have exceeded their original budget	-

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2024

	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Under Progress (A)	335.78	-	-	-	335.78
Others*	335.78	-	-	-	335.78
Temporarily Suspended (B)	-	-	-	-	-
Total (A+B)	335.78	-	-	-	335.78

*Others comprise of various projects with immaterial values.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2024

There are no projects which have exceeded their original budget as at 31st March, 2024.

Ageing of Capital work-in-progress as at 31st March, 2023

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	319.20	-	-	-	319.20
Projects temporarily suspended	-	-	-	-	-
Total	319.20	-	-	-	319.20

	Amount
Projects which have exceeded their original timeline	3.09
Projects which have exceeded their original budget	-

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2023

	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Under Progress (A)	3.09	-	-	-	3.09
Others*	3.09	-	-	-	3.09
Temporarily Suspended (B)	-	-	-	-	-
Total (A+B)	3.09	-	-	-	3.09

*Others comprise of various projects with immaterial values.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2023

There are no projects which have exceeded their original budget as at 31st March, 2023.

For contractual commitment with respect to property, plant and equipment refer Note 20(ii).

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 4 INVESTMENTS**4A Investment In Associate**

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

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Unquoted		
Hindustan Unilever Foundation - 2,400 equity shares (31st March, 2024: 2,400 equity shares) of ₹ 10 each fully paid	0.24	0.24
Total	0.24	0.24
Aggregate amount of unquoted investments	0.24	0.24

4B Investments

Refer Note 35 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Equity Investments		
Unquoted		
Fair Value through other comprehensive income		
Unquoted		
900 equity shares [31st March, 2023 : Nil] of ₹ 10 each held in Transition Sustainable Energy Services One Private Limited*	0.09	-
Total	0.09	-
Aggregate amount of unquoted investments	0.09	-

Refer Note 35 and 36 for information about fair value measurement, credit risk and market risk of financial instruments.

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

*The Company invested in equity instruments of Transition Sustainable Energy Services One Private Limited. It is a Special Purpose Vehicle formed under the Government's Group Captive Open Access Renewable Energy Scheme. It aims to generate renewable energy by setting up solar energy park in Rajasthan. This investment is a strategic partnership with the Brookfield Group and will contribute towards achieving Net zero goals by increasing green energy consumption in our units.

As per the Shareholders Agreement, the Company does not have power to participate in the financial and operating policy decisions of the Company and hence does not exercise significant influence.

Information About Associate

Name of the Company	Country of Incorporation	Principal activities	% Holding as at 31st March, 2024	%Holding as at 31st March, 2023
Hindustan Unilever Foundation	India	Not-for-profit Company in the field of community development initiatives	24	24

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 5 LOANS

(Unsecured considered good, unless otherwise stated)

Refer Note 35 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Loan to employees	261.97	279.81
Total (A)	261.97	279.81
CURRENT		
Loan to employees	34.98	37.51
Total (B)	34.98	37.51
Total (A+B)	296.95	317.32
Sub-classification of Loans:		
Loan Receivables considered good- Unsecured	296.95	317.32
Balance as at the end of the year	296.95	317.32

Refer Note 35 and 36 for information about fair value measurement, credit risk and market risk of financial instruments

- In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10/03/2015, 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.
- There are no loans or advances in the nature of loans granted to promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
 - repayable on demand; or
 - without specifying any terms or period of repayment
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 6 OTHER NON-CURRENT ASSETS

(Unsecured unless otherwise stated)

	As at 31st March, 2024	As at 31st March, 2023
Capital advances	-	12.15
Security deposits with customs, port trust, excise and other government authorities	245.12	280.34
Total	245.12	292.49

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

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 7 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. The comparison of cost and net realisable value is made on an item-by-item 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, appropriate share of fixed production overheads and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

	As at 31st March, 2024	As at 31st March, 2023
Raw materials	2,346.88	4,317.84
Packing materials	1,884.40	1,669.29
Work-in-progress	737.81	490.37
Finished goods [includes in transit: Nil (31st March, 2023: ₹ 2,537.37 lakhs)] (Refer note (a) below)	2,756.39	4,672.34
Stores and spares	509.19	397.39
Total	8,234.67	11,547.23

(a) Finished goods includes good purchased for re-sale, as both are stocked together.

(b) During FY 2023-24 an amount of ₹ 905.30 lakhs (31st March, 2023: ₹ 474.37 lakhs) was charged to the Statement of Profit and Loss on account of damage and slow moving inventory.

NOTE 8 TRADE RECEIVABLES**(Unsecured unless otherwise stated)**

Refer Note 35 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured	25,477.85	28,922.07
Less: Allowance for expected credit loss (Refer (a) below)	(107.77)	(1,002.30)
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Less: Allowance for credit impairment (Refer (a) below)	-	-
Balance as at the end of the year	25,370.08	27,919.77
(a) The movement in allowance for credit impairment and expected credit loss is as follows:		
Balance as at beginning of the year	1,002.30	209.44
Add: Change in allowance for expected credit loss during the year	(894.53)	792.86
Balance as at the end of the year	107.77	1,002.30

Refer Note 36 for information about credit risk and market risk of financial instruments

Refer Note 38 for information about receivables from Related party

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2024 is as follows:

	Unbilled/ Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables - Considered good	20,622.49	4,659.82	-	195.54	-	-	25,477.85
Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
	20,622.49	4,659.82	-	195.54	-	-	25,477.85
Less: Allowance for expected credit loss*							(107.77)
Total							25,370.08

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2023 is as follows:

	Unbilled/ Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables - Considered good	22,091.35	5,476.10	771.29	583.33	-	-	28,922.07
Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
	22,091.35	5,476.10	771.29	583.33	-	-	28,922.07
Less: Allowance for expected credit loss*							(1,002.30)
Total							27,919.77

*The allowance for expected credit loss is calculated by applying provision rates on gross trade receivables at respective ageing bracket, post adjustments for offsetting rebates, amounts payable to customers, tax deducted at source and similar adjustments if any. The provision matrix is prepared based on historically observed default rates for diverse set of customers over the expected life of trade receivables.

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 9 CASH AND CASH EQUIVALENTS

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

	As at 31st March, 2024	As at 31st March, 2023
Balances with banks		
In current accounts	646.87	996.74
Term deposits with original maturity of less than three months	1,200.41	500.17
Others		
Investment in overnight mutual funds	1,696.64	912.16
Total	3,543.92	2,409.07

NOTE 10 OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

Refer Note 35 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
NON CURRENT		
Duty drawback receivable	404.31	403.61
Security deposits	225.46	239.75
Less: Allowance for credit impairment (Refer (a) below)	(189.87)	(189.87)
Total (A)	439.90	453.49
CURRENT		
Investments in term deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	1.57	1.57
Fair value of derivatives	567.37	407.84
Duty drawback receivable	415.90	475.29
GST refund receivable	2,822.48	2,225.50
Other receivables	261.65	131.49
Total (B)	4,068.97	3,241.69
Total (A+B)	4,508.87	3,695.18
Other financial assets considered good- Unsecured	4,508.87	3,695.18
Other financial assets- credit impaired	189.87	189.87
Less: Allowance for credit impairment (Refer (a) below)	(189.87)	(189.87)
Balance as at the end of the year	4,508.87	3,695.18
(a) The movement in allowance for credit impairment is as follows:		
Balance as at beginning of the year	189.87	189.87
Add: Allowance for credit impairment during the year	-	-
Balance as at the end of the year	189.87	189.87

Refer Note 35 and 36 for information about fair value measurement, credit risk and market risk of financial instruments

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 11 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2024	As at 31st March, 2023
Balances with Government authorities (GST, VAT, CENVAT, etc.)	4,762.94	4,064.65
Less: Provision for doubtful receivables (Refer (a) below)	(68.08)	(68.08)
Export benefits receivable	58.08	1,083.79
Less: Provision for doubtful exports benefits receivable (Refer (a) below)	(6.08)	(6.08)
Other advances (includes advances for materials, prepaid expenses etc.)	440.14	339.38
	5,187.00	5,413.66
(a) The movement in provision for doubtful receivables is as follows:		
Balance as at beginning of the year	74.16	302.36
Add: Provision for doubtful exports benefits receivable	-	44.78
Less: Reversal of provision for doubtful receivables during the year	-	(272.98)
Balance as at the end of the year	74.16	74.16

The Company has not given any advances to Directors or other Officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any Director is a Partner or a Director or a Member.

NOTE 12A EQUITY SHARE CAPITAL

	As at 31st March, 2024	As at 31st March, 2023
Authorised		
30,00,000 (31st March, 2023: 30,00,000) equity shares of ₹10 each	300.00	300.00
Issued, subscribed and fully paid up		
29,75,002 (31st March, 2023: 29,75,000) equity shares of ₹ 10 each	297.50	297.50
	297.50	297.50

a) Reconciliation of the number of shares

Equity Shares:	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
Balance as at the beginning of the year	29,75,000	2,97,50,000	29,75,000	2,97,50,000
Add : Shares issued during the year (on account of merger) (Refer Note 39)	2	20	-	-
Balance as at the end of the year	29,75,002	2,97,50,020	29,75,000	2,97,50,000

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. 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 alongwith its subsidiaries and nominees of Holding Company in aggregate

	As at 31st March, 2024	As at 31st March, 2023
Equity Shares of ₹10 each:		
29,75,002 (31st March, 2023: 29,75,000) shares are held by the Holding Company, Hindustan Unilever Limited alongwith its subsidiaries and nominees	297.50	297.50

(All amounts in ₹ lakhs, unless otherwise stated)

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

	As at 31st March, 2024	As at 31st March, 2023
Equity Shares held by the Holding Company, Hindustan Unilever Limited alongwith its subsidiaries and nominees		
Number of Shares held	29,75,002	29,75,000
% of Holding	100%	100%

e) Details of shareholdings by the Promoters of the Company

Sr. No.	Promoter Name	As at 31st March, 2024		As at 31st March, 2023		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited alongwith its subsidiaries and nominees	29,75,002	100%	29,75,000	100%	0.00%
Total		29,75,002	100%	29,75,000	100%	0.00%

Sr. No.	Promoter Name	As at 31st March, 2023		As at 31st March, 2022		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited alongwith its subsidiaries and nominees	29,75,000	100%	29,75,000	100%	-
Total		29,75,000	100%	29,75,000	100%	-

f) Aggregate value of Issued, Subscribed and Paid-up Share Capital as on the Balance Sheet date for the period of preceding five years includes:

- i. Two Equity shares (31st March, 2023: Nil) of ₹ 10 each allotted to Hindustan Unilever Limited ("HUL") as fully paid-up, pursuant to merger of Ponds Export Limited ("PEL") and Jamnagar Properties Private Limited ("JPPL") with Unilever India Exports Limited ("UIEL") without payment being received in cash (Refer Note 39).

NOTE 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.

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	787.79	1.23
Additions on account of business combination (Refer Note 39)	-	87.56
Impact on account of business combination (Refer Note 39)	-	699.00
Less: Utilisation during the year	-	-
Balance at the end of the year	787.79	787.79

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

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	6,965.70	6,965.70
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	6,965.70	6,965.70

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	4.45	4.45
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	4.45	4.45

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

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	5,463.16	5,459.45
Additions on account of business combination (Refer Note 39)	-	3.71
Less: Utilisation during the year	-	-
Balance at the end of the year	5,463.16	5,463.16

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

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	17,859.82	13,462.73
Additions on account of business combination (Refer Note 39)	-	(1,424.23)
Add: Profit for the year	8,017.22	11,830.82
Less: Dividend paid during the year	(10,025.75)	(6,009.50)
Balance at the end of the year	15,851.29	17,859.82

B. Other Equity

	Reserves and Surplus					Total
	Capital Reserve	Securities Premium	Export Profit Reserve	General Reserve	Retained Earnings	
Opening balance as at 1st April, 2022	1.23	6,965.70	4.45	5,459.45	13,462.73	25,893.56
Additions on account of business combination (Refer Note 39)	87.56	-	-	3.71	(1,424.23)	(1,332.96)
Impact on account of business combination (Refer Note 39)	699.00	-	-	-	-	699.00
Restated balance as at 1st April, 2022	787.79	6,965.70	4.45	5,463.16	12,038.50	25,259.60
Profit for the year	-	-	-	-	11,830.82	11,830.82
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	11,830.82	11,830.82
Dividend on equity shares for the year (Note 32)	-	-	-	-	(6,009.50)	(6,009.50)
Restated balance as at 31st March, 2023	787.79	6,965.70	4.45	5,463.16	17,859.82	31,080.92
Profit for the year	-	-	-	-	8,017.22	8,017.22
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	8,017.22	8,017.22
Dividend on equity shares for the year (Note 32)	-	-	-	-	(10,025.75)	(10,025.75)
As at 31st March, 2024	787.79	6,965.70	4.45	5,463.16	15,851.29	29,072.39

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 13 BORROWINGS**(Unsecured unless otherwise stated)**

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

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

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Loans from Related party		
Intercompany deposits (Refer Note 1 and 2 below)	10,700.00	-
Total (A)	10,700.00	-
CURRENT		
Loan from banks under Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit (Refer Note 3 and 4 below)	-	8,487.17
Total (B)	-	8,487.17
Total (A+B)	10,700.00	8,487.17

Refer Note 36 for information about liquidity risk and market risk of financial instruments

Notes:

1. Inter corporate deposits are long-term borrowings from Hindustan Unilever Limited, the Holding Company.
2. This loan is being used for working capital requirement. It is repayable over a period of 5 years and carries a range of interest rate between 7.27% - 7.51% p.a. in FY 2023-24 (FY 2022-23: 6.42% - 7.50% p.a.).
3. Unsecured loan taken from banks for Interest Equalisation on Pre and Post Shipment Rupee Export Credit loan is utilised for working capital requirement. This loan was fully repaid during the year.
4. This loan carried a range of interest rate between 4.97% - 5.40% p.a. in FY 2023-24 (FY 2022-23: 4.14% - 4.97% p.a.). Refer note 18 for deferred interest assistance.

NOTE 14 LEASE LIABILITIES

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

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

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Lease liability	852.58	1,065.44
Total (A)	852.58	1,065.44
CURRENT		
Lease liability	429.92	505.29
Total (B)	429.92	505.29
Total (A+B)	1,282.50	1,570.73

The incremental borrowing rate applied to lease liabilities is in the range of 7.63% p.a. to 7.85% p.a. (FY 2022-23: 6.43% p.a. to 7.78% p.a.) based on the lease term.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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

	As at 31st March, 2024	As at 31st March, 2023
Balance as at beginning of the year	1,570.73	1,787.63
Add: Addition	511.96	626.16
Add: Accretion of interest	121.15	142.54
Less: Payments	(865.69)	(883.40)
Less: Others (including foreclosure)	(55.65)	(102.20)
Closing at the end of the year	1,282.50	1,570.73

Maturity analysis of lease liabilities

	As at 31st March, 2024	As at 31st March, 2023
Less than one year	527.82	505.29
One to two years	255.63	395.72
Two to five years	766.37	926.47
More than five years	-	346.02
Undiscounted Lease liabilities (A)	1,549.82	2,173.50
Less: Financial component (B)	(267.32)	(324.65)
Closing Balance of Lease liabilities (A-B)	1,282.50	1,848.85

NOTE 15 OTHER FINANCIAL LIABILITIES

Refer Note 35 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Security deposits	63.27	52.33
Employee and ex-employee related liabilities	1,258.02	1,599.56
Total (A)	1,321.29	1,651.89
CURRENT		
Salaries, wages, bonus and other employee payables	1,043.69	956.43
Fair value of Derivatives	214.35	171.07
Interest accrued but not due on borrowings	221.62	110.56
Creditors for capital goods	217.99	230.81
Total (B)	1,697.65	1,468.87
Total (A+B)	3,018.94	3,120.76

Refer Note 36 for information about liquidity risk and market risk of financial instruments

NOTE 16 TRADE PAYABLES

Refer Note 35 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer Note (a) below)	577.18	214.95
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,967.73	18,164.52
Total	15,544.91	18,379.47

Refer Note 36 for information of liquidity risk and market risk of financial instruments

(All amounts in ₹ lakhs, unless otherwise stated)

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

	As at 31st March, 2024	As at 31st March, 2023
a(i) Principal amount remaining unpaid	577.18	214.95
a(ii) Interest due thereon remaining unpaid	-	-
b. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	0.40	0.76
c. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d. Interest accrued and remaining unpaid	-	-
e. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Note: Identification of micro and small enterprises is basis intimation received from vendors**Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2024 is as follows:**

	Unbilled/ Not due [#]	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	569.34	7.84	-	-	-	577.18
Undisputed dues of creditors other than micro enterprises and small enterprises	13,817.44	1,046.11	53.55	50.63	-	14,967.73
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	14,386.78	1,053.95	53.55	50.63	-	15,544.91

[#]Includes unbilled payables of ₹ 5,063.91 lakhs.**Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023 is as follows:**

	Unbilled/ Not due [#]	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	211.68	3.27	-	-	-	214.95
Undisputed dues of creditors other than micro enterprises and small enterprises	15,583.39	2,513.34	67.79	-	-	18,164.52
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	15,795.07	2,516.61	67.79	-	-	18,379.47

[#]Includes unbilled payables of ₹ 3,135.14 lakhs.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 17 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

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

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Other provisions (including sales tax, excise and legal matters etc.) [Refer note (a) below]	2,202.12	2,591.26
Total (A)	2,202.12	2,591.26
CURRENT		
Provision for indirect tax matters [Refer note (a) below]	17.00	42.91
Total (B)	17.00	42.91
Total (A+B)	2,219.12	2,634.17

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

	Indirect taxes	Legal and others	Total
Opening balance as at 1st April, 2022	656.64	873.00	1,529.64
Additions on account of business combination (Refer Note 39)	467.22	671.16	1,138.38
Restated balance as at 1st April, 2022	1,123.86	1,544.16	2,668.02
Add: Provision during the year	-	47.94	47.94
Less: Amount reversed/utilised during the year	(46.85)	(34.94)	(81.79)
Opening balance as at 1st April, 2023	1,077.01	1,557.16	2,634.17
Add: Provision during the year	17.00	42.02	59.02
Less: Amount reversed/utilised during the year	(377.25)	(96.82)	(474.07)
Balance as at 31st March, 2024	716.76	1,502.36	2,219.12

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 practical 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.

NOTE 18 OTHER CURRENT LIABILITIES

	As at 31st March, 2024	As at 31st March, 2023
Deferred interest assistance	-	12.83
Statutory dues (including provident fund, tax deducted at source and others)	706.23	548.53
Consideration payable on account of business combination*	-	0.00
Other payables	-	2.30
Total	706.23	563.66

*Represents value of shares to be issued to shareholders of PEL and JPPL on account of merger with UIEL (Refer note 39).

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 19 CONTINGENT LIABILITIES

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

	As at 31st March, 2024	As at 31st March, 2023
Claims against the Company not acknowledged as debts		
Income tax matters	43,663.13	43,143.51
Indirect tax and other matters	854.43	440.51
Total	44,517.55	43,584.02

- (i) It is not practical 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.

NOTE 20 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 variable leases.

	As at 31st March, 2024	As at 31st March, 2023
Not later than one year	10.03	8.35
Later than one year and not later than five years	-	18.51
Later than five years	-	-
Total	10.03	26.86

(ii) Capital commitments

	As at 31st March, 2024	As at 31st March, 2023
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	754.97	1,068.16
Total	754.97	1,068.16

NOTE 21 REVENUE FROM OPERATIONS**Sale of products:**

As per Ind AS 115 - 'Revenue from contracts with customers', 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 terms with customers. The performance obligation in the contracts are typically satisfied at the time of issue of Onboard Bill of Lading. In case 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 on the basis of transaction price, which is the consideration, adjusted for scheme allowances, rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Historical 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.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Income from export incentives:

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

Income from services rendered:

Income from services rendered is recognised based on agreements/arrangements with the customers as and when the service is performed.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Sale of products [Refer note (a) below]	1,16,986.96	1,26,779.77
Other operating revenue [Refer note (b) below]		
Income from services rendered to group companies	2,861.44	2,381.57
Export incentives	722.16	950.54
Scrap sales	833.95	391.46
Total	1,21,404.51	1,30,503.34

(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, 2024	Year ended 31st March, 2023
Contract price	1,20,518.33	1,28,063.80
Less: Trade discounts and promotions, scheme allowances, etc.	(3,531.37)	(1,284.03)
Sale of products	1,16,986.96	1,26,779.77

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

(c) The Company does not have any contract assets as at 31st March, 2024 (31st March, 2023: Nil)

(d) The Company does not have any contract liabilities as at 31st March, 2024 (31st March, 2023: Nil)

NOTE 22 OTHER INCOME

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

Refer Note 35 on financial instruments for policy on measurement at fair value through profit and loss.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest income		
From bank deposits	8.68	8.89
From others (including Interest on Income tax refund)	-	0.50
Other non-operating income		
Fair value gain on investments measured at fair value through profit or loss*	81.76	105.78
Liabilities/Provisions written back to the extent no longer required	1,219.80	-
Other miscellaneous income (includes rent, etc.)	1.63	-
Total	1,311.86	115.17

*Includes realised gain on sale of investment of ₹ 80.51 lakhs (31st March, 2023 : ₹ 106.02 lakhs)

NOTE 23 COST OF MATERIALS CONSUMED

Refer note 7 for accounting policy on inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Raw materials consumed	17,627.79	24,632.49
Packing materials consumed	9,327.75	10,662.81
Total	26,955.54	35,295.30

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 24 PURCHASES OF STOCK-IN-TRADE

Refer note 7 for accounting policy on inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Purchases of stock-in-trade	60,211.60	56,889.52
	60,211.60	56,889.52

NOTE 25 CHANGES IN INVENTORIES OF FINISHED GOODS (INCLUDING STOCK-IN-TRADE) AND WORK-IN-PROGRESS

Refer note 7 for accounting policy on inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening inventories		
Finished goods	4,672.34	3,967.32
Work-in-progress	490.37	677.81
Closing inventories		
Finished goods	(2,756.39)	(4,672.34)
Work-in-progress	(737.81)	(490.37)
Total	1,668.51	(517.58)

NOTE 26 EMPLOYEE BENEFITS EXPENSE**Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and performance incentives, are charged to Statement of Profit and Loss on an undiscounted, accrual basis during the period of service rendered by the employees in the financial year.

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 Unilever India Export Limited (collectively referred to as "the Group"). The Group's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at Balance Sheet date, made by independent actuaries.

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

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Other Long term benefits

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement.

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.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Salaries, wages, bonus etc.	4,783.95	4,397.53
Contribution to provident funds and other funds (Refer Note 33)	363.91	340.68
Workmen and staff welfare expenses	320.43	341.89
Total	5,468.29	5,080.10

NOTE 27 FINANCE COSTS

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest expense on Loan from banks under Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit*	268.74	288.24
Interest expense on Intercompany deposits	561.43	833.73
Interest expense on bank overdraft	0.16	5.46
Interest expense on lease liabilities	121.15	142.54
Unwinding of discount on employee and ex-employee related liabilities	110.62	84.42
Others (Including interest on taxes)	47.89	4.08
Total	1,109.99	1,358.47

*Grant received in the form of interest subsidy amounting to ₹ 98.07 lakhs (31st March, 2023: ₹ 122.80 lakhs) are netted off from the finance cost.

NOTE 28 DEPRECIATION EXPENSES

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Depreciation on property, plant and equipment (owned assets)	1,611.52	1,298.36
Depreciation on property, plant and equipment (leased assets)	717.92	821.33
Total	2,329.44	2,119.69

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 29 OTHER EXPENSES

	Year ended 31st March, 2024	Year ended 31st March, 2023
Advertising and sales promotion	1,045.20	807.48
Carriage and freight	5,016.84	4,967.89
Consumption of stores & spares	146.50	219.70
Corporate social responsibility expense [Refer note (a) below]	359.00	325.88
Expenses for services rendered	1,749.41	1,044.31
Expenses for use of common facilities	1,088.87	1,230.82
Power, fuel, light and water	1,153.74	1,531.13
Processing charges	309.42	287.91
Repairs and maintenance		
- Building	1.19	3.94
- Plant and machinery	521.81	445.87
Allowance for expected credit loss	-	792.86
Royalty		
- Technology	142.43	558.19
- Brand	86.15	10.86
Fees for central services	366.01	263.52
Payment to Auditors' for:		
- Audit fees	26.36	25.20
- Tax audit fees	3.14	3.00
Travelling and motor car expenses	490.18	327.91
Miscellaneous expenses (Includes (a) below)	1,764.85	1,787.14
Total	14,271.10	14,633.61

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

I. There was no unspent CSR in FY 2023-24 and FY 2022-23.

	Year ended 31st March, 2024	Year ended 31st March, 2023
II. Amount required to be spent by the Company during the year	356.97	325.88
III. Amount spent during the year on:		
i) Construction/ acquisition of any asset	-	-
ii) For purposes other than (i) above	359.00	325.88
IV. Shortfall at the end of the year	-	-
V. Total of previous years shortfall	-	-
VI. Reason for shortfall	Not Applicable	Not Applicable

VII. Nature of CSR activities include social, economic and environmental issues such as water harvesting and water conservation projects undertaken by Hindustan Unilever Foundation.

VIII. Above includes a contribution of ₹ 359 lakhs (2022-23: ₹ 325.88 lakhs) to a fellow subsidiary Hindustan Unilever Foundation which is a Section 8 registered Company under Companies Act, 2013.

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

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

NOTE 30 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.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to appropriate.

The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

A. Components of Income Tax Expense

	As at 31st March, 2024	As at 31st March, 2023
I. Tax expense recognised in Profit and Loss		
Current tax		
Current year	2,483.84	4,207.52
Adjustments related to previous years - (net)	(22.04)	(137.99)
Total (A)	2,461.80	4,069.53
Deferred tax charge/(credit)		
Origination and reversal of temporary differences	222.88	(140.95)
Total (B)	222.88	(140.95)
Total (A+B)	2,684.68	3,928.58
II. Tax expense recognised in Other Comprehensive Income	-	-
Total	-	-
III. Tax expense recognised in Equity	-	-
Total	-	-

B. Reconciliation of Effective Tax Rate

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

	Year ended 31st March, 2024		Year ended 31st March, 2023	
	%	Amount	%	Amount
Profit Before Tax		10,701.90		15,759.40
Statutory income tax rate applicable for the year	25.17%	2,693.45	25.17%	3,966.32
Differences due to:				
Expenses not deductible for tax purposes	0.85%	90.70	0.51%	80.13
Losses not set off - PEL (FY 22-23)			0.13%	20.12
Temporary differences on which DTA was not created in PEL prior to merger, non -taxable in UIEL	-0.72%	(77.43)	-	-
Others (including prior period tax adjustment)	-0.21%	(22.04)	-0.88%	(137.99)
Effective tax rate	25.09%	2,684.68	24.94%	3,928.58

(All amounts in ₹ lakhs, unless otherwise stated)

C. Movement in Deferred Tax Assets and Liabilities

Movements during the year ended 31st March, 2024	As at 31st March, 2023	Credit/(charge) in Profit and Loss	Credit/(Charge) in Other Comprehensive Income	As at 31st March, 2024
Deferred tax assets/ (liabilities)				
Provision for post retirement benefits and other employee benefits	(44.10)	27.84	-	(16.26)
Provision for doubtful debts and advances	317.12	(225.13)	-	91.99
Expenses allowable for tax purposes when paid	226.55	(21.36)	-	205.19
Property, Plant and Equipment	(163.42)	4.39	-	(159.03)
Impact of Right-of-Use Assets and Lease Liabilities	149.16	(15.64)	-	133.52
Other temporary differences	84.65	7.02	-	91.67
Total	569.96	(222.88)	-	347.08

Movements during the year ended 31st March, 2023	As at 31st March, 2022	Credit/(charge) in Profit and Loss	Credit/(Charge) in Other Comprehensive Income	As at 31st March, 2023
Deferred tax assets/ (liabilities)				
Provision for post retirement benefits and other employee benefits	(65.35)	21.25	-	(44.10)
Provision for doubtful debts and advances	185.02	132.10	-	317.12
Expenses allowable for tax purposes when paid	231.93	(5.38)	-	226.55
Property Plant and Equipment	(109.71)	(53.71)	-	(163.42)
Impact of Right-of-Use Assets and Lease Liabilities	127.45	21.71	-	149.16
Other temporary differences	59.67	24.98	-	84.65
Total	429.01	140.95	-	569.96

D. Tax Assets and Liabilities

	As at 31st March, 2024	As at 31st March, 2023
Non-current tax assets (net of tax provisions)	2,611.45	1,827.09
Non-current tax liabilities (net of tax assets)	13.68	13.68

E. Disclosure in Relation to undisclosed Income

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

NOTE 31 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.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Earnings Per Share has been computed as under:		
Profit for the year (A)	8,017.22	11,830.82
Weighted average number of equity shares outstanding during the year (B)	29,75,002	29,75,000
Weighted average number of equity shares (including dilutive shares) outstanding during the year (C)	29,75,002	29,75,002
Earnings Per Share (₹) - Basic (Face value of ₹1 per share) (A/B)	269.49	397.67
Earnings Per Share (₹) - Diluted (Face value of ₹1 per share) (A/C)	269.49	397.67

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 32 DIVIDEND PER SHARE ON EQUITY SHARES

	Year ended 31st March, 2024	Year ended 31st March, 2023
Dividend on equity shares declared and paid during the year		
Interim dividend of ₹ 337 per share (2022-23 - ₹ 202 per share)	10,025.75	6,009.50
	10,025.75	6,009.50
Payout Ratio	125.05%	50.80%

NOTE 33 DEFINED CONTRIBUTION PLANS

Refer Note 26 for accounting policy on Employee Benefits

The Company's defined contribution plans include:

- Provident fund and other funds
- Pension fund

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Employer's contribution to provident fund and other funds	267.08	250.13
Employer's contribution to pension funds	96.83	90.55
Total	363.91	340.68

NOTE 34 DEFINED BENEFIT PLANS

Refer Note 26 for accounting policy on Employee Benefits

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

NOTE 35 FINANCIAL INSTRUMENTS

I Financial Assets:

(a) Initial recognition and measurement

Financial assets, except for trade receivables, 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. Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate for these receivables is zero.

(b) Subsequent measurement and classification

The subsequent measurement of a financial asset depends on the classification of the asset on the basis of business model for managing such assets and the contractual cash flow characteristics of such asset. These classifications are:

- 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.

In case of financial assets which are recognised at 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.

(1) Debt Instruments:

Debt instruments are initially measured at amortised cost, FVOCI or 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.

(All amounts in ₹ lakhs, unless otherwise stated)

(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.

(2) 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.

(c) 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 or has assumed an obligation to pay the received cash flows to one or more recipient.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(d) Impairment of Financial Asset

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

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

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime expected credit loss (ECL) is measured and recognised as loss allowance. The Company computes ECL based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Financial assets classified as amortised cost (listed as ii above), subsequent to initial recognition, are assessed for evidence of impairment at end of each reporting period basis monitoring of whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

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 allowance recognised (or reversed) during the period is recognised as expense (or income) 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. A write-off constitutes a derecognition event.

II Financial Liabilities:

(a) 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.

(b) 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.

(c) 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.

(d) 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.

III Derivative Financial Instruments:

The Company uses derivative financial instruments to hedge its foreign currency and commodity risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on their use as explained below:

(i) Derivatives for which hedge accounting is not applied

Derivatives not classified as hedges are held in order to hedge certain balance sheet items and commodity exposures. No hedge accounting is applied to these derivatives, which are carried at fair value with changes being recognised in the Statement of Profit and Loss.

(All amounts in ₹ lakhs, unless otherwise stated)

A Accounting Classifications and Carrying Values

The carrying amount of financial instruments by class are as follows :

	Note	Carrying value	
		As at 31st March, 2024	As at 31st March, 2023
Financial Assets			
Financial assets measured at fair value			
Fair value of Investments through other comprehensive income	4B	0.09	-
Fair Value of derivatives	10	567.37	407.84
Financial assets measured at amortised cost			
Loans	5	296.95	317.32
Investments in term deposits	10	1.57	1.57
Duty drawback receivable	10	820.21	878.90
Security deposits	10	35.59	49.88
GST refund receivable	10	2,822.48	2,225.50
Other receivables	10	261.65	131.49
		4,805.91	4,012.50
Financial Liabilities			
Financial liabilities measured at fair value			
Fair Value of derivatives	15	214.35	171.07
Financial liabilities measured at amortised cost			
Borrowings	13	10,700.00	8,487.17
Lease liabilities	14	1,282.50	1,570.73
Security deposits	15	63.27	52.33
Other payables	15	439.61	341.37
Employee liabilities	15	2,301.71	2,555.99
		15,001.44	13,178.66

B Fair Value Hierarchy

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

The categories used are as follows:

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

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

	Level 1	Level 2	Level 3	Total
As at 31st March, 2024				
Assets at fair value				
Investments measured at Fair Value through Other Comprehensive Income	-		0.09	0.09
Investment in overnight mutual funds	1,696.64	-	-	1,696.64
Fair Value of derivatives	-	567.37	-	567.37
Liabilities at fair value				
Fair Value of derivatives	-	214.35	-	214.35

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

	Level 1	Level 2	Level 3	Total
As at 31st March, 2023				
Assets at fair value				
Investments measured at Fair Value through Other Comprehensive Income	-	-	-	-
Investment in overnight mutual funds	912.16	-	-	912.16
Fair Value of derivatives	-	407.84	-	407.84
Liabilities at fair value				
Fair Value of derivatives	-	171.07	-	171.07

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, 2023.

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 & 3 Fair Values

As at 31st March, 2024	Valuation techniques	Sensitivity of input to fair value measurement
(a) Fair Value of Derivatives	Forward pricing: 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 ₹35.30 lakhs profit in Statement of Profit and Loss. A 10% decrease in rates would have led to an equal but opposite effect.
(b) Fair Value of Investments through Other Comprehensive Income	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	A 5% increase in forecasted cash flows would have led to approximately ₹ 0.00 lakhs gain in OCI and 5% decrease would have led to an equal but opposite effect.
As at 31st March, 2023	Valuation techniques	Sensitivity of input to fair value measurement
Fair Value of Derivatives	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date.	A 10% increase in prices of open trades would have led to approximately ₹23.68 lakhs profit in Statement of Profit and Loss. A 10% decrease in rates would have led to an equal but opposite effect.

(All amounts in ₹ lakhs, unless otherwise stated)

C 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, 2024	Year ended 31st March, 2023
Financial assets measured at amortised cost			
Interest income	22	8.68	8.89
Bad debts written off	29	248.68	-
Allowance/(write back) for expected credit loss	22	(894.52)	792.85
Financial assets measured at fair value through profit or loss			
Fair value gain/(loss) on investments in mutual funds	22	81.76	105.78
Financial liabilities measured at amortised cost			
Finance costs	27	1,109.99	1,358.47
Derivatives - foreign exchange forward contracts			
Fair value gain/(loss)	29	558.25	(251.88)

NOTE 36 FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks, credit risk and other price 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, 2024 and 31st March, 2023. 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.

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.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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.

	Note	Carrying amount	Undiscounted Amount				
			Within 1 year	1-2 years	2-5 years	More than 5 years	Total
As at 31st March, 2024							
Financial Assets							
Non-derivative assets							
Investments measured at Fair Value through OCI	4B	0.09	-	-	-	0.09	0.09
Loans	5	296.95	34.98	17.18	88.82	155.97	296.95
Trade receivables	8	25,370.08	25,370.08	-	-	-	25,370.08
Investments in term deposits	10	1.57	1.57	-	-	-	1.57
Duty drawback receivable	10	820.21	415.90	-	24.05	380.26	820.21
Security deposits	10	35.59	-	35.59	-	-	35.59
GST refund receivable	10	2,822.48	2,822.48	-	-	-	2,822.48
Other receivables	10	261.65	261.65	-	-	-	261.65
Cash & cash equivalents	9	3,543.92	3,543.92	-	-	-	3,543.92
Derivative assets							
Fair Value of derivatives	10	567.37	567.37	-	-	-	567.37
		33,719.91	33,017.95	52.77	112.87	536.32	33,719.91
Financial Liabilities							
Non-derivative liabilities							
Borrowings	13	10,700.00	-	-	10,921.62	-	10,921.62
Trade payables	16	15,544.91	15,544.91	-	-	-	15,544.91
Security deposits	15	63.27	-	22.00	27.00	14.27	63.27
Lease liabilities	14	1,282.50	527.82	255.63	766.37	-	1,549.82
Employee liabilities	15	2,301.71	1,043.69	-	185.57	1,223.30	2,452.56
Derivative liabilities							
Fair Value of derivatives	15	214.35	214.35	-	-	-	214.35
		30,546.35	17,770.38	277.63	11,900.56	1,237.57	31,186.14
As at 31st March, 2023							
Financial Assets							
Non-derivative assets							
Loans	5	317.32	37.51	-	279.81	-	317.32
Trade receivables	8	27,919.77	27,919.77	-	-	-	27,919.77
Investments in term deposits	10	1.57	1.57	-	-	-	1.57
Duty drawback receivable	10	878.90	475.29	-	403.61	-	878.90
Security deposits	10	49.88	-	49.88	-	-	49.88
GST refund receivable	10	2,225.50	2,225.50	-	-	-	2,225.50
Other receivables	10	131.49	131.49	-	-	-	131.49
Cash & cash equivalents	9	2,409.07	2,409.07	-	-	-	2,409.07
Derivative assets							
Fair Value of derivatives	10	407.84	407.84	-	-	-	407.84
		34,341.34	33,608.04	49.88	683.42	0.00	34,341.34
Financial Liabilities							
Non-derivative liabilities							
Borrowings	13	8,487.17	8,500.00	-	-	-	8,500.00
Trade payables	16	18,379.47	18,379.47	-	-	-	18,379.47
Security deposits	15	52.33	-	-	-	52.33	52.33
Lease liabilities	14	1,570.73	505.29	395.72	926.47	346.02	2,173.50
Employee liabilities	15	2,555.99	956.43	452.14	421.26	1,223.30	3,053.13
Derivative liabilities							
Fair Value of derivatives	15	171.07	171.07	-	-	-	171.07
		31,558.13	28,853.63	847.86	1,347.73	1,621.65	32,670.87

(All amounts in ₹ lakhs, unless otherwise stated)

B Management of Market Risk

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

- currency risk;
- interest rate risk;
- other price risk (commodity risk)

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to, and management of, these risks is explained below.

i. Currency Risk

Potential Impact of Risk			Management Policy	Sensitivity to 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 USD, NPR, GBP and Euro etc.	A 5% strengthening of the ₹ against key currencies to which the Company is exposed (net of hedge) would have led to approximately an additional ₹28.82 lakhs gain in the Statement of Profit and Loss (2022-23: ₹79.97 lakhs loss).
As at 31st March, 2024, 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 ₹576.44 lakhs net receivable (31st March, 2023: ₹1,599.30 lakhs net 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% weakening of the ₹ against these currencies would have led to an equal but opposite effect.
Net (Receivable)/ Payable	As at 31st March, 2024	As at 31st March, 2023	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.	Amongst the key currencies, USD is a significant currency contributing to the currency risk exposure. A 5% strengthening (weakening) of the ₹ against USD would have led to approximately an additional ₹(98.81) lakhs gain/(loss) in the Statement of Profit and Loss.
EUR	(17.16)	(25.97)		
GBP	147.11	136.77		
AED	184.24	74.26		
USD	(1,970.26)	(2,219.51)		
NPR	1,064.35	428.99		
MYR	15.27	6.16		
	(576.45)	(1,599.30)		

ii. Interest Rate Risk

Potential Impact of Risk	Management Policy	Sensitivity to Risk
The Company invests in fixed deposits and has borrowings towards Interest Equalisation on Pre and Post Shipment rupee export credit loan. Considering the short-term nature, there is no significant interest rate risk pertaining to these deposits.	The Company has laid policies and guidelines including tenure of investment made to minimise impact of interest rate risk.	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

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of creditworthiness and accordingly individual credit limits are defined. Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis.

The Company computes expected credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Other financial assets

Credit risk related to the use of treasury instruments arises from transactions with financial institutions involving cash and cash equivalents, term deposits with banks, investments in treasury bills, Government securities, money market liquid mutual funds, overnight mutual funds and derivative instrument. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as at 31st March, 2024 and 31st March, 2023. To reduce this risk, the Company has concentrated its main activities with a limited number of counter-parties which have secure credit ratings. 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.

NOTE 37 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 its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The management considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

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

Refer Note 42 for information on ratios.

NOTE 38 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

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, 2024	Year ended 31st March, 2023
(i) Ultimate Holding Company		
Royalty	-	544.44
Fees for central services	-	229.06
Reimbursement of expenses (paid)	222.00	41.41
Payables as at the year end	58.05	96.03
(ii) Holding Company		
Purchase of finished goods/raw materials	59,126.21	55,933.98
Sale of finished goods/raw materials	-	20.71
Sale of export duty scripts	1,446.84	-
Sale of property, plant and equipment	23.37	-
Rent received	-	-
Enterprise & Technological Solution (ETS) cross charge	1,749.41	1,044.31
Expenses for use of common facilities	1,088.87	1,230.82
Reimbursement of expenses (paid)	432.55	385.65
Reimbursement of expenses (received)	125.86	-

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Dividend paid	10,025.75	6,009.50
Inter corporate deposit received	38,500.00	34,930.00
Inter corporate deposit repaid	27,800.00	57,145.00
Interest expense on inter corporate deposits	561.43	833.73
Outstanding as at year end-		
Borrowing		
Inter corporate deposit payable	10,700.00	-
Other current liabilities		
Interest accrued on Inter corporate deposit	221.62	110.56
Trade Receivables		
Receivables as at the year end	47.43	-
Trade Payables		
Payables as at the year end	5,571.16	10,910.87
(iii) Fellow Subsidiaries and Associate		
(a) Details of material transactions during the year		
Unilever Asia Private Limited		
Sale of finished goods/raw materials	58,009.10	65,926.74
Income from Services	2,377.06	2,381.57
Reimbursement of expenses (received)	710.21	1,106.94
Purchase of finished goods/raw materials		1,422.76
Trade Receivables		
Receivables as at the year end	15,963.11	15,835.08
Trade Payables		
Payables as at the year end	-	297.47
(b) Royalty		
Royalty expense	228.58	24.61
Fees for central services	366.01	34.46
Trade Payables		
Payables as at the year end	177.16	53.01
(c) Others		
Sale of finished goods/raw materials	36,080.29	40,344.15
Donations paid	359.00	325.88
Reimbursement of expenses by Fellow subsidiaries (paid)	30.68	1.84
Reimbursement of expenses for Fellow subsidiaries (received)	108.92	247.33
Trade Receivables		
Receivables as at the year end	4,988.13	4,114.95
Trade Payables		
Payables as at the year end	-	0.33
(iv) Employees' Benefit Plans where there is significant influence of the Holding Company		
Contributions during the year (Employer's contribution only)	159.39	133.32

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 take from Holding Company.

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

For the year ended 31st March, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2023: ₹ 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 the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 39 BUSINESS COMBINATION

Business combination under common control entities

Business combination involving companies in which all the combining companies are ultimately controlled by the same holding party, before and after the business combination, are treated as per the pooling of interest method.

The pooling of interest method involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
- The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The identity of the reserves is preserved, and they appear in the financial statements of the transferee company in the same form in which they appeared in the financial statements of the transferor company. The difference, if any, between the consideration and the amount of share capital of the transferor company is transferred to capital reserve.

Merger of Ponds Exports Limited ("PEL") and Jamnagar Properties Private Limited ("JPPL")

Pursuant to a scheme of arrangement, below entities got merged with Unilever India Exports Limited ("UIEL"), a wholly owned subsidiary of HUL w.e.f 13th February, 2024:

- Pond's Export Limited ("PEL"), a subsidiary of HUL, where HUL held 90% and UIEL held 10% of share capital; PEL was engaged in leather business and had discontinued its operations, and
- Jamnagar Properties Private Limited, a wholly owned subsidiary of HUL, which had no business activity.

The scheme of merger ("scheme") submitted by the Company was approved by Hon'ble National Company Law Tribunal by its order dated **16th January, 2024**. The Company filed the form INC-28 with Registrar of Companies, on **13th February, 2024**. Accordingly, **13th February, 2024** was considered as the effective date of merger.

The merger has been accounted for using the pooling of interest method under Ind AS 103 – Business Combinations. All identified assets acquired, and liabilities assumed on the date of merger were recorded at their carrying value. The merger has been accounted for in the books of account as if business combination had occurred from the beginning of Financial Year 2023 (i.e. **1st April, 2022**) in accordance with IND AS 103.

(A) Purchase consideration transferred:

As part of the 'Merger Order', the consideration to each equity shareholder of PEL and JPPL shall be:

- 1 equity share of the Company of ₹10 each, against 1,99,00,147 paid up equity shares of ₹1 each of PEL
- 1 equity share of the Company of ₹10 each, against 50,00,000 paid up equity shares of ₹10 each of JPPL

The amount of any difference between the consideration and the value of net identifiable assets acquired has been recognised as Capital Reserve.

(B) Details of assets acquired and liabilities assumed from merging entities as on 1st April, 2022 and as on 31st March, 2023:

Particulars	As at 1st April, 2022	As at 1st April, 2022	As at 31st March, 2023	As at 31st March, 2023
	PEL	JPPL	PEL	JPPL
ASSETS				
Non-current assets				
Property, plant and equipment	47.69	-	44.87	-
Other financial assets	19.32		19.15	
Other non-current assets	3.50		4.01	
Total - Non-current assets (A)	70.51	-	68.03	-
Current assets				
Financial assets				
Cash and cash equivalents	477.67	-	434.72	-
Other current assets	23.15	-	26.16	-
Total - Current assets (B)	500.82	-	460.88	-
Total Assets [(C) = (A)+(B)]	571.33	-	528.91	-

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at 1st April, 2022	As at 1st April, 2022	As at 31st March, 2023	As at 31st March, 2023
	PEL	JPPL	PEL	JPPL
EQUITY AND LIABILITIES				
Liabilities				
Non-current liabilities				
Provisions	1,138.38	-	1,186.32	-
Non-current tax liabilities (net)	0.08	-	0.08	-
Total - Non-current liabilities (A)	1,138.46	-	1,186.40	-
Current liabilities				
Financial liabilities				
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	66.83	-	56.39	-
Other current liabilities	-	-	0.01	-
Total - Current liabilities (B)	66.83	-	56.40	-
Total Liabilities [(D) = (A)+(B)]	1,205.29	-	1,242.80	-
Reserves acquired (E)*	(832.96)	(500.00)		
Total net identifiable assets acquired [(F) = (C) - (D) - (E)]	199.00	500.00		
Consideration payable (G)	0.00	0.00		
Net impact due to merger* (F) - (G)	199.00	500.00		
Total impact due to merger (PEL and JPPL)		699.00		

#Details of reserves acquired	As at 1st April, 2022	As at 1st April, 2022	Total
	PEL	JPPL	
Capital reserve	87.56	-	87.56
General reserve	3.71	-	3.71
Retained earnings	(924.23)	(500.00)	(1,424.23)
Total reserves acquired	(832.96)	(500.00)	(1,332.96)

*Total net identifiable assets acquired are ₹ 699 lakhs and the consideration paid is ₹ 20. Hence, the net impact due to merger of ₹ 699 lakhs has been transferred to capital reserve.

NOTE 40 DISCLOSURE PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013

(a) Details of Non-current Investments made by the Company

	Year ended 31st March, 2024	Year ended 31st March, 2023
Equity Instruments		
Unquoted equity instruments		
900 equity shares (31st March, 2023: Nil) of ₹ 10 each held in Transition Sustainable Energy Services One Private Limited*	0.01	-
Total	0.01	-

*The Company invested in equity instruments of Transition Sustainable Energy Services One Private Limited. It is a special purpose vehicle formed under the Government's Group Captive Open Access Renewable Energy Scheme. It aims to generate renewable energy by setting up solar energy park in Rajasthan. This investment is a strategic partnership with the Brookfield Group and will contribute towards achieving Net zero goals by increasing green energy consumption in our units.

As per the Shareholders Agreement, the Company does not have power to participate in the financial and operating policy decisions of the Company and hence does not exercise significant influence.

(b) Refer note 4 for details of Investments.

(c) 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.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 41 OPERATING SEGMENTS

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

(A) Additional Information by Geographies

	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue by Geographical Market		
India	1,556.11	1,362.71
Outside India	1,19,848.40	1,29,140.63
	1,21,404.51	1,30,503.34
Carrying Amount of non- current assets*		
India	12,754.92	12,448.54
Outside India	-	-
	12,754.92	12,448.54

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

(B) Information about major customers

Out of the total revenue from sale of products from Unilever Group, Unilever Asia Private Limited based in Singapore accounts for more than 10% amounting to ₹ 58,009.10 lakhs (31st March, 2023: ₹ 65,926.74 lakhs).

NOTE 42 ACCOUNTING RATIOS

Sr. No	Name of the Ratio	Numerator	Denominator	FY 24	FY 23	% Variance	Reason for variance
1	Current Ratio (in times)	Current assets	Current liabilities	2.52	1.72	47%	Increase contributed by: Reduction in trade payables and Current Borrowings
2	Debt - Equity Ratio (in times)	Total debt	Equity	0.41	0.32	27%	Increase on account of increase in Non-Current Borrowings
3	Debt Service coverage ratio (in times)	Earnings available for debt service	Total debt service	1.01	1.52	-33%	Decrease is on account of higher borrowings
4	Return on equity (in %)	Net profit - preferred dividends	Average shareholder equity	26.39%	49.45%	-47%	Decrease is on account of decrease in profit
5	Inventory Turnover Ratio (in times)	Sales	Average inventory	11.83	10.26	15%	
6	Trade receivables turnover ratio (in times)	Net sales	Average accounts receivables	4.39	4.03	9%	
7	Trade payables turnover ratio (in times)	Net purchases	Average trade payables	6.03	5.32	13%	
8	Net capital turnover ratio (in times)	Net sales	Working Capital	4.17	6.00	-31%	Decrease on account of decrease in sales
9	Net profit ratio (in %)	Net profit	Net sales	6.85%	9.33%	-27%	Decrease is on account of decrease in profit
10	Return on capital employed (in %)	Earnings Before Interest & Tax	Capital employed	25.65%	37.52%	-32%	Decrease is on account of decrease in profit
11	Return on Investments (in %)	Refer (k) below		5.50%	4.80%	15%	

Reason for variance of ratios with significant change (i.e. change of 25% or more as compared to the financial year 2022-23) have been explained.

(All amounts in ₹ lakhs, unless otherwise stated)

Definitions:

- (a) Earning available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (b) Debt service = Interest & Lease Payments + Principal Repayments
- (c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2
- (d) Net sales = Net sales consist of gross sales minus sales return
- (e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
- (f) Net purchases = Net purchases consist of gross purchases minus purchase return
- (g) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
- (h) Working capital = Current assets - Current liabilities
- (i) Earning before interest and taxes = Profit before tax + Interest expense - interest income + exceptional items
- (j) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
- (k) Return on Investment

$$\frac{\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}}{\{MV(T0) + \text{Sum } [W(t) * C(t)]\}}$$

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

where,

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

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

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

NOTE 43 TRANSFER PRICING

The Company is in the process of carrying out a study for the period from 1st April, 2023 to 31st March, 2024 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.

NOTE 44

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 account.

NOTE 45

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

NOTE 46 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

During the year ended 31st March, 2024, the Company completed the merger of PEL and JPPL via an all equity merger. The merger was accounted for in accordance with the scheme using the pooling of interest method under Ind AS 103 – Business Combinations. All identified assets acquired and liabilities assumed on the date of merger were recorded at their carrying value (Refer Note 39).

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 47 DISCLOSURE OF STRUCK OFF COMPANIES

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

NOTE 48

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
 - i. Wilful defaulter
 - ii. Utilisation of borrowed funds & share premium
 - iii. Borrowings obtained on the basis of security of current assets
 - iv. Discrepancy in utilisation of borrowings

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole

Partner
Membership No. 105149

Place: Mumbai

Date: 22nd April, 2024

For and on behalf of Board of Directors of Unilever India Exports Limited

CIN: U51900MH1963PLC012667

Shilpa Kedia

Director
DIN No. 10508350

Place: Mumbai

Date: 22nd April, 2024

Ravishankar A.

Director
DIN No. 09136289

Place: Mumbai

Date: 22nd April, 2024

LAKME LEVER PRIVATE LIMITED

In this section

74 Report of Board of Directors

89 Financial Statements

Lakme Lever Private Limited

Report of Board of Directors

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	DESIGNATION	AUDITORS	REGISTERED OFFICE
V. Kannan (DIN: 07031155)	Independent Director	M/s. B S R & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099 CIN - U24247MH2008PTC188539
Nikhilesh Panchal (DIN: 00041080)	Independent Director		
Yogesh Mishra (DIN: 08210395)	Director		
Harman Dhillon (DIN: 10547220)	Additional Director		
Mr. Saurik Ginoria	Chief Financial Officer		
Ms. Swati Narayanan	Company Secretary		

To the Members,

Your Directors are pleased to present the 16th Annual Report of Lakme Lever Private Limited (the Company) along with Audited Financial Statements for the financial year ended 31st March, 2024.

FINANCIAL RESULTS

The financial performance of your Company for the year under review is given below:

	(₹ In lakhs)	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from operations	36,001.20	34,637.32
Profit before tax	3,904.38	3,820.49
Profit for the year	2,759.49	2,704.27
Dividend	-	-

OPERATIONAL REVIEW

The Company is a wholly owned subsidiary of Hindustan Unilever Limited (HUL). The Company is engaged in Salon business and also operates a manufacturing unit at Gandhidham, Gujarat which carries out job work operations for HUL.

The Company delivered resilient top line growth. With focus on quality of operations, expert treatments and prudent cost optimisation, the salon business continued to perform well in the beauty services category. Job work business continued to do well.

The Company has over 450 owned and managed & franchisee Salons. The extended team comprising the housekeeping staff, experts, salon managers and business partners were trained and audited continuously to ensure complete adherence to protocols. The Company has also dialled up expertise by enhancing training and launching its flagship Salon at Powai, Mumbai. By ensuring safety and keeping customer satisfaction as focus the Company's Net Promoter Score continued to be above 90%. Lakmē Salons continued to improve quality and expertise across all touch points in customer journey with trendsetting look & '#UnapologeticallyMÉ' campaign.

Innovations like Quintessential bridal looks, Tressplex Collagen Treatment for normal & curly hair, Cappuccino Spa added excitement to Lakmē Salon's comprehensive Runway Secrets portfolio. Thematic campaigns – 'Good Hair Day' and 'Happy New You' continued helping gain new clients and sustain existing ones. Lakmē Salon continues to be the preferred option for franchisees in the beauty and wellness category attracting several professionals and entrepreneurs.

There has been no change in the nature of the business of the Company during the year under review.

DIVIDEND

The Board did not declare any Dividend during the year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve during the year under review.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company did not have any subsidiary or associate or joint venture Company during the year under review.

THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company is a diverse mix of Executive, Non-Executive and Independent Directors and the composition of the same is in line with the applicable provisions of the Companies Act, 2013 (the Act). As on date of this Report, the Board consists of four (4) Directors comprising of two (2) Non-Executive Directors and two (2) Independent Directors. The Board has also appointed a Chief Financial Officer (CFO) and a Company Secretary as Key Managerial Personnel under Section 203 of the Act.

In terms of the requirements of the Act and based on the recommendation of the Nomination and Remuneration Committee, the Independent Directors of the Company were re-appointed for a further period of five (5) years commencing from 31st March, 2020.

The Independent Directors of the Company have given the Certificate of Independence to the Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Act and that the Independent Directors have complied with the Code for Independent

Directors as prescribed in Section 149(8) read with Schedule IV to the Act. The Independent Directors have also confirmed their registration with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

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

During the year under review, the below mentioned changes have occurred in the composition of the Board of Directors:

- Ms. Asha Gopalakrishnan (DIN: 08383915) resigned as a Director of the Company with effect from 19th July, 2023;
- Based on the recommendation of the Nomination and Remuneration Committee, Ms. Suman Hegde (DIN: 06539295) was appointed as an Additional (Non-Executive) Director in succession to Ms. Asha Gopalakrishnan on the Board of the Company with effect from 19th July, 2023 to hold office up to the ensuing Annual General Meeting (AGM) of the Company;
- Mr. Pushkaraj Shenai, Whole-time Director (DIN: 03518297) and Ms. Suman Hegde, Additional (Non-Executive) Director resigned as Directors of the Company with effect from 15th December, 2023 and 19th February, 2024 respectively.

The Board placed on record, its sincere appreciation for the valuable contribution made by Ms. Asha Gopalakrishnan, Ms. Suman Hegde and Mr. Pushkaraj Shenai during their tenure as Directors of the Company.

- Based on the recommendation of the Nomination and Remuneration Committee, Ms. Harman Dhillon was appointed as an Additional (Non-Executive) Director in succession to Ms. Suman Hegde on the Board of the Company with effect from 26th March, 2024 to hold office up to the ensuing AGM of the Company. Being eligible, Ms. Harman Dhillon has offered her candidature for appointment as Director of the Company. The Board recommends the appointment of Ms. Harman Dhillon as a Director of the Company and the resolution proposing the aforesaid appointment pursuant to the Section 152 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.
- Based on the recommendation of Nomination and Remuneration Committee, the Board at its Meeting held on 19th April, 2024 appointed Mr. Vipul Chaturvedi as an Additional Whole-time Director and Chief Executive Officer in succession to Mr. Pushkaraj Shenai on the Board of the Company with effect from 20th April, 2024 to hold office up to the ensuing AGM of the Company. Being eligible, Mr. Vipul Chaturvedi has offered his candidature for appointment as Whole-time Director of the Company. The Board recommends the appointment of Mr. Vipul Chaturvedi as a Whole-time Director of the Company and the resolution proposing the aforesaid appointment pursuant to the Section

152 and all other applicable provisions (including any modifications or re-enactments thereof), if any of the Act and appointment as a Chief Executive Officer also forms part of the Notice of the AGM.

Except as mentioned above, there were no changes in the composition of the Board of Directors and Key Managerial Personnel of the Company during the year under review.

RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT

In accordance with Article 109 of the Articles of Association of the Company, and the relevant provisions of the Act, one-third of the total Directors, excluding Independent Directors of the Company, shall retire by rotation at every AGM and accordingly, Mr. Yogesh Mishra, Director of the Company shall retire by rotation at the ensuing AGM and being eligible, has offered his candidature for re-appointment.

The Board recommends the re-appointment of Mr. Yogesh Mishra as a Director of the Company and the resolution proposing the same pursuant to the Section 152 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

BOARD MEETINGS

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

The Notice of Board and Committee Meetings is given well in advance to all the Directors and Committee members. Usually, meetings of the Board and Committees are held in Mumbai. The Agenda is circulated a week prior to the date of the meeting. However, during certain circumstances, the Agenda is circulated on a shorter notice with due consent of the Directors. The Agenda for the Board and Committee Meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors and members to take an informed decision.

During the financial year ended 31st March, 2024, five (5) Board Meetings were held on 24th April, 2023, 18th July, 2023, 17th October, 2023, 30th November, 2023 and 15th January, 2024. The interval between any two meetings was well within the maximum allowed gap of 120 days as per the Act.

Report of Board of Directors

MEETING OF INDEPENDENT DIRECTORS

Pursuant to the provisions of Schedule IV of the Act, the Independent Directors shall hold at least one meeting during the financial year without the presence of Non-Independent Directors and members of management. Accordingly, the Independent Directors of the Company met once (1) during the financial year ended 31st March, 2024, on 24th April, 2023.

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 practices. 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 request special invitees to join the meeting, as appropriate.

During the year under review, all recommendations of the Committees of the Board have been accepted by the Board.

As on 31st March, 2024 the Board has constituted the following Committees:

Audit Committee

As on 31st March, 2024, the Audit Committee of the Company comprises Mr. Nikhilesh Panchal, Mr. V. Kannan, Independent Directors and Ms. Harman Dhillon, Additional (Non - Executive) Director as its members.

Ms. Asha Gopalakrishnan ceased to be member of the Committee with effect from 19th July, 2023. Ms. Suman Hegde was appointed as a member of the Committee with effect from 19th July, 2023. However, Ms. Suman Hegde ceased to be member of the Committee with effect from 19th February, 2024. Ms. Harman Dhillon was appointed as member of the Audit Committee of the Company with effect from 26th March, 2024.

Except as mentioned above, there were no changes in the composition of Audit Committee of the Company during the year under review.

The power, role and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Act, 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 meetings of the Audit Committee are also attended by Finance Heads / Leads, Statutory Auditors and Internal Auditor as special invitees.

The Audit Committee met four (4) times during the financial year ended 31st March, 2024 on 24th April, 2023, 18th July, 2023, 17th October, 2023, and 15th January, 2024. However, in case of a special and urgent business

need, the approval of the Committee is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed at the subsequent Committee Meeting respectively.

Nomination and Remuneration Committee

As on 31st March, 2024, the Nomination and Remuneration Committee of the Company comprises Mr. Nikhilesh Panchal, Mr. V. Kannan, Independent Directors, Mr. Yogesh Mishra, Non-Executive Director and Ms. Harman Dhillon, Additional (Non - Executive) Director as its members.

Ms. Asha Gopalakrishnan ceased to be member of the Committee with effect from 19th July, 2023. Ms. Suman Hegde was appointed as a member of the Committee with effect from 19th July, 2023. However, Ms. Suman Hegde ceased to be member of the Committee with effect from 19th February, 2024. Ms. Harman Dhillon was appointed as a member of the Committee of the Company with effect from 26th March, 2024.

Except as mentioned above, there were no changes in the composition of Nomination and Remuneration Committee of the Company during the year under review.

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria and appointment procedures for both internal and external appointments.

The power, role and terms of reference of the Nomination and Remuneration Committee cover the areas as contemplated under Section 178 of Act, 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 twice (2) during the financial year ended 31st March, 2024 on 24th April, 2023 and 18th July, 2023. However, in case of a special and urgent business need, the approval of the Committee is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed at the subsequent Committee Meeting respectively.

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, responsibility, respect and pioneering mindset.

Reward Policy

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

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

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

Independent Directors are eligible for sitting fees not exceeding the limits prescribed under the Act. The Independent Directors are currently paid sitting fees of ₹30,000 / - (Rupees Thirty Thousand only) for attending every meeting of the Board, Committees or Independent Directors thereof.

During the year, there were no pecuniary relationships or transactions between the Company and any of its Independent Directors apart from sitting fees. The Company has not granted any stock options to any of its Independent Directors.

Corporate Social Responsibility Committee

As on 31st March, 2024, the Corporate Social Responsibility (CSR) Committee comprises Mr. Nikhilesh Panchal,

Mr. V. Kannan, Independent Directors, and Mr. Yogesh Mishra, Non-Executive Director as its members.

There was no change in composition of the CSR Committee during the year under review. However, the Board at its meeting held on 19th April, 2024, appointed Mr. Vipul Chaturvedi as a Member of the CSR Committee with effect from 20th April, 2024.

The power, role and terms of reference of the CSR Committee cover the areas as contemplated under Section 135 and Schedule VII of the Act, based on other terms as defined by the Board of Directors. The Minutes of each CSR Committee Meeting are placed at the subsequent meeting of the Committee and the Board.

The CSR Committee met twice (2) during the financial year ended on 24th April, 2023 and 15th January, 2024. However, in case of a special and urgent business need, the approval of the Committee is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed at the subsequent Committee Meeting respectively.

A report on CSR activities as required under the Companies (Corporate Social Responsibility) Rules, 2014 (including any modifications or re-enactments thereof) is appended as an Annexure to this Annual Report.

COMPANY POLICES

Vigil Mechanism Policy for the Directors and Employees

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

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

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

During the year under review, the Board of Directors amended the Policy as recommended by the Audit Committee to:

- Widen the scope of the policy by including vendors and other stakeholders who can report the issues and concerns.
- Change the reporting mechanisms as per Holding Company's Policy.
- Define the role of Audit Committee as per the provisions of the Act under the said policy.

Report of Board of Directors

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, the Company has constituted Internal Committees (IC). Our POSH Policy is inclusive and gender neutral, detailing the governance mechanisms for prevention of sexual harassment issues relating to employees across genders including employees who identify themselves with LGBTQI+ community.

The Company has constituted IC as per the provisions of the POSH Act.

To build awareness in this area, the Company has been conducting induction/ refresher programmes in the organisation on a continuous basis. During the year under review, the Company organised offline training sessions for all blue collared employees across the Company which included POSH as one of the topics of training.

Corporate Social Responsibility Policy

Pursuant to the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII, the Company has formulated Corporate Social Responsibility (CSR) Policy. This CSR Policy of the Company outlines a clear agenda through which we will continue to contribute to the community at large. The objective of this policy is to set the direction for the CSR activities of the Company and define the governance and monitoring framework for ensuring the effectiveness of the policy. Our multi-stakeholder model is being embedded into the business completely, so the business can continue to be a force for good.

As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and has been focusing on a wide range of issues in relation to water conservation, health and hygiene, skill development, education, social advancement, gender equality, empowerment of women, ensuring environmental sustainability and rural development projects. The Company will continue to focus our resources on accelerating progress against these priorities with short-term actions to deliver impact. At the same time, the Company will take long-term actions that will help protect the environment.

During the year under review, the Board of Directors amended the Policy as recommended by the CSR Committee to widen the scope of focus areas for CSR Spending as per Schedule VII of the Companies Act, 2013 in addition to the existing focus areas.

RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended 31st March, 2024, the Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been

followed and that no material departures have been made from the same;

- ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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 Act, 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

Disclosures with respect to remuneration of employees as per Section 197 of the Act and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any modifications or re-enactments thereof) for the year ended 31st March, 2024 is appended as an Annexure to this Report.

ANNUAL EVALUATION

In terms of the requirement of the Act, 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 as a whole. The criteria of performance evaluation of Board, its Committees and Peers on the Board 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 Peers on the Board. The evaluation process of the Board focused on various aspects such as Board Oversight, Board Management, Board Engagement, Board Skills & Structure and an Overall Assessment. The evaluation process of the Committees covered aspects such as Composition, Effectiveness of Committees, Structure of the Committee and meetings, Independence of the Committee from the Board and Contribution to decisions of the Board.

Separate exercise was carried out to evaluate the performance of Peers on the Board on parameters such as attendance, contribution, constructive relationship

with the Board & Management of the Company and independent judgement.

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 background bring diverse opinion that helps the Board discussion to be rich and value adding. It was also noted that the Committees are functioning well and important issues are brought up and discussed in the Committees.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS OR SECURITY GIVEN IN CONNECTION TO LOAN

The details relating to loans, guarantees or investments made by the Company or security given by the Company in connection to any loan in accordance with the provisions of Section 186 of the Act are provided in the Notes 5 and 6 to financial statements.

During the year under review, the Company has entered into a strategic partnership with Brookfield to set up a solar energy park with 45 MW capacity in Rajasthan. This will help the Company in its journey towards Net zero commitment. The project is being developed at the site of Brookfield's solar park, being undertaken as a part of Brookfield Global Transition Fund (Brookfield). The Board, at its meeting held on 30th November, 2023, approved an equity investment of up to 3.30% in Transition Sustainable Energy Services One Private Limited, a Special Purpose Vehicle (SPV) incorporated by Brookfield, a leading global alternative asset manager with one of the world's largest renewable power platforms.

The SPV is formed under the Government's Group Captive Open Access Renewable Energy Scheme. This is seen as a transformative partnership that aligns with environmental and economic sustainability and will help stakeholders across the value chain. As on the date of this Annual Report, the Company has completed the acquisition of 2.66% of equity share capital of the SPV.

The Company will obtain a certificate from the Statutory Auditors certifying that the Company is in compliance with the FEMA Regulations with respect to the downstream investment made in the SPV.

RELATED PARTY TRANSACTIONS / CONTRACTS / ARRANGEMENTS

All Related Party Transactions entered during the financial year were in the ordinary course of business and on arm's length basis. Pursuant to provision of Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 as amended from time to time, the details of contracts or arrangements entered into with related parties are provided in Form AOC-2 and appended as an Annexure to this Annual Report.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Act (including any modifications or re-enactments thereof) during the year under review.

ANNUAL RETURN

The Company does not have any website and therefore as per provisions of Section 92(3) and 134(3)(a) of the Act read with the Companies (Management and Administration) Rules, 2014, the Company is not required to upload its Annual Return on the website. Further a copy of Annual Return shall be filed with the Registrar of Companies.

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 Board of Directors of the Company, elements of risks that threaten the existence of the Company are very minimal. Hence, no separate Risk Management Policy is formulated.

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014 (Including any modifications or re-enactments thereof), during the year under review.

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 this Report.

The Company has generally 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 The Institute of Company Secretaries of India.

The Company has not issued any shares with differential voting rights, sweat equity shares and equity shares under Employees Stock Option Scheme during the year under review.

There were no instances of non-exercise of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 (including any modifications or re-enactments thereof) to be furnished.

The Company has not transferred any amount to the Investor Education & Protection Fund (IEPF) and no amount is lying in Unpaid Dividend Account of the Company during the year under review.

AUDIT & AUDITORS

Statutory Auditors

Pursuant to the provisions of Section 139 of the Act, the Members of the Company at the 11th AGM held on

Report of Board of Directors

12th July, 2019 had approved the re-appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm registration No. 101248W/W-100022), as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years. Accordingly, the second term of Statutory Auditors expires on the conclusion of the ensuing 16th AGM.

The report given by the Statutory Auditors on the financial statements of the Company for the financial year ended 31st March, 2024 forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory 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.

The Board, based on the recommendation of the Audit Committee, at its meeting held on 19th April, 2024, recommended the proposal for appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), as the Statutory Auditors of the Company for a term of 5 (five) consecutive years commencing from the conclusion of 16th AGM up to the conclusion of 21st AGM to be held in the year 2029, subject to approval of the Members at the ensuing 16th AGM.

The resolution proposing the aforesaid appointment pursuant to Section 139, 142 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

M/s. Walker Chandiok & Co. LLP, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It was established in the year 1935 and is a Limited Liability Partnership Firm incorporated in India. It has its registered office at L-41, Connaught Circus, New Delhi - 110001 apart from 15 other branch offices in various cities in India. It is primarily engaged in providing audit and assurance services to its clients.

Secretarial Auditors

The Board had appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries (ICSI Unique Code: P1991MH040400), to carry out Secretarial Audit for the Financial Year 2023-24.

The report given by Secretarial Auditors on the Secretarial Audit of the Company for the financial year ended 31st March, 2024 forms part of this Report. There has been no qualification, reservation or adverse remark given by Secretarial Auditors of the Company.

The Board at its meeting held on 15th January, 2024, appointed M/s. Parikh & Associates, Company Secretaries

(ICSI Unique Code: P1988MH009800) as Secretarial Auditors of the Company for the Financial Year 2024-25.

M/s. Parikh & Associates is a firm of Practising Company Secretaries founded in 1987. The firm provides professional services in the field of Corporate Laws, SEBI Regulations, FEMA Regulations including carrying out Secretarial Audits, Due Diligence Audits and Compliance Audits. The firm is Peer Reviewed and Quality Reviewed by the Institute of the Company Secretaries of India.

Internal Auditor

Pursuant to provisions of Section 138 of the Act read with relevant Rules made thereunder, Ms. Surabhi Mehrotra continues to be the Internal Auditor of the Company.

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

The information required under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 (including any modifications or re-enactments thereof) 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:-

- Refurbishment of the chilling pipeline network for energy efficient heat transfer;
- Efficient monitoring of chillers & compressors to avoid energy wastage due to machine health;
- Putting upgraded technology in utilities area – compressors and cooling towers;
- Installation of Variable Frequency Drives for power optimisation where loads are varying;
- Installation of energy efficient lighting on the shop floors and warehouses;
- Rerouting of the steam lines inside the plant to avoid unnecessary energy wastage;
- Installation of energy efficient pumps and heat recovery systems;
- Phasing out of refrigerant R22 from air conditioning units as part of environment protection

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

The Company receives support and guidance from HUL, the Holding Company, to drive functional excellence in supply management, Information Technology, among others, which helps the 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. HUL is committed to ensuring that the support in terms of new products, innovations, technologies, and services is commensurate with the needs of the Company and enables it to win in the marketplace.

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

Foreign exchange earnings and outgo

Details of foreign exchange earnings and outgo are as follows:

	(₹ In lakhs)	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Earnings	-	-
Outgo	11.44	22.94

ENVIRONMENT, SAFETY, HEALTH AND QUALITY

The Company is committed to excellence in environment, safety, health and quality management. It accords the highest priority to the health and safety of its employees,

customers and other stakeholders as well as protection of the environment. The management of the Company is strongly focused on continuous improvement in these areas which are fundamental to the sustainable growth of the Company.

DETAILS OF PROCEEDINGS PENDING OR APPLICATION MADE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

No application was filed for Corporate Insolvency Resolution Process, by a Financial creditor or Operational creditor or by the Company itself under the Insolvency and Bankruptcy Code, 2016 before the NCLT during the year under review.

DETAILS OF DIFFERENCE BETWEEN VALUATION DONE AT THE TIME OF TAKING LOAN FROM BANK AND AT THE TIME OF ONE-TIME SETTLEMENT ALONG WITH REASONS

There was no instance of one-time settlement with any Bank or Financial Institution during the year under review.

ACKNOWLEDGEMENTS

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

Mumbai, 19th April, 2024

On behalf of the Board

Harman Dhillon

Director

DIN: 10547220

Yogesh Mishra

Director

DIN: 08210395

Annexure to the Report of Board of Directors

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name	Age	Qualification	Date of employment	Designation / Nature of duties	Remuneration received		Experience	Last employment
					Gross (In ₹)	Net (In ₹)		
Pushkaraj Shenai*	50	B. Arch, PGDBM	16.10.2012	Whole-time Director	4,77,30,357	2,91,33,474	11	Piramal Enterprises Limited

*employed only for part of the year

- Gross Remuneration includes salary, allowances, commission, performance linked variable pay disbursed, taxable value of perquisites and Company's contribution to provident fund. Net Remuneration includes Gross Remuneration less income tax, professional tax and employee's 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 employee who have opted for contribution defined scheme has been included;
- Nature of employment is permanent;
- The Employee along with his spouse and dependent children does not hold any equity shares of the Company;
- Other terms and conditions are as per Company's Rules;
- Employee is not 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 and Section 197 of the Companies Act, 2013.

On behalf of the Board

Harman Dhillon

Director

DIN: 10547220

Yogesh Mishra

Director

DIN: 08210395

Mumbai, 19th April, 2024

Annexure to the Report of Board of Directors

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

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

A belief that sustainable business drives superior performance lies at the heart of the Company. We seek to deliver long-term sustainable growth while driving change for People and the Planet. The Company strives to create a fairer and more inclusive world, where everyone lives with, rather than at the expense of, nature and the environment.

We will continue to focus our resources on accelerating progress against these priorities with short-term actions to deliver impact. At the same time, we will take long-term actions that will help protect the environment. Our plans are now fully integrated into our business strategy, which we believe will enable us to make progress on sustainability while also delivering better performance.

Water Conservation Project:

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

HUF operates the 'Water for Public Good' programme, with a specific focus on water conservation, building local community institutions to govern water resources and enhancing farm-based livelihoods through adoption of judicious water practices. HUF aims to catalyse effective solutions to India's water challenges through a partnership approach involving the Government, communities, experts and mission-based organisations. Across diverse river basins and hydrogeological zones, three core pillars define HUF's work with rural communities:

- **Know more:** Build water numeracy to help quantify availability, budget and allocate water use.
- **Save more:** Promote scientific citizen-led water conservation and governance efforts.
- **Use less:** Drive behaviour change for responsible water use in agriculture.

HUF's programmes has reached more than 15,000 villages in 13 states and 2 union territories across India in partnership with NGOs and multiple co-funders. HUF also supports several knowledge initiatives in water conservation, governance and behaviour change.

By the end of financial year 2022-23, the cumulative and collective achievements through partnered programmes of the Company include:

- **Water Conservation:** Over 3.2 trillion litres of water potential created¹.
- **Crop Yield:** Additional agriculture production of over 2 million tonnes has been generated¹.
- **Livelihoods:** Over 114 million person-days of employment have been created through water conservation and increased agriculture production¹.

2. COMPOSITION OF CSR COMMITTEE:

Sr. No.	Name of the Members	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee eligible to attend during the year	Number of meetings of CSR Committee attended during the year
1	Mr. V. Kannan	Independent Director	2	2	2
2	Mr. Nikhilesh Panchal	Independent Director	2	2	2
3	Mr. Yogesh Mishra	Non-Executive Director	2	2	1
4	Mr. Pushkaraj Shenai ¹	Whole-time Director and Chief Executive Officer	2	1	1
5	Mr. Vipul Chaturvedi*	Additional (Whole-time) Director and Chief Executive Officer	2	-	-

¹Mr. Pushkaraj Shenai ceased to be a member of the Committee with effect from 15th December, 2023.

* Mr. Vipul Chaturvedi was appointed as a member of the Committee with effect from 20th April, 2024.

3. THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

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

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

Not Applicable

¹Assured by an external independent firm

5.	Sr.No.	Particulars	Amount (in ₹)
	5a)	Average net profit of the Company as per Section 135(5)	13,73,96,610.89
	5b)	Two percent of average net profit of the Company as per Section 135(5)	27,47,932.22
	5c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	5d)	Amount required to be set off for the financial year, if any	Nil
	5e)	Total CSR obligation for the financial year (5b+5c-5d)	27,47,932.22

6.	Sr.No.	Particulars	Amount (in ₹)
	6a)	Amount Spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	29,00,000.00
	6b)	Amount spent in Administrative Overheads	Nil
	6c)	Amount spent on Impact Assessment, if applicable	Nil
	6d)	Total amount spent for the financial year (6a + 6b + 6c)	29,00,000.00

6E) CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR:

Total Amount Spent for the financial year (Amount in ₹)	Amount Unspent (Amount in ₹)				
	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso of Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
29,00,000			Nil		

6F) EXCESS AMOUNT FOR SET-OFF, IF ANY:

Sr.No.	Particulars	Amount (in ₹)
(i)	Two percent of average Net Profit of the Company as per Section 135(5)	27,47,932.22
(ii)	Total amount spent for the financial year	29,00,000.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,52,067.78
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any	Nil
(v)	Amount available for set-off in succeeding financial year [(iii)-(iv)]	Refer Note

Note - The Company does not wish to claim set-off for the excess amount spent of ₹1,52,067.78.

7. DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the financial Year (in ₹)	Amount transferred to a fund specified under Schedule VII as per second proviso to Section 135(5), if any	Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any (in ₹)
					Amount (in ₹)	Date of Transfer	
1	FY-2022-23						
2	FY-2021-22						
3	FY-2020-21						

Not Applicable

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CSR AMOUNT SPENT IN THE FINANCIAL YEAR:

No

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5):

Not Applicable

On behalf of the Board

Harman Dhillon

Director

DIN: 10547220

Yogesh Mishra

Director

DIN: 08210395

Mumbai, 19th April, 2024

Annexure to the Report of Board of Directors

PARTICULARS OF TRANSACTIONS / 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)

- Details of contracts or arrangements or transactions not at arm's length basis – Not Applicable
- Details of material contracts or arrangements or transactions at arm's length basis:

			(₹ In lakhs)
Name of Related Party	Nature of relationship	Nature of contract*	Amount
Hindustan Unilever Limited	Holding Company	Income from job work contracts	15,103.78

*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

Harman Dhillon

Director

DIN: 10547220

Yogesh Mishra

Director

DIN: 08210395

Mumbai, 19th April, 2024

Annexure to the Report of Board of Directors

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

[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 – 400 099.

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, 2024**. 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, 2024** 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, 2024** 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 – **As applicable;**
- (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 and Sweat Equity) Regulations, 2021;
 - (e) 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;
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (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) Factories Act, 1948;
 - (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 / local and Central Acts for Salons;
 - (i) The Legal Metrology Act, 2009;

- (j) The Legal Metrology (Packaged Commodities) Rules, 2011;
- (k) Electricity Act, 2003;
- (l) The Customs Act, 1962.

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. 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 except for meetings where the directors had consented to receive notice, agenda, notes to agenda less than 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 Directors based on the compliance certificates issued on vertical / department heads 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;

We further report that during the financial year under review, no events / actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred.

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

For **S. N. ANANTHASUBRAMANIAN & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

Aparna Gadgil
Partner

ACS: 14713 | COP No.: 8430
ICSI UDIN: A014713F000182221

19th April, 2024 | Thane

Annexure to the Report of Board of Directors

ANNEXURE A TO SECRETARIAL AUDIT REPORT

To,
The Members,
Lakme Lever Private Limited
CIN: U24247MH2008PTC188539
Unilever House,
B. D. Sawant Marg, Chakala,
Andheri (East), Mumbai – 400 099

Our Secretarial Audit Report for Financial Year ended 31st March 2024 of even date is to be read along with this letter.

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per applicable Auditing Standards issued by Institute of Company Secretaries of India.
4. 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.
5. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
6. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

7. 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.
8. 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.: 5218/2023

Aparna Gadgil
Partner

ACS: 14713 | COP No.: 8430
ICSI UDIN: A014713F000182221

19th April, 2024 | Thane

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 2024, 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 material 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 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true

and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Independent Auditor's Report

required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2A. 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, except for certain matters in respect of audit trail as stated in the paragraph 2B(f) below.
- 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 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- 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".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 20 to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 40 to the financial statements.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 6 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 6 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares except that, in case of such accounting softwares other than the softwares used for posting journal entries and point of sale, the audit trail was not enabled at the database level to log any direct data changes. Further, changes to the application level by a super user does not have feature of a concurrent real time audit trail. Where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.

The back-up of audit trail (edit log) has been maintained on the servers physically located in India for financial year ended 31 March 2024, except for the backup of audit trail (edit log) of rate masters and purchase orders (not maintained on servers physically in India).

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act, except in case of whole-time director where requisite approvals are taken in the general meeting. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For BSR & Co. LLP

Chartered Accountants

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

Deepak Nair

Partner

Place: Mumbai

Date: 22 April 2024

Membership No.: 139861

ICAI UDIN:24139861BKFTQX1229

Annexure A

to the Independent Auditor's Report on the Financial Statements of Lakme Lever Private Limited for the year ended 31 March 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in two years. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investment in a company and granted interest free unsecured loans to other parties (employees), in respect of which the requisite information is as below. The Company has not made any investments in other parties, firms and limited liability partnership or granted any loans, secured or unsecured, to companies, firms and limited liability partnership.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided interest free unsecured loans to other parties (employees) as below:

Particulars	Loans (₹ in lakhs)
Aggregate amount during the year	
Others	50.90
Balance outstanding as at balance sheet date	
Others	425.58

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investment made and the terms and conditions of the grant of interest free unsecured loans are *prima facie*, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of interest free unsecured loans given, in our opinion the repayment of principal has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of unsecured loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess and other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Sales tax, Duty of Excise and Income- Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount Demanded (₹ in lakhs)	Amount Paid (₹ in lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Central Sales Tax Act and Local Sales Tax Act	Sales tax	258.26	Nil	2012-13	Assistant/ Deputy/ Joint Commissioner (Adjudication)
Central Sales Tax Act and Local Sales Tax Act	Sales tax	1,440.60	75.58	2014-15	Deputy commissioner GST
Central Sales Tax Act and Local Sales Tax Act	Sales tax	696.05	39.87	2015-16	Deputy commissioner GST
Central Excise Act, 1944	Excise Duty	32.32	Nil	December 2007 to January 2008	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	11.30	Nil	2010-2012	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	114.84	Nil	2007-08 to 2014-15	Commissioner (Appeals)
Income Tax Act, 1961	Income tax	78.20	Nil	2014-15	Commissioner (Appeals)
Income Tax Act, 1961	Income tax	57.09	Nil	2016-17	Commissioner
Income Tax Act, 1961	Income tax	0.39	Nil	2021-22	Commissioner

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

Annexure A

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable to the Company.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable to the Company.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Deepak Nair

Partner

Membership No.: 139861

ICAI UDIN:24139861BKFTQX1229

Place: Mumbai

Date: 22 April 2024

Annexure B

to the Independent Auditor's Report on the financial statements of Lakme Lever Private Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(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 Lakme Lever Private Limited ("the Company") as of 31 March, 2024 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 2024, 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 and Board of Directors' Responsibilities 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 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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

Deepak Nair

Partner

Place: Mumbai

Date: 22 April 2024

Membership No.: 139861

ICAI UDIN:24139861BKFTQX1229

Balance Sheet

as at 31st March, 2024

FINANCIAL STATEMENTS



(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	29,320.05	24,857.37
Capital work-in-progress	3	5,141.63	5,386.34
Goodwill	4	13,001.24	13,001.24
Financial assets			
Investments	5	0.27	-
Loans	6	404.04	395.39
Other financial assets	11	598.50	584.84
Deferred tax assets (net)	30C	-	258.14
Non-current tax assets (net)	30D	2,015.53	1,898.88
Other non-current assets	7	388.13	387.93
Total Non-current assets (A)		50,869.39	46,770.13
Current assets			
Inventories	8	1,839.39	1,537.24
Financial assets			
Trade receivables	9	4,402.98	4,140.94
Cash and cash equivalents	10	1,719.17	1,556.92
Loans	6	21.54	24.94
Other financial assets	11	222.54	381.17
Other current assets	12	1,064.89	896.70
Total Current assets (B)		9,270.51	8,537.91
TOTAL ASSETS [(A)+(B)]		60,139.90	55,308.04
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13A	3,590.76	3,590.76
Other equity	13B	22,719.75	19,960.25
Total Equity (A)		26,310.51	23,551.01
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	19,001.76	17,201.76
Lease liabilities	15	3,435.67	2,989.82
Other financial liabilities	16	805.71	542.92
Deferred tax liabilities (net)	30C	182.84	-
Non-current tax liabilities (net)	30D	19.81	19.81
Total Non-current liabilities (B)		23,445.79	20,754.31
Current liabilities			
Financial liabilities			
Lease Liabilities	15	1,034.58	880.99
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	17	339.23	159.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	17	5,461.27	6,346.43
Other financial liabilities	16	2,532.63	2,285.09
Other current liabilities	18	528.93	791.07
Provisions	19	486.96	539.20
Total Current liabilities (C)		10,383.60	11,002.72
TOTAL EQUITY & LIABILITIES [(A)+(B)+(C)]		60,139.90	55,308.04
Basis of preparation, measurement and material accounting policies	2		
Contingent liabilities and other commitments	20		

The accompanying notes 1 to 43 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No. 101248W/W-100022

Deepak Nair

Partner
Membership No: 139861

For and on behalf of Board of Directors of Lakme Lever Private Limited

CIN : U24247MH2008PTC188539

Harman Dhillon

Director
DIN No- 10547220

Yogesh Mishra

Director
DIN No- 08210395

Swati Narayanan

Company Secretary
Membership No. ACS 48572

Saurik Ginoria

Chief Financial Officer

Mumbai: 22nd April, 2024

Mumbai: 19th April, 2024

Mumbai: 19th April, 2024

Mumbai: 19th April, 2024

Statement of Profit and Loss

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
INCOME			
Revenue from operations	21	36,001.20	34,637.32
Other income	22	51.81	140.77
TOTAL INCOME		36,053.01	34,778.09
EXPENSES			
Cost of materials consumed	23	840.18	835.19
Purchases of stock-in-trade	24	4,835.48	4,914.60
Changes in inventories of finished goods and stock-in-trade	25	(140.44)	(184.72)
Employee benefits expense	26	10,062.38	8,924.73
Finance costs	27	1,651.65	1,730.22
Depreciation expense	28	4,833.80	4,568.25
Other expenses	29A	10,022.11	9,987.17
TOTAL EXPENSES		32,105.16	30,775.44
Profit before exceptional items and tax		3,947.85	4,002.65
Exceptional items	29B	(43.47)	(182.16)
Profit before tax		3,904.38	3,820.49
Tax expenses			
Current tax	30A	(703.91)	(907.42)
Deferred tax	30A	(440.98)	(208.80)
PROFIT FOR THE YEAR (A)		2,759.49	2,704.27
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR [(A)+(B)]		2,759.49	2,704.27
Earnings per equity share (₹)			
Basic and Diluted (Face value of ₹10 each)	31	7.68	7.53
Basis of preparation, measurement and material accounting policies	2		

The accompanying notes 1 to 43 are an integral part of these financial statements
As per our report of even date attached

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

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

Deepak Nair
Partner
Membership No: 139861

Harman Dhillon
Director
DIN No- 10547220

Yogesh Mishra
Director
DIN No- 08210395

Swati Narayanan
Company Secretary
Membership No. ACS 48572

Saurik Ginoria
Chief Financial Officer

Mumbai: 22nd April, 2024

Mumbai: 19th April, 2024

Mumbai: 19th April, 2024

Mumbai: 19th April, 2024

Statement of Changes in Equity

for the year ended 31st March, 2024

FINANCIAL STATEMENTS



(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance as at the beginning of the year	3,590.76	3,590.76
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	3,590.76	3,590.76
Changes in equity share capital during the year	-	-
Balance as at the end of the year	3,590.76	3,590.76

B. OTHER EQUITY

	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
As at 31st March, 2022	21,749.82	531.56	(5,025.40)	17,255.98
Changes due to prior period error	-	-	-	-
Restated balance as at 1st April, 2022	21,749.82	531.56	(5,025.40)	17,255.98
Profit for the year	-	-	2,704.27	2,704.27
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income for the year	-	-	2,704.27	2,704.27
As at 31st March, 2023	21,749.82	531.56	(2,321.12)	19,960.25
Changes due to prior period error	-	-	-	-
Restated balance as at 1st April, 2023	21,749.82	531.56	(2,321.12)	19,960.25
Profit for the year	-	-	2,759.49	2,759.49
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income for the year	-	-	2,759.49	2,759.49
As at 31st March, 2024	21,749.82	531.56	438.37	22,719.75

Refer note 13B for nature and purpose of reserves

The accompanying notes 1 to 43 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No. 101248W/W-100022

Deepak Nair

Partner
Membership No: 139861

For and on behalf of Board of Directors of Lakme Lever Private Limited

CIN : U24247MH2008PTC188539

Harman Dhillon

Director
DIN No- 10547220

Yogesh Mishra

Director
DIN No- 08210395

Swati Narayanan

Company Secretary
Membership No. ACS 48572

Saurik Ginoria

Chief Financial Officer

Mumbai: 22nd April, 2024

Mumbai: 19th April, 2024

Mumbai: 19th April, 2024

Mumbai: 19th April, 2024

Statement of Cash Flows

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	3,904.38	3,820.49
Adjustments for:		
Write back of provision for Property, Plant and Equipment	(1.14)	-
Provision for inventory	159.42	92.96
Unrealised (gain)/ loss on foreign currency fluctuation (net)	(1.07)	1.06
Provision/(Reversal) for compensated absences	15.33	(5.83)
Reversal of indirect tax and other provisions (net)	(67.57)	(51.73)
Depreciation and amortisation expenses	4,833.80	4,568.25
(Gain)/loss on sale of property, plant and equipment	(4.63)	18.64
Interest income	(51.81)	(140.77)
Interest expense	1,651.65	1,730.22
Allowance for expected credit loss	132.31	5.01
Provision for doubtful receivables	0.05	3.81
Cash Generated from Operations before working capital changes	10,570.72	10,042.11
Adjustments for:		
Increase in non-current assets	(17.77)	(85.78)
(Increase)/Decrease in current assets	(400.75)	81.82
Increase in inventories	(461.57)	(346.56)
Increase in non-current liabilities	262.79	17.17
(Decrease)/Increase in current liabilities	(742.76)	976.60
Cash generated from operations	9,210.66	10,685.36
Taxes paid (net of refunds)	(820.58)	(1.29)
Net cash flows generated from operating activities - (A)	8,390.08	10,684.07
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(7,039.66)	(3,787.76)
Sale proceeds of property, plant and equipment	68.36	16.17
Interest received	51.81	58.19
Net cash flows used in investing activities - (B)	(6,919.49)	(3,713.40)

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(1,282.05)	(1,366.07)
Inter corporate deposit received	1,800.00	-
Inter corporate deposit repaid	-	(3,800.00)
Interest payment on leases	(332.31)	(342.06)
Principal repayment of leases	(1,493.98)	(1,442.21)
Net cash flows used in from financing activities - (C)	(1,308.34)	(6,950.34)
Net increase in cash and cash equivalents - [(A)+(B)+(C)]	162.25	20.33
Add: Cash and cash equivalents at the beginning of the year	1,556.92	1,536.59
Cash and cash equivalents at the end of the year (Refer note no 10)	1,719.17	1,556.92

Note: Movement in Lease Liabilities & Borrowings

Reconciliation between opening and closing balance	Opening balance 1st April, 2023	Cash flows	Non-cash movement	Closing balance 31st March, 2024
Borrowings (Refer Note 14)	17,201.76	1,800.00	-	19,001.76
Lease Liabilities (Refer Note 15)	3,870.81	(1,826.29)	2,425.73	4,470.25

Reconciliation between opening and closing balance	Opening balance 1st April, 2022	Cash flows	Non-cash movement	Closing balance 31st March, 2023
Borrowings (Refer Note 14)	21,001.76	(3,800.00)	-	17,201.76
Lease Liabilities (Refer Note 15)	3,725.03	(1,784.27)	1,930.05	3,870.81

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 1 to 43 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No. 101248W/W-100022

Deepak Nair
Partner
Membership No: 139861

Mumbai: 22nd April, 2024

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

Harman Dhillon
Director
DIN No- 10547220

Saurik Ginoria
Chief Financial Officer

Mumbai: 19th April, 2024

Yogesh Mishra
Director
DIN No- 08210395

Mumbai: 19th April, 2024

Swati Narayanan
Company Secretary
Membership No. ACS 48572

Mumbai: 19th April, 2024

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 1 COMPANY INFORMATION

Lakme Lever Private Limited (the "Company") is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) domiciled in India with its registered office located at Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099. The Company (bearing CIN number U24247MH2008PTC188539) was incorporated on 1st December, 2008 with its main objective to provide beauty services in the area of skin and hair through own beauty salons and franchisees, to deal in and promote health, beauty and personal care products and to operate and manage institutes and training centres in the field of beauty and wellness services. The Company also engages into job work business for HUL to convert raw materials and packing materials into semi-finished and finished goods.

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND MATERIAL 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 (MCA) pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting standards) Rules, 2015 as amended from time to time.

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated 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.

All other liabilities are classified as non-current.

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

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

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

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

The financial statements of the Company for the year ended 31st March, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 19th April, 2024.

(b) Basis of measurement

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

The accounting policies adopted are the same as those which were applied for the previous financial year.

2.2 Key Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities,

(All amounts in ₹ lakhs, unless otherwise stated)

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 36
- (b) Measurement and likelihood of occurrence of provisions and contingencies - Note 19 and 20

- (c) Impairment of Goodwill - Note 4
- (d) Measurement of Right-of-Use Asset and Lease liabilities – Note 3 and Note 15

2.3 New Standards, Interpretations and Amendments Adopted by the Company

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2.4 Material Accounting Policies

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

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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

	As at 31st March, 2024	As at 31st March, 2023
Owned Assets	25,432.14	21,561.55
Leased Assets (Right-of-Use Assets)	3,887.81	3,295.82
Total Property, plant and equipment	29,319.95	24,857.37
Total Capital work-in-progress	5,141.63	5,386.34

A Owned Assets

Property, plant and equipment, other than freehold land, 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. Freehold land is carried at historical cost less any accumulated impairment losses and is not depreciated.

Property, plant and equipment acquired in a business combination, other than common control combination, are recognised at fair value at the acquisition date. When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment acquired under common control combination are recognised at carrying value at the acquisition date.

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

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

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

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

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

Asset	Useful life
Factory Building	30 years
Leasehold improvement*	Over the lease term
Plant and equipment*	3-21 years
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years

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

- 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.
- Accelerated Depreciation is charged in case of assets forming part of a restructuring project basis planned remaining useful life of assets.

Such accelerated Depreciation forms part of exceptional items.

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

(All amounts in ₹ lakhs, unless otherwise stated)

	Freehold land	Buildings	Leasehold improvement	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computers	Total
Gross Block								
Opening balance as at 1st April, 2022	112.15	6,570.81	1,150.88	22,298.52	382.27	513.01	58.90	31,086.54
Additions	-	1,186.54	2,798.54	4,934.31	37.44	89.41	11.77	9,058.01
Disposals/ Adjustments	-	(1.51)	(7.16)	(51.07)	(3.48)	(1.84)	-	(65.06)
Opening balance as at 1st April, 2023	112.15	7,755.84	3,942.26	27,181.76	416.23	600.58	70.67	40,079.49
Additions	-	1,099.02	91.38	5,566.28	140.38	293.80	41.58	7,232.44
Disposals/ Adjustments*	-	2,740.06	(2,946.23)	(672.12)	(51.35)	(79.01)	-	(1,008.65)
Balance as at 31st March, 2024	112.15	11,594.92	1,087.41	32,075.92	505.26	815.37	112.25	46,303.28
Accumulated Depreciation								
Opening balance as at 1st April, 2022	-	1,378.83	881.00	12,561.79	284.01	323.43	22.20	15,451.26
Additions	-	276.32	104.16	2,593.33	50.43	56.51	16.18	3,096.93
Disposals/ Adjustments	-	(1.51)	(4.78)	(19.52)	(2.68)	(1.76)	-	(30.25)
Opening balance as at 1st April, 2023	-	1,653.64	980.38	15,135.60	331.76	378.18	38.38	18,517.94
Additions	-	363.65	5.43	2,768.07	63.22	74.17	24.72	3,299.26
Disposals/ Adjustments*	-	24.24	(222.45)	(622.21)	(49.67)	(75.97)	-	(946.06)
Balance as at 31st March, 2024	-	2,041.53	763.36	17,281.46	345.31	376.38	63.10	20,871.14
Net Block								
Balance as at 31st March, 2023	112.15	6,102.20	2,961.88	12,046.16	84.47	222.40	32.29	21,561.55
Balance as at 31st March, 2024	112.15	9,553.39	324.05	14,794.46	159.95	438.99	49.15	25,432.14

Notes:-

*Disposals/Adjustments include reclassification during the year, from leasehold improvements to buildings.

The Company has not revalued any of its property, plant and equipment.

B Leased Assets (Right-of-Use Assets)

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

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- 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 of low value assets. For these 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.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

	Land	Buildings	Plant and Equipment	Vehicles	Total
Gross Block					
Opening balance as at 1st April, 2022	-	4,762.18	126.24	37.29	4,925.71
Additions	-	1,897.04	115.56	102.26	2,114.86
Deletions	-	(1,077.64)	(31.48)	(65.92)	(1,175.04)
Opening balance as at 1st April, 2023	-	5,581.58	210.32	73.63	5,865.53
Additions	-	2,021.25	48.92	172.10	2,242.27
Deletions	-	(2,075.53)	(52.20)	(152.34)	(2,280.07)
Balance as at 31st March, 2024	-	5,527.30	207.04	93.39	5,827.73
Accumulated Depreciation					
Opening balance as at 1st April, 2022	-	1,774.56	38.22	21.68	1,834.46
Additions	-	1,330.64	55.03	85.55	1,471.22
Deletions	-	(638.61)	(31.49)	(65.87)	(735.97)
Opening balance as at 1st April, 2023	-	2,466.59	61.76	41.36	2,569.71
Additions	-	1,309.02	64.67	160.85	1,534.54
Deletions	-	(1,959.79)	(52.20)	(152.34)	(2,164.33)
Balance as at 31st March, 2024	-	1,815.82	74.23	49.87	1,939.92
Net Block					
Balance as at 31st March, 2023	-	3,114.99	148.57	32.27	3,295.82
Balance as at 31st March, 2024	-	3,711.48	132.81	43.52	3,887.81

Notes

- The Company incurred ₹ 133.08 lakhs for the year ended 31st March, 2024 (31st March, 2023: ₹ 105.27 lakhs) towards expenses relating to leases of low-value assets. The total cash outflow for leases is ₹ 1,959.37 lakhs for the year ended 31st March, 2024 (31st March, 2023: ₹ 1,889.54 lakhs), including cash outflow of leases of low-value assets. Interest on lease liabilities is ₹ 332.31 lakhs for the year ended 31st March 2024 (31st March, 2023: ₹ 342.06 lakhs).
- The Company's leases mainly comprise land and buildings and Plant and equipment. The Company leases land and buildings for Salons. The Company also has leases for plant & equipment for the Job work business.
- Lease Commitments & Lease liabilities : Refer note 20B(i) and Note 15 respectively.
- The Company has not revalued any of its right-of-use assets.

C Capital work-in-progress

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

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

The movement in Capital work-in-progress is as follows:

	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	5,386.34	10,832.08
Add: Additions	6,987.73	3,612.27
Less: Capitalisations	(7,232.44)	(9,058.01)
Balance as at end of the year	5,141.63	5,386.34

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing of Capital work-in-progress as at 31st March, 2024

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	4,983.81	21.70	-	-	5,005.51
Projects temporarily suspended	-	-	-	136.13	136.13
TOTAL	4,983.81	21.70	-	136.13	5,141.64

	Amount
Projects which have exceeded their original timeline	233.66
Projects which have exceeded their original budget	-

Details of Capital work-in-progress whose completion is overdue as compared to its original plan as at 31st March, 2024

	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Under Progress (A)	97.53	-	-	-	97.53
Others*	97.53	-	-	-	97.53
Temporarily Suspended (B)	136.13	-	-	-	136.13
Project at Gandhidham Factory	136.13	-	-	-	136.13
Total (A+B)	233.66	-	-	-	233.66

* Others comprise of various projects with immaterial values.

Details of Capital work-in-progress which has exceeded its cost compared to its original plan as at 31st March, 2024

There are no projects which have exceeded their original budget as at 31st March, 2024.

Ageing of Capital work-in-progress as at 31st March, 2023

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	1,199.21	54.51	64.03	77.53	1,395.28
Projects temporarily suspended	0.97	194.46	606.58	3,189.05	3,991.06
Total	1,200.18	248.97	670.61	3,266.58	5,386.34

	Amount
Projects which have exceeded their original timeline	4,529.61
Projects which have exceeded their original budget	-

Details of Capital work-in-progress whose completion is overdue as compared to its original plan as at 31st March, 2023

	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Under Progress (A)	527.55	-	10.99	-	538.54
Others*	527.55	-	10.99	-	538.54
Temporarily Suspended (B)	3,991.07	-	-	-	3,991.07
Project at Gandhidham Factory	3,991.07	-	-	-	3,991.07
Total (A+B)	4,518.62	-	10.99	-	4,529.61

* Others comprise of various projects with immaterial values.

Details of Capital work-in-progress which has exceeded its cost compared to its original plan as at 31st March, 2023

There are no projects which have exceeded their original budget as at 31st March, 2023.

For contractual commitment with respect to property, plant and equipment refer Note 20.B(ii).

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 4 GOODWILL

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

	Goodwill	Total
Gross Block		
Opening balance as at 1st April, 2022	13,001.24	13,001.24
Additions	-	-
Disposals	-	-
Opening balance as at 1st April, 2023	13,001.24	13,001.24
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2024	13,001.24	13,001.24
Accumulated Amortisation		
Opening balance as at 1st April, 2022	-	-
Additions	-	-
Disposals	-	-
Opening balance as at 1st April, 2023	-	-
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2024	-	-
Net Block		
Balance as at 31st March, 2023	13,001.24	13,001.24
Balance as at 31st March, 2024	13,001.24	13,001.24

Impairment Charges

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset, other than inventory and deferred tax, may be impaired. Indefinite life intangible assets and goodwill are subject to review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss.

Significant Cash Generating Units (CGUs)

The goodwill acquired through business combinations has been entirely allocated to job working unit. The carrying amount of goodwill as at 31st March, 2024 is ₹ 13,001.24 lakhs, (31st March, 2023: ₹ 13,001.24 lakhs).

Following key assumptions were considered while performing Impairment testing:

	As at 31st March, 2024	As at 31st March, 2023
Average annual growth rate for five years	5.0%	8.8%
Terminal growth rate	4.0%	4.0%
Weighted average cost of capital % (WACC) post tax (Discount rate)	8.6%	8.6%
Average segmental margins	9.6%	9.6%

The projections cover a period of five years, as the Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and on the Company's five-year strategic plan.

Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Company) + Cost of Debt + Business Risk Premium.

The Company has performed sensitivity analysis around the base assumptions and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of CGU to exceed its recoverable amount.

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 5 INVESTMENTS

Refer Note 32 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Equity Investments		
Fair Value through other comprehensive income		
Unquoted		
2,660 equity shares [31st March, 2023 : Nil] of ₹ 10 each held in Transition Sustainable Energy Services One Private Limited*	0.27	-
Total	0.27	-
Aggregate amount of unquoted investments	0.27	-
Aggregate amount of impairment in value of investments	-	-

Refer Note 32 and 33 for information about fair value measurement, credit risk and market risk of investments.

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

*The Company invested in equity instruments of Transition Sustainable Energy Services One Private Limited. It is a Special Purpose Vehicle formed under the Government's Group Captive Open Access Renewable Energy Scheme. It aims to generate renewable energy by setting up solar energy park in Rajasthan. This investment is a strategic partnership with the Brookfield Group and will contribute towards achieving Net zero goals by increasing green energy consumption in our units.

As per the Shareholders Agreement, the Company does not have power to participate in the financial and operating policy decisions of the Company and hence does not exercise significant influence.

NOTE 6 LOANS

(Unsecured, considered good unless otherwise stated)

Refer Note 32 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Loan to employees	404.04	395.39
Total (A)	404.04	395.39
CURRENT		
Loan to employees	21.54	24.94
Total (B)	21.54	24.94
Total (A+B)	425.58	420.33
Sub-classification of loans:		
Loans Receivables considered good- Secured	-	-
Loans Receivables considered good- Unsecured	425.58	420.33
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables credit impaired	-	-
Balance as at the end of the year	425.58	420.33

Refer Note 33 for information about credit risk and market risk of loans.

- In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10/03/2015, 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.
- There are no loans or advances in the nature of loans granted to promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
 - repayable on demand; or
 - without specifying any terms or period of repayment
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 7 OTHER NON-CURRENT ASSETS

	As at 31st March, 2024	As at 31st March, 2023
Capital advances	43.17	38.43
Deferred lease rent	71.93	87.24
Balances with Government authorities (sales tax, customs, etc.)	273.03	262.26
Total	388.13	387.93

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

NOTE 8 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. The comparison of cost and net realisable value is made on an item-by-item basis.

Cost of 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 include all costs of purchases, conversion costs and appropriate share of fixed production overheads and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

	As at 31st March, 2024	As at 31st March, 2023
Stock-in-trade [includes in transit: ₹ Nil (31st March, 2023: ₹ 73.78 lakhs)]	1,253.84	1,113.40
Stores and spares	585.55	423.84
Total	1,839.39	1,537.24

- (a) During FY 2023-24 an amount of ₹ 159.42 lakhs (31st March, 2023: ₹ 92.96 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, 2023: Nil).

NOTE 9 TRADE RECEIVABLES

(Unsecured unless otherwise stated)

Refer Note 32 for accounting policy on financial instruments.

	As at 31st March, 2024	As at 31st March, 2023
Trade receivables considered good- secured	-	-
Trade receivables considered good- unsecured	4,793.82	4,425.25
Less: Allowance for expected credit loss (Refer (a) below)	(390.84)	(284.31)
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	134.48	108.70
Less: Allowance for credit impairment (Refer (a) below)	(134.48)	(108.70)
Balance as at the end of the year	4,402.98	4,140.94
(a) The movement in allowance for credit impairment and expected credit loss is as follows:		
Balance as at beginning of the year	393.01	388.00
Add: Change in allowance for expected credit loss during the year	132.31	5.01
Less: Trade receivables written off during the year	-	-
Balance as at the end of the year	525.32	393.01

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2024 is as follows:

	Unbilled/ Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - Considered good	4,391.61	165.40	54.14	26.90	25.15	130.62	4,793.82
Undisputed trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - Credit impaired	-	32.50	6.67	0.14	-	-	39.31
Disputed trade receivables - Considered good	-	-	-	-	-	-	-
Disputed trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - Credit impaired	-	13.81	18.99	8.05	8.02	46.30	95.17
Total (A)	4,391.61	211.71	79.80	35.09	33.17	176.92	4,928.30
Allowance for expected credit loss*							390.84
Allowance for credit impairment							134.48
Total (B)							525.32
Total (A-B)							4,402.98

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2023 is as follows:

	Unbilled/ Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - Considered good	1,980.40	2,243.73	9.29	53.10	55.68	83.05	4,425.25
Undisputed trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - Credit impaired	3.78	10.28	-	1.36	-	-	15.42
Disputed trade receivables - Considered good	-	-	-	-	-	-	-
Disputed trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - Credit impaired	-	14.82	20.09	7.77	16.85	33.75	93.28
Total (A)	1,984.18	2,268.83	29.38	62.23	72.53	116.80	4,533.95
Allowance for expected credit loss*							284.31
Allowance for credit impairment							108.70
Total (B)							393.01
Total (A-B)							4,140.94

* The allowance for expected credit loss ("ECL") is calculated by applying provision rates on gross trade receivables at respective ageing bracket, post adjustments for offsetting rebates, amounts payable to customers, tax deducted at source and similar adjustments if any. The provision matrix is prepared based on historically observed default rates for diverse set of customers over the expected life of trade receivables.

The provision matrix used for computing ECL on trade receivables is as follows:

Period for which amount outstanding from due date of payment	ECL provision rates	
	31st March, 2024	31st March, 2023
Not due	0.5%	0.5%
Less than 3 months	4.3%	4.3%
3-6 months	5.7%	5.7%
6 months- 1 year	30.0%	30.0%
More than 1 year	75.0%	75.0%

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

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 10 CASH AND CASH EQUIVALENTS

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

	As at 31st March, 2024	As at 31st March, 2023
Cash on hand	13.93	4.85
Balances with banks		
In current accounts	4.76	51.77
Term deposits with original maturity of less than three months	1,700.48	1,500.30
Total	1,719.17	1,556.92

NOTE 11 OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

Refer Note 32 for accounting policy on financial instruments.

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Security deposits	608.50	594.84
Less: Allowance for credit impairment (Refer (a) below)	(10.00)	(10.00)
TOTAL (A)	598.50	584.84
CURRENT		
Other receivables (includes receivables for sale of assets, employee advance etc.)	222.54	381.17
TOTAL (B)	222.54	381.17
TOTAL (A+B)	821.04	966.01
Other financial assets considered good- Unsecured	821.04	966.01
Other financial assets- credit impaired	10.00	10.00
Less: Allowance for credit impairment (Refer (a) below)	(10.00)	(10.00)
Balance as at the end of the year	821.04	966.01
(a) The movement in provision for doubtful receivables is as follows:		
Balance as at beginning of the year	10.00	10.00
Provision for doubtful receivables during the year	-	-
Less: Receivables written off during the year	-	-
Balance as at the end of the year	10.00	10.00

Refer note 33 for information about credit risk and market risk of other financial assets

NOTE 12 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2024	As at 31st March, 2023
Balances with Government authorities (GST)	693.80	452.86
Other advances (includes prepaid expenses, advance to suppliers, etc.)	382.64	455.34
Less: Provision for doubtful receivables (Refer (a) below)	(11.55)	(11.50)
	1,064.89	896.70
(a) The movement in provision for doubtful receivables is as follows:		
Balance as at beginning of the year	(11.50)	(7.69)
Add: Provision for doubtful receivables during the year	-	-
Less: Reversal of provision for doubtful receivables during the year	(0.05)	(3.81)
Less: Receivables written off during the year	-	-
Balance as at the end of the year	(11.55)	(11.50)

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

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 13A EQUITY SHARE CAPITAL

	As at 31st March, 2024	As at 31st March, 2023
Authorised		
9,10,00,000 (31st March, 2023: 9,10,00,000) equity shares of ₹ 10 each	9,100.00	9,100.00
Issued, subscribed and fully paid up		
3,59,07,547 (31st March, 2023: 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

	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
Balance as at the beginning of the year	3,59,07,547	3,590.76	3,59,07,547	3,590.76
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	3,59,07,547	3,590.76	3,59,07,547	3,590.76

b) Rights, preferences and restrictions attached to shares

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

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

	As at 31st March, 2024	As at 31st March, 2023
Equity Shares of ₹ 10 :		
3,59,07,547 (31st March, 2023: 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, 2024	As at 31st March, 2023
Number of shares of ₹ 10 each held by:		
Hindustan Unilever Limited, the Holding Company and its nominees	3,59,07,547	3,59,07,547
% of Holding	100%	100%

e) Details of shareholdings by the Promoters of the Company

Sr. No.	Promoter Name	As at 31st March, 2024		As at 31st March, 2023		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its nominees	3,59,07,547	100%	3,59,07,547	100%	-
	TOTAL	3,59,07,547	100%	3,59,07,547	100%	-

Sr. No.	Promoter Name	As at 31st March, 2023		As at 31st March, 2022		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its nominees	3,59,07,547	100%	3,59,07,547	100%	-
	TOTAL	3,59,07,547	100%	3,59,07,547	100%	-

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 13B OTHER EQUITY

A. Nature and purpose of reserves

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

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	21,749.82	21,749.82
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	21,749.82	21,749.82

- (b) **General Reserve:** General Reserves forming part of retained earnings are reserves that were created and utilised in accordance with the erstwhile Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013. General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit or loss.

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	531.56	531.56
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	531.56	531.56

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

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	(2,321.12)	(5,025.40)
Add: Profit for the year	2,759.49	2,704.27
Add: Other comprehensive income for the year	-	-
Balance at the end of the year	438.37	(2,321.12)

B. Summary of Other Equity balance

	Securities Premium	General Reserve	Retained Earnings	Total
Opening balance as at 1st April, 2022	21,749.82	531.56	(5,025.40)	17,255.98
Profit for the year	-	-	2,704.27	2,704.27
Other comprehensive income for the year	-	-	-	-
Opening balance as at 1st April, 2023	21,749.82	531.56	(2,321.12)	19,960.25
Profit for the year	-	-	2,759.49	2,759.49
Other comprehensive income for the year	-	-	-	-
As at 31st March, 2024	21,749.82	531.56	438.37	22,719.75

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 14 BORROWINGS**(Unsecured unless otherwise stated)**

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

	As at 31st March, 2024	As at 31st March, 2023
Non-current		
Loans from related party		
Intercompany deposits	19,001.76	17,201.76
Total	19,001.76	17,201.76

Notes:

- Inter corporate deposits from Hindustan Unilever Limited, the Holding Company, are classified as non-current borrowings as there is no visibility on immediate future repayments.
- This loan is used for working capital and capital expenditure requirements of salon business and job work business. It is repayable over a period of 5 years and carries a range of interest rate between 7.27% - 7.51% p.a. in 2023-24 (2022-23: 6.42% - 7.50% p.a.).

Refer note 33 for information about liquidity risk and market risk of long-term borrowings.

NOTE 15 LEASE LIABILITIES

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

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

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Lease liabilities payable beyond 12 months	3,435.67	2,989.82
Total (A)	3,435.67	2,989.82
CURRENT		
Lease liabilities payable within 12 months	1,034.58	880.99
Total (B)	1,034.58	880.99
Total (A+B)	4,470.25	3,870.81

The incremental borrowing rate applied to lease liabilities is in the range of 7.63% p.a. to 7.85% p.a. (2022-23: 6.43% p.a. to 7.78% p.a.) based on the lease term.

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

	As at 31st March, 2024	As at 31st March, 2023
Balance as at beginning of the year	3,870.81	3,725.03
Add: Addition	2,242.27	2,116.42
Add: Accretion of interest	332.31	342.06
Less: Payments	(1,826.29)	(1,784.27)
Less: Others (including foreclosure)	(148.85)	(528.43)
Closing balance as at end of the year	4,470.25	3,870.81

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Maturity analysis of lease liabilities

	As at 31st March, 2024	As at 31st March, 2023
Less than one year	1,452.32	880.99
One to two years	1,159.25	921.03
Two to five years	2,117.58	1,832.44
More than five years	607.61	605.34
Undiscounted Lease Liability (A)	5,336.76	4,239.80
Less: Financial component (B)	(866.51)	(368.99)
Closing Balance of Lease Liability (A-B)	4,470.25	3,870.81

NOTE 16 OTHER FINANCIAL LIABILITIES

Refer Note 32 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Security deposits*	712.04	449.25
Employee and ex-employee related liabilities	93.67	93.67
Total (A)	805.71	542.92
CURRENT		
Salaries, wages and bonus payable	1,784.41	1,526.89
Security deposits*	304.47	338.44
Fair Value of derivatives	0.66	-
Interest accrued but not due on borrowings	349.90	312.60
Creditors for capital goods	93.18	107.16
Total (B)	2,532.62	2,285.09
Total (A+B)	3,338.33	2,828.01

Refer note 33 for information about liquidity risk and market risk of other financial liability.

* Security deposits accepted from franchises for salon operations, repayable on termination of contract.

NOTE 17 TRADE PAYABLES

Refer Note 32 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues of micro enterprises and small enterprises	339.23	159.94
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	5,461.27	6,346.43
Total	5,800.50	6,506.37

Refer note 33 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, 2024	As at 31st March, 2023
a (i) Principal amount remaining unpaid	339.23	159.94
a (ii) Interest due thereon remaining unpaid	-	-
b. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	0.61	0.76
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	0.02	-
e. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

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

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2024 is as follows:

	Unbilled / Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	338.77	0.46	-	-	-	339.23
Undisputed dues of creditors other than micro enterprises and small enterprises	5,362.07	97.84	1.36	-	-	5,461.27
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	5,700.84	98.30	1.36	-	-	5,800.50

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023 is as follows:

	Unbilled / Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	159.94	-	-	-	-	159.94
Undisputed dues of creditors other than micro enterprises and small enterprises	5,535.05	811.38	-	-	-	6,346.43
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	5,694.99	811.38	-	-	-	6,506.37

NOTE 18 OTHER CURRENT LIABILITIES

	As at 31st March, 2024	As at 31st March, 2023
Statutory dues (including provident fund, tax deducted at source, etc.)	372.35	405.41
Others (advance for membership fees, prepaid cards, etc.)	156.58	385.66
Total	528.93	791.07

NOTE 19 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

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

	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits		
Compensated absences	19.24	3.91
Other provisions (including legal and other indirect tax matters) -net [Refer (a) below]	467.72	535.29
Total	486.96	539.20

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

a) Movement in other provisions

	Indirect taxes	Legal and others	Total
Opening balance as at 1st April, 2022	234.84	352.18	587.02
Add: Provision during the year	30.00	-	30.00
Less: Amount utilised/reversed during the year	(12.73)	(69.00)	(81.73)
Opening balance as at 1st April, 2023	252.11	283.18	535.29
Add: Provision during the year	-	187.18	187.18
Less: Amount utilised/reversed during the year	(17.57)	(237.18)	(254.75)
Balance as at 31st March, 2024	234.54	233.18	467.72

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

The provisions for indirect taxes and legal matters comprises of numerous separate cases that arise in the ordinary course of business.

The Company does not expect any reimbursements in respect of the above provisions.

NOTE 20 CONTINGENT LIABILITIES AND COMMITMENTS

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

A Contingent Liabilities

	As at 31st March, 2024	As at 31st March, 2023
Claims against the Company not acknowledged as debts		
Income tax matters	204.34	204.99
Indirect tax and other matters	2,816.22	2,816.22
Total	3,020.56	3,021.21

- 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.
- The Company does not expect any reimbursements in respect of the above contingent liabilities.
- The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its 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 and variable leases.

	As at 31st March, 2024	As at 31st March, 2023
Not later than one year	169.60	164.84
Later than one year and not later than five years	420.21	297.57
Later than five years	54.52	105.61
Total	644.33	568.02

ii) Capital commitments

	As at 31st March, 2024	As at 31st March, 2023
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	1,199.73	2,159.31
	1,199.73	2,159.31

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 21 REVENUE FROM OPERATIONS**Sale of products:**

As per Ind AS 115 - 'Revenue from contracts with customers', 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 terms with customers.

Revenue is measured on the basis of transaction price, which is the consideration, adjusted for volume discounts, rebates, schemes allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. 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 as and 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 transaction price 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 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.
- The Company allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Sale of products	6,757.33	6,301.53
Sale of services		
Income from own salons	6,028.57	5,359.34
Management fees	6,267.65	6,290.99
Income from job work contracts	15,103.78	14,824.29
Other operating revenue		
Display and Commission income	1,702.21	1,634.20
Others (including scrap sales, lease rentals etc.)	141.66	226.97
Total	36,001.20	34,637.32

(a) The reconciliation of contract price to sale of products and services is as below:

	Year ended 31st March, 2024	Year ended 31st March, 2023
Job work contracts		
Contract price	15,103.78	14,824.29
Less: Trade discounts and promotions, volume rebates, returns etc.	-	-
Total	15,103.78	14,824.29
Salon		
Contract price	19,506.31	18,641.23
Less: Trade discounts and promotions, volume rebates, returns etc.	(452.77)	(689.37)
Total	19,053.54	17,951.86
	34,157.32	32,776.14

(b) The Company does not have any contract assets as at 31st March, 2024 (31st March, 2023: Nil)

(c) The Company does not have any contract liabilities as at 31st March, 2024 (31st March, 2023: Nil)

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 22 OTHER INCOME

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest income		
Income tax refund	-	82.58
Others (including interest on bank deposits)	51.81	58.19
Total	51.81	140.77

NOTE 23 COST OF MATERIALS CONSUMED

Refer note 8 for accounting policy on Inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Materials consumed	840.18	835.19
Total	840.18	835.19

NOTE 24 PURCHASES OF STOCK-IN-TRADE

Refer note 8 for accounting policy on Inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Purchases of stock-in-trade	4,835.48	4,914.60
Total	4,835.48	4,914.60

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

Refer note 8 for accounting policy on Inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening stocks		
Finished goods	1,113.40	928.68
Less: Closing stocks		
Finished goods	(1,253.84)	(1,113.40)
Total	(140.44)	(184.72)

NOTE 26 EMPLOYEE BENEFITS EXPENSE

Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and performance incentives, are charged to statement of profit and loss on an undiscounted, accrual basis during the period of service rendered by the employees in the financial year.

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.

(All amounts in ₹ lakhs, unless otherwise stated)

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 (collectively referred to as "the Group"). 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 holding company in the year in which they arise.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report. Refer Note 36 for Employee benefit Plan calculations.

Other Long term benefits

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement.

Termination benefits

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

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Salaries, wages and bonus	9,375.55	8,397.37
Contribution to provident fund and other funds [Refer Note - 35]	398.99	308.77
Staff welfare expenses	287.84	218.59
Total	10,062.38	8,924.73

NOTE 27 FINANCE COSTS

Finance costs includes costs in relation to inter-corporate deposits, interest on lease liabilities which represents the unwind of the discount rate applied to lease liabilities and also include interest costs in relation to financial liabilities.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest expense on lease liabilities	332.31	342.06
Interest on inter corporate deposits	1,316.63	1,387.40
Others (Including Interest on taxes)	2.71	0.76
Total	1,651.65	1,730.22

NOTE 28 DEPRECIATION EXPENSE

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Depreciation on property, plant and equipment (owned assets)	3,299.26	3,097.03
Depreciation on property, plant and equipment (leased assets)	1,534.54	1,471.22
Total	4,833.80	4,568.25

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 29A OTHER EXPENSES

	Year ended 31st March, 2024	Year ended 31st March, 2023
Advertising and sales promotion	1,274.81	1,216.27
Consumption of stores & spares	87.52	277.01
EDP expenses	303.08	345.79
Expenses for use of common facilities	331.12	380.95
Expenses for shared services	379.29	413.01
Insurance	244.72	251.06
Packing freight and forwarding expenses	647.16	815.72
Power, fuel, light and water charges	2,732.71	2,843.53
Purchased services	1,246.33	954.13
Repairs and maintenance	1,076.60	1,089.23
Royalty	296.67	310.85
Travelling and motor car expenses	479.46	426.04
Payments to the auditors for:		
- Audit fees	10.56	10.10
- Tax audit fees	2.61	2.50
Miscellaneous expenditure (Includes (a) below)*	909.47	650.98
Total	10,022.11	9,987.17

* Miscellaneous expenditure above includes:

(a) The details of Corporate Social Responsibility ("CSR") as prescribed under Section 135 of the Companies Act, 2013 is as follows:

I. There was no unspent CSR in FY 2023-24 and FY 2022-23.

	Year ended 31st March, 2024	Year ended 31st March, 2023
II. Amount required to be spent by the Company during the year	27.48	10.99
III. Amount spent during the year on:		
i) Construction/ acquisition of any asset	-	-
ii) For purposes other than (i) above	29.00	15.00
IV. Shortfall at the end of the year	-	-
V. Total of previous years shortfall	-	-
VI. Reason for shortfall	Not Applicable	Not Applicable

VII. Nature of CSR activities include social, economic and environmental issues such as water harvesting, health and hygiene awareness, women empowerment and enable the less privileged segments of the society to improve their livelihood by enhancing their means and capabilities to meet the emerging opportunities.

VIII. Above includes a contribution of ₹ 29 lakhs (2022-23: ₹ 15 lakhs) to a fellow subsidiary Hindustan Unilever Foundation which is a Section 8 registered Company under Companies Act, 2013.

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

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

NOTE 29B EXCEPTIONAL ITEMS

	Year ended 31st March, 2024	Year ended 31st March, 2023
Restructuring costs	43.47	182.16

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 30 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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

A. Components of Income Tax Expense

	Year ended 31st March, 2024	Year ended 31st March, 2023
I. Tax expense recognised in the Statement of Profit and Loss		
Current tax		
Current year	703.91	907.42
Total (A)	703.91	907.42
Deferred tax		
Origination and reversal of temporary differences [includes MAT credit of ₹ 338.10 lakhs (31st March 2023: ₹ 234.59 lakhs)]	440.98	208.80
Total (B)	440.98	208.80
Total (A+B)	1,144.89	1,116.22
II. Tax expense recognised in Other Comprehensive Income	-	-
Total	-	-
III. Tax expense recognised in Equity	-	-
Total	-	-

Notes

to the financial statements for the year ended 31st March, 2024

(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, 2024		Year ended 31st March, 2023	
	%	Amount	%	Amount
Profit before tax		3,904.38		3,820.49
Statutory income tax rate	29.12%	1,136.96	29.12%	1,112.56
Differences due to:				
Expenses not deductible for tax purposes	0.20%	7.93	0.10%	3.67
Effective tax rate	29.32%	1,144.89	29.22%	1,116.22

C. Movement in Deferred Tax Assets and Liabilities

Movements during the year ended 31st March, 2024	As at 1st April, 2023	Credit/(charge) in the Statement of Profit and Loss	Other adjustments	As at 31st March, 2024
Deferred tax assets/(liabilities)				
Provision for doubtful debts and advances	120.71	38.54	-	159.25
Expenses allowable for tax purposes when paid	28.37	59.47	-	87.84
Property, Plant and Equipment	(476.45)	(197.95)	-	(674.40)
MAT credit	338.10	(338.10)	-	-
Impact on Right-of-Use Asset and Lease Liabilities	166.26	2.17	-	168.43
Other temporary differences	81.15	(5.11)	-	76.04
TOTAL	258.14	(440.98)	-	(182.84)

Movements during the year ended 31st March, 2023	As at 1st April, 2022	Credit/(charge) in the Statement of Profit and Loss	Other adjustments	As at 31st March, 2023
Deferred tax assets/(liabilities)				
Provision for doubtful debts and advances	118.14	2.57	-	120.71
Expenses allowable for tax purposes when paid	30.07	(1.70)	-	28.37
Property, Plant and Equipment	(281.07)	(195.38)	-	(476.45)
Tax Losses	0.01	(0.01)	-	-
MAT credit	572.69	-	(234.59)	338.10
Impact on Right-of-Use Asset and Lease Liabilities	183.38	(17.12)	-	166.26
Other temporary differences	78.31	2.84	-	81.15
TOTAL	701.53	(208.80)	(234.59)	258.14

D. Tax Assets and Liabilities

	As at 31st March, 2024	As at 31st March, 2023
Non-current tax assets (net)	2,015.53	1,898.88
Non-current tax liabilities (net)	19.81	19.81

E. Disclosure in Relation to Undisclosed Income

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

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 31 EARNINGS PER SHARE

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

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Earnings Per Share has been computed as under:		
Profit for the year (A)	2,759.49	2,704.27
Weighted average number of equity shares outstanding during the year (B)	3,59,07,547	3,59,07,547
Weighted average number of equity shares (including dilutive shares) outstanding during the year (C)	3,59,07,547	3,59,07,547
Earnings Per Share (₹) - Basic (Face value of ₹1 per share) (A/B)	7.68	7.53
Earnings Per Share (₹) - Diluted (Face value of ₹1 per share) (A/C)	7.68	7.53

NOTE 32 FINANCIAL INSTRUMENTS**I Financial assets:****(a) Initial recognition and measurement**

Financial assets, except trade receivables, 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.

Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate ("EIR") for these receivables is zero.

(b) Subsequent measurement and classification

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.

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.

(1) Debt Instruments:**(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 is 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.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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

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

(2) 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.

(c) 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 or has assumed an obligation to pay the received cash flows to one or more recipient.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(d) 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 expected credit loss (ECL) is measured and recognised as loss allowance. The Company computes ECL based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Write - off of Financial Asset

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. A write-off constitutes a derecognition event.

II Financial Liabilities:

(a) 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 EIR method.

(b) 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.

(All amounts in ₹ lakhs, unless otherwise stated)

(c) 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.

(d) 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.

A Accounting Classifications and Carrying Values

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

	Note	Carrying value	
		As at 31st March, 2024	As at 31st March, 2023
Financial Assets			
Financial assets measured at fair value			
Fair value of Investments through other comprehensive income	5	0.27	-
Financial assets measured at amortised cost			
Security deposits	11	608.50	594.84
Loan to employees	6	425.58	420.33
Other receivables	11	222.54	381.17
		1,256.89	1,396.34
Financial Liabilities			
Financial liabilities measured at fair value			
Fair Value of Derivatives	16	0.66	-
Financial liabilities measured at amortised cost			
Borrowings	14	19,001.76	17,201.76
Lease Liabilities	15	4,470.25	3,870.81
Security deposits	16	1,016.51	787.69
Employee liabilities	16	1,878.08	1,620.56
Other payables	16	443.08	419.76
		26,810.34	23,900.58

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 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.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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, 2024				
Assets at fair value				
Investments measured at Fair Value through OCI	-	-	0.27	0.27
Fair Value of Derivatives	-	-	-	-
Liabilities at fair value				
Fair Value of Derivatives	-	0.66	-	0.66
As at 31st March, 2023				
Assets at fair value				
Fair Value of Derivatives	-	-	-	-
Liabilities at fair value				
Fair Value of Derivatives	-	-	-	-

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, 2023.

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.

Significant Unobservable Inputs used in Level 2 and Level 3 Fair Values

As at 31st March, 2024	Valuation techniques	Sensitivity of input to fair value measurement
(a) Fair Value of Derivatives	Forward pricing: 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 ₹ 0.07 lakhs loss in Statement of Profit and Loss. A 10% decrease in rates would have led to an equal but opposite effect.
(b) Fair Value of Investments through Other Comprehensive Income	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	A 5% increase in forecasted cash flows would have led to approximately ₹ 0.00 lakhs gain in OCI and 5% decrease would have led to an equal but opposite effect.

C 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, 2024	Year ended 31st March, 2023
Financial assets measured at amortised cost			
Interest income	22	51.81	58.19
Change in allowance for expected credit loss and Bad debts written off	29A	132.31	5.01
Provision for doubtful receivables	29A	0.05	3.81
Financial liabilities measured at amortised cost			
Interest expense on lease liabilities	27	332.31	342.06
Interest expense on other than lease liabilities	27	1,316.63	1,387.40
Derivatives - foreign exchange forward contracts			
Fair value gain / (loss)	29A	5.70	3.76

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 33 FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks, credit risk and other price 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 maintained a cautious funding strategy, throughout the year ended 31st March, 2024 and 31st March, 2023. Cash flow from operating activities provides the funds to service the 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.

	Note	Carrying amount	Undiscounted Amount				Total
			Within 1 year	1-2 years	2-5 years	More than 5 years	
As at 31st March, 2024							
Financial Assets							
Non-derivative assets							
Investments measured at fair value through OCI	5	0.27	-	-	-	0.27	0.27
Trade receivables	9	4,402.98	4,402.98	-	-	-	4,402.98
Loans	6	404.04	21.54	-	-	382.50	404.04
Cash & cash equivalents	10	1,719.17	1,719.17	-	-	-	1,719.17
Other receivables	11	821.04	222.54	-	598.50	-	821.04
		7,347.50	6,366.23	-	598.50	382.77	7,347.50
Financial Liabilities							
Non-derivative liabilities							
Borrowings	14	19,001.76	-	-	19,001.76	-	19,001.76
Lease liabilities	15	4,470.25	1,452.32	1,159.25	2,117.58	607.61	5,336.76
Trade payables	17	5,800.50	5,800.50	-	-	-	5,800.50
Security deposits	16	1,016.51	304.47	-	712.04	-	1,016.51
Employee liabilities	16	1,878.08	1,784.41	-	-	93.67	1,878.08
Other payables	16	443.08	443.08	-	-	-	443.08
Fair value of derivatives	16	0.66	0.66	-	-	-	0.66
		32,610.84	9,785.44	1,159.25	21,831.38	701.28	33,477.35

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	Carrying amount	Undiscounted Amount				Total
			Within 1 year	1-2 years	2-5 years	More than 5 years	
As at 31st March, 2023							
Financial Assets							
Non-derivative assets							
Trade receivables	9	4,140.94	4,140.94	-	-	-	4,140.94
Loans	6	420.33	24.94		-	395.39	420.33
Cash & cash equivalents	10	1,556.92	1,556.92	-	-	-	1,556.92
Other receivables	11	966.01	381.17	-	584.84	-	966.01
		7,084.20	6,103.97	-	584.83	395.39	7,084.20
Financial Liabilities							
Non-derivative liabilities							
Borrowings	14	17,201.76	-	-	18,061.84		18,061.84
Lease liabilities	15	3,870.81	880.99	921.03	1,832.44	605.34	4,239.81
Trade payables	17	6,506.37	6,506.37	-	-	-	6,506.37
Security deposits	16	787.69	338.44	-	449.25	-	787.69
Employee liabilities	16	1,620.56	1,526.89	-	-	93.67	1,620.56
Other payables	16	419.76	419.76	-	-	-	419.76
		30,406.95	9,672.45	921.03	20,343.53	699.02	31,636.02

B Management of Market Risk

The Company's business activities are exposed to a variety of financial risks, namely:

- currency risk;
- interest rate risk; and
- other price risk (commodity risk)

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

Currency Risk

Potential Impact of Risk	Management Policy	Sensitivity to Risk																								
<p>The Company is subject to the risk that changes in foreign currency values impact the Company's imports.</p> <p>As at 31st March, 2024, 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 ₹ 165.39 lakhs payable (31st March, 2023: ₹ 21.48 lakhs payable).</p>	<p>The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.</p> <p>The aim of the Company'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.</p> <p>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.</p>	<p>A 5% strengthening of the INR against key currencies to which the Company is exposed (net of hedge) would have led to approximately an additional ₹ 8.27 lakhs gain in the Statement of Profit and Loss (2022-23: ₹ 1.07 lakhs gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.</p> <p>Amongst the key currencies, EUR is a significant currency contributing to the currency risk exposure. A 5% strengthening/ (weakening) of the INR against EUR would have led to approximately an additional ₹ 6.65 lakhs gain/(loss) in the Statement of Profit and Loss.</p>																								
<table> <tr> <th>Net (Receivable)/ Payable</th><th>As at 31st March, 2024</th><th>As at 31st March, 2023</th></tr> <tr> <td>EUR</td><td>133.10</td><td>(5.22)</td></tr> <tr> <td>NZD</td><td>1.46</td><td>12.99</td></tr> <tr> <td>GBP</td><td>10.63</td><td>10.25</td></tr> <tr> <td>SGD</td><td>10.89</td><td>-</td></tr> <tr> <td>NPR</td><td>0.21</td><td>1.88</td></tr> <tr> <td>USD</td><td>9.10</td><td>1.58</td></tr> <tr> <td></td><td>165.39</td><td>21.48</td></tr> </table>	Net (Receivable)/ Payable	As at 31st March, 2024	As at 31st March, 2023	EUR	133.10	(5.22)	NZD	1.46	12.99	GBP	10.63	10.25	SGD	10.89	-	NPR	0.21	1.88	USD	9.10	1.58		165.39	21.48		
Net (Receivable)/ Payable	As at 31st March, 2024	As at 31st March, 2023																								
EUR	133.10	(5.22)																								
NZD	1.46	12.99																								
GBP	10.63	10.25																								
SGD	10.89	-																								
NPR	0.21	1.88																								
USD	9.10	1.58																								
	165.39	21.48																								

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

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined. Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis.

(All amounts in ₹ lakhs, unless otherwise stated)

The Company computes expected credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

Refer Note 32 for accounting policy on Financial Instruments - trade receivables.

Other financial assets

Credit risk related to the use of treasury instruments arises from transactions with financial institutions involving cash and cash equivalents, term deposits with banks, investments in treasury bills, Government securities, money market liquid mutual funds, overnight mutual funds and derivative instrument. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as at 31st March, 2024 and 31st March, 2023. To reduce this risk, the Company has concentrated its main activities with a limited number of counter-parties which have secure credit ratings. 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.

NOTE 34 CAPITAL MANAGEMENT

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

1. Total equity – retained profit, share capital, securities premium and general reserve
2. Non-Current and Current maturities of Long term debt (Inter Corporate Deposits)

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

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

NOTE 35 DEFINED CONTRIBUTION PLANS

Refer Note 26 for accounting policy on defined contribution plans

- (a) Provident fund and other funds
- (b) Employer's contribution to employee's state insurance
- (c) Pension fund

During the year, the Company has recognised the following amounts in Statement of Profit and Loss under Employee benefits expense:

	Year ended 31st March, 2024	Year ended 31st March, 2023
Employer's contribution to provident fund and other funds	160.48	152.36
Employers' contribution to employee's state insurance*	17.41	21.96
Employer's contribution to pension funds	221.10	203.45
	398.99	377.77

* The above excludes reversal of time barred employee's state insurance provision of Nil (31st March, 2023: ₹ 69 lakhs)

NOTE 36 DEFINED BENEFIT PLANS

Refer Note 26 for accounting policy on defined benefit plans

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

The Company has liabilities towards compensated absences of ₹ 19.24 lakhs (31st March, 2023: ₹ 3.91 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 holding company.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 37 RELATED PARTY DISCLOSURES

A. Enterprises exercising control

- (i) Ultimate Holding Company : Unilever PLC
(ii) Holding Company : Hindustan Unilever Limited

B. Key Management personnel

- Whole-Time Director : Pushkaraj Shenai (up to 15th December, 2023)
Chief Financial Officer : Saurik Ginoria (with effect from 19th July, 2023)
Asha Gopalakrishnan (up to 19th July, 2023)
Company Secretary : Swati Narayanan

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, 2024	Year ended 31st March, 2023
Holding Company :		
Income from job work contracts	15,103.78	14,824.29
Display and Commission income	30.75	62.70
Management fees	919.25	1,019.36
Purchases of goods	742.82	638.90
Reimbursement of expenses for holding company (received)	88.87	162.25
Expenses for services received	379.29	421.76
Reimbursement of expenses by holding company (paid)	1,112.75	971.28
Royalty expense	296.67	310.85
Rent expense	8.40	33.60
Expenses for use of common facilities	266.16	322.17
Interest on inter corporate deposits	1,316.63	1,387.40
Purchases of Property, Plant and Equipment	209.28	29.93
Sale of Property, Plant and Equipment	90.24	162.78
Inter corporate deposit received	1,800.00	-
Inter corporate deposit repaid	-	3,800.00
Outstanding as at year end-		
Long term borrowing		
Inter corporate deposit payable	19,001.76	17,701.76
Interest accrued on inter corporate deposit	349.90	312.60
Trade Receivables		
Receivables at year end	1,863.07	2,214.08
Trade Payables		
Payables at year end	1,039.70	1,074.36
Fellow Subsidiary of the Holding Company:		
Expenses for IT services	-	36.50
Recovery of expenses	222.71	133.28
Trade Payables		
Payables at year end	-	17.41
Fellow Subsidiary of the Company:		
Donations	29.00	15.00
Employees' Benefit Plans where there is significant influence		
Key Management Personnel		
Short-term employee benefits	477.30	184.53

Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year are in ordinary course of the business and are on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash. Refer note 14 for terms and conditions of inter-corporate deposits 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, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2023: 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.

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 38 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, 2024	Year Ended 31st March, 2023
REVENUE		
Salon	20,755.76	19,586.06
Job work contracts	15,245.44	15,051.26
Total Revenue	36,001.20	34,637.32
RESULT		
Salon	3,065.60	3,151.80
Job work contracts	2,533.90	2,581.07
Total Result	5,599.50	5,732.87
Finance costs	(1,651.65)	(1,730.22)
Exceptional items	(43.47)	(182.16)
Profit before tax	3,904.38	3,820.49
Tax expenses	(1,144.89)	(1,116.22)
Profit after taxation	2,759.49	2,704.27

Other Information

	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Capital expenditure	Depreciation	Capital expenditure	Depreciation
Salon	2,309.38	1,345.74	1,901.74	1,414.21
Job work contracts	6,920.60	3,488.06	3,824.66	3,154.04
	9,229.98	4,833.80	5,726.40	4,568.25

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 other than its Holding Company i.e., Hindustan Unilever Limited amounting to ₹ 16,053.78 lakhs (31st March 2023: ₹ 17,496.95 lakhs)

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 39 ACCOUNTING RATIOS

Sr. No	Name of the Ratio	Numerator	Denominator	FY 24	FY 23	% variance
1	Current Ratio (in times)	Current assets	Current liabilities	0.89	0.78	14%
2	Debt - Equity Ratio (in times)	Total debt	Equity	0.89	0.89	0%
3	Debt Service coverage ratio (in times)#	Earnings available for debt service	Total debt service	0.43	0.45	-4%
4	Return on equity (in %)	Net profit - preferred dividends	Average shareholder equity	11.07%	12.00%	-8%
5	Inventory Turnover Ratio (in times)	Sales	Average inventory	12.95	14.98	-14%
6	Trade receivables turnover ratio (in times)	Sales	Average accounts receivables	8.00	7.71	4%
7	Trade payables turnover ratio (in times)	Net purchases	Average trade payables	2.42	2.11	15%
8	Working capital turnover ratio (in times)	Net sales	Working Capital	(32.22)	(13.96)	131%
9	Net profit ratio (in %)	Net profit	Net sales	7.70%	8.00%	-4%
10	Return on capital employed (in %)	Earning before Interest and Taxes	Capital employed	16.24%	18.00%	-10%
11	Return on Investment (in %)*	refer (k) below		-	-	-

*Return on Investment is not applicable as the Company has not made any material investments during the current and previous year.

Reason for variance of ratios with significant change (i.e. change of 25% or more as compared to the financial year 2022-23) have been explained below:

#Working capital turnover ratio (in times) - Led by decrease in Net Working Capital and increase in Turnover

Definitions:

- Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.
- Debt service = Interest & Lease Payments + Principal Repayments
- Average inventory = (Opening inventory balance + Closing inventory balance) / 2
- Net sales = Net sales consist of gross sales minus sales return
- Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
- Net purchases = Net purchases consist of gross purchases minus purchase return
- Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
- Working capital = Current assets - Current liabilities
- Earning before interest and taxes = Profit before tax + Interest expense- Interest Income
- Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
- Return on Investment

$$\{MV(T_0) + \text{Sum } [W(t) * C(t)]\}$$

where,

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

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

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T_1 - t] / T_1$

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 40

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. At the year end, the Company has reviewed and there are no long-term contracts for which there are any material foreseeable losses. The Company has ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on derivative contracts has been made in the books of account.

NOTE 41 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Company does not have any approved schemes of arrangements during the year.

NOTE 42 DISCLOSURE OF STRUCK OFF COMPANIES

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

NOTE 43 NO TRANSACTIONS TO REPORT AGAINST THE FOLLOWING DISCLOSURE REQUIREMENTS AS NOTIFIED BY MCA PURSUANT TO AMENDED SCHEDULE III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
 - i. Wilful defaulter
 - ii. Utilisation of borrowed funds & share premium
 - iii. Borrowings obtained on the basis of security of current assets
 - iv. Discrepancy in utilisation of borrowings

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No. 101248W/W-100022

For and on behalf of Board of Directors of Lakme Lever Private Limited

CIN : U24247MH2008PTC188539

Deepak Nair

Partner
Membership No: 139861

Harman Dhillon

Director
DIN No- 10547220

Yogesh Mishra

Director
DIN No- 08210395

Swati Narayanan

Company Secretary
Membership No. ACS 48572

Saurik Ginoria

Chief Financial Officer

Mumbai: 22nd April, 2024

Mumbai: 19th April, 2024

Mumbai: 19th April, 2024

Mumbai: 19th April, 2024

UNILEVER INDIA LIMITED

In this section

137 Report of Board of Directors

149 Financial Statements

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	DESIGNATION	AUDITORS	REGISTERED OFFICE
Dev Bajpai (DIN: 00050516)	Director	M/s. B S R & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099 CIN-U36999MH2020PLC340390
Ritesh Tiwari (DIN: 05349994)	Director		
Yogesh Mishra (DIN: 08210395)	Director		
Shilpa Kedia (DIN: 10508350)	Additional Director		
Isha Dalal	Chief Financial Officer		
Bharati Shetty	Company Secretary		
Vikas Sabharwal	Manager		

To the Members,

Your Directors are pleased to present the 4th Annual Report of Unilever India Limited (the Company) along with Audited Financial Statements for the financial year ended 31st March 2024.

FINANCIAL RESULTS

The financial performance of your company for the year under review is given below:

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from operations	1,11,593.67	44,863.36
Profit before tax	9,436.64	3,004.09
Profit during the period	7,812.13	2,413.49
Dividend	-	-

(₹ In lakhs)

OPERATIONAL REVIEW

The Company is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) incorporated to leverage the growth opportunities in a fast-changing business environment. The Company has a Home Care factory in Sumerpur, Uttar Pradesh.

The state-of-the-art spray dried detergent factory manufactures Home Care products for the Company. It is designed to make the best use of digital 4th industrial revolution, guaranteeing world class performance in people safety, product quality, innovation lead times and environmental performance. The site's integrated design allows for an ecosystem of material suppliers, logistic operators and manufacturing partners to be located at the site for optimal supply chain integration.

This unit is firmly on its path to be Unilever's first gender balanced factory in South Asia and currently has 170+ female employees. It is an inspiring example of the path breaking work being done to increase female representation in our shop floors through Project Samavesh.

During the financial year, the Company has ramped up its operations and has delivered robust volume growth. The top-line and bottom-line growth is in line with the growth in volumes.

There has been no change in the nature of business of the Company during the year under review.

DIVIDEND

The Board did not declare any Dividend during the year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve during the year under review.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company did not have any subsidiary or associate or joint venture company during the year under review.

THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company is a diverse mix of Directors and the same is in line with the applicable provisions of Companies Act, 2013 (the Act). As on the financial year ended 31st March, 2024, the Board consists of four (4) Directors. The Board has also appointed a Chief Financial Officer (CFO), Manager and a Company Secretary as Key Managerial Personnel under Section 203 of the Act.

During the year under review, Ms. Asha Gopalakrishnan (DIN: 08383915) resigned as a Director of the Company with effect from 18th July, 2023. In succession to her, Ms. Suman Hegde (DIN: 06539295) was appointed as an Additional (Non-Executive) Director on the Board of the Company with effect from 18th July, 2023 to hold office up to the conclusion of ensuing Annual General Meeting (AGM) of the Company. However, Ms. Suman Hegde resigned as an Additional (Non-Executive) Director of the Company with effect from 19th February, 2024.

The Board placed on record, its sincere appreciation for the contribution made by Ms. Asha Gopalakrishnan and Ms. Suman Hegde during their tenure as Directors of the Company.

Report of Board of Directors

In succession to Ms. Suman Hegde, Ms. Shilpa Kedia was appointed as an Additional (Non-Executive) Director on the Board of the Company with effect from 17th February, 2024 to hold office up to the conclusion of ensuing AGM of the Company. Being eligible, Ms. Shilpa Kedia has offered her candidature for appointment as a Director of the Company.

The Board recommends the appointment of Ms. Shilpa Kedia as Director of the Company and the resolution proposing the aforesaid appointment pursuant to the Section 152 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

During the year under review, Mr. Rakesh Thakur resigned as Chief Financial Officer (CFO) of the Company with effect from 31st August, 2023. The Board placed on record, its sincere appreciation for the services rendered by Mr. Rakesh Thakur during his tenure as a CFO of the Company.

Ms. Isha Dalal was appointed as the CFO of the Company, in succession of Mr. Rakesh Thakur with effect from 18th October, 2023. Ms. Isha Dalal has accorded her consent to act as a CFO of the Company and is qualified and eligible to be appointed as a CFO in accordance with the provisions of the Act.

Mr. Vikas Sabharwal will resign as Manager of the Company with effect from 30th April, 2024. The Board places on record, its sincere appreciation for the services rendered by Mr. Vikas Sabharwal as a Manager of the Company.

The Board at its meeting held on 19th April, 2024, appointed Mr. Akhilesh Yadav as the Manager of the Company in succession to Mr. Vikas Sabharwal with effect from 1st May, 2024. Mr. Akhilesh Yadav has accorded his consent to act as a Manager of the Company and is qualified and eligible to be appointed as a Manager in accordance with the provisions of the Act.

Except as mentioned above, there were no changes in the composition of Board of Directors and Key Managerial Personnel of the Company during the year under review.

RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT

In accordance with Article 43(9) of the Articles of Association of the Company and the relevant provisions of the Act, one - third of the total Directors of the Company, shall retire by rotation at every AGM and accordingly, Mr. Dev Bajpai, Director of the Company shall retire by rotation at the ensuing AGM and being eligible, offers his candidature for re-appointment.

The Board recommends the re-appointment of Mr. Dev Bajpai as Director of the Company and the resolution proposing the same pursuant to the Section 152 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's operations, policies and strategy apart from other Board business. The Board Meetings are pre-scheduled and a tentative calendar of each of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure worthwhile participation in the meetings. However, in case of a special and urgent business need, the approval of the Board 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. However, during certain circumstances, the Agenda is circulated on a shorter notice with due consent of the Directors. The Agenda for the Board Meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the financial year ended 31st March, 2024, five (5) Board Meetings were held on 25th April, 2023, 17th July, 2023, 17th October, 2023, 30th November, 2023 and 15th January, 2024. The interval between any two meetings was well within the maximum allowed gap of 120 days as per the Act.

COMPANY POLICIES

Vigil Mechanism Policy for the Directors and Employees

The Board of Directors of the Company pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any modifications or re-enactments thereof), has 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.

During the year under review, the Board of Directors amended the Policy to:

- Widen the scope of the policy by including vendors and other stakeholders who can report the issues and concerns.
- Change the reporting mechanisms as per Holding Company's Policy.
- Define the role of the Board of Directors as per the provisions of the Act under the said policy.

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 (including any modifications or re-enactments thereof), your Company has constituted Internal Committees (IC). The scope of our Prevention of Sexual Harassment (POSH) Policy has been expanded to make it more inclusive and gender neutral, detailing the governance mechanisms for prevention of sexual harassment issues relating to employees across genders including employees who identify themselves with LGBTQI+ community.

The Company has constituted Internal Committee as per the provisions of the POSH Act.

To build awareness in this area, the Company has been conducting induction / refresher programmes in the organisation on a continuous basis. During the year under review, your Company organised offline training sessions for all blue collared employees across the Company which included POSH as one of the topics of training.

Corporate Social Responsibility Policy

The Company is required to comply with provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, since the Net profit of the Company for the financial year 2022-23 was more than ₹5 crores. However pursuant to the aforesaid provisions, as the Corporate Social Responsibility (CSR) obligation of the Company did not exceed ₹50 lakhs, the Company is exempted from the requirement of constitution of CSR Committee and the functions of the Committee are discharged by the Board of Directors.

The Board of Directors have duly adopted and approved the CSR Policy of the Company along with the CSR Activities and Annual Action Plan for the financial year 2023-24.

Pursuant to the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII, the Company has formulated Corporate Social Responsibility (CSR) Policy. This CSR Policy of the Company outlines a clear agenda through which we will continue to contribute to the community at large. The objective of this policy is to set the direction for the CSR activities of the Company and define the governance and monitoring framework for ensuring the effectiveness of the policy. Our multi-stakeholder model is being embedded into the business completely, so the business can continue to be a force for good.

As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and has been focusing on a wide range of issues in relation to water conservation, health and hygiene, skill development, education, social advancement, gender equality, empowerment of women, ensuring environmental sustainability and rural development projects. The Company will continue to focus our resources on accelerating progress against these priorities with short-term actions to deliver impact. At the same time, the Company will take long-term actions that will help protect the environment.

A report on CSR as required under the Companies (Corporate Social Responsibility) Rules, 2014 (including any modifications or re-enactments thereof), is appended as an Annexure to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended 31st March, 2024, the Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act 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 remuneration paid to the employees of the Company did not exceed the prescribed threshold as per the provisions of Section 197 of the Act read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ANNUAL EVALUATION

In terms of the requirement of the Act, 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 as a whole. The criteria of performance evaluation of the Board and Peers on the Board was being adopted by the Board of Directors.

During the year, Board evaluation cycle was completed by the Company, which included the evaluation of the Board as a whole and Peers on the Board. The Evaluation process focused on various aspects of the functioning of the Board such as Board Oversight, Board Management, Board Engagement, Board Skills & Structure and an Overall Assessment.

Separate exercise was carried out to evaluate the performance of Peers on the Board on parameters such as attendance, contribution, constructive relationship with the Board & Management of the Company and independent judgement.

Report of Board of Directors

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 Meetings are enriched by such diversity and complementarities.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS OR SECURITY GIVEN IN CONNECTION TO LOAN

The details relating to loans, guarantees or investments made by the Company or security given by the Company in connection to any loan in accordance with the provisions of Section 186 of the Act are provided in the Notes 4 and 10 to financial statements.

During the year under review, the Company has entered into a strategic partnership with Brookfield to set up a solar energy park with 45 MW capacity in Rajasthan. This will help the Company in its journey towards Net zero commitment. The project is being developed at the site of Brookfield's solar park, being undertaken as a part of Brookfield Global Transition Fund (Brookfield). The Board, at its meeting held on 30th November, 2023, approved an equity investment of up to 0.13% in Transition Sustainable Energy Services One Private Limited, a Special Purpose Vehicle (SPV) incorporated by Brookfield, a leading global alternative asset manager with one of the world's largest renewable power platforms.

The SPV is formed under the Government's Group Captive Open Access Renewable Energy Scheme. This is seen as a transformative partnership that aligns with environmental and economic sustainability and will help stakeholders across the value chain. As on the date of this Annual Report, the Company has completed the acquisition of 0.11% of equity share capital of the SPV.

The Company will obtain a certificate from the Statutory Auditors certifying that the Company is in compliance with the FEMA Regulations with respect to the downstream investment made in the SPV.

RELATED PARTY TRANSACTIONS / CONTRACTS / ARRANGEMENTS

All Related Party Transactions entered during the financial year ended 31st March, 2024 were in the ordinary course of business and on arm's length basis. Pursuant to provision of Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 as amended from time to time, the details of contracts or arrangements entered into with related parties are provided in Form AOC-2 and appended as an Annexure to this Report.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Act (including any modifications or re-enactments thereof), during the year under review.

ANNUAL RETURN

The Company does not have any website and therefore as per provisions of Section 92(3) and 134(3)(a) of the Act read with the Companies (Management and Administration) Rules, 2014, the Company is not required to upload its Annual Return on the website. Further a copy of Annual Return shall be filed with the Registrar of Companies.

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 Board of Directors of the Company, elements of risks that threaten the existence of the 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 during the year under review impacting the going concern status and Company's operations in future.

Pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 (including any modifications or re-enactments thereof) the Company is required to maintain cost records under Rule 3 of the said Rules. Accordingly, the Company has duly maintained the cost records in the format prescribed in Form CRA-1 under Rule 5 of the said Rules.

There were no 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 this Report.

The Company has generally 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 The Institute of Company Secretaries of India.

The Company has not issued any shares with differential voting rights, sweat equity shares and equity shares under Employees Stock Option Scheme during the year under review.

There were no instances of non exercise of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 (including any modifications or re-enactments thereof).

The Company has not transferred any amount to the Investor Education & Protection Fund (IEPF) and no amount is lying in Unpaid Dividend A/c of the Company during the year under review.

AUDIT & AUDITORS

Statutory Auditors

M/s. B S R & Co. LLP, Chartered Accountants (Firm's Registration No.: 101248W/W-100022) were appointed

as the Statutory Auditors of the Company for five (5) consecutive years at the 1st AGM of the Company held on 10th August, 2021.

The report given by the Statutory Auditors on the financial statements of the Company for the financial year ended 31st March, 2024 forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory 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.

Secretarial Auditors

The Board had appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries (ICSI Unique Code: P1991MH040400), to carry out Secretarial Audit for the Financial Year 2023-24.

The report given by Secretarial Auditors on the Secretarial Audit of the Company for the financial year ended 31st March, 2024 forms part of this Report. There has been no qualification, reservation or adverse remark given by Secretarial Auditors of the Company.

During the year under review, the Board has approved the appointment of M/s. Parikh & Associates, Company Secretaries (ICSI Unique Code: P1988MH009800) as Secretarial Auditors of the Company for the Financial Year 2024-25 at its Meeting held on 15th January, 2024.

M/s. Parikh & Associates is a firm of Practising Company Secretaries founded in 1987. The firm provides professional services in the field of Corporate Laws, SEBI Regulations, FEMA Regulations including carrying out Secretarial Audits, Due Diligence Audits and Compliance Audits. The firm is Peer Reviewed and Quality Reviewed by the Institute of the Company Secretaries of India.

Cost Auditors

Pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 6 of Companies (Cost Records and Audit) Rules, 2014, the Board had approved the appointment of M/s. RA & Co., Cost Accountants (Firm Registration No: 000242), as the Cost Auditors of the Company at its Meeting held on 11th September, 2023 to conduct the audit of cost records of the products made and maintained by the Company for the financial 2023-24.

However, pursuant to the provisions of Section 141 and 148 of Companies Act, 2013, M/s. RA & Co., Cost Accountants have vacated their office as Cost Auditors of Hindustan Unilever Limited (HUL), the Holding Company with immediate effect on 28th March, 2024 on account of the firm incurring a disqualification. Accordingly, they had also resigned as Cost Auditors of the Company with immediate effect on 28th March, 2024. They were not paid any remuneration as no services had been availed from them.

Further, the Board at its meeting held on 19th April, 2024 approved the appointment of M/s. D.C. Dave & Co., Cost Accountants (Firm Registration No. 000611) as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2023-24 and 2024-25.

The following remuneration is proposed to be paid to the Cost Auditors, subject to ratification by the Members of the Company at the ensuing AGM :

Period	Remuneration*
F.Y. ending 31st March, 2024	₹4,00,000 / - (Rupees Four lakhs only)
F.Y. ending 31st March, 2025	₹7,49,000 / - (Rupees Seven lakhs Forty-Nine Thousand only)

* Exclusive of taxes and reimbursement of out-of-pocket expenses incurred by the Cost Auditors in connection with the aforesaid audit.

M/s. D. C. Dave & Co., Cost Accountants was established in the year 2016. It has its registered office at 1101 Dalamal Tower, Free Press Journal Marg, Nariman Point Mumbai - 400 021. It is primarily engaged in providing wide spectrum of services in the areas of Cost and Management Accounting.

Internal Auditor

Pursuant to provisions of Section 138 of the Act read with relevant Rules made thereunder Ms. Surabhi Mehrotra continues to be the Internal Auditor of the Company.

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

The information required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 (including any modifications or re-enactments thereof) is given below:

Conservation of energy

The 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 (Biomass briquettes) under sustainability sourcing agenda with net zero emission as well as using solar panels for electricity generation. The factory is equipped with all IE4 (International Efficiency Standard 4) energy efficient motors and it is designed to comply with green building requirements, like energy efficient lighting system & maximum day light usage in building with all-natural ventilation.

Technology Absorption

The Company is receiving support and guidance from HUL, the Holding Company and Unilever PLC, the ultimate holding company to drive functional excellence in technology which is helping the Company in achieving manufacturing excellence. Unilever Group is committed to ensure that the

support in terms of new products innovations, technologies, and services is commensurate with the needs of the Company and enables it to win in the marketplace.

Foreign exchange earnings and outgo

Details of foreign exchange earnings and outgo are as follows:

	₹ In lakhs)	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Earnings	-	-
Outgo	1,409.29	751.11

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 the Company is strongly focused on continuous improvement in these areas which are fundamental to the sustainable growth of the Company.

Mumbai, 19th April, 2024

DETAILS OF PROCEEDINGS PENDING OR APPLICATION MADE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

No application was filed for Corporate Insolvency Resolution Process, by a Financial creditor or Operational creditor or by the Company itself under the Insolvency and Bankruptcy Code, 2016 before the NCLT during the year under review.

DETAILS OF DIFFERENCE BETWEEN VALUATION DONE AT THE TIME OF TAKING LOAN FROM BANK AND AT THE TIME OF ONE-TIME SETTLEMENT ALONGWITH REASONS

There was no instance of one-time settlement with any Bank or Financial Institution during the year under review.

ACKNOWLEDGEMENTS

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

On behalf of the Board

Dev Bajpai

Director

DIN: 00050516

Ritesh Tiwari

Director

DIN: 05349994

Annexure to the Report of Board of Directors

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

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

A belief that sustainable business drives superior performance lies at the heart of the Company. We seek to deliver long-term sustainable growth while driving change for People and the Planet. The Company strives to create a fairer and more inclusive world, where everyone lives with, rather than at the expense of, nature and the environment.

We will continue to focus our resources on accelerating progress against these priorities with short-term actions to deliver impact. At the same time, we will take long-term actions that will help protect the environment. Our plans are now fully integrated into our business strategy, which we believe will enable us to make progress on sustainability while also delivering better performance.

Water Conservation Project:

During the year, Unilever India 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. HUF aims to catalyse effective solutions to India's water challenges through a partnership approach involving the Government, Communities, Experts and Mission-based Organisations. Across diverse river basins and hydrogeological zones, three core pillars define HUF's work with rural communities:

- **Know more:** Build water numeracy to help quantify availability, budget and allocate water use.
- **Save more:** Promote scientific citizen-led water conservation and governance efforts.
- **Use less:** Drive behaviour change for responsible water use in agriculture.

HUF's programmes has reached more than 15,000 villages in 13 states and 2 union territories across India in partnership with NGOs and multiple co-funders. HUF also supports several knowledge initiatives in water conservation, governance and behaviour change.

By the end of financial year 2022-23, the cumulative and collective achievements through partnered programmes of the Company include:

- **Water Conservation:** Over 3.2 trillion litres of water potential created¹.
- **Crop Yield:** Additional agriculture production of over 2 million tonnes has been generated¹.
- **Livelihoods:** Over 114 million person-days of employment created through water conservation and increased agriculture production¹.

2. COMPOSITION OF CSR COMMITTEE:

Not Applicable

3. THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

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

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

Not Applicable

Sr. No.	Particulars	Amount (in ₹)
5a)	Average net profit of the Company as per Section 135(5)	7,33,94,371.94
5b)	Two percent of average net profit of the Company as per Section 135(5)	14,67,887.44
5c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
5d)	Amount required to be set off for the financial year, if any	Nil
5e)	Total CSR obligation for the financial year (4b+4c-4d)	14,67,887.44

¹Assured by an external independent firm

6.	Sr. No.	Particulars	Amount (in ₹)
	6a)	Amount Spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	15,00,000.00
	6b)	Amount spent in Administrative Overheads	Nil
	6c)	Amount spent on Impact Assessment, if applicable	Nil
	6d)	Total amount spent for the financial year (5a + 5b + 5c)	15,00,000.00

6E) CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR :

Total Amount Spent for the financial year (in ₹)	Amount Unspent (in ₹)				
	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso of Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
15,00,000			Nil		

6F) EXCESS AMOUNT FOR SET-OFF, IF ANY:

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	14,67,887.44
(ii)	Total amount spent for the Financial Year	15,00,000.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	32,112.56
(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)]	Refer Note

Note - The Company does not wish to claim set off for the excess amount spent of ₹32,112.56.

7. DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the financial Year (in ₹)	Amount transferred to a fund specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years (in ₹)
					Amount (in ₹)	Date of Transfer	Deficiency, if any (in ₹)
1.	FY-2022-23						
2.	FY-2021-22						
3.	FY-2020-21						

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CSR AMOUNT SPENT IN THE FINANCIAL YEAR :

No

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5).

Not Applicable

On behalf of the Board

Dev Bajpai

Director

DIN: 00050516

Ritesh Tiwari

Director

DIN: 05349994

Mumbai, 19th April, 2024

Annexure to the Report of Board of Directors

PARTICULARS OF TRANSACTIONS / 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]

- Details of contracts or arrangements or transactions not at arm's length basis – Not Applicable
- Details of contracts or arrangements or transactions at arm's length basis:

(₹ In lakhs)			
Name of Related Party	Nature of relationship	Nature of contract*	Amount
Hindustan Unilever Limited	Holding Company	Inter corporate deposit repaid	10,250.00
Hindustan Unilever Limited	Holding Company	Sale of finished goods / raw materials	1,12,153.06

* 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

Dev Bajpai

Director

DIN: 00050516

Ritesh Tiwari

Director

DIN: 05349994

Mumbai, 19th April, 2024

Annexure to the Report of Board of Directors

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

[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 – 400 099

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **Unilever India Limited** (hereinafter called 'the Company') for the **Financial Year ended on 31st March, 2024**. 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, 2024** 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, 2024** 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; **As Applicable;**
- (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 and Sweat Equity) Regulations, 2021;
 - (e) 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;
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:
 - a) The Factories Act, 1948;
 - b) The Contract Labour (Regulation and Abolition) Act, 1970;
 - c) The Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008;
 - d) The Legal Metrology Act, 2009;
 - e) The Legal Metrology (Packaged Commodities) Rules, 2011;

- f) Apprentices Act, 1961 read with Apprenticeship Rules, 1992
- g) Electricity Act, 2023.

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

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

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

We further report that:

- (i) The Board of Directors of the Company is duly constituted with Non-Executive Directors including Woman Directors. Changes in the composition of Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Act;
- (ii) Adequate notice is given to all Directors to schedule Board Meetings; agenda and detailed notes to agenda were sent at least seven days in advance except for meetings where the directors had consented to receive notice, agenda, notes to agenda less than seven days in advance and a system exists

for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting;

- (iii) All the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate issued by the Chief Financial Officer and taken on record by the Board of Directors at their Meeting (s), we are of the opinion that the Company has adequate systems and processes in place in the Company which 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, no events / actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred.

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

For S. N. ANANTHASUBRAMANIAN & Co.

Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No. : 5218/2023

Aparna Gadgil

Partner
ACS: 14713 | COP No.: 8430
ICSI UDIN: A014713F000182276

19th April, 2024 | Thane

Annexure to the Report of Board of Directors

ANNEXURE A TO SECRETARIAL AUDIT REPORT

To,
The Members,
Unilever India Limited
CIN: U36999MH2020PLC340390
Unilever House,
B. D. Sawant Marg, Chakala,
Andheri (East), Mumbai – 400 099

Our Secretarial Audit Report for Financial Year ended 31st March 2024 of even date is to be read along with this letter.

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. 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.
5. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
6. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.

DISCLAIMER

7. 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.
8. 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. : 5218/2023

Aparna Gadgil

Partner
ACS: 14713 | COP No.: 8430
ICSI UDIN: A014713F000182276

19th April, 2024 | Thane

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 2024, 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 material 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 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the

accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Independent Auditor's Report

a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2A. 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, except for certain matters in respect of audit trail as stated in the paragraph 2B(f) below.
 - 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 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- 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".

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company does not have any pending litigations which would impact its financial position - Refer Note 20 to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 39 to the financial statements.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d
 - (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 10 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 10 to the financial statements, no funds have been received by the Company from

any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares except that, in case of such accounting softwares other than the software used for posting journal entries, the audit trail

was not enabled at the database level to log any direct data changes. Further, changes to the application level by a super user does not have feature of a concurrent real time audit trail. Where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.

The back-up of audit trail (edit log) has been maintained on the servers physically located in India for financial year ended 31 March 2024, except for the back-up of audit trail (edit log) of rate masters and purchase orders (not maintained on servers physically in India).

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

According to the information and explanations given to us and based on our examination of the records, there is no remuneration paid to the directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

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

Deepak Nair

Partner

Place: Mumbai

Membership No.: 139861

Date: 22 April 2024

ICAI UDIN:24139861BKFTQW1132

Annexure A

to the Independent Auditor's Report on the Financial Statements of Unilever India Limited for the year ended 31 March, 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in two years. In accordance with this programme, all property, plant and equipment were verified during the previous year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) during the year. The Company does not have any intangible assets.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investment in a company and other parties and granted interest free unsecured loans to other parties (employees), in respect of which the requisite information is as below. The Company has not made any investments in firms and limited liability partnership or granted any loans, secured or unsecured, to companies, firms and limited liability partnership.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided interest free unsecured loans to other parties (employees) as below:

Particulars	Loans (₹ in lakhs)
Aggregate amount during the year	
Others	2.70
Balance outstanding as at balance sheet date	
Others	2.78

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of interest free unsecured loans are *prima facie*, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of interest free unsecured loans given, in our opinion the repayment of principal has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advances in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable to the Company.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable to the Company.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

Annexure A

- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group (Group means companies in the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For BSR & Co. LLP

Chartered Accountants

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

Deepak Nair

Partner

Membership No.: 139861

ICAI UDIN:24139861BKFTQW1132

Place: Mumbai

Date: 22 April 2024

Annexure B

to the Independent Auditor's Report on the financial statements of Unilever India Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(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 Unilever India Limited ("the Company") as of 31 March 2024 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 2024, 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 and Board of Directors' Responsibilities 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 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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

Deepak Nair

Partner

Place: Mumbai
Date: 22 April 2024

Membership No.: 139861
ICAI UDIN: 24139861BKFTQX1229

Balance Sheet

as at 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	33,967.63	31,046.33
Capital work-in-progress	3	3,782.72	2,920.14
Financial assets			
Investments	4	0.01	-
Non-current tax assets (net)	29D	-	79.36
Other non-current assets	5	693.21	573.06
Total - Non-current assets (A)		38,443.57	34,618.89
Current assets			
Inventories	6	4,245.02	2,958.71
Financial assets			
Investments	7	4,813.71	-
Trade receivables	8	3,423.72	14,464.79
Cash and cash equivalents	9	9,900.96	2,476.60
Loans	10	2.78	1.67
Other financial assets	11	22.78	12.84
Other current assets	12	2,385.39	3,881.33
Total - Current assets (B)		24,794.36	23,795.94
TOTAL ASSETS [(A) + (B)]		63,237.93	58,414.83
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13A	36,000.00	36,000.00
Other equity	13B	9,930.73	2,118.60
Total - Equity (A)		45,930.73	38,118.60
Liabilities			
Non-Current liabilities			
Financial liabilities			
Borrowings	14	-	7,510.00
Lease liabilities	15	1,438.73	611.27
Other financial liabilities	16	5.00	5.00
Deferred tax liabilities (net)	29C	672.65	442.46
Non-current tax liabilities (net)	29D	8.20	-
Total - Non-Current liabilities (B)		2,124.58	8,568.73
Current liabilities			
Financial liabilities			
Lease liabilities	15	225.38	96.28
Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		1,400.52	182.71
Total outstanding dues of creditors other than micro enterprises and small enterprises		13,020.77	9,783.33
Other financial liabilities	16	383.03	856.61
Other current liabilities	19	132.64	788.60
Provisions	18	20.28	19.97
Total - Current liabilities (C)		15,182.62	11,727.50
TOTAL EQUITY AND LIABILITIES [(A) + (B) + (C)]		63,237.93	58,414.83
Basis of preparation, measurement and material accounting policies	2		
Contingent liabilities and commitments	20		

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

Deepak Nair

Partner

Membership No. 139861

For and on behalf of Board of Directors of Unilever India Limited

CIN:U36999MH2020PLC340390

Dev Bajpai

Director

DIN No-00050516

Ritesh Tiwari

Director

DIN No-05349994

Bharati Shetty

Company Secretary

Membership No. A24199

Isha Dalal

Chief Financial Officer

Place : Mumbai

Date : 22nd April, 2024

Place : Mumbai

Date : 19th April, 2024

Place : Mumbai

Date : 19th April, 2024

Place : Mumbai

Date : 19th April, 2024

Statement of Profit and Loss

for the year ended 31st March, 2024

FINANCIAL STATEMENTS



(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
INCOME			
Revenue from operations	21	1,11,593.67	44,863.36
Other income	22	197.08	159.67
TOTAL INCOME		1,11,790.75	45,023.03
EXPENSES			
Cost of materials consumed	23	91,281.14	36,274.38
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(616.59)	(1,443.21)
Employee benefits expense	25	1,345.87	867.41
Finance costs	26	182.19	367.85
Depreciation expense	27	2,750.45	1,985.46
Other expenses	28	7,411.05	3,967.05
TOTAL EXPENSES		1,02,354.11	42,018.94
Profit before tax		9,436.64	3,004.09
Tax expenses			
Current tax	29A	(1,394.32)	(153.47)
Deferred tax	29A	(230.19)	(437.13)
PROFIT FOR THE YEAR (A)		7,812.13	2,413.49
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR [(A)+(B)]		7,812.13	2,413.49
Earnings per equity share (₹)			
Basic and Diluted (Face value of ₹1 each)	30	0.22	0.07
Basis of preparation, measurement and material accounting policies	2		

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

Deepak Nair

Partner

Membership No. 139861

Place : Mumbai

Date : 22nd April, 2024

For and on behalf of Board of Directors of Unilever India Limited

CIN:U36999MH2020PLC340390

Dev Bajpai

Director

DIN No-00050516

Isha Dalal

Chief Financial Officer

Place : Mumbai

Date : 19th April, 2024

Ritesh Tiwari

Director

DIN No-05349994

Place : Mumbai

Date : 19th April, 2024

Bharati Shetty

Company Secretary

Membership No. A24199

Place : Mumbai

Date : 19th April, 2024

Statement of Changes in Equity

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance as at the beginning of the year		36,000.00	36,000.00
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year	13A	36,000.00	36,000.00
Changes in equity share capital during year		-	-
Balance at the end of the year	13A	36,000.00	36,000.00

B. OTHER EQUITY

	Retained Earnings	Total
As at 31st March, 2022	(294.89)	(294.89)
Changes due to prior period errors	-	-
Restated balance as at 1st April, 2022	(294.89)	(294.89)
Profit for the year	2,413.49	2,413.49
Other comprehensive income for the year	-	-
As at 31st March, 2023	2,118.60	2,118.60
Changes due to prior period errors	-	-
Restated balance as at 1st April, 2023	2,118.60	2,118.60
Profit for the year	7,812.13	7,812.13
Other comprehensive income for the year	-	-
As at 31st March, 2024	9,930.73	9,930.73

Refer note 13B for nature and purpose of reserves

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

Deepak Nair

Partner

Membership No. 139861

Place : Mumbai

Date : 22nd April, 2024

For and on behalf of Board of Directors of Unilever India Limited

CIN:U36999MH2020PLC340390

Dev Bajpai

Director

DIN No-00050516

Isha Dalal

Chief Financial Officer

Place : Mumbai

Date : 19th April, 2024

Ritesh Tiwari

Director

DIN No-05349994

Place : Mumbai

Date : 19th April, 2024

Bharati Shetty

Company Secretary

Membership No. A24199

Place : Mumbai

Date : 19th April, 2024

Statement of Cash Flows

for the year ended 31st March, 2024



(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	9,436.64	3,004.09
Adjustments for:		
Provision of Inventory	72.74	74.27
Depreciation expense	2,750.45	1,985.46
Fair value gain on investments	(36.70)	(0.76)
Net (gain)/ loss on sale of Investments	(155.66)	34.77
Provision of indirect tax	0.31	19.97
Unrealised loss/ (gain) on foreign currency fluctuation/(net)	(69.52)	57.20
Interest income	(2.90)	(24.35)
Interest expense	182.19	367.85
Cash flows generated from operations before working capital changes	12,177.55	5,518.50
Changes in Working capital:		
Decrease / (Increase) in Non-current Assets	-	-
(Increase) in Current Assets	12,535.09	(14,206.09)
(Increase) in Inventories	(1,359.05)	(2,661.42)
(Decrease) / Increase in Non-current Liabilities	-	(6.15)
Increase in Current Liabilities	3,895.78	10,538.26
Cash flows generated from/ (used in) operations	27,250.18	(816.90)
Taxes paid	(1,306.76)	(209.55)
Net cash flows operating activities - (A)	25,943.42	(1,026.45)
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(5,654.31)	(10,912.24)
Purchase of investments	(13,919.30)	(4,037.80)
Sale proceeds of investments	9,297.95	4,940.00
Redemption/maturity of bank deposits (having original maturity more than 3 months)	-	4,900.00
Interest received	2.90	24.35
Net cash flows used in investing activities - (B)	(10,272.76)	(5,085.69)
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings received	2,740.00	14,410.00
Borrowings repaid	(10,250.00)	(6,900.00)
Principal repayment of leases	(258.92)	(147.19)
Interest payment on leases	(64.83)	(69.97)
Interest paid	(412.55)	(2.69)
Net cash flows(used in)/ generated from financing activities - (C)	(8,246.30)	7,290.15
Net Increase in cash and cash equivalents - [(A)+(B)+(C)]	7,424.36	1,178.01
Add: Cash and cash equivalents at the beginning of the year	2,476.60	1,298.59
Cash and cash equivalents at the end of the year (Refer Note 8)	9,900.96	2,476.60

Note:

Movement in Lease Liabilities & Borrowings

Reconciliation between opening and closing balance	Opening balance 1st April, 2023	Cash flows	Non-cash movement	Closing balance 31st March, 2024
Borrowings (Refer Note 14)	7,510.00	(7,510.00)	-	-
Lease Liabilities (Refer Note 15)	707.55	(323.75)	1,280.31	1,664.11

Reconciliation between opening and closing balance	Opening balance 1st April, 2022	Cash flows	Non-cash movement	Closing balance 31st March, 2023
Borrowings (Refer Note 14)	-	7,510.00	-	7,510.00
Lease Liabilities (Refer Note 15)	12.28	(217.17)	912.44	707.55

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 1 to 41 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

Deepak Nair

Partner

Membership No. 139861

Place : Mumbai
Date : 22nd April, 2024

For and on behalf of Board of Directors of Unilever India Limited

CIN:U36999MH2020PLC340390

Dev Bajpai

Director

DIN No-00050516

Isha Dalal

Chief Financial Officer

Place : Mumbai
Date : 19th April, 2024

Ritesh Tiwari

Director

DIN No-05349994

Place : Mumbai
Date : 19th April, 2024

Bharati Shetty

Company Secretary

Membership No. A24199

Place : Mumbai
Date : 19th April, 2024

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 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 portfolio in the Indian markets, by engaging as a dedicated contract manufacturer of HUL.

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND MATERIAL 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 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.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated 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.

All other liabilities are classified as non-current.

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

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

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

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

The financial statements of the Company for the year ended 31st March, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 19th April, 2024.

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Basis of measurement

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

The accounting policies adopted are the same as those which were applied for the previous financial year.

2.2 Key Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. 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. Revision 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 32
- (b) Measurement and likelihood of occurrence of provisions and contingencies – Note 18 and Note 20
- (c) Measurement of Right-of-Use Assets and Lease Liabilities – Note 3 and Note 15

2.3 New Standards, Interpretations and Amendments Adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2.4 Material Accounting Policies

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

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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

Property, plant and equipment	As at 31st March, 2024	As at 31st March, 2023
Owned Assets	31,556.32	29,544.95
Leased Assets (Right-of-Use Assets)	2,411.32	1,501.38
Total Property, plant and equipment	33,967.64	31,046.33
Total Capital work-in-progress	3,782.72	2,920.14

A Owned Assets

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

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

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

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

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

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

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

Asset	Useful life
Factory Buildings	30 Years
Plant and equipment*	3-21 Years
General Furniture and fixtures	10 Years
Office Equipment	5 Years
Computers	3 Years

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

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

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

(All amounts in ₹ lakhs, unless otherwise stated)

	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Computers	Total
Gross Block						
Opening balance as at 1st April, 2022	24.45	34.02	13.54	-	-	72.01
Additions	14,026.57	17,120.05	34.05	106.70	16.95	31,304.32
Disposals / Adjustments	-	-	-	-	-	-
Opening Balance as at 1st April, 2023	14,051.02	17,154.07	47.59	106.70	16.95	31,376.33
Additions	113.96	4,348.68	18.45	2.84	-	4,483.93
Disposals / Adjustments*	-	(34.02)	-	23.43	10.59	-
Balance as at 31st March, 2024	14,164.98	21,468.73	66.04	132.97	27.54	35,860.26
Accumulated Depreciation						
Opening Balance as at 1st April, 2022	0.05	1.13	0.71	-	-	1.89
Additions	338.92	1,459.21	5.20	17.77	8.39	1,829.49
Disposals / Adjustments	-	-	-	-	-	-
Opening Balance as at 1st April, 2023	338.97	1,460.34	5.91	17.77	8.39	1,831.38
Additions	472.15	1,959.70	5.31	26.22	9.18	2,472.56
Disposals / Adjustments*	0.39	(1.13)	-	0.83	(0.09)	-
Balance as at 31st March, 2024	811.51	3,418.91	11.22	44.82	17.48	4,303.94
Net Block						
Balance as at 31st March, 2023	13,712.05	15,693.73	41.68	88.93	8.56	29,544.95
Balance as at 31st March, 2024	13,353.47	18,049.82	54.82	88.15	10.06	31,556.32

*Disposals/Adjustments include reclassifications during the year.

The Company has not revalued any of its property, plant and equipment.

B Leased assets (right-of-use assets)

The Company's lease asset classes primarily consist of leases for Land, Building, Plant and Equipment and Vehicles. 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:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

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 of low value assets. For these leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Leased Assets (ROU)

	Land	Buildings	Plant and Equipment	Vehicles	Total
Gross Block					
Opening balance as at 1st April, 2022	821.66	-	-	-	821.66
Additions	210.10	50.97	91.53	496.12	848.72
Deletions	-	(32.28)	-	-	(32.28)
Opening balance as at 1st April, 2023	1,031.76	18.69	91.53	496.12	1,638.10
Additions	-	852.55	363.93	-	1,216.48
Deletions	-	(197.59)	-	-	(197.59)
Balance as at 31st March, 2024	1,031.76	673.65	455.46	496.12	2,656.99
Accumulated Depreciation					
Opening balance as at 1st April, 2022	12.91	-	-	-	12.91
Additions	14.87	48.85	9.55	82.70	155.97
Deletions	-	(32.16)	-	-	(32.16)
Opening balance as at 1st April, 2023	27.78	16.69	9.55	82.70	136.72
Additions	11.82	161.73	33.47	70.87	277.89
Deletions	-	(168.94)	-	-	(168.94)
Balance as at 31st March, 2024	39.60	9.48	43.02	153.57	245.67
Net Block					
Balance as at 31st March, 2023	1,003.98	2.00	81.98	413.42	1,501.38
Balance as at 31st March, 2024	992.16	664.17	412.44	342.55	2,411.32

Notes:

- The total cash outflow for leases is ₹ 323.75 lakhs for the year ended 31st March, 2024 (31st March, 2023: ₹ 217.17 lakhs). Interest on lease liabilities is ₹ 64.83 lakhs for the year ended 31st March, 2024 (31st March, 2023: ₹ 69.97 lakhs).
- The Company does not have any leases for low-value assets for the year ended 31st March, 2024 and for the year ended 31st March, 2023.
- Lease Commitments and Lease Liability: Refer Note 20 B and Note 15

C Capital work-in-progress

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

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

The movement in capital work-in-progress is as follows:

	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	2,920.14	25,398.92
Add: Additions	5,346.51	8,825.54
Less: Capitalisations	(4,483.93)	(31,304.32)
Balance as at end of the year	3,782.72	2,920.14

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing of Capital work-in-progress as at 31st March, 2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	3,480.38	300.98	1.36	-	3,782.72
Projects temporarily suspended	-	-	-	-	-
Total	3,480.38	300.98	1.36	-	3,782.72

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2024

There are no projects which had exceeded their original timeline as at 31st March, 2024.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2024

There are no projects which had exceeded their original budget as at 31st March, 2024.

Ageing of Capital work-in-progress as at 31st March, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	2,896.45	21.71	1.98	-	2,920.14
Projects temporarily suspended	-	-	-	-	-
Total	2,896.45	21.71	1.98	-	2,920.14

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2023

There are no projects which had exceeded their original timeline as at 31st March, 2023.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2023

There are no projects which had exceeded their original budget as at 31st March, 2023.

For contractual commitment with respect to property, plant and equipment refer Note 20B.

NOTE 4 NON-CURRENT INVESTMENTS

Refer Note 33 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Equity Investments		
Fair Value through other comprehensive income		
Unquoted		
110 equity shares [31st March, 2023 : Nil] of ₹ 10 each held in Transition Sustainable Energy Services One Private Limited*	0.01	-
Total	0.01	-
Aggregate amount of unquoted investments	0.01	-
Aggregate amount of impairment in value of investments	-	-

Refer Note 33 and 34 for information about fair value measurement, credit risk and market risk of investments.

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

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

*The Company invested in equity instruments of Transition Sustainable Energy Services One Private Limited. It is a Special Purpose Vehicle formed under the Government's Group Captive Open Access Renewable Energy Scheme. It aims to generate renewable energy by setting up solar energy park in Rajasthan. This investment is a strategic partnership with the Brookfield Group and will contribute towards achieving Net zero goals by increasing green energy consumption in our units.

As per the Shareholders Agreement, the Company does not have power to participate in the financial and operating policy decisions of the Company and hence does not exercise significant influence.

NOTE 5 OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2024	As at 31st March, 2023
Capital advances	605.21	485.06
Advance other than capital advance		
Security deposits with customs, port trust, excise and other Government authorities	88.00	88.00
Total	693.21	573.06

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

NOTE 6 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. The comparison of cost and net realisable value is made on an item-by-item 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, appropriate share of fixed production overheads and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

	As at 31st March, 2024	As at 31st March, 2023
Raw materials	1,099.04	669.27
Packing material	230.00	181.83
Work in progress	583.22	168.10
Finished goods [includes in transit: ₹ Nil (31st March, 2023: ₹ 182.23)]	1,476.58	1,275.11
Stores and spares	856.18	664.40
Total	4,245.02	2,958.71

- (a) During FY 2023-24 an amount of ₹ 72.74 lakhs (31st March, 2023: ₹ 74.27) 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, 2023: ₹ Nil).

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 7 CURRENT INVESTMENTS

Refer Note 33 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Fair value through profit or loss (Quoted)		
Investments in mutual funds	4,813.71	-
	4,813.71	-
Aggregate amount of quoted investments	4,813.71	-
Aggregate Market value of quoted investments	4,813.71	-
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

Refer note 33 and note 34 for information about fair value measurement, credit risk and market risk of investments.

NOTE 8 TRADE RECEIVABLES**(Unsecured unless otherwise stated)**

Refer Note 33 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured	3,423.72	14,464.79
Less: Allowance for expected credit loss (Refer (a) below)	-	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Less: Allowance for credit impairment (Refer (a) below)	-	-
Balance as at the end of the year	3,423.72	14,464.79
(a) The movement in allowance for credit impairment and expected credit loss is as follows:		
Balance as at beginning of the year	-	-
Add: Change in allowance for expected credit loss during the year	-	-
Less: Trade receivables written off during the year	-	-
Balance as at the end of the year	-	-

Refer note 33 and note 34 for information about fair value measurement, credit risk and market risk of financial assets.

Refer note 36 for information about receivables from Related party.

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2024 is as follows:

	Unbilled/ Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered good	1,178.56	2,245.16	-	-	-	-	3,423.72
Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
	1,178.56	2,245.16	-	-	-	-	3,423.72
Total							3,423.72

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2023 is as follows:

	Unbilled/ Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - Considered good	11,868.42	2,596.37	-	-	-	-	14,464.79
Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
	11,868.42	2,596.37	-	-	-	-	14,464.79
Total							14,464.79

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

NOTE 9 CASH AND CASH EQUIVALENTS

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

	As at 31st March, 2024	As at 31st March, 2023
Balances with banks		
In current accounts	7,569.96	273.06
Others		
Investment in Overnight Mutual funds	2,331.00	2,203.54
Total	9,900.96	2,476.60

NOTE 10 LOANS

(Unsecured, considered good unless otherwise stated)

Refer note 33 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Loans and other advances to employees	2.78	1.67
	2.78	1.67
Sub-classification of Loans:		
Loan Receivables considered good- Unsecured	2.78	1.67
Balance as at the end of the year	2.78	1.67

Refer Note 33 and 34 for information about fair value measurement, credit risk and market risk of financial assets.

- In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10/03/2015, 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.
- There are no loans or advances in the nature of loans granted to promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
 - repayable on demand; or
 - without specifying any terms or period of repayment

(All amounts in ₹ lakhs, unless otherwise stated)

- 3) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 11 OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

Refer Note 33 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Other receivables	0.16	0.16
Fair Value of Derivatives	22.62	12.68
Total	22.78	12.84

NOTE 12 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

Grants are measured at amount receivable from the Government and are recognised as other operating revenue when there is a reasonable assurance that the Company will comply with all necessary conditions attached to that. Income from such grants is recognised on a systematic basis over the periods to which they relate.

The Company is entitled to receive incentive as per the "Post-COVID-19 Accelerated Investment Promotion Policy for Economically Backward Regions of the State-2020". Pursuant to filing the application, a Letter of Comfort ('LOC') has been issued to the Company by the UP government assuring availability of incentives (subject to meeting prescribed conditions) under the 2020 Policy. During the year, and in the previous financial year, the Company has recognised nil incentives as it has excess input tax credit.

	As at 31st March, 2024	As at 31st March, 2023
Balances with government authorities (GST credit)	1,625.71	3,329.12
Other advances (includes prepaid expenses etc.)	759.68	552.21
Total	2,385.39	3,881.33

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

NOTE 13A EQUITY SHARE CAPITAL

	As at 31st March, 2024	As at 31st March, 2023
Authorised		
20,00,00,00,000 (31st March, 2023: 20,00,00,00,000) equity shares of ₹1 each	2,00,000	2,00,000
Issued, subscribed and fully paid up		
3,60,00,00,00,000 (31st March, 2023: 3,60,00,00,00,000) equity shares of ₹1 each	36,000	36,000
	36,000	36,000

a) Reconciliation of the number of shares

	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
Balance as at the beginning of the year	3,60,00,00,000	36,000	3,60,00,00,000	36,000
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	3,60,00,00,000	36,000	3,60,00,00,000	36,000

Notes

to the financial statements for the year ended 31st March, 2024

(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 Re. 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, 2024	As at 31st March, 2023
Equity Shares of ₹1 each:		
3,60,00,00,000 (31st March, 2023: 3,60,00,00,000) shares are held by the Holding Company, Hindustan Unilever Limited and its nominees	36,000	36,000

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

	As at 31st March, 2024	As at 31st March, 2023
Equity Shares held by the Holding Company, Hindustan Unilever Limited and its nominees		
Number of Shares held	36,000	36,000
% of Holding	100	100

e) Details of shareholdings by the Promoters of the Company

Sr. No.	Promoter Name	As at 31st March, 2024		As at 31st March, 2023		% change during the year
		Number of shares	% of Total shares	Number of shares	% of Total shares	
1	Hindustan Unilever Limited and its nominees	3,60,00,00,000	100%	3,60,00,00,000	100%	-
	Total	3,60,00,00,000	100%	3,60,00,00,000	100%	-

Sr. No.	Promoter Name	As at 31st March, 2023		As at 31st March, 2022		% change during the year
		Number of shares	% of Total shares	Number of shares	% of Total shares	
1	Hindustan Unilever Limited and its nominees	3,60,00,00,000	100%	3,60,00,00,000	100%	-
	Total	3,60,00,00,000	100%	3,60,00,00,000	100%	-

NOTE 13B OTHER EQUITY

a) Nature and purpose of reserves

Retained Earnings: Retained earnings are the profits/losses that the Company has earned/incurred till date, less any transfer to general reserve, dividends or other distributions paid to the shareholder.

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	2,118.60	(294.89)
Add: Profit for the year	7,812.13	2,413.49
Add: Other comprehensive income for the year	-	-
Balance at the end of the year	9,930.73	2,118.60

b) Summary of Other Equity Balance

	Retained Earnings	Total
Opening balance as at 1st April, 2022	(294.89)	(294.89)
Profit for the year	2,413.49	2,413.49
Other comprehensive income for the year	-	-
Opening balance as at 1st April, 2023	2,118.60	2,118.60
Profit for the year	7,812.13	7,812.13
Other comprehensive income for the year	-	-
As at 31st March, 2024	9,930.73	9,930.73

Refer Note 35 for capital management

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 14 BORROWINGS**(Unsecured unless otherwise stated)**

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

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Intercompany deposits	-	7,510.00
Total	-	7,510.00

Notes:

1. Inter company deposits from Hindustan Unilever Limited, the Holding Company, has been repaid in full during the year.
2. This loan was used for working capital requirement during the year. The range of interest rate is between 7.27% - 7.51% p.a. in 2023-24 (2022-23: 6.42% - 7.50% p.a.).

Refer note 34 for information about liquidity risk and market risk of short-term borrowings.

NOTE 15 LEASE LIABILITIES

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

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

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Lease liabilities payable beyond 12 months	1,438.73	611.27
Total (A)	1,438.73	611.27
CURRENT		
Lease liabilities payable within 12 months	225.38	96.28
Total (B)	225.38	96.28
Total (A+B)	1,664.11	707.55

Refer note 34 for information about liquidity risk and market risk of lease liabilities.

The incremental borrowing rate applied to lease liabilities is in the range of 7.63% p.a. to 7.85% p.a. (2022-23: 6.43% p.a. to 7.78% p.a.) based on the lease term.

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

	As at 31st March, 2024	As at 31st March, 2023
Balance as at beginning of the year	707.55	12.28
Add: Addition	1,216.48	839.15
Add: Accretion of interest	64.83	69.97
Less: Payments	(323.75)	(217.17)
(Less)/Add: Others (including foreclosure)	(1.00)	3.32
Balance as at end of the year	1,664.11	707.55

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Maturity analysis of lease liabilities

	As at 31st March, 2024	As at 31st March, 2023
Less than one year	301.93	96.28
One to two years	292.12	126.73
Two to five years	774.08	335.26
More than five years	1,779.26	1,319.28
Undiscounted Lease Liability (A)	3,147.39	1,877.55
Less: Financial component (B)	(1,483.28)	(1,170.00)
Closing Balance of Lease Liability (A-B)	1,664.11	707.55

NOTE 16 OTHER FINANCIAL LIABILITIES

Refer Note 33 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Security deposits	5.00	5.00
Total (A)	5.00	5.00
CURRENT		
Salaries, wages, bonus and other employee payables	126.07	93.40
Interest accrued but not due on borrowings	-	295.19
Creditors for capital goods	252.72	468.02
Fair value of Derivatives	4.24	-
Total (B)	383.03	856.61
Total (A+B)	388.03	861.61

Refer note 34 for information about liquidity risk and market risk of other financial liabilities.

NOTE 17 TRADE PAYABLES

Refer Note 33 for accounting policy on financial instruments.

	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues of Micro Enterprises and Small Enterprises	1,400.52	182.71
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	13,020.77	9,783.33
Total	14,421.29	9,966.04

Refer note 34 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, 2024	As at 31st March, 2023
a. (i) Principal amount remaining unpaid	1,400.52	182.71
(ii) Interest due thereon remaining unpaid	-	-
b. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	0.28	2.25
c. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d. Interest accrued and remaining unpaid	-	-
e. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

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

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2024 is as follows:

	Unbilled/ Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	1,400.35	0.17	-	-	-	1,400.52
Undisputed dues of creditors other than micro enterprises and small enterprises	12,915.41	105.36	-	-	-	13,020.77
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	14,315.76	105.53	-	-	-	14,421.29

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023 is as follows:

	Unbilled/ Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	182.71	-	-	-	-	182.71
Undisputed dues of creditors other than micro enterprises and small enterprises	9,505.46	277.87	-	-	-	9,783.33
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	9,688.17	277.87	-	-	-	9,966.04

NOTE 18 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

	As at 31st March, 2024	As at 31st March, 2023
Provision for indirect tax matters [Refer note (a) below]	20.28	19.97
Total	20.28	19.97

a) Movement in Other provisions

	Indirect taxes	Total
Opening balance as at 1st April, 2022	-	-
Add: Provision / reclass during the year	19.97	19.97
Less: Amount utilised/reversed during the year	-	-
Opening balance as at 1st April, 2023	19.97	19.97
Add: Provision during the year	0.31	0.31
Less: Amount utilised/reversed during the year	-	-
Balance as at March 31, 2024	20.28	20.28

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 19 OTHER CURRENT LIABILITIES

	As at 31st March, 2024	As at 31st March, 2023
Advance from customers	0.07	665.68
Statutory dues (including tax deducted at source and others)	132.57	122.92
Total	132.64	788.60

NOTE 20 CONTINGENT LIABILITIES AND COMMITMENTS

A Contingent Liabilities

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

There are no contingent liabilities as at 31st March, 2024 (31st March, 2023: Nil).

B Commitments

a) 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.

As at year ended 31st March, 2024 (31st March, 2023: Nil) the Company does not have any potential future payments related to leases of low value assets.

b) Capital commitments

	As at 31st March, 2024	As at 31st March, 2023
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	1,711.61	923.66
Total	1,711.61	923.66

NOTE 21 REVENUE FROM OPERATIONS

As per Ind AS 115 - 'Revenue from contracts with customers', 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 terms with customers.

Revenue is measured on the basis of transaction price, which is the consideration, as specified in the contracts with the customers. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Sale of Products		
Semi Finished goods	-	14,584.61
Finished goods	1,11,459.29	30,278.75
Other operating income		
Scrap sales	134.38	-
Total	1,11,593.67	44,863.36

(a) The reconciliation from sale of products to contracted price is as below:

	Year ended 31st March, 2024	Year ended 31st March, 2023
Contracted price	1,11,459.29	44,863.36
Less: Trade discounts, volume rebates, etc.	-	-
Sale of products	1,11,459.29	44,863.36

(All amounts in ₹ lakhs, unless otherwise stated)

- (b) The Company does not have any contract assets as at 31st March, 2024 (31st March, 2023: Nil)
- (c) The Company does not have any contract liabilities as at 31st March, 2024 (31st March, 2023: Nil)

NOTE 22 OTHER INCOME

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

Interest on Investments is recognised on a time proportion basis taking into account the amounts invested and the rate of interest.

Refer Note 33 on financial instruments for policy on measurement at fair value through profit and loss.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest income		
From bank deposits	2.90	24.35
Other non-operating income		
Fair value gain on investments measured at fair value through profit or loss*	194.18	34.01
Others	-	101.31
Total	197.08	159.67

*Includes realised gain on sale of investment of ₹ 155.66 lakhs (31st March, 2023: 34.77 lakhs).

NOTE 23 COST OF MATERIALS CONSUMED

Refer note 6 for accounting policy on Inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Raw materials consumed	83,726.73	34,370.58
Packing materials consumed	7,554.41	1,903.80
Total	91,281.14	36,274.38

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

Refer note 6 for accounting policy on Inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening inventories		
Finished goods	1,275.11	-
Work-in-progress	168.10	-
Closing inventories		
Finished goods	(1,476.58)	(1,275.11)
Work-in-progress	(583.22)	(168.10)
Total	(616.59)	(1,443.21)

NOTE 25 EMPLOYEE BENEFITS EXPENSE

Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and performance incentives, are charged to statement of profit and loss on an undiscounted, accrual basis during the period of service rendered by the employees in the financial year.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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 Unilever India Limited (collectively referred to as "the group"). The group's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at Balance Sheet date, made by independent actuaries.

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Salaries, wages, bonus etc.	988.75	501.84
Contribution to provident funds and other funds	58.87	37.07
Staff welfare expenses	298.25	328.50
Total	1,345.87	867.41

NOTE 26 FINANCE COSTS

Finance costs includes costs in relation to inter-corporate deposits, interest on lease liabilities which represents the unwind of the discount rate applied to lease liabilities and also include interest costs in relation to financial liabilities.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest on Intercompany deposits	116.69	295.19
Interest expense on lease liabilities	64.83	69.97
Others (Including interest on taxes)	0.67	2.69
Total	182.19	367.85

NOTE 27 DEPRECIATION EXPENSE

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Depreciation on property, plant and equipment (owned assets)	2,472.56	1,829.49
Depreciation on property, plant and equipment (leased assets)	277.89	155.97
Total	2,750.45	1,985.46

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 28 OTHER EXPENSES

	Year ended 31st March, 2024	Year ended 31st March, 2023
Carriage and freight	971.50	58.12
Expenses for use of common facilities	1,074.43	421.67
Repairs and maintenance		
- Building	5.18	23.51
- Plant and machinery	638.61	447.37
- Others	-	0.48
Insurance	91.96	67.54
Power, fuel, light and water	1,971.61	1,237.90
Rates & Taxes	16.52	0.05
Royalty	1,690.49	681.99
Payments to the auditors for:		
- Audit fees	13.86	10.86
Travelling and motor car expenses	85.38	73.76
Purchase services	115.22	122.38
Miscellaneous expenses	736.29	821.42
Total	7,411.05	3,967.05

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

I. There was no unspent CSR in FY 2023-24.

	Year ended 31st March, 2024	Year ended 31st March, 2023
II. Amount required to be spent by the Company during the year	10.00	Nil
III. Amount spent during the year on:		
i) Construction/ acquisition of any asset	-	-
ii) For purposes other than (i) above	15.00	Nil
IV. Shortfall at the end of the year	-	-
V. Total of previous years shortfall	-	-
VI. Reason for shortfall	Not Applicable	Not Applicable

VII. Nature of CSR activities include social, economic and environmental issues such as water harvesting and water conservation projects undertaken by Hindustan Unilever Foundation.

VIII. Above includes a contribution of ₹ 15 lakhs (2022-23: Nil) to a fellow subsidiary Hindustan Unilever Foundation which is a Section 8 registered Company under Companies Act, 2013.

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

X. The Company does not carry any provisions for CSR expenses for current year.

NOTE 29 INCOME TAXES

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

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

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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

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

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

A. Components of income tax expense

	Year ended 31st March, 2024	Year ended 31st March, 2023
Tax expense recognised in the Statement of Profit and Loss		
Current tax		
Current period	1,360.37	153.47
Charge related to previous years	33.95	-
Total (A)	1,394.32	153.47
Deferred tax (credit) / charge		
Origination of temporary differences	252.01	437.13
Credit related to previous years	(21.82)	-
Total (B)	230.19	437.13
Total (A+B)	1,624.51	590.60

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, 2024		Year ended 31st March, 2023	
	%	Amount	%	Amount
Profit before tax		9,436.64		3,004.09
Statutory income tax rate applicable for the year	17.16%	1,619.33	17.16%	511.89
Differences due to:				
Deduction claimed for workmen under the Income Tax Act	-0.12%	(10.92)	-	-
Reversal of Deferred Tax Asset	0.00%	-	2.46%	73.90
Others*	0.17%	16.10	0.16%	4.81
Effective tax rate	17.21%	1,624.51	19.78%	590.60

*Current Tax charge on Income from Short Term Capital Gain and Other Sources is at a higher rate of 25.17%.

C. Movement in deferred tax assets and liabilities

Movements during the year ended 31st March, 2024	As at 31st March, 2023	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31st March, 2024
Deferred tax assets/(liabilities)				
Property Plant and Equipment	(352.42)	(247.21)	-	(599.63)
Fair value gain/(loss) on investments	(0.13)	9.66	-	9.53
Other temporary differences (includes credit related to previous years)	46.31	(0.64)	-	45.67
Impact of Right of use assets and lease liabilities	(136.22)	8.00	-	(128.22)
Total	(442.46)	(230.19)	-	(672.65)

(All amounts in ₹ lakhs, unless otherwise stated)

Movements during the year ended 31st March, 2023	As at 31st March, 2022	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31st March, 2023
Deferred tax assets/(liabilities)				
Property Plant and Equipment	0.32	(352.74)	-	(352.42)
Fair value gain/(loss) on investments	(0.33)	0.20	-	(0.13)
Other temporary differences	131.35	(85.04)	-	46.31
Impact of Right of use assets and lease liabilities	(136.67)	0.45	-	(136.22)
Total	(5.33)	(437.13)	-	(442.46)

D. Tax assets and liabilities

	As at 31st March, 2024	As at 31st March, 2023
Non-current tax assets (net of tax provisions)	-	79.36
Non-current tax liabilities (net)	8.20	-

E. Disclosure in relation to undisclosed income

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

NOTE 30 EARNINGS PER SHARE

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

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Earnings Per Share has been computed as under:		
Profit for the year (A)	7,812.13	2,413.49
Weighted average number of equity shares outstanding during the year (B)	3,60,00,00,000	3,60,00,00,000
Weighted average number of Equity shares (including dilutive shares) outstanding during the year (C)	3,60,00,00,000	3,60,00,00,000
Earnings Per Share (₹) - Basic (Face value of ₹1 per share) (A/B)	0.22	0.07
Earnings Per Share (₹) - Diluted (Face value of ₹1 per share) (A/C)	0.22	0.07

NOTE 31 DEFINED CONTRIBUTION PLANS

Refer Note 25 for accounting policy on Employee Benefits

The Company's defined contribution plans include:

- Provident fund and other funds
- Employer's contribution to Employee's State Insurance
- Pension fund

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Employer's contribution to provident fund and other funds	23.80	13.19
Employer's contribution to pension funds	35.07	23.88
Total	58.87	37.07

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 32 DEFINED BENEFIT PLANS

Refer Note 25 for accounting policy on Employee Benefits

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

NOTE 33 FINANCIAL INSTRUMENTS

I. Financial Assets:

(a) Initial recognition and measurement

Financial assets, except for trade receivables, 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.

Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate for these receivables is zero.

(b) Subsequent measurement and classification

The subsequent measurement of a financial asset depends on the classification of the asset on the basis of business model for managing such assets and the contractual cash flow characteristics of such asset. These classifications are:

- 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.

(1) Debt Instruments:

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

(i) Measured at amortised cost:

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

(ii) Measured at fair value through other comprehensive income (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 is 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.

(All amounts in ₹ lakhs, unless otherwise stated)

(2) 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.

(c) 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 or has assumed an obligation to pay the received cash flows to one or more recipient.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(d) Impairment of Financial Asset

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

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

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime expected credit loss (ECL) is measured and recognised as loss allowance. The Company computes ECL based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Financial assets classified as amortised cost (listed as ii above), subsequent to initial recognition, are assessed for evidence of impairment at end of each reporting period basis monitoring of whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

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 allowance recognised (or reversed) during the period is recognised as expense (or income) 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. A write-off constitutes a derecognition event.

II Financial Liabilities:**(a) 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.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

(b) 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.

(c) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(d) 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.

Derivative Financial Instruments:

The Company uses derivative financial instruments to hedge its foreign currency and commodity risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on their use as explained below:

A Accounting classifications and carrying values

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

	Note	Carrying value	
		As at 31st March, 2024	As at 31st March, 2023
Financial Assets			
Financial assets measured at fair value			
Investments measured at Fair Value through Other Comprehensive Income	4	0.01	-
Investments in mutual funds measured at Fair Value through Profit or Loss	7	4,813.71	-
Investment in overnight mutual funds	9	2,331.00	2,203.54
Fair Value of Derivatives	11	22.62	12.68
Financial assets measured at amortised cost			
Loans	10	2.78	1.67
Other receivables	11	0.16	0.16
		7,170.28	2,218.05
Financial Liabilities			
Financial liabilities measured at fair value			
Fair Value of Derivatives	16	4.24	-
Financial liabilities measured at amortised cost			
Borrowings	14	-	7,510.00
Lease liabilities	15	1,664.11	707.55
Security deposits	16	5.00	5.00
Employee liabilities	16	126.07	93.40
Other payables	16	252.72	763.21
		2,052.14	9,079.16

B 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.

(All amounts in ₹ lakhs, unless otherwise stated)

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, 2024				
Assets at fair value				
Investments in mutual funds measured at Fair Value through Profit or Loss	4,813.71	-	-	4,813.71
Investments measured at Fair Value through Other Comprehensive Income	-	-	0.01	0.01
Investment in overnight mutual funds	2,331.00	-	-	2,331.00
Fair Value of Derivatives	-	22.62	-	22.62
Liabilities at fair value				
Fair value of Derivatives	-	4.24	-	4.24
As at 31st March, 2023				
Assets at fair value				
Investment in overnight mutual funds	2,203.54	-	-	2,203.54
Fair Value of Derivatives	-	12.68	-	12.68

Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2023.

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.
- 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 (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.

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 and level 3 fair values

As at 31st March, 2024	Valuation techniques	Sensitivity of input to fair value measurement
(a) Fair Value of Derivatives	Forward pricing: 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 ₹ 1.84 lakhs profit in Statement of Profit and Loss. A 10% decrease in rates would have led to an equal but opposite effect.
(b) Fair Value of Investments through Other Comprehensive Income	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	A 5% increase in forecasted cash flows would have led to approximately ₹ 0.00 lakhs gain in OCI and 5% decrease would have led to an equal but opposite effect.

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

As at 31st March, 2023	Valuation techniques	Sensitivity of input to fair value measurement
Fair Value of Derivatives	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date.	A 10% increase in prices of open trades would have led to approximately ₹ 1.27 lakhs profit in Statement of Profit and Loss. A 10% decrease in rates would have led to an equal but opposite effect.

C Income, expenses, gains or losses on financial instruments

		Year ended 31st March, 2024	Year ended 31st March, 2023
Financial assets measured at amortised cost			
Interest income	22	2.90	24.35
Financial assets measured at fair value through profit or loss			
Fair value gain/(loss) on investments in mutual funds	22	194.18	34.01
Financial liabilities measured at amortised cost			
Interest expense on lease liabilities	26	64.83	69.97
Interest expense other than on lease liabilities	26	116.69	295.19
Derivatives - foreign exchange forward contracts			
Fair value (gain)/ loss	28	(9.98)	69.20

NOTE 34 FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks, credit risk and other price 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 Board of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

A Management of Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company has maintained a cautious funding strategy for the year 31st March, 2024 and for the year 31st March, 2023. 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 Company, 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 cash 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.

(All amounts in ₹ lakhs, unless otherwise stated)

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

	Note	Carrying amount	Undiscounted Amount				
			Within 1 year	1-2 years	2-5 years	More than 5 years	Total
As at 31st March, 2024							
Non-derivative Assets							
Non-current investments	4	0.01	-	-	-	0.01	0.01
Current investments	7	4,813.71	4,813.71				4,813.71
Trade Receivables	8	3,423.72	3,423.72	-	-	-	3,423.72
Cash and cash equivalents	9	9,900.96	9,900.96	-	-	-	9,900.96
Loans	10	2.78	2.78	-	-	-	2.78
Other receivables	11	0.16	0.16	-	-	-	0.16
Derivative assets							
Fair Value of derivatives	11	22.62	22.62	-	-	-	22.62
		18,163.96	18,163.95	-	-	0.01	18,163.96
As at 31st March, 2024							
Non-derivative liabilities							
Lease liabilities	15	1,664.11	301.93	292.12	774.08	1,779.26	3,147.39
Security deposits	16	5.00	-	-	-	5.00	5.00
Trade payables	17	14,421.29	14,421.29	-	-	-	14,421.29
Employee liabilities	16	126.07	126.07	-	-	-	126.07
Other payables	16	252.72	252.72	-	-	-	252.72
Derivative liabilities							
Fair Value of derivatives	16	4.24	4.24	-	-	-	4.24
		16,473.43	15,106.25	292.12	774.08	1,784.26	17,956.71

	Note	Carrying amount	Undiscounted Amount				
			Within 1 year	1-2 years	2-5 years	More than 5 years	Total
As at 31st March, 2023							
Non-derivative Assets							
Investments	7	-	-	-	-	-	-
Trade receivables	8	14,464.79	14,464.79	-	-	-	14,464.79
Cash and cash equivalents	9	2,476.60	2,476.60	-	-	-	2,476.60
Loans	10	1.67	1.67	-	-	-	1.67
Other receivables	11	0.16	0.16	-	-	-	0.16
Derivative assets							
Fair value of derivatives	11	12.68	12.68	-	-	-	12.68
		16,955.90	16,955.90	-	-	-	16,955.90
As at 31st March, 2023							
Non-derivative liabilities							
Borrowings	14	7,510.00	-	-	7,885.50	-	7,885.50
Lease liabilities	15	707.55	96.28	126.73	335.26	1,319.28	1,877.55
Security deposits	16	5.00	-			5.00	5.00
Trade payables	17	9,966.04	9,966.04	-	-	-	9,966.04
Employee liabilities	16	93.40	93.40	-	-	-	93.40
Other payables	16	763.21	763.21	-	-	-	763.21
		19,045.20	10,918.93	126.73	8,220.76	1,324.28	20,590.70

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

B Management of Market Risk

The Company's business activities are exposed to a variety of financial risks, namely:

- currency risk;
- interest rate risk; and
- other price risk (commodity risk)

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

I. Currency Risk

POTENTIAL IMPACT OF RISK			MANAGEMENT POLICY	SENSITIVITY TO 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.	A 5% strengthening of the INR against key currencies to which the Company is exposed (net of hedge) would have led to approximately an additional ₹46.87 lakhs gain in the Statement of Profit and Loss (2022-23: ₹28.36 lakhs gain).
As at 31st March, 2024, 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 ₹937.49 lakhs net payable (31st March, 2023: ₹567.17 lakhs).			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% weakening of the INR against these currencies would have led to an equal but opposite effect.
Net (Receivable)/ Payable	As at 31st March, 2024	As at 31st March, 2023	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.	Amongst the key currencies, GBP is a significant currency contributing to the currency risk exposure. A 5% strengthening/ (weakening) of the INR against GBP would have led to approximately an additional ₹27.01 lakhs gain/ (loss) in the Statement of Profit and Loss.
USD	72.76	64.95		
GBP	540.30	307.15		
EUR	291.31	34.78		
CHF	9.14	33.68		
NZD	9.35	72.70		
CNY	14.63	53.91		
Total	937.49	567.17		

II. Interest Rate Risk

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
The Company is mainly exposed to the interest rate risk due to its investment in debt mutual funds. The interest rate risk arises due to uncertainties about the future market interest rate on these investments.	The Company has laid policies and guidelines including tenure of investment made to minimise impact of interest rate risk	A 0.25% decrease in interest rates would have led to approximately ₹2.30 lakhs loss in the Statement of Profit and Loss (2022-23: Nil).
In addition to debt mutual funds, the Company invests in fixed deposits. Considering the short-term nature, there is no significant interest rate risk pertaining to these deposits.		A 0.25% increase in interest rates would have led to an equal but opposite effect.

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

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. The Company's only customer in the current financial year is the Holding Company as it has ceased to sell externally.

The Company computes expected credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

Refer Note 33 for accounting policy on Financial Instruments - trade receivables.

(All amounts in ₹ lakhs, unless otherwise stated)

Other financial assets

Credit risk related to the use of treasury instruments arises from transactions with financial institutions involving cash and cash equivalents, term deposits with banks, investments in treasury bills, Government securities, money market liquid mutual funds, overnight mutual funds and derivative instrument. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as at 31st March, 2024 and 31st March, 2023. To reduce this risk, the Company has concentrated its main activities with a limited number of counter-parties which have secure credit ratings. 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.

NOTE 35 CAPITAL MANAGEMENT

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

1. Total equity – share capital and retained earnings
2. Borrowings

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

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

Refer Note 38 for information on ratios.

NOTE 36 RELATED PARTY DISCLOSURES**A Enterprise exercising control**

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

B Key Management personnel

Chief Financial Officer	: Isha Dalal (with effect from 18th October, 2023) Rakesh Thakur (up to 31st August, 2023)
Company Secretary	: Bharati Shetty

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, 2024	Year ended 31st March, 2023
(a) Holding Company		
Sale of finished goods	1,12,153.06	30,134.42
Expenses for use of common facilities	957.94	409.18
Engineering services	-	101.48
Royalty expense	1,690.49	681.99
Reimbursement of expenses by holding company (paid)	27.31	23.98
Reimbursement of expenses by holding company (received)	216.18	-
Inter corporate deposit taken	2,740.00	14,410.00
Inter corporate deposit repaid	10,250.00	6,900.00
Interest on Inter corporate deposits taken	116.69	295.19

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Outstanding as at year end		
Borrowing		
Inter corporate deposit payable	-	7,510.00
Other current liabilities		
Interest accrued on Inter corporate deposit	-	295.19
Trade Payables		
Payables as at the period end	94.56	1,263.34
Trade Receivables		
Receivables as at the year end	3,380.53	10,675.01
(b) Fellow Subsidiary of the Company:		
Donation to Hindustan Unilever Foundation	15.00	-
(c) Employees' Benefit Plans where there is significant influence		
Contributions during the year (Employer's contribution only)	20.69	11.54

Terms and conditions of transactions with related parties

All Related Party Transactions entered during the period were in ordinary course of business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

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

For the year ended 31st March, 2024 the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2023: Nil). This assessment is undertaken through examining the financial position of the related party and the market in which the related party operates.

NOTE 37 SEGMENT INFORMATION

The Company has set up a manufacturing facility in Uttar Pradesh and is acting 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.

NOTE 38 DISCLOSURE OF RATIOS

Sr. No	Name of the Ratio	Numerator	Denominator	FY 24	FY 23	% Variance	Remarks
1	Current Ratio (in times)	Current assets	Current liabilities	1.63	2.03	-20%	
2	Debt - Equity Ratio (in times)	Total debt	Equity	0.04	0.22	-84%	Decrease on account of repayment of borrowings during the year
3	Debt Service coverage ratio (in times)	Earnings available for debt service	Total debt service	0.98	0.62	59%	Increase due to rise in profit during the year
4	Return on equity (in %)	Net profit - preferred dividends	Average shareholder equity	18.59%	6.54%	184%	Increase on account of increase in profit during the year
5	Inventory Turnover Ratio (in times)	Sales	Average inventory	30.98	26.94	15%	
6	Trade receivables turnover ratio (in times)	Sales	Average accounts receivables	12.48	6.20	101%	Increase on account of increase in revenue earned during the year
7	Trade payables turnover ratio (in times)	Net purchases	Average trade payables	7.98	7.47	7%	
8	Net capital turnover ratio (in times)	Net sales	Working Capital	11.61	3.72	212%	Increase on account of increase in profit during the year
9	Net profit ratio (in %)	Net profit	Net sales	7.00%	5.38%	30%	Increase on account of increase in profit during the year
10	Return on capital employed (in %)	Earning before Interest and Taxes	Capital employed	39.04%	7.87%	396%	Increase on account of increase in profit during the year and repayment of borrowings
11	Return on Investments	Refer (k) below		6.59%	4.30%	53%	Increase due to repo rate increase and higher return in mutual funds

Reason for variance of ratios with significant change (i.e. change of 25% or more as compared to the financial year 2022-23) have been explained.

(All amounts in ₹ lakhs, unless otherwise stated)

Definitions:

- (a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (b) Debt service = Interest & Lease Payments + Principal Repayments
- (c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2
- (d) Net sales = Net sales consist of gross sales minus sales return
- (e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
- (f) Net purchases = Net purchases consist of gross purchases minus purchase return
- (g) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
- (h) Working capital = Current assets - Current liabilities.
- (i) Earning before interest and taxes = Profit before tax + Interest expense - Interest Income
- (j) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
- (k) Return on Investment

$$\frac{\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}}{\{MV(T0) + \text{Sum } [W(t) * C(t)]\}}$$

where,

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

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

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T1 - t] / T1$ **NOTE 39**

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. At the year end, the Company has reviewed and there are no long-term contracts for which there are any material foreseeable losses. The Company has ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on derivative contracts has been made in the books of account.

NOTE 40 DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956

NOTE 41

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
 - i. Wilful defaulter
 - ii. Utilisation of borrowed funds & share premium
 - iii. Borrowings obtained on the basis of security of current assets
 - iv. Discrepancy in Utilisation of borrowings

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

Deepak NairPartner
Membership No. 139861Place : Mumbai
Date : 22nd April, 2024**For and on behalf of Board of Directors of Unilever India Limited**

CIN:U36999MH2020PLC340390

Dev BajpaiDirector
DIN No-00050516**Isha Dalal**

Chief Financial Officer

Place : Mumbai
Date : 19th April, 2024**Ritesh Tiwari**Director
DIN No-05349994Place : Mumbai
Date : 19th April, 2024**Bharati Shetty**Company Secretary
Membership No. A24199Place : Mumbai
Date : 19th April, 2024

UNILEVER NEPAL LIMITED

In this section

191

Report of Board of Directors

204

Financial Statements

FINANCIAL PERFORMANCE SUMMARY

(NPR in million)

Profit or Loss Statement	2075-76 (2018-19)	2076-77 (2019-20)	2077-78 (2020-21)	2078-79 (2021-22)	2079-80 (2022-23)
Revenue from operations	5,754	5,547	5,731	7,334	8,480
Other operating income	518	140	59	122	194
Profit from Operations	1,315	524	1,015	1,809	2,148
Finance Cost	0	0	0	20	30
Finance Income	56	48	36	94	120
Profit Before Tax	1,372	572	1,051	1,882	2,239
Net Profit for the year	1,065	358	861	1,542	1,834
Statement of Financial Position	2075-76 (2018-19)	2076-77 (2019-20)	2077-78 (2020-21)	2078-79 (2021-22)	2079-80 (2022-23)
Property, plant and equipment (Incl Intangibles)	982	1,162	1,050	1,376	1,453
Right of use Assets -Lease	-	-	-	215	33
Deferred tax assets	0	47	31	24	211
Investment in Fixed Deposit	574	335	934	1,129	1,380
Net Current Assets (Current & non-current)	769	429	590	908	1,284
Share capital	92	92	92	92	92
Retained earnings and reserves	2,232	1,881	2,513	3,560	4,269
Key ratios	2075-76 (2018-19)	2076-77 (2019-20)	2077-78 (2020-21)	2078-79 (2021-22)	2079-80 (2022-23)
PBT (% of Revenue)	24	10	18	26	26
PAT (% of Revenue)	19	6	15	21	22
Fixed Assets Turnover (No. of Times)	6	5	5	5	6
Earning per share of NPR 100	1,157	389	935	1,675	1,992
Dividend proposed per share of NPR 100	770	100	650	1,215	1,580
Others	2075-76 (2018-19)	2076-77 (2019-20)	2077-78 (2020-21)	2078-79 (2021-22)	2079-80 (2022-23)
UNL share price on NEPSE**	20,250	18,800	19,395	18,360	32,998
Market Capitalisation (NPR in Mn)	18,644	17,309	17,857	16,904	30,381

* * Based on year-end closing prices quoted on NEPSE.

FINANCIAL REVIEW OF SAMVAT* 2079-80 (FINANCIAL YEAR 2022-23)

The financial year 2079-80 brought with it a host of economic challenges. Geopolitical disruptions in the global supply chain caused significant increases in commodity prices, resulting in unprecedented levels of inflation worldwide. Central banks around the world responded by raising interest rates, leading to a slowdown in demand and currency complications in key markets thereby generating substantial pressures on input costs.

Despite a challenging operating environment, the Company has stayed consistent to long-term strategies while preserving value for stakeholders in the short-term. We maintained our investments in R&D, our brand portfolio, and sustainability initiatives, all with a dedicated focus on delivering enduring value to our

esteemed shareholders. In a challenging environment, we have shown resilience and agility to deliver strong and all-round performance. Our reported Turnover and Net Profit grew by 16% and 19% respectively in financial year 2079-80. Profit after tax at NPR 1,834 million and EPS per share NPR 1,922 was up 19%. The Board of Directors proposed a final dividend of NPR 1,580 per share, highest ever in the history of Unilever Nepal, subject to approval of shareholders at the Annual General Meeting of the Company. The turnover growth is largely led by Skin and Hair Care. The growth in net profit is on account of higher sales coupled with cost-saving measures implemented to drive efficiencies across our functions, including supply chain, procurement, packaging, and overheads. Additionally, well-calibrated pricing strategies played a crucial role in safeguarding our business model against the escalating input costs.

*The term 'Samvat' refers to financial year as per Nepal's official calendar - a period of 12 months beginning mid-July of a given year and ending in mid-July of next year. Samvat 2079-80 (Financial Year 2022-23) began on 32 Ashad 2079 (17 July 2022) and ended on 31 Ashad 2080 (16 July 2023).

#For preparing the Consolidated Financial Statements of Hindustan Unilever Limited, Financial Statements of Unilever Nepal Limited for the period 1 April 2023 to 31 March 2024 have been considered.

Report of Board of Directors

We continue to invest in building a future-fit portfolio and create long-term value. We are strengthening our core, creating categories of the future through market development, and driving premiumisation by upgrading consumers to higher order benefits.

UNL CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY UPDATE

The Company helped collect 35 tonnes of waste from Mt. Everest and other peaks through the campaign led by Nepal Army

Mountains have always been a symbol and pride of Nepal and around 1,75,000 tourists visit Nepal for mountain trekking and expedition each year. However, they also leave behind waste which has created a massive waste management problem in the mountains. Understanding that businesses simply cannot prosper without a healthy planet and society, your company has been partnering the Mountain Cleanup Campaign, an initiative led by Nepal Army to clean up and remove waste and plastics from major peaks in Nepal.

The Mountain Clean-up Campaign 2023 marks the third consecutive year Unilever Nepal has been associated with the mountain cleanup activity and this financial year the campaign has witnessed tremendous dedication from army personnel, sherpas, locals, and volunteers to collect waste from three major peaks - Mt. Sagarmatha (Mt. Everest)-Lhotse region, Mt. Annapurna, and Mt. Baruntse. With a dedicated team of 97 members, 35 tonnes of waste were collected from these four mountain regions and has been handed over to the recycling partners for coprocessing and recycling.

To honour Unilever's continued support for the programme, the Managing Director of Unilever Nepal, Amlan Mukherjee was also conferred with the Chief of Army Staff (COAS) Badge for Nature Conservation by General Prabhu Ram Sharma, the current Chief of Army Staff of Nepal Army.

Unilever Nepal is proud to have played a small part to keep the country's mountains beautiful and blossoming for generations to come.

The Company helped collect 1518 tons of plastic waste in partnership with Avni Ventures

Unilever Nepal has also taken a monumental leap in its commitment to a waste free world by withdrawing the entire quantity of plastic generated in packaging and reprocessing a significant portion of it. In fact, your company also moved one fourth of its entire plastic portfolio on sustainable structure (all shampoo bottles, caps, soap wrapper and tube caps) and the aim is to achieve significantly more by the end of this financial year.

Currently Unilever Nepal factory uses 43% energy from national grid electricity which is produced from hydro power. 17% energy from in house solar plants to cater

thermal & electrical energy requirement. Therefore, 60% of total energy requirement is at zero emission level.

Through its efforts, your company is reaffirming its commitment to the environment and living its commitment 'to make sustainable living common place.'

Unilever Nepal Celebrates World Yoga Day

International Yoga Day, observed on June 21 each year, aims to promote physical and mental well-being through the ancient Indian practice of yoga. The 2023 theme was Yoga for Vasudhaiva Kutumbkam or One Earth, One Family, One Future. your company has lent its support for the World Yoga Day celebrations in Pokhara Rangashala in Kaski district by distributing yoga mats and installing handwash stations around the venue.

WINNING WITH BRANDS AND INNOVATION

Sunsilk Dashain Vibes 2

Sunsilk Dashain Vibes, launched during Nepal's biggest festival, Dashain, aimed to create enjoyable moments for its audience, integrating into their festive celebrations. Building on the success of the 1st season, Sunsilk introduced Dashain Vibes 2 with the theme "Double Celebration." Participants were encouraged to submit videos or photos showcasing their stylish hairstyles and festive Dashain spirit. The second season was a significant success, receiving 3,732 entries and supported by on-ground activities and digital promotions. The campaign achieved over 100 million views across all digital platforms.

Television Commercial Localisation

Sunsilk, the largest hair care brand in Nepal Launched a localised TVC for the 1st time with its Sunsilk Gang of Girls. Sunsilk Gang of Girls include Sunsilk Nepal's Brand Ambassadors Prisma and Princy along with the winners of the brand's digital campaign Sunsilk Dashain Vibes 2.

Portfolio Expansion with Need Identification

This financial year, the hair care portfolio was expanded based on specific consumer needs. Dove introduced a premium sachet segment, while Sunsilk launched a NPR 4 Maha Sachet to cater to consumers with longer hair. Additionally, Dove conditioners were localised and made available in affordable sachet packs alongside two bottle variants. To address the growing issue of hair, fall among the target group, Sunsilk introduced an Anti-Hair Fall variant with Onion & Jojoba Oil Shampoo, and Dove launched Dove Hair Fall Rescue Shampoo.

Digital & Influencing Marketing

Digital platforms have become a key space where consumers trust persuasive figures, making influencer marketing increasingly important. To capitalise this trend, our brands, including Sunsilk and Dove, collaborated with local influencers to promote newly launched products.

UNL Association with Women's National Football Team

Your company's brands have partnered with the Women's National Football Team of Nepal through press conference with 50+ Media houses to support and empower women in sports. This collaboration promotes gender equality, inspires young women, and enhances the visibility of women's sports. It also allows UNL's brands to engage meaningfully with their audience, reflecting values of empowerment, teamwork, and excellence.

RIN Wash Demo Activation

Rin Safai Utsab was conducted in 7 major towns in East where Rin stall was set up to show Live washing demo the audience. Various engagement activities along with sample distribution was done. Total TG reached: 5000.

VIM Liquid Digital Activation

Utilising platforms such as Facebook and Instagram, VIM Liquid launched a series of engaging posts, videos, and stories. These included demonstrations of VIM Liquid's effectiveness- Power of lemon that cleans sink-full of utensils with just 1 spoon and customer testimonials. 1.8 million audience reached through Influencers' in Social media.

Cosmetic Outlet Visibility- Valley

Enhancing 50 cosmetic outlets visibility in the Valley involving strategic placement of eye-catching displays and promotional materials. Branded shelves and endcaps were installed to highlight key products and new arrivals, drawing customer attention immediately upon entry. Vibrant signage and banners featuring attractive imagery and clear messaging were used to create an effective brand presence.

Launch of Vaseline Aloe Fresh Lotion

The launch of Vaseline Aloe Fresh Lotion focused on emphasising its hydrating and cooling properties, ideal for soothing and refreshing the skin. The campaign included digital promotions, in-store displays, and sampling initiatives to highlight the lotion's benefits and attract a wide consumer base resulting 1.9 Mln impressions; 13k clicks; 21k+ likes and hence 5.3 Mln reach.

#The Habit of 2

Focused on regime building with the idea of am-pm, with pollution as the aggressor of the campaign. The campaign was initiated with the objective of the campaign was to bring behavioural changes in Face washing habits as Nepal has some of the most polluted cities in the world that makes the consumers' skin dull and makes it lose their glow. Campaign concluded with 29MN impressions on social media 1,100+ sampling in colleges.

Closeup Brand Activation

In September 2022, Closeup partnered with the Little Angels College of Management (LACM) Carnival, a student-organised food festival of 15,000. Closeup prominently displayed its brand to boost recognition and recall through an engaging activation campaign. Visitors took selfies or pictures with friends, uploading them to social media with the hashtag #CloseupLACM. The campaign included a call-to-action through social media posts, and two lucky winners were announced based on the highest engagement.

Digital promotions-Viber

Closeup identified the opportunity to activate in Viber post Call roadblock promotion. The intention was to create brand awareness through brand visibility among Viber users. In 3 months, we received 27M+ impressions with 85k clicks.

Modern Trade Visibility - BBSM Outlets for Dashain

Bhatbhateni being one of the leading supermarkets in Nepal, we drove visibility for our major brands where we covered 5 branches in 2022.

CUP Digital Activation- Valentine's Campaign & Awards Association

Closeup First Move #NajikAau is a digital campaign initiated during Valentine's month as it captured the essence of Valentine's Day making their first move in their relationship or potential relationship towards their special one to reminisce their firsts in a relationship by celebrating love and closeness. A theme song "Najik Aau" was created to increase relevance among today's audience. A trend factor was brought in with a well-known singer, Sushant KC, who created a buzz with his name and voice which had 7M views. Received 2700+ amazing participation, 34.3M+ views and 7.6M engagement. Call to action through different SM Posts where 5 lucky winners and 50 consolation prizes were announced. #CloseupNepal – 22.4Mn, #NajikAau – 24.5 Mn | #NajikAau – 24.5 Mn

Additionally, National Music Awards one of the biggest music awards programmes where we had associated to promote CUP 's core values as a musical youth brand in hotspot events to build credibility.

Pepsodent Brand Activation

Collaborated with Happy Smile Health Foundation (HSHF) to create brand awareness and educate on oral health among general public through Dental Health check-ups and educate brushing twice a day. Our main purpose was to highlight and build our brand purpose by using Pepsodent as an evidence and reasoning to support claims on Cavity Protection and oral care solutions which removes plaque and bacteria from your teeth that can lead to cavities and other dental problems.

Report of Board of Directors

Nari Magazine- Special Edition on Dental Health

We had associated with Nari Magazine during July where they had a Special edition on Dental health where these Dentist Influencers educated on maintaining oral health and the benefits of brushing your teeth. We had a Print Ad in Magazine to serve as a brand recall factor.

Lifebuoy Liquid Handwash Launch Activities

- Placed 2000 counter tops in all HRP outlets.
- Extensive digital marketing resulting 2.1cr impressions and 5.5 Mln reach.
- Lifebuoy as a Hygiene partner in CWC Cricket league 2 touching consumer's passion & National pride with the mileage of 60mins TVC+100+Ashton reaching 1lacs+ on ground; 20 Mln TV viewership and 35 Mln digital viewership.
- Lifebuoy as a Hygiene partner for the Voice of Kids Nepal reaching to targeted Consumers/audience and households.

WINNING IN THE MARKETPLACE

Emerging channels of the Future

Looking at the future in the space of distribution network, its mandatory that we put a strong footprint in the channels of future such as Modern Trade (MT) and Ecommerce. We had robust engagement with MT partners on revamping the Terms of Trade (TOT) which helped us deliver strong business in Banner stores this financial year. We have revamped UNL share of shelf in MT accounts and executed world class visibility. We have also started visibility programmes in Convenience stores and Marts starting from Kathmandu valley. We are also increasing our engagement and footprint in Ecommerce and UNL has been awarded as "Top Seller- FMCG Category" in Daraz Seller Summit 2023.

With introduction of B2B retailer app Shikhar, we have unlocked a new era of demand capturing from retailers directly which will enable more frequent distribution in connect with speed and accuracy. We have 13,000+ outlets who have enrolled on Shikhar and been placing their orders through this application.

Harnessing technology

In the space of the new business journey of technology, we have created a model to capture the demand from the market in a robust manner. This demand capture is done through Sales-Edge app which is fully driven with a solid backend data that ease the job of the (Dealer Sales Representative) DSR and provide a guideline to increase assortment selling through machine learning system. This monitors DSR activities throughout day and helps to evaluate their performance. Another application called, I-Square has the feature to capture the attendance and working pattern in the marketplace which has enable field-force with robust data which are measurable and can be actioned upon. This resulted us significant increase of assortment in the market and ensure great execution everyday.

Robust Infra led Distribution

Your company has one of the largest distribution network in Nepal with direct presence in 72 out of 77 districts with 139 distributors. Our direct coverage has crossed 45,000 outlets. With the category expansion and the tech-based innovation on assortment selling, we are planning to reach to 50,000 outlets in 2024 by tapping white spaces and rural activation. We have also added service mix to capture demand in 4,000 outlets in top towns, which has delivered sales and assortment growth in double digit. We have a plan to get 100% customers onboarded on IKEA (our distribution management system) by 2024.

WINNING SUPPLY CHAIN AMID BANI SCENARIO

The Supply chain team continues its vision of delivering "Outstanding Service with highest consumer perceived Quality at lowest Cost" amid severe BANI- Brittle, Anxious, Non-linear, and Incomprehensible scenario. This financial year your company 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 & Sustainability

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

We have worked on all three aspects of safety, i.e., Hardware, Software and mindware. While we continue to invest on infrastructure, digital tools are also being used to improve the safety surveillance. We also organised specific behaviour-based safety campaigns and training to develop the safety culture at ground and embed safety as first priority in the mind of our workforce.

Further through Unilever Compass, we set out to decouple our growth from our environmental footprint, while increasing our positive social impact. Apart from various activities taken across all the operation to reduce energy and material waste, we have collected and processed more plastic than we sell.

Capacity upgradation, Engineering excellence & Future Fit technology

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 localization of imported premium pack.

We have doubled our Oral Manufacturing Capacity with new installation of double size hygienic mixer, which has resulted in enhancement of productivity and minimisation of losses in Oral Care. We have also installed one more Hair Sachet packing line, which has resulted in 50% Increment in Production capacity and supported the increasing demand of Shampoo Sachet in market. Also, this 50% Increment through new Sachet line has been executed with full automation of manual activities at packing line by Auto Case Erector, Traffic Controlled Case Distribution and Conveying System. Along with these installations, we have re-built the Shampoo plant with state of art technologies like Robotic case packer etc.

We've also become future fit by developing the Capacity of Jumbo Bags handling with EOT Cranes in Factory

Quality Improvement & Cost optimisation

Quality is an integral part of business, there is a continuous endeavour to ensure better consumer satisfaction as well as consumer safety in all our products.

In line with Global requirement, we have upgraded the manufacturing set up to handle future fit milder preservative formulation. Technical interventions like installation of Vision Camera to eliminate coding defect, if any and upgradation of lab completed, which will help to maintain consumer trust in our product at a high level.

An important aspect of business, Cost optimisation enables us to cut the cost and add value as fuel for business growth. Symphony programme aims at improving the Material cost, it continues to deliver savings and provide the best quality products to the consumers at best price even during ongoing inflationary time.

Journey towards excellence in servicing

We have achieved improvements in service levels. We have leveraged upon Integrated Planning Model (IPM) for improvised distribution and improved stocks availability. Through Centralised Materials Requirement Planning (CMRP), we continue to gain efficiency in material sourcing and requisition. We have managed to cater ever highest business demand and product SKU level through space & inventory optimisation by incorporating cutting edge technologies.

WINNING WITH PEOPLE

Capability development interventions

In our ever-changing business landscape, it's crucial for our workforce to be well-prepared for the future. Learning is key to unlocking our team's potential and driving innovation. Your company we prioritises continuous learning through various channels.

Central to our strategy is leveraging online platforms for flexible learning, enabling employees to take charge of their development. We provide resources like LinkedIn Learning, Udemy certifications, and our customised system, Degreed. These resources equip our workforce with current skills for today's dynamic business environment. Virtual opportunities led by experts in South Asia enhance our learning experiences, delivering tangible benefits. We're dedicated to prioritising learning in specific areas to ensure our team is future fit.

Our goal is to empower every member to acquire and enhance skills, embrace flexibility, and navigate the evolving landscape of work.

Managing Talent and Strengthening: Our Employer Brand

In a highly competitive job market, we prioritised attracting and retaining top talent through meaningful engagement with students, both digitally and on campus. This focus on university partnerships and talent initiatives

has consistently been a top priority for UNL, yielding significant success in Nepal. Our aim is to empower and mentor exceptional students, cultivating them as advocates and experts in their institutions. We offer internship programmes that provide hands-on experience with live projects, enhancing their learning and skills. Our purpose-driven culture solidified our position as a top employer, ultimately aiming to strengthen our brand's presence in the student community, attracting the best talent.

Fostering growth Culture

We aim to cultivate a Growth Culture centered around three principles: Human, Purposeful, and Accountable. Our forward-looking strategies empower our employees to craft their development and career paths based on their individual purpose and unique aspirations. This approach has resulted in exceptionally high engagement levels with 84% engagement scores.

Fostering Inclusivity, Diversity, and Work-Life Balance at Unilever Nepal

Your company is dedicated to creating an inclusive environment that embraces diversity, upholds human rights, and ensures equal opportunities. We firmly reject all forms of unlawful discrimination or victimisation. Our ED&I approach focuses on inclusivity and advocacy, driving change through progressive policies and steadfast support. We're transforming the relationship between households and work, while preserving the core principles that underpin our success. We believe flexibility is vital in our evolving work landscape. Our aim is to achieve a seamless work-life balance for all employees, enabling them to excel in their careers and prioritise personal rejuvenation. Our commitment to ED&I and work-life balance reflects our dedication to building a balanced, diverse and thriving organisation.

FUTURE FIT FINANCE

Nepal financial reporting standards (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 8 years.

Dividend

The Board of Directors always believed 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 13th October, 2023 recommended final dividend of NPR 1,580 / - per share on each equity share for the financial year that ended on 16th July, 2023.

Business Risk & Future Outlook

As your company progresses into the future, our unwavering commitment remains focused on surpassing expectations. We are dedicated to delivering consistent,

Report of Board of Directors

competitive, responsible, and profitable growth. It is essential for us to remain true to the core principles of our business, which have been pivotal in our success. These principles encompass robust innovation, enhanced consumer value, expanded market development, and the execution of world-class strategies. We recognize a significant opportunity to expand our operations in Nepal and leverage the economic growth prospects that the country offers. As we anticipate increased competition within this growth trajectory, rest assured that our company is well-prepared to both defend and expand our leadership positions in the market with resolute determination.

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.

Our strategic choices for growth

In 2021 we set out in detail the Compass strategy to deliver our vision. The five clear choices we have made in our strategy – portfolio, brands, channels, structure & capabilities, and culture – the continued delivery of our five Growth Fundamentals, have been playing an important role in building momentum across the business.

Given the current economic context, we took rapid measures to expand our portfolio by introducing additional 35 SKUs (totalling to 125 SKUs) at various price points to protect our consumer franchise in price sensitive categories. We have also entered into E-Commerce and continue to invest behind modern trade to generate new growth and capture consumer demand. We have generated savings and invested towards the development of brands within the Brand and Marketing Investment category.

Further, to ensure transparent and customer-centric transactions, we have introduced operational effective reviews to ensure quality of growth health of distributor. These reviews are a vital part of our efforts to ensure that our core values and ethics are upheld in our value chain and that Unilever's growth strategies are not being misused for individual gain by any of our distributors. We emphasise ethical guidelines for our distributors and communicate potential consequences for violations. We provide support and training to distributors on the Business Integrity and Customer Development (CD) Honour code to ensure our growth strategies benefit both parties. Transparency and open communication are integral to the process, and we address issues collaboratively.

Developing our portfolio

We continue to invest in building a future-fit portfolio and create long-term value. We are strengthening our core, creating categories of the future through market development, and driving premiumisation by upgrading consumers to higher order benefits. We are driving growth in our core portfolio by focusing on product

superiority and building purposeful brands. With a wide and resilient portfolio that straddles the price-benefit pyramid our consumers are able to choose their trusted brands at various price points. The most recent launches include Lifebuoy Handwash, Vim Liquid, Ponds Acne, Dove Conditioner, Sunsilk Conditioner etc.

Business Partnering Growth with Credit Governance

Your company introduced Channel Financing facility for its distributors and retail outlets in partnership with leading commercial banks of Nepal such as Standard Chartered Bank and Nabil Bank Limited. In the process, Unilever Nepal acts as bridge between banks, distributors, and retail outlets. This will help to improve the cashflow of our distributors which in turn improve the debtor turnover days of your company.

At present, your company has achieved a 13% participation rate from our distributors in our channel financing initiative. We are dedicated to further incentivising and encouraging more of our distributors to take advantage of this channel for their maximum benefit.

ESG Focus

Unilever Nepal is a frontrunner in a sustainable business practice. Through the Compass we have integrated our sustainability and business strategies. We aim to demonstrate that robust financial results are not contrary to sustainable business; in fact, they are complementary. The Company has a strong governance mechanism in place consisting of cross functional steering committees to action our ESG commitments. We are constantly driving advocacy around sustainability and getting broader industry participation to lead the change.

Digital Transformation

Unilever Nepal has been able to synergise with the South Asia Technology roadmap to leverage Digital Tech to Simplify our process and develop our agility in operations.

Our largest transformation occurred in our procure to pay process (P2P) including others which unfolded as follows:

Host-to-Host Payment system

Building upon the progress made last year with PEGA and SAP Concur, we have extended our efforts this financial year by introducing a new transformation – an automated Host-to-Host Payment system. A Host-to-Host Payment system is a secure and automated method for transferring funds allowing for seamless and secure transactions. In this system, payment instructions and data are transmitted directly from one system to another without manual intervention, reducing the risk of errors and fraud.

Radio Frequency Identification (RFID)

Physical asset verification used to be a time-consuming process, requiring a substantial allocation of human resources over several days. However, a recent

development involved the implementation of Radio Frequency Identification (RFID) which has brought about a substantial automation of fixed asset management. RFID is 1st Implemented in Nepal in Manufacturing Sector and is a form of wireless communication that incorporates the use of electromagnetic or electrostatic coupling in the radio frequency portion of the electromagnetic spectrum to uniquely identify an object. This implementation has led to streamlined reconciliation processes, reduced asset identification and verification times to just a few hours, and overall strengthen the asset tagging and identification process.

SAP Cloud migration

Your company also migrated servers to robust cloud platform which not only ensures data protection and privacy but also ensures enhanced data accessibility. The cloud platform also significantly boosts operational efficiency, as it streamlines processes, reduces downtime, and facilitates smoother collaboration within our organisation. Additionally, the advanced security features of the cloud safeguard our corporate and shareholder data, reinforcing our commitment to protecting your investments and interests in the Company.

Export model Development

Further, your company has also developed an export model with the aim of expanding the Company's market reach beyond domestic boundaries and into the global arena. Incorporating an export model into our IT system not only accelerates our readiness for a swift market entry but also provides a proactive approach to identifying and integrating legal requirements seamlessly. This ensures a smooth transition to export operations, reducing the potential for future complications while enhancing our agility in global markets.

Degreed – Learning and Development

Each day we build new capabilities in Systems, Workforce and Business Models with strong focus on external orientation and partnerships across large IT Companies / Industry Bodies. We are also invested to make sure that our talent is digitally enabled and future-fit to ride the digital transformation wave. We have enhanced our digital degreed platform, transforming it into a more visually engaging learning hub. This upgrade ensures that learners can more easily comprehend the content and grasp ideas with increased effectiveness.

Customer service and distribution transformation

In addition to the aforementioned improvements, we've also made several enhancements to our customer service and distribution software. This includes upgrades to applications like the Shikhar App, used for order placement and customer feedback, as well as the IKEA software for streamlined sales billing, all aimed at enhancing our business operations.

Reshaping Finance with Continuous Learning

Your company places a strong emphasis on upskilling our most valuable asset, our people. Your company has also seconded its talents to Hindustan Unilever Limited this financial year, aiming to immerse them in the market and incorporate best practices and innovative ideas through on-field training. This strategy has proven to be highly effective, enhancing individual skills and aligning and improving the Company's business processes.

Navigating the Future of Tax and Expert Leverage

Your company have successfully implemented 'Future of Tax,' a global Unilever initiative aimed at enabling the Unilever tax function to align with our overarching business strategy while maintaining adaptability in an ever-evolving landscape. The fundamental components of this project involve proactive engagement with external stakeholders, harnessing expertise, and fostering flexible partnerships. Presently, with Uniops overseeing operations and data management, the group tax team strategising, tax business partners identifying opportunities and managing risk, and experts from Ernst and Young LLP, India, and B.K. Agrawal contributing to overall tax compliance and controversy resolution, our company has effectively cultivated an agile tax function. Moreover, during the financial year, we encountered the global Future of Tax Corporate Audit and successfully cleared it.

National Best Presented Annual Report Award

Your company demonstrates a robust commitment to transparency when it comes to the annual report presented to you, encompassing financial performance, internal controls, and business strategies.

This unwavering dedication ensures that you, as shareholders, have access to a comprehensive understanding of our company's performance and growth plans while adhering rigorously to regulatory guidelines for precise and accurate reporting. We are pleased to share that your company was honoured with the bronze medal from The Institute of Chartered Accountants of Nepal (ICAN), with the award being presented by Mr. Prakash Sharan Mahat, Nepal's Finance Minister. This award serves as a testament to our company's persistent commitment to maintaining transparency and precision in financial reporting.

WORLD CLASS LEGAL

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

Report of Board of Directors

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 taken and same are supplemented with building awareness amongst the consumers of tomorrow. Your Company continued to engage with various stakeholders including Industry Bodies, Regulatory bodies like Department of Industries, Advertisement Board, other companies and E-Commerce platforms to curb the menace of counterfeiting. One of the key activities undertaken by your Company in this direction is taking action against Trademark infringers and propagating intellectual property awareness, particularly among school and college students. Your company has effectively advocated in legislative changes and interpreted existing laws to ensure favourable decision against competitors.

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

Business Integrity

Our principles and values apply to all our employees through our Code and Code Policies. Our employees undertake mandatory annual training on these Policies via online / offline training modules and an annual business integrity pledge. Our Business Integrity guidelines include clear processes for managing Code breaches. During the year, the mandatory Business Integrity Training was completed by 100% employees. The employees were also trained by external expert to investigate code breaches. 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.

AWARDS AND RECOGNITION

The Chief of Army Staff (COAS) Badge for Nature Conservation

Mountains have always been a symbol and pride of Nepal and around 1,75,000 tourists visit Nepal for mountain trekking and expedition each year. However, they also leave behind waste which has created a massive waste

management problem in the mountains. Unilever Nepal has been partnering with the Mountain Cleanup Campaign, an initiative led by Nepal Army to clean up and remove waste and plastics from major peaks in the country. The Mountain Clean-up Campaign 2023 marks the third consecutive year Unilever Nepal has been associated with the activity; and collected 35 tons of waste from three major peaks - Mt. Sagarmatha (Mt. Everest)-Lhotse region, Mt. Annapurna, and Mt. Baruntse and hence handed to recycling partners for coprocessing and recycling. To honour Unilever's continued support for the programme, the Managing Director of Unilever Nepal, Amlan Mukherjee has been conferred with the Chief of Army Staff (COAS) Badge for Nature Conservation by General Prabhu Ram Sharma, the current Chief of Army Staff of Nepal Army.

ICAN National Best Presented Annual Report (Manufacturing sector)

Company demonstrates a robust commitment to transparency when it comes to the annual report presented to the shareholders, encompassing financial performance, internal controls, and business strategies and therefore UNL is honoured with the bronze medal from The Institute of Chartered Accountants of Nepal (ICAN), with the award being presented by Mr. Prakash Sharan Mahat, Nepal's Finance Minister. This award serves as a testament to our company's persistent commitment to maintaining transparency, adaptation of NFRS and precision in financial reporting.

Daraz Bestseller Award (FMCG sector)

Daraz Nepal, Nepal's leading online marketplace, hosted its fifth annual Seller Summit on 20th Dec'22 with the tagline, "Empowering Sellers, Celebrating Success," the event aimed at honouring and celebrating the dedicated sellers who form the backbone of the Daraz platform. In the event, Company has been awarded with Daraz Most Active Seller Award in FMCG sector.

HRM Award for Corporate Excellence 2022 (MNC)

Company has won the prestigious 'The HRM Award for Corporate Excellence 2022-MNC' for the best corporate practices presented by the Vice President of Nepal - Honourable Nanda Kishor Pun.

APPRECIATIONS AND ACKNOWLEDGEMENTS

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

Your Directors would also like to acknowledge the excellent contribution by Hindustan Unilever Limited

and Unilever to your Company in providing the latest innovations, technological improvements and marketing inputs across almost all categories in which it operates. This has enabled the Company to provide higher levels of consumer delight through continuous improvement in existing products, and introduction of new products.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from its suppliers, redistribution stockists, retailers, business partners and others associated with the Company as its trading partners. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be your Company's endeavour

to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests.

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

On behalf of the Board

Dev Bajpai

Chairman

21st November, 2023

Annexure to the Report of Board of Directors

DIRECTORS

Mr. Dev Bajpai – Chairman
Mr. Amlan Mukherjee – Managing Director
Mr. Ravi Bhakta Shrestha-Nominee Director
Mr. Subhas Bajracharya – Independent Director
Vacant Post (Director representing public shareholder)*
Ms. Suman Hegde-Nominee Director
Ms. Harman Dhillon-Nominee Director
Mr. Yogesh Mishra-Nominee Director

COMPANY SECRETARY

Ms. Sangeeta Shrestha

COMPLIANCE OFFICER

Mr. Govinda Bahadur Shahi

AUDITORS

CSC & Co, Chartered Accountants
Kathmandu, Nepal

BANKERS

Standard Chartered Bank Limited
Global IME Bank of Kathmandu Limited
Nabil Bank Limited
Nepal State Bank of India
Himalayan Bank Limited
Everest Bank Limited

REGISTERED OFFICE & FACTORY

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

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
Website: www.unilevernepal.com

SHARE REGISTRAR

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

* Election of Public shareholder is presently stayed by the order of Honourable high court at Patan

GOVERNANCE OVERVIEW

Upholding integrity and the highest standards of governance has been ingrained in our corporate culture from the outset. Our Corporate Governance framework has matured over the years, firmly rooted in our fundamental values of Integrity, Responsibility, Respect, and Innovation. We consistently establish elevated governance benchmarks that not only comply with existing legislation but also extend beyond regulatory requirements in various facets of our operations

CORPORATE GOVERNANCE STRUCTURE

Our Governance Structure is multi-tiered, comprising the Board of Directors, Board Committees, & Managing Director (MD), and the Leadership Team. The Board's vigilant oversight ensures that the Company's operations are conducted with the utmost integrity, taking into account the interests of shareholders, employees, customers, and the community at large. In this way, the Board of Directors acts as the guardian of the Company's values and purpose, while steering it toward a prosperous and purposeful future and is ably supported by the Board Committees, the MD, and the Leadership Team.

Board of Directors		
"The Board's primary role is to ensure the long-term sustainable success of the Company for the mutual benefit of all stakeholders."		
Board Committees		
The Board committees play specialised roles of overseeing financial reporting, nominating qualified candidates, and managing risks, to enhance governance and strategic decision-making.		
Audit Committee	Risk Management Committee	Asset and Liability Management Committee
Managing Director (MD) and the leadership team		
"The MD, supported by the Leadership team, is responsible for ensuring delivery of the Company's strategy, business plans and financial performance"		

Key Responsibilities of the Committees

Audit Committee	Risk Management Committee	Asset and Liability Management Committee
Accuracy, transparency, and compliance of the Company Financials Statements;	Monitoring and reviewing the Risk Management Policy	The company's assets to achieve optimal returns and liquidity.
Effectiveness of the Company's internal control and risk management systems;	Implementation of the risk management framework;	The company's liabilities to ensure they are in alignment with the Company's asset structure.
The company's compliance with relevant laws, regulations, and ethical standards.	Identify and assess potential risks that could impact the organisation's objectives and operations;	The organisation liquidity to meet its financial obligations as they arise.
The appointment of the Statutory Auditor and oversee the auditor's independence and effectiveness.	Strategies to mitigate or manage identified risks	The appropriate balance between assets and liabilities

Attendance of Director at Board and Committee Meetings

The attendance of the Board and Committee Members are as per below:

Board Members	Designation	Board Meeting	Audit Committee Meeting	Risk Management Committee
Mr. Dev Bajpai	Chairman	7 (out of 7)	N/A	N/A
Mr. Subhas Bajracharya	Independent Director	7 (out of 7)	3(out of 3)	2(out of 2)
Mr. Amlan Mukherjee	Managing Director	7 (out of 7)	N/A	N/A
Mr. Ravi Bhakta Shrestha	Nominee Director	7 (out of 7)	3(out of 3)	2(out of 2)
Mr. Yogesh Mishra	Nominee Director	2 (out of 7)	1(out of 3)	1(out of 2)
Ms. Asha GopalKrishnan *	Nominee Director	5 (out of 7)	1(out of 3)	1(out of 2)
Mr. Krishnan Sundaram**	Nominee Director	7 (out of 7)	3(out of 3)	2(out of 2)

*Ms. Asha GopalKrishnan was succeeded by Ms. Suman Hegde with effective date from 14th June, 2023.

** Mr. Krishnan Sundaram was succeeded by Ms. Harmon Dhillon with effective date from 2nd September, 2023.

Risk Review

The Company has implemented a structured Company Risk Review System, a methodical approach to systematically assess and pinpoint potential risks within various facets of its operations, including business, financial, operational, and reputational domains.

Our company has established a Risk Committee, aligning with Securities Board of Nepal (SEBON) Good Governance Guidelines and following Unilever's Global Risk Assessment Framework with an Independent Director at its helm. This is a key component of our corporate governance structure, designed to ensure compliance with regulatory standards and international best practices in risk management.

This committee convenes for review meetings on a quarterly basis, during which it deliberates on the identified risks. These risks are thoroughly examined, classified using a risk matrix, and strategic mitigation measures are formulated. The risk assessment process involves prioritising these risks based on a predefined matrix, which takes into account both the potential impact and the likelihood of their occurrence, with the aim of safeguarding our business's overall performance and reputation.

OVERVIEW ON RISK REVIEW

Risk Description		Management of Risk
A	Financial Risk Management	
i	Trade Receivables Credit risk management is the systematic process through which a company assesses, mitigates, and controls the potential financial risks associated with extending credit to customers. It involves a comprehensive approach to evaluating the creditworthiness of customers and managing credit policies to maintain a balance between business interests, viability, and prudent financial decision-making.	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 all customers are covered by bank guarantees. Exceptions are addressed and authorised by the relevant authorities, following a thorough evaluation of the counterparty's qualifications, financial capabilities, trade norms, and the current state of business and economic circumstances. Credit risk from balances with banks and financial and investments in fixed deposit is managed by maintaining the balances with highly reputed commercial banks only.
ii	Cash deposits and Investment in Fixed Deposits	
B	Liquidity Risk	
i	Liquidity risk pertains to the challenge a company may encounter when it comes to fulfilling its commitments linked to its financial liabilities.	The Company maintained a cautious funding strategy, with a positive cash balance throughout the year ended 31 Ashad, 2080 (16 July, 2023). 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 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 headroom as determined by the above-mentioned forecasts. Further, as per the global risk reading for Nepal – its recommended to consolidate banking operations to one large stable local bank. Hence, with that we have already consolidated our operations to three trusted commercial banks of Nepal and will continue evaluating the risk involved if any.
C	Market Risk	
i	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 manages currency exposures within prescribed limits, through the use of forward exchange contracts. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. As at 31 Ashad 2080 (16 July, 2023), there is no unhedged exposure to the Company on holding financial assets (trade receivables) and liabilities (trade payables) other than in their functional currency.
ii	Commodity price risk The Company is exposed to the risk of changes in commodity prices in relation to the purchase of its raw materials especially vegetable oils/ Linear Alkyl Benzene Sulphonic Acid.	The objective of the Company is to minimise the impact of commodity price fluctuations. The Company has undertaken various cost savings programmes along with judicious pricing, without compromising on the competitiveness of brand investments, both in terms of technology as well as advertising and promotion.
iii	Interest rate risk Investment in fixed deposits at fixed rates exposes 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

In addition to the above board-level risk assessments, our company also takes a granular approach by identifying risks specific to each functional area. These risks are thoroughly examined, and strategies for mitigation are discussed during our regular meetings. Furthermore, we've implemented a comprehensive Global Financial Control framework. Under this framework, we systematically assess both key and non-key controls on a monthly, quarterly, and annual basis. This rigorous testing and review process ensures the effectiveness of our financial controls, offering an additional layer of security to safeguard the Company's financial well-being and operational integrity.

Additional Disclosure as Per Section 109(4) of The Companies Act, 2063

- Details of Share Forfeiture: No shares have been forfeited till date.
- Transactions with subsidiaries: The Company has no subsidiaries.
- Information provided to the Company by its substantial shareholders in the financial year 2078-79 (2021-22) - Hindustan Unilever Limited, which is the majority shareholder, provided the Company with 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.
- Share Purchase by Directors and Officials of the Company during the year: Nil
- Information received on the personal interest of Directors and their close relatives in any agreement/contract entered by the Company: Nil
- Detail of share buyback during the year: The Company did not buy back its own shares during the year.
- Details of internal control systems: The internal control system of the Company conforms to global standards and follows Unilever's international guidelines. This includes:
 - Operation Manuals, procedures, and guidelines for systematic conduct of operations.
 - Financial policy and accounting guidelines.
 - Global Framework Financial Control (GFCF) audit carried out by B.K. Agrawal, Chartered Accountants, Nepal.
 - Periodic review of internal control systems by Management and Audit Committee
- Total Management expenses during the year:

(NPR in lakhs)	
Employee expenses during the financial year	1,258
Administrative expenses during the financial year	325

- List of audit committee members, their remuneration and facilities:

Name	Remuneration
Mr. Subhas Bajracharya – Chairman	**
Mr. Ravi Bhakta Shrestha - Member	**
Mrs. Suman Hegde - Member	-
Mrs. Harman Dhillon– Member	-
Mr. Yogesh Mishra – Member	-

During the year, the Audit Committee reviewed the internal audit report and the actions initiated for resolving the issues. The 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 (CSC & Co.) and recommended their adoption by the Board of Directors.

(**) During the year, a total amount of NPR 3,24,000 /- 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.

- Amount receivable by the Company from Directors, Managing Director, substantial shareholders and their close relatives and associated firms, companies, etc.: Nil
- Remuneration, allowances, and facilities given to Directors, Managing Director, Chief Executive Officer and Officials during the year:

(NPR in lakhs)			
S. No.	Particulars	Directors	MD Managers/ Officers/ Staff
1	Meeting Fee	3.24	-
2	Salary & Allowances	-	481.53
3	Car Facility	No	Yes
4	Accommodation	No	Yes
5	Insurance Coverage	No	No
6	Number of Persons	7	1

Notes: -

- Office cars with drivers, fuel and maintenance are provided to the Managing Director, Supply Chain Manager, Finance Manager, Sales Manager and Legal Manager.
 - Unfurnished /Furnished rented accommodation or HRA provided to Expatriate Managers as per terms and conditions of employment of the individuals.
 - Travel expenses of the Directors, whenever required for attending the Board meetings, are borne by the Company.
- Unclaimed Dividends: Total unclaimed dividend is NPR 257.02 lakhs as on 31 Ashad, 2080 (16 July, 2023).
 - Details of sale and purchase of properties pursuant to Section 141: Nil
 - Details of transactions carried on between the associated companies pursuant to Section 175: Refer Note 2.2.19 of the financial statement
 - Other matters required to be disclosed in the director's report by the Companies Act, 2063 or other laws in force: None
 - Other relevant issues: None

Dev Bajpai

Chairman
Unilever Nepal Limited
Kathmandu
Date: 21st November, 2023

Amlan Mukherjee

Managing Director
Unilever Nepal Limited
Kathmandu
Date: 21st November, 2023

Independent Auditor's Report

To the Shareholders of Unilever Nepal Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Unilever Nepal Limited ("the Company"), which comprise the statement of financial position as at 31 Ashad 2080 (16 July 2023), the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 Ashad 2080 (16 July 2023), and its financial performance and cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSA). Our responsibilities under

those standards 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 Institute of Chartered Accountant of Nepal's (ICAN) Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 for the financial year ended on 31 Ashad 2080 (16 July 2023). 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.

Key Audit Matters

Recognition and Measurement of Revenue

(Refer Note 2.2.17 and Note 17 of the financial statements)

Revenue from sale of goods (hereinafter referred to as "Revenue") is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

Discounts and incentives under various schemes are material and have arrangements with varying terms. Measurement of estimated discounts and incentives' accruals relating to these schemes requires judgement, and as required by NFRS 15- Revenue from Contracts with Customers, such estimated discounts and incentives have to be shown separately as they are unfulfilled performance obligations.

The audit focused on accurate measurement of revenue because of:

- inherent risk involved around revenue recognition and measurement as the performance of the Company highly depends on the revenue, and
- the requirement of financial reporting framework to defer revenue in relation to unfulfilled performance obligations of contract with customers at the end of the reporting period.

How our audit addressed the key audit matters

Our audit procedures:

- We assessed the Company's revenue recognition and measurement policies including those relating to discounts and incentives for sales.
- We obtained an understanding, assessed and tested the operating effectiveness of internal control relating to the identification, recognition and measurement of discounts and incentives for schemes.
- We performed test of details, on a sample basis, and inspected the underlying documents relating to sales and accrual of discounts and incentives, subsequent claims accounted by the Company, to assess the appropriateness of accruals outstanding as at year end.
- We 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 sample verification of the supporting information of the revenue transactions.
- We tested cut-off date sales transaction as well as subsequent receipts after the year end date.
- We examined the contracts entered with customers and reviewed the management's estimate relating to unfulfilled performance obligations relating to the sales made during the year.
- We assessed the adequacy of the disclosures in respect of revenue to be disclosed as per NFRS 15.

Our results

No material exceptions were noted.

Other Information

The management is responsible for the other information presented in the Unilever Nepal Limited Annual Report 2079-80 (2022-23) together with the Financial Statements. This report is expected to be made available to us after the date of this auditor's report. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Financial Reporting Standards (NFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 NSA 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 NSA, 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 Unilever Nepal Limited'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 Unilever Nepal Limited'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 Unilever Nepal Limited 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.

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.

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, the statement of financial position, profit or loss, other comprehensive income, changes in equity and cash flows have been prepared in accordance with the provisions of Companies Act, 2063 and conform to the books of account of the Company and the books of account and records are properly maintained in accordance with the prevailing laws.
- iii. During the course of our audit, we did not come across the cases where the Board of Directors or the representative or any employee of the Company has

acted deliberately contrary to the provisions of the law or caused loss or damage to the Company or misappropriated funds of the Company, nor have we been informed of any such case by the management.

- iv. We have not come across any accounting fraud, so far as it appeared from our examination of the books of account.

Madan Krishna Sharma

Partner

Place: Kathmandu

Date: October 13, 2023

UDIN: 231110CA00011BzVCN

Statement of Financial Position

As at 31 Ashad 2080 (16 July 2023)

FINANCIAL STATEMENTS



Figures in NPR

	Note	As at 31 Ashad 2080	As at 32 Ashad 2079
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	1,44,05,40,743	1,34,22,43,218
Intangible assets	4	1,22,92,970	3,33,27,812
Right of use Assets -Lease	5	21,13,56,122	21,54,55,487
Deferred tax assets	13	3,32,83,152	2,35,79,085
Total Non-Current Assets		1,69,74,72,987	1,61,46,05,602
Current Assets			
Inventories	7	96,36,03,641	1,12,33,29,423
Financial assets			
Trade and other receivables	8	1,66,37,43,317	1,35,86,46,159
Investments	6	1,37,97,15,363	1,12,92,44,752
Cash and cash equivalents	9	75,52,69,740	54,61,71,365
Bank balance other than CCE	10	2,67,48,221	2,53,98,313
Other current assets			
Prepayments		85,55,135	72,87,845
Total Current Assets		4,79,76,35,417	4,19,00,77,857
TOTAL ASSETS		6,49,51,08,404	5,80,46,83,459
EQUITY AND LIABILITIES			
Equity			
Share capital	11	9,20,70,000	9,20,70,000
Retirement Benefit Scheme Reserve	12	77,57,03,501	78,13,06,486
Retained earnings	12	3,49,31,28,135	2,77,87,64,891
Total Equity		4,36,09,01,636	3,65,21,41,377
Liabilities			
Non-Current Liabilities			
Lease Liabilities	14	18,92,40,040	17,86,40,705
Provisions	15	2,24,70,671	2,11,49,821
Total Non-Current Liabilities		21,17,10,711	19,97,90,526
Current Liabilities			
Financial liabilities			
Trade and other payables	16	1,80,94,82,624	1,80,97,68,433
Lease Liabilities	14	4,46,07,271	5,46,44,237
Provisions	15	5,93,36,912	7,53,57,406
Current tax liabilities	24	90,69,250	1,29,81,480
Total Current Liabilities		1,92,24,96,057	1,95,27,51,556
Total Liabilities		2,13,42,06,768	2,15,25,42,082
TOTAL EQUITY AND LIABILITIES		6,49,51,08,404	5,80,46,83,459

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

As per our report of even date attached

Dev Bajpai
Chairman

Ravi Bhakta Shrestha
Director

Amlan Mukherjee
Managing Director

Madan Krishna Sharma
Partner
CSC & Co.
Chartered Accountants

Suman Hegde
Director

Subhas Bajracharya
Independent Director

Fahd Sheriff
Chief Finance Officer

Yogesh Mishra
Director

Harman Dhillon
Director

Sangeeta Shrestha
Company Secretary

Date: 13th October, 2023
Place: Kathmandu, Nepal

Statement of Profit or Loss

For the year ended 31 Ashad 2080 (16 July 2023)

Figures in NPR

	Note	For the year 2079-80	For the year 2078-79
INCOME			
Revenue from operations	17	8,48,03,57,126	7,33,36,14,727
Other income	18	19,35,50,855	12,17,84,570
TOTAL INCOME		8,67,39,07,981	7,45,53,99,297
EXPENSES			
Cost of materials consumed	19	4,27,82,91,764	4,15,48,43,871
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	20	14,29,68,275	(18,72,85,838)
Employee benefits expenses	21	58,91,99,266	52,33,21,177
Depreciation and amortisation expenses	3,4,5	29,46,17,039	24,35,17,276
Finance Cost	22	2,96,34,285	2,49,59,254
Other expenses	23	1,09,99,56,819	81,35,75,397
TOTAL EXPENSES		6,43,46,67,448	5,57,29,31,137
Profit before tax		2,23,92,40,533	1,88,24,68,160
Income Tax Expense	24	(40,49,19,250)	(34,04,87,616)
Profit from continuing operations		1,83,43,21,283	1,54,19,80,544
NET PROFIT FOR THE YEAR		1,83,43,21,283	1,54,19,80,544
Basic and Diluted Earnings per share	26	1,992	1,675

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

As per our report of even date attached

Dev Bajpai
Chairman

Ravi Bhakta Shrestha
Director

Amlan Mukherjee
Managing Director

Madan Krishna Sharma
Partner
CSC & Co.
Chartered Accountants

Suman Hegde
Director

Subhas Bajracharya
Independent Director

Fahd Sheriff
Chief Finance Officer

Yogesh Mishra
Director

Harman Dhillon
Director

Sangeeta Shrestha
Company Secretary

Date: 13th October, 2023
Place: Kathmandu, Nepal

Statement of Other Comprehensive Income

For the year ended 31 Ashad 2080 (16 July 2023)

Figures in NPR

	Note	For the year 2079-80	For the year 2078-79
Net Profit for the year as per Statement of Profit or Loss		1,83,43,21,283	1,54,19,80,544
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial Gain/(Loss) on defined benefit pension schemes	25	6,84,232	9,47,608
Deferred Tax on Actuarial Gain/(Loss)		(1,16,320)	-
Other comprehensive gain/(loss) for the year, net of tax		5,67,912	9,47,608
Total comprehensive gain/(loss) for the year, net of tax		1,83,48,89,195	1,54,29,28,152

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

Madan Krishna Sharma
Partner
CSC & Co.
Chartered Accountants

Suman Hegde
Director

Subhas Bajracharya
Independent Director

Fahd Sheriff
Chief Finance Officer

Yogesh Mishra
Director

Harman Dhillon
Director

Sangeeta Shrestha
Company Secretary

Date: 13th October, 2023
Place: Kathmandu, Nepal

Statement of Changes in Equity

For the year ended 31 Ashad 2080 (16 July 2023)

Figures in NPR

	Share capital	Retirement Benefit Scheme Reserve	Retained earnings	Total
Balance at 31 Ashad 2078	9,20,70,000	65,87,80,520	1,85,41,72,774	2,60,50,23,294
Opening Adjustment for NFRS-16	-	-	(1,98,81,035)	(1,98,81,035)
Profit for the year	-	-	1,54,19,80,544	1,54,19,80,544
Other comprehensive income	-	-	9,47,608	9,47,608
Total comprehensive income	-	-	1,52,30,47,117	1,52,30,47,117
Dividends to shareholders	-	-	(59,84,55,000)	(59,84,55,000)
Transfer to Retirement Benefit Scheme Reserve	-	13,72,78,805	-	13,72,78,805
Retirement Benefit Payments	-	(1,47,52,839)	-	(1,47,52,839)
Balance at 32 Ashad 2079	9,20,70,000	78,13,06,486	2,77,87,64,891	3,65,21,41,377
Profit for the year	-	-	1,83,43,21,283	1,83,43,21,283
Adjustment for NFRS-16	-	-	(18,75,451)	(18,75,451)
Other comprehensive income	-	-	5,67,912	5,67,912
Total comprehensive income	-	-	1,83,30,13,744	1,83,30,13,744
Dividends to shareholders	-	-	(1,11,86,50,500)	(1,11,86,50,500)
Retirement Benefit Payments	-	(56,02,985)	-	(56,02,985)
Balance at 31 Ashad 2080	9,20,70,000	77,57,03,501	3,49,31,28,135	4,36,09,01,636

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

As per our report of even date attached

Dev Bajpai
Chairman

Ravi Bhakta Shrestha
Director

Amlan Mukherjee
Managing Director

Madan Krishna Sharma
Partner
CSC & Co.
Chartered Accountants

Suman Hegde
Director

Subhas Bajracharya
Independent Director

Fahd Sheriff
Chief Finance Officer

Yogesh Mishra
Director

Harman Dhillon
Director

Sangeeta Shrestha
Company Secretary

Date: 13th October, 2023
Place: Kathmandu, Nepal

Statement of Cash Flows

For the year ended 31 Ashad 2080 (16 July 2023)

FINANCIAL STATEMENTS



Figures in NPR

	Note	As at 31 Ashad 2080	As at 32 Ashad 2079
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		1,83,43,21,283	1,54,19,80,544
Adjustments for:			
Income tax during the year	24	40,49,19,250	34,04,87,616
Depreciation on property, plant and equipment	3	9,51,25,237	9,11,67,108
Amortization of Intangible Assets	4	2,10,03,408	2,28,99,099
Depreciation on Right of Use-Lease	5	17,84,88,394	12,94,51,068
Allowance for inventory obsolescence	7	1,00,15,903	(4,35,82,337)
Provision for employee benefits	15	21,74,283	(13,31,43,031)
Other provisions	15	(1,63,06,015)	(1,71,62,955)
Provision for Bonus	21	25,13,17,680	21,12,75,887
Finance income	17	(12,04,63,351)	(9,37,04,657)
Fixed Assets write off	23	36,02,928	2,86,79,713
Right of Use-Lease write off	5	95,82,356	(23,39,692)
Finance Cost	22	2,96,34,285	2,01,51,998
Working capital adjustments:			
(Increase)/ decrease in Trade & Other receivables	8	(30,50,97,158)	(37,64,94,247)
(Increase)/ decrease in prepayments		(12,67,290)	(21,50,536)
(Increase)/ decrease in Inventories	7	14,97,09,879	(23,72,04,133)
Increase/ (decrease) in trade and other payables	16	(4,36,07,573)	(17,25,08,522)
Cash generated from operations		2,50,31,53,499	1,30,78,02,923
Bonus paid		(21,12,92,877)	(11,79,46,630)
Income Tax Paid		(41,85,35,547)	(21,20,33,155)
Net Cash Flows From Operating Activities		1,87,33,25,075	97,78,23,138
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from sale of Property, Plant and Equipment		47,13,400	-
Interest Received		12,81,92,741	8,69,09,845
Acquisition of Property, plant and Equipment	3	(20,17,07,656)	(46,56,94,877)
Purchase of Intangibles	4	-	(3,28,525)
Decrease/ (increase) in Right of Use-Lease		(18,58,46,837)	(9,86,36,563)
Adjustment in Plant, Property & Equipment		-	(24,52,769)
Decrease/ (increase) in Investment on fixed deposits		(25,82,00,000)	(18,81,00,000)
Decrease/ (increase) in Bank balance other than CCE		(13,49,908)	85,11,135
Net Cash Flows From Investing Activities		(51,41,98,260)	(65,97,91,754)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,11,53,53,540)	(60,99,49,335)
Increase/ (Decrease) in lease liability		(2,90,71,915)	(5,06,78,388)
Transferred to Retirement benefit Scheme Reserve		-	13,72,78,805
Payment from Retirement Benefit Scheme Reserve		(56,02,985)	(1,47,52,839)
Net Cash Flows From Financing Activities		(1,15,00,28,440)	(53,81,01,757)
Increase/ (Decrease) In Cash and Cash Equivalents		20,90,98,375	(22,00,70,373)
Cash and Cash Equivalents at The Beginning of The Year	9	54,61,71,365	76,62,41,738
Cash and Cash Equivalents at The End of The Year	9	75,52,69,740	54,61,71,365

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

As per our report of even date attached

Dev Bajpai
Chairman

Ravi Bhakta Shrestha
Director

Amlan Mukherjee
Managing Director

Madan Krishna Sharma
Partner
CSC & Co.
Chartered Accountants

Suman Hegde
Director

Subhas Bajracharya
Independent Director

Fahd Sheriff
Chief Finance Officer

Yogesh Mishra
Director

Harman Dhillon
Director

Sangeeta Shrestha
Company Secretary

Date: 13th October, 2023
Place: Kathmandu, Nepal

Notes

to Financial Statements for the year ended 31 Ashad 2080 (16 July 2023)

Figures in NPR

NOTE 1 CORPORATE INFORMATION

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

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

NOTE 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 Companies Act, 2063 of Nepal.

2.1.2 The Financial Statements are authorised for issue by the Board of Directors on 13 October 2023 (26 Ashoj, 2080).

2.1.3 Going concern

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

2.1.4 Basis of measurement

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

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

2.1.5 Critical accounting estimates

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The Company makes certain estimates and assumptions regarding the future events. Estimates and judgements are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual result may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year primarily includes:-

a) Provision for employee benefits

The cost of the defined benefit plans 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 15 and note 27.

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 amortization

Depreciation and amortization are calculated over the estimated useful lives of the assets. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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.

Figures in NPR

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 judgement 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, 2080 and 32 Ashad, 2079.

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 judgements and estimates have been made in preparing the financial statements and their effects are disclosed.

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

Non-financial assets are subject to impairment tests whenever events or changes in circumstances

indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e., the higher of value in use and fair value less costs to sell), the asset is written down accordingly. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

2.2.2 Foreign currency transactions

Transactions entered into by the Company in a currency other than the currency of the 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 the 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

Notes

to Financial Statements for the year ended 31 Ashad 2080 (16 July 2023)

Figures in NPR

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 reporting date 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 estimated 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

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The total cash outflow for lease is NPR 255,207,152 for the year ended 31 Ashad, 2080. Interest on lease liabilities is NPR 29,634,285.

The company's lease mainly comprises of buildings and motor vehicles. The Company leases building for residential, manufacturing and warehousing facilities.

There is no major difference between the Company's estimate of increase in assets and liabilities on account of adopting the standard on lease compared to the lease liability and right-of-use asset accounted as at 31 Ashad, 2080.

Further details about right-of-use assets and lease liabilities are given in note 5 and note 14, respectively.

The Company assesses whether a contract is or contains a lease at the inception of the contract. The assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Company contains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension

Figures in NPR

option payments or purchase options which the Company is reasonably certain to exercise.

Variable lease payments that don't depend on an index or rate are not included in the measurement of the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occur and are included in the line "other expense" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases as well as low value assets and recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.2.6 Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization 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 is amortised over the estimated useful life of 5 years. Residual value of intangibles is estimated to be nil.

2.2.7 Production at third party manufacturing locations

The Company has made arrangements for manufacturing its licensed products with other third-party manufacturers against payment at a 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 have been accounted for in the books of the Company.

2.2.8 Trade and other receivables

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

2.2.9 Inventories

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

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

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

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

2.2.10 Cash and cash equivalents

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

Notes

to Financial Statements for the year ended 31 Ashad 2080 (16 July 2023)

Figures in NPR

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 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 the statement of financial position based on current/non-current classification. Based on the nature of products and the time between the 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 the employee service manual in accordance with Social Security Act, 2075 and Labour Act, 2074.

Defined contribution schemes

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive

obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit or loss in the financial year to which they relate.

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

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

Defined benefit schemes - Other retirement benefits scheme

The Company provides 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 an independent actuary using the projected unit credit method discounted to its present value using yields available on Government bonds.

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

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

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

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

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

Other long-term employment benefits

Employees have a statutory entitlement to payment of 90 days' cash equivalent of accumulated un-

availed home leave and accumulated leave excess of 90 days will be encashed while in service. Also, employees 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 bonds. Service cost, interest cost and actuarial gain/loss are recognised in the statement of profit or loss.

Housing Fund Reserve

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

Since, the amount had been accumulated under Housing Reserve over the years, Labour Relations Committee ('LRC') had resolved the "Retirement benefit scheme" towards utilisation of the accumulated housing fund (formed under Section 41 of the erstwhile Labour Act, 2048) during the financial year 2077-78.

During the current year, payment of NPR 56,02,985 (FY 2078-79: NPR 1,47,52,839) has been made to eligible employees out of Retirement Benefit Scheme Reserve.

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 the Company:

Income from manufacturing and sale of goods: 20% (2078/79: 20%)

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 the Income Tax Act, 2058 and thus the tax rate applicable to the Company on income from manufacturing and sale of goods is 17% after availing the rebate.

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 benefits, 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 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 fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates, price reduction, and indirect coverage subsidy, rebates, Incentives, sales taxes and excise duties (on goods manufactured and outsourced). 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. Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Interest income

Interest income is recognised on the time proportion basis.

Measurement of Revenue

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

Notes

to Financial Statements for the year ended 31 Ashad 2080 (16 July 2023)

Figures in NPR

2.2.18 Expenses

Staff bonus

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

Particulars	Amount in NPR
Profit before tax (PBT)	2,23,92,40,533
Add: Bonus allocation included in PBT	25,13,17,680
Add: CSR allocation as per Industrial Enterprise Act, 2076	2,26,18,591
PBT for bonus calculation	2,51,31,76,804
Bonus @ 10%	25,13,17,680

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 the 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 programmes but in the sectors that are prescribed in the rules framed under the Act. The progress report of the utilisation of the fund collected for CSR is required to be submitted to the relevant government authorities within six months from expiry of the financial year.

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

Particulars	Amount in NPR
Profit before tax (PBT)	2,23,92,40,533
Add: CSR allocation as per Industrial Enterprise Act, 2076	2,26,18,591
PBT for CSR provision	2,26,18,59,124
CSR allocation as per Industrial Enterprise Act @ 1%	2,26,18,591

Auditors' remuneration and expenses

Particulars	Amount in NPR
Statutory audit fees	4,67,500
Tax audit fees	2,31,000
Group reporting audit fees	1,65,000
Quarterly limited review	1,15,000
Labour audit fees	66,000
Reimbursement of out-of-pocket expenses	17,633
Total	10,62,133

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 Holdings Pvt Ltd. holds 5% of the Company's shares and the remaining 15% of shares are widely held by the 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 Pte. Ltd.
Significant Influence	Sibkrim Holdings Pvt Ltd.
Key Management Personnel	Amlan Mukherjee

Figures in NPR

(b) Transactions with key management personnel**Key management personnel compensation**

Particulars	Current year	Previous Year
Short-term employee benefits	4,81,53,466	7,75,74,480
Post-employment benefits	Nil	Nil
Other long-term benefits	Nil	Nil
Termination benefits	Nil	Nil
Share based payment	Nil	Nil

Note: - The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. Also, the liabilities for leave encashment are provided on an actuarial basis for the Company, so the amounts pertaining to the leave encashment of key management personnel are not included above.

(c) Other related party transactions

Particulars		Transactions		Outstanding Balance	
		Current Year	Previous Year	Current Year	Previous Year
Holding company (HUL)	Royalty	14,95,86,536	13,46,24,685	12,71,48,556	11,44,30,982
	Dividend	89,49,20,400	47,87,64,000	4,25,387	-
	SAP Implementation Cost	-	-	15,65,739	15,65,739
	SAP Recurring Cost	-	-	-	-
	Reimbursement of Trial Cost	-	(26,04,949)	-	(26,04,949)
Ultimate holding company (Unilever PLC)	Royalty	6,43,97,542	7,36,76,151	5,90,59,107	7,62,92,979
Fellow and Group Subsidiaries	Purchase of Raw Materials from Unilever India Export Limited	-	-	-	-
	Purchase of Raw Materials from PT. Unilever Oleochemical	10,37,02,002	3,73,71,351	-	1,92,867
	Debit note for Training programme to Marketers from Unilever UKCR limited, UK	-	-	10,96,201	10,96,201
	Debit note for IC GM Talent Pool from Unilever UKCR limited, UK	-	3,30,483	2,80,910	2,80,910
	Debit note for Senior Strategic Leadership Virtual Programme from Unilever UKCR limited, UK	13,73,685	-	11,67,632	-
	Debit note from Unilever N.V, Netherland for MCIP investment by ex-MD	-	-	-	-
	Unilever Europe Business Centre B.V., Netherland for Fair Share Cost	-	(14,41,85,091)	-	-
	Unilever Europe Business Centre B.V., Netherland for ETS Cost	-	(24,15,12,872)	-	-
	Unilever Asia Pte Ltd. - For Labasa Farabi Rebate	(1,96,59,685)	-	-	-
	Unilever N.V, Netherland for International Assignee Cross Charge	64,11,262	44,39,102	2,31,33,729	1,75,81,217

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 2080 and 32 Ashad 2079, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year by 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.

Notes

to Financial Statements for the year ended 31 Ashad 2080 (16 July 2023)

Figures in NPR

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 15,97,92,264 and acceptance outstanding NPR 7,16,97,115 (FY 2078-79: NPR 20,08,80,756 and NPR 14,27,72,641, respectively).

b. Income tax matters

The Large Taxpayers Office ("LTO") has opened self-assessment returns filed by the Company for the financial years 2065-66, 2066-67, 2067-68, 2068-69, 2069-70, 2070-71, 2071-72, 2072-73, 2073-74, 2074-75 and 2075-76. The Company has received the final assessment order from Administrative Review for the financial years 2066-67, 2067-68, 2068-69, 2069-70, 2071-72 and 2072-73 has gone into appeal with Revenue Tribunal for the disputed matters. Details of the same are presented herewith:

Fiscal Year	Case lying at	Additional Demand	Recognized as Contingent Liability
2008-09 (2065/66)	Administrative Review, IRD	45,26,110	26,74,445
2009-10 (2066/67)	Revenue Tribunal	7,38,90,673	10,09,01,788
2010-11 (2067/68)	Revenue Tribunal	8,20,39,678	13,12,62,284
2011-12 (2068/69)	Revenue Tribunal	7,42,68,437	11,22,38,513
2012-13 (2069/70)	Revenue Tribunal	2,18,27,906	1,87,01,103
2013-14 (2070/71)	Administrative Review, IRD	6,80,31,475	7,79,36,214
2014-15 (2071/72)	Revenue Tribunal	7,35,86,797	3,25,64,566
2015-16 (2072/73)	Administrative Review, IRD	3,45,38,942	4,42,51,996
2016-17 (2073/74)	Administrative Review, IRD	2,96,75,105	3,63,52,003
2017-18 (2074/75)	Administrative Review, IRD	5,34,21,255	4,83,68,083
2018-19 (2075/76)	Administrative Review, IRD	3,78,12,128	3,52,62,783
Total		55,36,18,506	64,05,13,778

c. Value Added Tax (VAT) Matters

The Company has filed appeals with the Director General of IRD for Administrative Review on the additional demand raised by the LTO on account of VAT for the financial years 2065-66, 2072-73 and 2073-74. The Company has received the final assessment order from Administrative Review on account of VAT for the financial years 2067-68 and 2071-72 and has gone into appeal with Revenue Tribunal for the disputed matters. Details of the same are presented below:

Fiscal Year	Case lying at	Additional Demand	Recognized as Contingent Liability
2008-09 (2065/66)	Administrative Review, IRD	31,75,485	44,27,656
2010-11 (2067/68)	Revenue Tribunal	1,86,290	2,57,180
2014-15 (2071/72)	Revenue Tribunal	5,77,186	8,88,743
2015-16 (2072/73)	Administrative Review, IRD	85,24,924	1,25,20,436
2016-17 (2073/74)	Administrative Review, IRD	58,02,408	74,79,666
Total		1,82,66,293	2,55,73,681

d. Bank guarantee issued on behalf of the Company

The Company has taken following bank guarantees:

Issued to	Purpose	Amount in NPR	Beginning on	Valid till
Department of Customs	Exim code certificate	3,00,000	16 July 2023	17 July 2024
Green Hands Nepal Pvt. Ltd.	Construction of Godown	79,20,000	09 January 2023	08 January 2024

Figures in NPR

2.2.21 Commitments

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

Area	FY 2079-80	FY 2078-79
SAP Automation	3,56,203	-
Milder Project	3,31,813	2,68,30,485
Capex for Replacement of Transformer	-	31,510
Capex for Chiller Retrofitting	-	1,95,829
Mezzanine floor in RM Warehouse	-	47,64,463
Installation of Solar Electric Plant	-	25,41,834
Oral Capacity Creation	34,84,368	2,95,19,945
Hair Sachet Capacity Creation	25,19,991	1,29,18,985
Localisation of GAL	14,81,629	13,68,129
Localisation of PAM	4,91,006	51,26,539
Capex for Heat Pump	3,79,85,400	-
Capex for Additional	61,72,090	-
Quality Lab Upgradation	9,96,467	-
Localisation of Dove	2,32,61,896	-
Unilever Optimised W	35,55,900	-
HP-Laptop & Desktop	27,20,000	-
Others	41,10,821	44,37,778
Total Capital Commitments	8,74,67,584	8,77,35,496

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 the 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.

2.2.24 Reclassification of previous year's figures with no impact on the retained earnings

Statement of Financial Position

Particulars	Note	As at 32 Ashad 2079 (As per previous year audited financial statement)	As at 32 Ashad 2079 (Reclassified comparative figures for current year)	Difference	Reason Reference
Non-Current Liabilities					
Lease Liabilities	14	5,46,44,237	17,86,40,705	12,39,96,468	A
Provisions	15	2,11,49,821	2,11,49,821	-	
Total Non-Current Liabilities		7,57,94,058	19,97,90,526	12,39,96,468	
Current Liabilities					
Financial liabilities					
Trade and other payables	16	1,80,10,07,998	1,80,97,68,433	87,60,435	B
Lease Liabilities	14	17,86,40,705	5,46,44,237	(12,39,96,468)	A
Provisions	15	8,41,17,841	7,53,57,406	(87,60,435)	B
Current tax liabilities	24	1,29,81,480	1,29,81,480	-	
Total Current Liabilities		2,07,67,48,024	1,95,27,51,556	(12,39,96,468)	

Notes

to Financial Statements for the year ended 31 Ashad 2080 (16 July 2023)

Figures in NPR

Statement of Profit or Loss

Particulars	Note	For the year 2078-79 (As per previous year audited financial statement)	For the year 2078-79 (Reclassified comparative figures for current year)	Difference	Reason Reference
Expenses					
Depreciation and amortization	3,4,5	19,21,70,897	24,35,17,276	5,13,46,379	
Finance Cost	22	2,01,51,998	2,49,59,254	48,07,256	C
Other expenses	23	86,97,29,032	81,35,75,397	(5,61,43,635)	
Total Expenses		5,57,29,31,137	5,57,29,31,137	-	

- A. The current lease liabilities were wrongly classified as non-current lease liabilities and vice versa.
- B. The minimum idle cost to be paid to 3rd parties was classified as provision although the amount was in the nature of accruals. So, it has been now reclassified in trade and other payables.
- C. During the current year, the Company has recorded ROU assets and lease liabilities for the fixed charges paid to some third parties as embedded lease in accordance with NFRS 16. These agreements were effective from 1st January, 2023 resulting reversal of processing charges amounting to NPR 5,61,53,635 pertaining to last year. The other impact of this reversal is on depreciation on ROU which is increased by NPR 5,13,46,379 and on the finance cost which is increased by NPR 48,07,256. These figures have now been accordingly reclassified in the audited figures of 2078-79.

2.3 Financial risk management objectives and policies

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's Board and senior management has overall responsibility for the establishment and oversight of the Company's risk management. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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 on policies for managing each of these risks which are summarised below:

2.3.1 Market risk

The 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. As at 31 Ashad 2080, 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 Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro. The aim of the Group's approach to the management of currency risk is to leave the Company with no material residual risk. This aim has been achieved in all years presented. The Company manages currency exposures within prescribed limits, through the use of forward exchange contracts. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.
2. Commodity Price Risk The Company is exposed to the risk of changes in commodity prices in relation to the purchase of its raw materials especially vegetable oils/Linear Alkyl Benzene Sulphonic Acid.	The objective of the Company is to minimise the impact of commodity price fluctuations. The Company has undertaken various cost savings programmes along with judicious pricing, without compromising on the competitiveness of brand investments, both in terms of technology as well as advertising and promotion.
3. Interest Rate Risk Investment in fixed deposits at fixed rates exposes 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.

Figures in NPR

The detail of forward exchange contracts outstanding as at the reporting date are as under:

Currency exchange	USD/NPR		EURO/NPR	
	FY 2079-80	FY 2078-79	FY 2079-80	FY 2078-79
Number of Buy contracts	8	-	-	-
Aggregate "buy" foreign currency	71,307	-	-	-

2.3.2 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 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 is managed by maintaining the balances with highly reputed commercial banks only.

- Investment in fixed deposits

Credit risk for investments in fixed deposits is managed by depositing the amount with highly reputed commercial banks only.

2.3.3 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, 2080 and 32 Ashad, 2079. 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 headroom as determined by the above-mentioned forecasts.

2.4 Segment reporting

The Company has only one business segment i.e., dealing in Fast-moving consumer goods (FMCG). The FMCG business mainly consists of products like detergents, scourers, laundry soaps, toilet soaps, skin care creams, other personal products and food products.

The volume of production and sales of food products as compared to other products is insignificant, hence it is not treated as a separate segment. Except for 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 2080 (16 July 2023)

Figures in NPR

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machinery	Office Equipment	Furniture and Fixture	Computers	Capital Work-in-Progress	Total
Cost								
Balance at 31 Ashad 2078	56,15,140	23,75,22,865	1,04,51,99,494	3,58,63,137	8,32,84,906	3,24,16,772	66,05,558	1,44,65,07,872
Additions	-	-	-	-	-	-	46,56,94,877	46,56,94,877
Transfer to PPE	-	-	69,78,943	1,96,540	9,83,179	43,83,108	(1,25,41,770)	-
Transfer to Intangible	-	-	-	-	-	-	-	-
Other Adjustments	-	-	25,27,017	-	-	(74,248)	-	24,52,769
Disposals	-	(31,55,483)	(4,23,55,295)	(44,83,452)	(32,13,766)	(60,02,230)	-	(5,92,10,226)
Balance at 32 Ashad 2079	56,15,140	23,43,67,382	1,01,23,50,159	3,15,76,225	8,10,54,319	3,07,23,402	45,97,58,665	1,85,54,45,292
Additions	-	-	-	-	-	-	20,17,07,656	20,17,07,656
Transfer to PPE	-	3,16,75,622	32,29,38,060	52,50,892	34,000	-	(35,98,98,574)	-
Transfer to Intangible	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
Disposals	-	(17,75,483)	(1,71,84,807)	(6,35,604)	(112)	(33,82,159)	-	(2,29,78,165)
Balance at 31 Ashad 2080	56,15,140	26,42,67,521	1,31,81,03,412	3,61,91,513	8,10,88,207	2,73,41,243	30,15,67,747	2,03,41,74,783
Depreciation and impairment losses								
Balance at 31 Ashad 2078	-	10,73,68,969	31,15,73,960	68,61,104	57,12,452	2,10,48,995	-	45,25,65,480
Charge for the year	-	1,36,09,966	6,76,14,258	33,02,830	15,46,664	50,93,389	-	9,11,67,107
Transfer to PPE	-	-	-	-	-	-	-	-
Disposals	-	(17,54,182)	(1,89,97,764)	(20,54,017)	(20,41,408)	(56,83,142)	-	(3,05,30,513)
Balance at 32 Ashad 2079	-	11,92,24,753	36,01,90,454	81,09,917	52,17,708	2,04,59,242	-	51,32,02,074
Charge for the year	-	1,39,49,087	7,36,15,561	18,71,829	7,96,726	48,92,034	-	9,51,25,237
Transfer to PPE	-	-	-	-	-	-	-	-
Disposals	-	(10,94,116)	(99,54,165)	(3,73,587)	(87)	(32,71,316)	-	(1,46,93,271)
Balance at 31 Ashad 2080	-	13,20,79,724	42,38,51,850	96,08,159	60,14,347	2,20,79,960	-	59,36,34,040
Net book value								
At 31 Ashad 2078	56,15,140	13,01,53,896	73,36,25,534	2,90,02,033	7,75,72,454	1,13,67,777	66,05,558	99,39,42,392
At 32 Ashad 2079	56,15,140	11,51,42,629	65,21,59,705	2,34,66,308	7,58,36,611	1,02,64,160	45,97,58,665	1,34,22,43,218
At 31 Ashad 2080	56,15,140	13,21,87,797	89,42,51,562	2,65,83,354	7,50,73,860	52,61,283	30,15,67,747	1,44,05,40,743
Gross carrying amount of any fully depreciated property, plant and equipments that are still in use	-	-	5,36,97,952	6,39,399	4,74,183	26,20,950	-	5,74,32,484

Property, Plant and Equipment under construction

The net book value of capital work in progress includes amount of NPR 301.5 million majorly relating to Milder Preservatives in Hair & Skin Care (NPR 166.8 million), Hair Sachet Capacity (NPR 81.2 million), Localisation of PAM and PBB 25mg with Overwrapping Machine (NPR 15.9 million), Capex for Upgradation of Soap WRA-Nepal (NPR 11.5 million), which is currently under installation. The cost of the assets will be depreciated once the machine is installed and available for use.

Figures in NPR

NOTE 4 INTANGIBLE ASSETS

	Computer Software	Total
Cost		
Balance at 31 Ashad 2078	11,67,55,906	11,67,55,906
Additions - Externally acquired	3,28,525	3,28,525
Disposals	-	-
Balance at 32 Ashad 2079	11,70,84,431	11,70,84,431
Additions - Externally acquired	-	-
Disposals	(2,94,000)	(2,94,000)
Balance at 31 Ashad 2080	11,67,90,431	11,67,90,431
Amortisation and impairment losses		
Balance at 31 Ashad 2078	6,08,57,520	6,08,57,520
Charge for the year	2,28,99,099	2,28,99,099
Disposals	-	-
Balance at 32 Ashad 2079	8,37,56,619	8,37,56,619
Charge for the year	2,10,03,408	2,10,03,408
Disposals	(2,62,566)	(2,62,566)
Balance at 31 Ashad 2080	10,44,97,461	10,44,97,461
Net book value		
At 31 Ashad 2078	5,58,98,386	5,58,98,386
At 32 Ashad 2079	3,33,27,812	3,33,27,812
At 31 Ashad 2080	1,22,92,970	1,22,92,970
Gross carrying amount of any fully amortised intangibles that are still in use	3,26,000	5,38,000

NOTE 5 RIGHT OF USE ASSETS-LEASE

	Total
Cost	
Balance at 31 Ashad 2078	-
Addition on account of Transition to NFRS- 16 on Shrawan 01, 2078	38,77,59,270
Additions*	9,86,36,563
Disposals	(4,18,89,556)
Balance at 32 Ashad 2079	44,45,06,277
Additions	18,39,71,385
Disposals	(9,81,37,033)
Balance at 31 Ashad 2080	53,03,40,629
Accumulated Depreciation	
Balance at 31 Ashad 2078	-
Addition on account of Transition to NFRS- 16 on Shrawan 01, 2078	14,38,28,968
Additions*	12,94,51,070
Disposals	(4,42,29,248)
Balance at 32 Ashad 2079	22,90,50,790
Additions	17,84,88,394
Disposals	(8,85,54,677)
Balance at 31 Ashad 2080	31,89,84,507
Net Book Value	
Balance at 31 Ashad 2078	-
Balance at 32 Ashad 2079	21,54,55,487
Balance at 31 Ashad 2080	21,13,56,122

*The comparative figures have been reclassified. Refer note 2.2.24 for the detail.

Notes

to Financial Statements for the year ended 31 Ashad 2080 (16 July 2023)

Figures in NPR

NOTE 6 INVESTMENTS

	Maturity Period	Interest rate	As at 31 Ashad 2080	As at 32 Ashad 2079
Fixed Deposits in banks				
Principal	1 Year	7.99% to 10.03%: CY	2,92,00,000	2,10,00,000
		10.03%: PY		
	Upto 6 months	8.49% to 9.5%: CY	1,35,00,00,000	1,10,00,00,000
		10.03% to 10.13%: PY		
Interest Accrued			5,15,363	82,44,752
Total			1,37,97,15,363	1,12,92,44,752

Of the total investment in fixed deposits, NPR 29,20,00,000 (2078-79: 2,10,00,000) has been pledged with a bank for the purpose of extending housing loans to the employees.

NOTE 7 INVENTORIES

	As at 31 Ashad 2080	As at 32 Ashad 2079
Raw materials	28,34,08,887	28,71,10,747
Packing materials	14,31,35,689	14,01,89,269
Work-in-process	4,37,38,031	9,21,47,595
Finished goods	44,32,01,333	53,77,60,044
Goods in transit	4,78,14,453	5,43,78,316
Stores and Spares	3,70,86,722	3,65,09,022
Less: Allowance for Obsolescence	(3,47,81,474)	(2,47,65,570)
Total	96,36,03,641	1,12,33,29,423

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.

NOTE 8 TRADE AND OTHER RECEIVABLES

	As at 31 Ashad 2080	As at 32 Ashad 2079
Trade receivables		
- Secured Receivables	88,82,68,063	93,63,83,521
- Unsecured Receivables	51,18,67,303	6,71,96,071
	1,40,01,35,366	1,00,35,79,592
Loans and Advances to Employee	29,13,936	16,77,142
Advance to suppliers	9,66,10,035	17,16,59,949
Advance to Custom Office	14,07,10,662	15,93,09,806
VAT and Custom Deposits	82,36,050	59,90,050
Other deposit	1,51,37,268	1,64,29,620
Total	1,66,37,43,317	1,35,86,46,159

- The fair values of all the above financial assets are equal to their carrying amounts.
- All the trade receivables secured against bank guarantees are classified under secured trade receivables.
- Inventories and Trade receivables are pledged against outstanding Letter of Credit as detailed in note no. 2.2.20.
- Trade receivables are non-interest bearing within the credit period ranging from 21 to 35 days. After credit period interest is charged at the rate 15% p.a.
- Provision for doubtful debts of NPR 39,29,21,517 has been provided as at Ashad 31, 2080 (NPR 38,40,06,301 as at Ashad 32, 2079) against the total receivables of NPR 39,29,21,517 from Elida based on the Global Policy pertaining to the impairment of financial assets revised guidance effective from 1 January 2018 for recognition of aged debts. During current year, NPR 89,15,216 (2078-79: 2,72,32,677) has been recognised as additional provision against the Elida receivables.
- For other trade receivables, provision for doubtful debts as at Ashad 31, 2080 is NPR 68,25,579 (NPR 30,63,294 as at Ashad 32, 2079).

Figures in NPR

NOTE 9 CASH AND CASH EQUIVALENTS

	As at 31 Ashad 2080	As at 32 Ashad 2079
Cash at banks	75,52,69,740	54,61,71,365
Total	75,52,69,740	54,61,71,365

NOTE 10 BANK BALANCE OTHER THAN CCE

	As at 31 Ashad 2080	As at 32 Ashad 2079
Unpaid dividend account	2,57,01,562	2,24,05,702
Housing loan account	10,46,659	29,92,611
Total	2,67,48,221	2,53,98,313

NOTE 11 SHARE CAPITAL

	As at 31 Ashad 2080	As at 32 Ashad 2079
(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
31 Ashad 2078	9,20,700	9,20,70,000
Share issue	-	-
32 Ashad 2079	9,20,700	9,20,70,000
Share issue	-	-
31 Ashad 2080	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 Holdings Pvt. Ltd.

1,38,105 shares held by the general public

NOTE 12 RETAINED EARNINGS AND RESERVES

	Retirement Benefit Scheme Reserve	Retained earnings	Total
Balance at 31 Ashad 2078	65,87,80,520	1,85,41,72,774	2,51,29,53,294
Opening Adjustment for NFRS-16		(1,98,81,035)	(1,98,81,035)
Profit for the year	-	1,54,19,80,544	1,54,19,80,544
Other comprehensive income	-	9,47,608	9,47,608
Transfer to Retirement Benefit Scheme Reserve	13,72,78,805	-	13,72,78,805
Retirement Benefit Payments	(1,47,52,839)	-	(1,47,52,839)
Dividends to shareholders	-	(59,84,55,000)	(59,84,55,000)
Balance at 32 Ashad 2079	78,13,06,486	2,77,87,64,891	3,56,00,71,377
Profit for the year	-	1,83,43,21,283	1,83,43,21,283
NFRS 16 Adjustment	-	(18,75,451)	(18,75,451)
Other comprehensive income	-	5,67,912	5,67,912
Retirement Benefit Payments	(56,02,985)	-	(56,02,985)
Dividends to shareholders	-	(1,11,86,50,500)	(1,11,86,50,500)
Balance at 31 Ashad 2080	77,57,03,501	3,49,31,28,135	4,26,88,31,636

Notes

to Financial Statements for the year ended 31 Ashad 2080 (16 July 2023)

Figures in NPR

(a) Retained earnings

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

(b) Retirement Benefit Scheme Reserve

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

Since, the amount had been accumulated under Housing Reserve over the years, Labour Relations Committee ('LRC') had resolved the "Retirement benefit scheme" towards utilisation of the accumulated housing fund (formed under Section 41 of the erstwhile Labour Act, 2048) during the FY 2077-78. Accordingly, the total accumulated balance of Employees Housing Reserve as on 1 Shrawan 2077 (16 July 2020) amounted to NPR 79,60,59,325 had been transferred to Retirement Benefit Scheme Reserve in the FY 2077-78 (2020-21). During the current year, payment of NPR 56,02,985 (FY 2078-79: NPR 1,47,52,839) has been made to eligible employees out of Retirement Benefit Scheme Reserve.

NOTE 13 DEFERRED TAX ASSET/(LIABILITIES)

Deferred tax is calculated on temporary differences using a tax rate of 17% (2078-79: 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 2080	As at 32 Ashad 2079
Reconciliation of deferred tax assets		
Opening Balance as on 1 Shrawan	2,35,79,085	3,05,39,528
Tax income/(expense) during the period recognised in profit or loss	97,04,067	(69,60,443)
Deferred Tax on Actuarial Gain/(Loss)	-	-
Closing balance as on 31 Ashad, 2080	3,32,83,152	2,35,79,085

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) 2079-80	Charged/Credited to Profit or Loss 2079-80
Fixed Assets	(5,86,50,004)	(73,35,229)
Intangible assets	(8,68,100)	2,55,266
Right of use Assets -Lease	(3,59,30,541)	(3,59,30,541)
Lease Liabilities	3,97,54,043	3,97,54,043
Allowance for Obsolescence	1,14,03,158	71,93,028
Provision for leave encashment	26,18,727	26,18,727
Provision for other retirement benefits	14,25,271	(22,49,099)
Provision for CSR expenses	35,96,781	17,54,405
Other provisions	19,76,811	9,67,532
Provision for doubtful debts	6,79,57,006	26,75,935
Total	3,32,83,152	97,04,067

Particulars	Asset/(Liability) 2078-79	Charged/Credited to Profit or Loss 2078-79
Fixed Assets	(5,13,14,775)	(9,66,451)
Intangible assets	(11,23,366)	(3,427)
Allowance for Obsolete Inventory	42,10,130	(74,09,015)
Provision for leave encashment	-	(19,23,862)
Provision for other retirement benefits	36,74,370	24,65,850
Provision for CSR expenses	18,42,376	5,31,868
Other provisions	10,09,279	(42,84,961)
Provision for doubtful debts	6,52,81,071	46,29,555
Total	2,35,79,085	(69,60,443)

Figures in NPR

NOTE 14 LEASE LIABILITIES

	Non-current	
	As at 31 Ashad 2080	As at 32 Ashad 2079
Lease Liabilities*	18,92,40,040	17,86,40,705
Total	18,92,40,040	17,86,40,705

	Current	
	As at 31 Ashad 2080	As at 32 Ashad 2079
Lease Liabilities*	4,46,07,271	5,46,44,237
Total	4,46,07,271	5,46,44,237

*The comparative figures have been reclassified. Refer note 2.2.24 for the detail.

NOTE 15 PROVISIONS

	Non-current	
	As at 31 Ashad 2080	As at 32 Ashad 2079
Provision for employee benefits		
Provision for Other Retirement Benefits (Refer Note 27)	76,36,611	75,61,055
Provision for Retirement Benefit Scheme	-	-
Provision for Leave Encashment	1,48,34,060	1,35,88,766
Total	2,24,70,671	2,11,49,821

	Current	
	As at 31 Ashad 2080	As at 32 Ashad 2079
Provision for employee benefits:		
Provision for Other Retirement Benefits (Refer Note 27)	7,47,336	78,034
Provision for Retirement Benefit Scheme	-	-
Provision for Leave Encashment	5,70,219	3,86,088
Other Provisions:		
Provision for CSR expenses (Refer Note 2.2.18)	2,11,30,759	1,08,37,507
Miscellaneous provisions (Refer Note A below)*	3,68,88,598	6,40,55,777
Total	5,93,36,912	7,53,57,406

*The comparative figures have been reclassified. Refer note 2.2.24 for the detail.

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 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
At the beginning of the year	1,08,37,507	77,08,871	6,40,55,777	9,31,07,802
Recognized during the year	2,26,18,591	1,90,14,830	2,80,48,833	7,39,27,467
Utilized during the year	(1,23,25,339)	(1,58,86,194)	(5,52,16,012)	(10,29,79,492)
Reversed during the year	-	-	-	-
At the end of the year	2,11,30,759	1,08,37,507	3,68,88,598	6,40,55,777
Current portion	2,11,30,759	1,08,37,507	3,68,88,598	6,40,55,777
Non-current portion	-	-	-	-

*The comparative figures have been reclassified. Refer note 2.2.24 for the detail.

Notes

to Financial Statements for the year ended 31 Ashad 2080 (16 July 2023)

Figures in NPR

NOTE 16 TRADE AND OTHER PAYABLES

	As at 31 Ashad 2080	As at 32 Ashad 2079
Creditors for Goods and Services*	51,66,46,523	64,55,90,958
Creditors for Expenses and Other Liabilities	47,01,90,476	51,20,72,717
Advance from Customers	-	12,68,002
Bonus payable	25,13,00,691	21,12,75,888
Employee related accruals	2,98,77,726	4,82,22,825
Deposit - Others	-	5,00,000
Royalty Payable	18,62,07,662	19,07,23,962
Audit fees payable	7,93,250	8,66,307
Others Payable	13,00,68,192	11,69,32,856
TDS Payable	1,31,18,142	1,41,45,323
Excise duty payable	7,07,36,833	3,22,74,885
VAT Payable	11,50,13,859	1,36,62,400
Unclaimed Dividend	2,55,29,270	2,22,32,310
Total	1,80,94,82,624	1,80,97,68,433

*The comparative figures have been reclassified. Refer note 2.2.24 for the detail.

- The fair values of all the above financial liabilities are equal to their carrying amounts.
- Trade payables (other than creditors for goods and services) are non-interest bearing and are normally settled on 30 to 60 days terms.

NOTE 17 REVENUE FROM OPERATIONS

	For the year 2079-80	For the year 2078-79
Sale of goods	9,16,29,82,071	7,79,03,07,825
Less: Discount and Incentives	(68,26,24,945)	(45,66,93,098)
Total	8,48,03,57,126	7,33,36,14,727

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

NOTE 18 OTHER INCOME

	For the year 2079-80	For the year 2078-79
Sale of Scrap	1,45,44,977	1,36,33,400
Interest Income on bank deposits	12,04,63,351	9,37,04,657
Foreign exchange gain/(loss)	-	70,627
Interest on overdue from customer	5,85,42,527	1,43,75,886
Total	19,35,50,855	12,17,84,570

NOTE 19 COST OF MATERIALS CONSUMED

	For the year 2079-80	For the year 2078-79
Raw materials consumed	2,94,59,56,534	2,95,56,09,040
Packing materials consumed	1,26,25,52,801	1,05,90,45,597
Allowance for Inventory Obsolescence	6,97,82,429	14,01,89,234
Total	4,27,82,91,764	4,15,48,43,871

Figures in NPR

NOTE 20 CHANGES IN INVENTORIES OF FINISHED GOODS (INCLUDING STOCK-IN-TRADE) AND WORK-IN-PROGRESS

	For the year 2079-80	For the year 2078-79
Opening inventories		
Finished goods	53,77,60,044	38,05,13,137
Work-in-progress	9,21,47,595	6,21,08,664
Closing inventories		
Finished goods	(44,32,01,333)	(53,77,60,044)
Work-in-progress	(4,37,38,031)	(9,21,47,595)
Total	14,29,68,275	(18,72,85,838)

NOTE 21 EMPLOYEE BENEFITS EXPENSES

	For the year 2079-80	For the year 2078-79
Salaries and wages	30,06,39,654	29,16,24,081
Leave expenses	31,65,352	41,85,393
Staff Bonus (Refer Note 2.2.18)	25,13,17,680	21,12,75,887
Contribution to provident, gratuity and other funds	1,44,95,824	1,21,50,142
Defined benefits plan expenses (Refer Note 27)	17,92,234	20,50,943
Workmen and staff welfare expenses	1,77,88,522	20,34,731
Total	58,91,99,266	52,33,21,177

NOTE 22 FINANCE COST

	For the year 2079-80	For the year 2078-79
Interest cost on lease -NFRS 16*	2,96,34,285	2,49,59,254
	2,96,34,285	2,49,59,254

*The comparative figures have been reclassified. Refer note 2.2.24 for the detail.

NOTE 23 OTHER EXPENSES

	For the year 2079-80	For the year 2078-79
Advertising and sales promotion	33,73,93,775	30,84,84,648
AGM Expenses	12,41,852	3,39,458
Audit Fees & Expenses	10,62,133	10,57,067
Board Meeting Expenses	11,82,221	1,35,000
Carriage and freight	16,02,51,973	19,10,67,809
CSR Expenses (Refer Note 2.2.18)	2,26,18,591	1,90,14,830
Electricity, Fuel & Water	4,58,71,374	4,51,55,576
Fixed Assets Write off	36,02,928	2,86,79,713
Foreign exchange gain/(loss)	1,64,530	-
Insurance	1,98,39,816	1,77,83,542
Processing charges*	4,27,84,509	11,53,83,028
Legal and Professional Services	7,69,24,913	9,68,19,118
Quality Control Charges	21,79,479	29,31,002
Rent	1,36,129	19,14,749
Repairs to building	12,99,330	48,85,943
Repairs to plant and equipment	4,30,25,359	5,16,75,170
Royalty, Technical Support & Share Cost**	21,39,84,078	(17,73,97,132)
Security Expenses	3,33,29,794	2,49,85,094
Telephone Expenses	51,58,893	70,02,473
Travelling, Conveyance and Accommodation Expenses	5,39,47,277	4,36,39,147
Other Expenses	2,12,80,364	27,86,485
Provision for doubtful debt	1,26,77,501	2,72,32,677
Total	1,09,99,56,819	81,35,75,397

*The comparative figures have been reclassified. Refer note 2.2.24 for the detail.

**During the last year FY 2078-79, the Company had received a waive off from Unilever Europe Business Centre for amount payable towards Fair Share of ETS & Central Service Charges. Accordingly, the ETS & Fair share expense recognised in the books amounting NPR 53,21,43,203 had been reversed and credited to Royalty, Technical Support & Share Cost in FY 2078-79.

Notes

to Financial Statements for the year ended 31 Ashad 2080 (16 July 2023)

Figures in NPR

NOTE 24 INCOME TAX

	For the year 2079-80	For the year 2078-79
Current tax expense		
Current tax on profits for the year	37,82,47,079	31,46,02,641
Adjustment for under provision in prior periods	3,64,92,558	1,89,24,532
Total current tax	41,47,39,637	33,35,27,173
Deferred tax expense		
Origination and reversal of temporary differences	(98,20,387)	69,60,443
Recognition of previously unrecognised deferred tax assets	-	-
Total tax expense for the year	40,49,19,250	34,04,87,616

Reconciliation of current tax expense and the accounting profit multiplied by Company's tax rate for 2079-80 and 2078-79 :

	For the year 2079-80	For the year 2078-79
Accounting profit before income tax excluding Elida service income and trading profit	2,23,92,40,533	1,88,24,68,160
Other service income	-	-
At Company's statutory income tax rate of 17% for normal operation and 25% for service income and trading profit (2078-79: 17% and 25%)	38,06,70,891	32,00,19,587
Adjustment for NFRS 16 Impact	(80,04,361)	4,23,570
Adjustment in respect of Repair & Maintenance allowed up to 7% of respective depreciation base of the pool of the assets	-	9,87,780
Adjustment in respect of Depreciation allowed as per the rate prescribed under Income Tax Act	(94,00,823)	(64,16,229)
Adjustment in respect of Inventory	71,93,011	(74,09,015)
Adjustment in respect of Foreign exchange gain/loss	27,970	-
Adjustment in respect of provision for leave encashment	2,43,002	4,51,863
Adjustment in respect of provision for other retirement benefits	1,26,626	2,84,213
Adjustment in respect of CSR provisions	17,54,405	4,89,326
Adjustment in respect of other provisions	13,72,238	(37,33,560)
Adjustment for Fixed Assets written off	6,12,498	48,75,551
Other non-deductible expenses for tax purposes	14,96,447	-
Adjustment for Provision for doubtful debt	21,55,175	46,29,555
Adjustment for current year cases and Prior period tax	3,64,92,558	1,89,24,532
Total	41,47,39,637	33,35,27,173
Income tax expense reported in the statement of profit or loss	41,47,39,637	33,35,27,173

Current tax (assets)/liabilities

	As at 31 Ashad 2080	As at 32 Ashad 2079
Income Tax Liability	3,56,84,98,359	3,16,33,62,755
Less: Advance Income Tax	(3,55,94,29,109)	(3,15,03,81,275)
Total	90,69,250	1,29,81,480

NOTE 25 DECLARED DIVIDENDS AND PROPOSED DIVIDENDS

	Year ended 2079-80	Year ended 2078-79
Declared and approved for during the year:		
Dividends on ordinary shares: Final dividend for 2079-80: NPR 1,215 per share (2078-79: NPR 650 per share)	1,11,86,50,500	59,84,55,000
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 2079-80: NPR 1,580 per share (2078-79: NPR 1,215 per share)	1,45,47,06,000	1,11,86,50,500

Figures in NPR

NOTE 26 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 2080	Continuing Operations 2079
Numerator		
Profit for the year and earnings used in basic EPS	1,83,43,21,283	1,54,19,80,544
Add: Interest on convertible debt	-	-
Less: Tax effect of above items	-	-
Earnings used in diluted EPS	1,83,43,21,283	1,54,19,80,544
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	1,992	1,675

NOTE 27 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:

2079-80 changes in the defined benefit obligation and Fair value of plan assets

	Balance at 1 Shrawan 2079	Benefit cost charged to income statement					Re- measurement gain/(losses) in OCI	Sub-total included in OCI	Balance at 31 Ashad 2080
		Service cost	Past Service cost	Net Interest	Sub-total included in profit or loss	Benefits paid	Experience adjustments		
Other retirement benefit obligation	76,39,089	11,14,751	-	6,77,483	17,92,234	(2,23,000)	(8,24,376)	(8,24,376)	83,83,947
Benefit Liability	76,39,089	11,14,751	-	6,77,483	17,92,234	(2,23,000)	(8,24,376)	(8,24,376)	83,83,947

2078-79 changes in the defined benefit obligation and Fair value of plan assets

	Balance at 1 Shrawan 2078	Benefit cost charged to income statement					Re- measurement gain/(losses) in OCI	Sub-total included in OCI	Balance at 32 Ashad 2079
		Service cost	Past Service cost	Net Interest	Sub-total included in profit or loss	Benefits paid	Experience adjustments		
Other retirement benefit obligation	71,08,942	14,28,198	-	6,22,745	20,50,943	(3,79,100)	(11,41,696)	(11,41,696)	76,39,089
Benefit Liability	71,08,942	14,28,198	-	6,22,745	20,50,943	(3,79,100)	(11,41,696)	(11,41,696)	76,39,089

Notes

to Financial Statements for the year ended 31 Ashad 2080 (16 July 2023)

Figures in NPR

The principal assumptions used in determining post-employment benefit obligations for the Company's plans are shown below:

	As at 31 Ashad 2080	As at 32 Ashad 2079
Discount rate	9.00%	9.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption at the end of the reporting period is as shown below:

Assumptions	Discount rate	
	0.5%	0.5%
Sensitivity Level	Increase	Decrease
Impact on Defined benefit obligation - Other retirement benefits	(2,63,842)	2,78,532

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Defined benefit obligation - other retirement benefit

	As at 31 Ashad 2080	As at 32 Ashad 2079
Within the next 12 months (next annual reporting period)	7,47,336	78,304
Between 2 and 5 years	27,81,053	28,58,470
Between 6 and 10 years	78,42,924	69,84,857
Weighted average duration of the above defined benefit obligation	11.61 Years	12.14 Years

ZYWIE VENTURES PRIVATE LIMITED

In this section

- 236 Report of Board of Directors
- 246 Standalone Financial Statements
- 302 Consolidated Financial Statements

Zywie Ventures Private Limited

Report of Board of Directors

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	DESIGNATION	AUDITORS	REGISTERED OFFICE
Rajgopal Thirumalai	Independent Director	M/s. B S R & Co. LLP, Chartered Accountants	Ground Floor, Plot No. 57, Industrial Area Phase I, Chandigarh - 160 002 CIN - U74900CH2013PTC034657
Chandrabhan	Independent Director		
Mihir Gadani	Whole-time Director		
Aarti Gill	Managing Director & CEO		
Madhusudhan Rao Rupanagudi	Nominee Director		
Kedar Lele	Nominee Director		
Bibhav Pradhan	Nominee Director		
Ravishankar A.	Nominee Director		
Nikhhar Miglani	Chief Financial Officer		

To the Members,

Your Directors are pleased to present the 11th Annual Report of Zywie Ventures Private Limited (the Company) along with Audited Financial Statements for the financial year ended 31st March, 2024.

STANDALONE FINANCIAL RESULTS

		(₹ lakhs)
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from Operations	10,372.20	10,007.50
Profit/(Loss) before taxation	(4,356.14)	5,521.05
Profit/(Loss) for the year	(4,353.64)	5,896.60
Profit & Loss Account balance brought forward from previous year	(15,472.45)	(21,364.01)
Profit & Loss Account balance carried forward	(19,818.42)	(15,472.45)

CONSOLIDATED FINANCIAL RESULTS

		(₹ lakhs)
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from Operations	10,400.06	9,932.23
Profit/(Loss) before taxation	(4,358.71)	5,455.07
Profit/(Loss) for the year	(4,356.21)	5,830.69
Profit & Loss Account balance brought forward from previous year	(15,538.63)	(21,364.28)
Profit & Loss Account balance carried forward	(19,887.17)	(15,538.63)

OPERATIONAL REVIEW

The Company is a subsidiary of Hindustan Unilever Limited (HUL), the leading FMCG company in India.

The Company operates its business under brand OZiva, OZiva is a well-known health and wellness brand that offers a range of nutritional supplements and wellness products. Founded in 2016, OZiva aims to provide effective and scientifically backed solutions to support individuals in their journey towards a healthier and more active lifestyle.

The brand's product line includes supplements designed to address specific health goals such as weight management, muscle building, skincare, and overall well-being. OZiva places a strong emphasis on using natural and clean ingredients, and their products are free from artificial sweeteners, preservatives, and harmful chemicals. They prioritise the use of high-quality plant-based ingredients to create their formulations, making their products suitable for individuals following various dietary preferences, including vegan and vegetarian diets.

The Company has also expanded the range of its product line to include Cosmetics and Beauty Products. OZiva, known for its expertise in health and wellness, has also ventured into the beauty industry with a line of beauty products designed to support skin and hair health and enhance natural beauty. These products are free from harmful chemicals, parabens, sulfates, and artificial fragrances, making them suitable for individuals with sensitive skin.

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.

The Company has transferred net loss of ₹ 4,345.97 lakhs for financial year 2023-24 to Surplus of Profit & Loss Account.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

COMMENCEMENT OF ANY NEW BUSINESS

During the financial year under review no new business was commenced by the Company.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

DETAILS OF REVISION OF FINANCIAL STATEMENT OR ANNUAL REPORT

There has been no revision of the financial statement or Annual report during Financial Year 2023-24 for any of the three preceding financial year.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

As on March 31, 2024, the Company has wholly owned subsidiary company Zenherb Labs Private Limited where the Company holds 100% of the shares.

Snapshot of performance of the subsidiary during the year in as under:

1) Subsidiary Company: Zenherb Labs Private Limited

(₹ lakhs)		
Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from Operations	61.54	93.72
Other Income	0.06	-
Total Income	61.60	93.72
Less: Total Expenses	91.96	131.84
Exceptional Items	-	-
Profit/(Loss) before Taxation	(30.36)	(38.12)
Less: Tax Expenses	0.00	0.00
Profit/(Loss) after Taxation	(30.36)	(38.12)
Earnings Per equity share		
Basic Diluted	(303.80)	(381.50)
Nominal Value of Shares	10/-	10/-

THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of your Company is a good and diverse mix of Executive Directors, Non-Executive Nominee Directors and Independent Directors. Mr. Mihir Gadani and Ms. Aarti Gill are executive Whole-time Director and Managing Director & CEO respectively; Mr. Madhusudhan Rao Rupanagudi, Mr. Kedar Lele, Mr. Bibhav Pradhan and Mr. Ravishankar A. are Nominee Directors all representing the Hindustan Unilever Limited, further Mr. Chandrabhan and Mr. Rajgopal Thirumalai are Independent Directors on the Board of Company.

Mr. Chandrabhan was appointed as an Independent Director with effect from 8th January, 2024 and Mr. Rajgopal Thirumalai was appointed on Board as Independent Director with effect from 23rd February, 2024.

Mr. Bibhav Pradhan was appointed as Nominee Director with effect from 22nd September, 2023; Mrs. Suman Satyanath Hegde had resigned from the post of Nominee Director with effect from 23rd February, 2024 and Mr. Ravishankar A. was appointed as a Nominee Director with effect from 23rd February, 2024.

The Company has appointed Ms. Aarti Gill as Chief Executive Officer (CEO) of the Company with effect from 22nd September, 2023 and Mr. Nikhar Miglani was appointed as Chief Financial Officer (CFO) of the Company with effect from 19th July, 2023.

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

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 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 is noted and confirmed at the subsequent Board Meeting.

The notice of Board Meetings is given well in advance to all the Directors. Usually, meetings of the Board and Committees are held in Mumbai. 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 financial year ended 31st March, 2024, seven Board Meetings were held on 20th April, 2023; 2nd June, 2023; 19th July, 2023; 22nd September, 2023; 18th October, 2023; 8th January, 2024 and 23rd February, 2024. The interval between any two meetings was well within the maximum allowed gap of 120 days.

Report of Board of Directors

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

As on March 31, 2024 the Company's Audit Committee comprises of three members two of them Mr. Chandrabhan and Mr. Rajgopal Thirumalai are independent directors and Mr. Ravishankar A. is Non-Executive Nominee Director. All the committee members have experience in handling financial matters.

Key Terms of Reference of the Audit Committee are:

- (1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
- (2) recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;
- (5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgement by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Disclosure of any related party transactions; and
 - f. Modified opinion(s) in the draft audit report.
- (7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (8) reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the Offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
- (9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (10) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in the applicable Accounting Standards and/or the Companies Act, 2013.
- (11) scrutiny of inter-corporate loans and investments;
- (12) valuation of undertakings or assets of the Company, wherever it is necessary;
- (13) evaluation of internal financial controls and risk management systems;
- (14) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (15) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (16) discussion with internal auditors of any significant findings and follow up there on;
- (17) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- (18) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (19) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (20) reviewing the functioning of the whistle blower mechanism;
- (21) establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- (22) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimisation of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (23) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (24) approve the disclosure of the key performance indicators to be disclosed in the documents in relation to the initial public offering of the equity shares of the Company;
- (25) carrying out any other functions required to be carried out by the Audit Committee as contained in the Companies Act, 2013 or any other applicable law, as and when amended from time to time;
- (26) reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary;
- (27) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
- (28) to carry out such other functions as may be specified by the Board of Directors from time to time or specified/provided under the Companies Act, 2013 or any other Regulations or by any other regulatory authority.

Nomination and Remuneration Committee

As on 31st March, 2024 the Company's Nomination and Remuneration Committee comprises of three members two of them Mr. Chandrabhan and Mr. Rajgopal Thirumalai are independent directors and Mr. Kedar Lele is Non-Executive Nominee Director. The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and

appointment procedures for both internal and external appointments, including Managing Director and Management Committee.

Key Terms of Reference of the Nomination and Remuneration Committee are:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy").

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) For every appointment of an independent director, it shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.
- (ii) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- (iii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iv) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

- (2) Formulation of criteria for evaluation of independent directors and the Board;
- (3) Devising a policy on diversity of the Board;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out

Report of Board of Directors

evaluation of every director's performance (including independent director);

- (5) Analysing, monitoring and reviewing various human resource and compensation matters;
- (6) Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (7) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (8) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;

Explanation: The expression senior management means the officers and personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors), including the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

- (9) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (10) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time;
- (11) Perform such other activities as may be delegated by the Board or specified/provided under the Companies Act, 2013 to the extent notified and effective, as amended, including rules or regulations formulated thereunder, or by any other applicable law or regulatory authority.

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 are representative of integrity, honesty, transparency and 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.

DECLARATION FROM INDEPENDENT DIRECTORS

The Company has, inter alia, received the following declarations from all the Independent Directors confirming that:

- they meet the criteria of independence as prescribed under the provisions of the Act, read with the Rules made thereunder. There has been no change in the circumstances affecting their status as Independent Directors of the Company;
- they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and

- they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, all Independent Directors possess requisite qualifications, experience, expertise and hold high standards of integrity required to discharge their duties with an objective independent judgement and without any external influence.

The Independent Directors of the Company are paid sitting fees for attending each Board and Committee meeting. During the year under review following payments were made to Independent Directors towards sitting fees:

Name of the Independent Director	Number of Board Meeting attended during the financial year 2023-24	Number of Committee Meetings attended during the financial year 2023-24	Total Amount of Sitting Fees paid
Mr. Rajgopal Thirumalai	0	1	15,000
Mr. Chandrabhan	1	1	30,000

Corporate Social Responsibility Committee

During financial year under review, the Company did not meet the criteria of spending the CSR Amount under Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitute Corporate Social Responsibility Committee.

COMPANY POLICIES

Vigil Mechanism Policy for the Directors and Employees

During financial year under review the Company does not meet the criteria specified under Section 177 (9) of the Companies Act, 2013 so there is no requirement to form a vigil mechanism or whistle blower policy.

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.

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 Internal Committees. During the year, no complaint 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.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable Indian accounting standards have been followed and that no material departures have been made from the same;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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

During the financial year under review or during any part of financial year under review, there were no employees in the Company whose aggregate salary exceeds the limits specified under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and under Section 197 of the Companies Act, 2013 and therefore the 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, 2024 is not required to be annexed to the Directors Report.

ANNUAL EVALUATION

Provisions of section 134 sub-section 3(p) read with Sub-rule (4) of Rule 8 of the Companies (Accounts) Rules, 2014 of Companies Act, 2013 related to evaluation of Board is not applicable to the Company.

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 II to this Annual Report.

Report of Board of Directors

DEPOSITS

The Company has not accepted any public deposits under Chapter V of Companies Act, 2013 during the financial year 2023-24.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company in Form MGT-7 for FY 2023-24, is available on the Company's website at www.oziva.in. Further a copy of Annual Return shall be filed with the Registrar of Companies.

INTERNAL FINANCIAL CONTROLS

The Board has adopted the procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting record, and the timely preparation of reliable financial disclosures.

RISK MANAGEMENT

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines and make use of these in their decision-making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

REGULATORY ACTION

There are no significant and material orders passed by the regulators or courts or Tribunals that could impact the going concern status and operations of the Company in the future.

DECLARATIONS AND CONFIRMATIONS

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

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

The Secretarial Audit is not applicable to the Company as it is not covered under the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

STATUTORY AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants (Firm's Registration No.: 101248W/W-100022) were appointed as the Statutory Auditors of the Company at the 10th AGM of the Company held on 21st June, 2023, for term of one (1) year i.e. till conclusion of next Annual General Meeting.

The report given by the Statutory Auditors on the financial statements of the Company is part of this Annual Report. There have been two qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their Report out of which one qualification is continuing from last year and has been resolved in financial year 2023-24.

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

COST RECORDS

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintenance is not applicable on the Company.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

No such process initiated during the period under review under the Insolvency and Bankruptcy Code, 2016 (IBC)

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:

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

Particulars	Remarks
A) Conservation of Energy:	
• the steps taken or impact on conservation of energy;	The Company is taking due care for using electricity in the office and its branches. The Company usually takes care for optimum utilisation of energy. No capital investment on energy Conservation equipment made during the financial year.
• the steps taken by the Company for utilising alternate sources of energy;	
• the capital investment on energy conservation equipment's;	
B) Technology Absorption:	
• the efforts made towards technology absorption;	NA
• the benefits derived like product improvement, cost reduction, product development or import substitution;	NA
• in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
(a) the details of technology imported;	
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable since 5 years period is over	
• the expenditure incurred on Research and Development	NA
(c) Foreign Exchange Earnings and Outgo:	
• The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	Foreign Exchange Earnings: ₹ NIL Foreign Exchange Outgo: ₹ 61.01 lakhs

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

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board places on record its appreciation for the support and co-operation, your company has been receiving from its Investors, Suppliers, Retailers, Dealers & Distributors and others associated with the Company. The Directors also take this opportunity to thank all Clients, Vendors, Banks, Government and Regulatory Authorities for their continued support.

On behalf of the Board of Directors of Zywie Ventures Private Limited

Mihir Gadani

Whole-time Director

DIN: 06436118

Aarti Gill

Managing Director & CEO

DIN: 06625860

Mumbai, 22nd April, 2024

Annexure to the Report of Board of Directors

SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES OR ASSOCIATE COMPANIES OR JOINT VENTURES

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
**Statement containing salient features of the financial statement of subsidiaries/associate companies/
joint ventures**

PART "A": SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in lakhs)

Sl. NO	Particulars	Details
1.	Name of the subsidiary	Zenherb Labs Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share capital	1.00
5.	Reserves & surplus	(68.77)
6.	Total assets	39.30
7.	Total Liabilities	107.06
8.	Investments	0
9.	Turnover	61.54
10.	Profit before taxation	30.36
11.	Provision for taxation	0.02
12.	Profit after taxation	30.38
13.	Proposed Dividend	-
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations : NA
- Names of subsidiaries which have been liquidated or sold during the year.: NA

On behalf of the Board of Directors of Zywie Ventures Private Limited

Mihir Gadani

Whole-time Director

DIN: 06436118

Aarti Gill

Managing Director & CEO

DIN: 06625860

Mumbai, 22nd April, 2024

Annexure to the Report of Board of Directors

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

- Details of contracts or arrangements or transactions not at arm's length basis – N.A.
- 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 finished goods / raw materials etc	136.09
Hindustan Unilever Limited	Holding Company	Expenses	54.43
Zenherb labs Private Limited	Subsidiary	Sale of finished goods / services etc	32.73

*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 of Directors of Zywie Ventures Private Limited

Mihir Gadani

Whole-time Director

DIN: 06436118

Aarti Gill

Managing Director & CEO

DIN: 06625860

Mumbai, 22nd April, 2024

Independent Auditor's Report

to the Members of Zywie Ventures Private Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the standalone financial statements of Zywie Ventures Private Limited (the "Company") which comprise the standalone balance sheet as at 31st March, 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended 31st March, 2024, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

As explained in note 40 to the standalone financial statements for the year ended 31st March, 2024, in the previous year, the Company had granted 1,000 employee stock options of fair value of ₹ 199.66 lakhs as at 1st April, 2023 (1st April, 2022: ₹199.66 lakhs) to an employee belonging to the promoter group under the Company's Employee Stock Option Plan, 2021 (ESOP). The said ESOPs granted were not in compliance with the provisions of Section 62(1) read with 'Rule 12 - Issue of Employee Stock Options' of the Companies (Share Capital and Debentures) Rules, 2014 and the ESOP Policy of the Company. Subsequently, during the current year, the aforementioned ESOP's were cancelled by the Company in the board meeting dated 6th January, 2024. We are unable to comment on the impact of the above non-compliance on the standalone financial statements of the Company for the year ended 31st March, 2024. Our audit opinion on the standalone financial statements for the year ended 31st March, 2023 was modified accordingly.

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

appropriate to provide a basis for our qualified opinion on the standalone 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 directors' report, but does not include the financial statements and auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we are unable to obtain sufficient appropriate audit evidence on the implications of non-compliance with the provisions of the Act on the standalone financial statements. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to

liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and, except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, 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. Further in absence of confirmation from the relevant service provider, we are unable to comment if the back-up of the books of account and other relevant books and papers in electronic mode has been kept on servers physically located in India on a daily basis during 1st April, 2023 till 31st March, 2024.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid

Independent Auditor's Report

financial statements comply with the Ind AS specified under Section 133 of the Act.

- e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f. On the basis of written representations received from the directors as on 1st April, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B.** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31st March, 2024 on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 13(3) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 13(3) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

- C.** With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current period is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Membership No.: 105149

Date: 22nd April, 2024

ICAI UDIN:24105149BKEXCM3328

Annexure A

to the Independent Auditor's Report on the Standalone Financial Statements of Zywie Ventures Private Limited for the year ended 31st March, 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in a three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The Company is not required to file any returns or statements with such banks or financial institutions.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has granted interest free unsecured loans to other parties (employees) in respect of which the requisite information is as below. The Company has not granted any loans, secured or unsecured, to companies, firms and limited liability partnership.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to any other parties as below:

(Amount in ₹ lakhs)	
Particulars	Loans
Aggregate amount during the year	
Loans to employee	9.57
Balance outstanding as at balance sheet date 31st March, 2024	
Loans to employee	3.52

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of interest free unsecured loans to the other parties (employees) provided during the year are *prima facie*, not prejudicial to the interest of the Company. The Company has not made any investments, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of interest free unsecured loans given to other parties (employees), in our opinion the repayment of principal has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

Annexure A

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1st July, 2017, these statutory dues has been subsumed into GST.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates
Finance Act, 1994	Service Tax	0.52	FY 2015-16
Value Added Tax (Maharashtra State)	Value Added Tax	0.05	FY 2017-18

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary company (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, the Company is not required to have whistle blower policy. Accordingly, clause 3(xi)(c) of the Order is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
- (b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of ₹ 3,942.94 lakhs in the current financial year and ₹ 3,348.01 lakhs in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and there were no issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Date: 22nd April, 2024

Membership No.: 105149

ICAI UDIN:24105149BKEXCM3328

Annexure B

to the Independent Auditor's Report on the standalone financial statements of Zywie Ventures Private Limited for the year ended 31st March, 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(h) 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 Zywie Ventures Private Limited ("the Company") as of 31st March, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2024, 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 and Board of Directors' Responsibilities 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 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Membership No.: 105149

Date: 22nd April, 2024

ICAI UDIN:24105149BKEXCM3328

Standalone Balance Sheet

as at 31st March, 2024

FINANCIAL STATEMENTS



(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	334.52	436.60
Other intangible assets	4	82.18	97.62
Intangible assets under development	4	20.61	32.65
Financial assets			
Investment in subsidiary	5	1.00	1.00
Other financial assets	6	3,482.51	497.69
Deferred tax Assets (net)	7	431.66	431.74
Non-Current Tax Asset	7	82.72	77.69
Other non-current assets	8	0.25	0.25
Total - Non-current assets (A)		4,435.45	1,575.24
Current assets			
Inventories	9	910.53	997.48
Financial assets			
Trade receivables	10	986.73	1,799.42
Cash and cash equivalents	11	81.12	8.77
Bank balances other than cash and cash equivalents mentioned above	12	2,592.64	8,182.66
Loans	13	3.52	2.37
Other financial assets	6	17.12	2.91
Other current assets	14	1,971.87	1,576.86
Total - Current assets (B)		6,563.53	12,570.47
Total Assets [(A) + (B)]		10,998.98	14,145.71
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	24.99	22.28
Instruments entirely equity in nature	15	-	27.08
Other equity	16	5,177.57	9,499.16
Total - Equity (A)		5,202.56	9,548.52
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	18	196.86	167.27
Other Financial Liabilities	19	615.55	668.02
Provisions	20	86.23	67.66
Total - Non-current liabilities (B)		898.64	902.95
Current liabilities			
Financial liabilities			
Borrowings	17	1,268.72	1,294.79
Lease Liabilities	18	44.31	143.67
Trade Payables	21		
Total outstanding dues of micro and small enterprises		471.10	634.73
Total outstanding dues of creditors other than micro and small enterprises		2,707.98	1,452.24
Other financial liabilities	19	130.81	33.53
Other current liabilities	22	131.89	52.35
Provisions	20	142.97	82.92
Total - Current liabilities (C)		4,897.78	3,694.23
TOTAL EQUITY AND LIABILITIES [(A)+(B)+(C)]		10,998.98	14,145.70
Basis of preparation, measurement and material accounting policies	2		
Contingent liabilities and commitments	33		

The accompanying notes 1 to 44 are an integral part of these standalone financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration Number : 101248W/W - 100022

For and on behalf of the Board of Directors of Zywie Ventures Private Limited

CIN : U74900CH2013PTC034657

Aniruddha Godbole

Partner
Membership Number: 105149

Mihir Gadani

Director
DIN No: 06436118

Aarti Gill

Director
DIN No: 06625860

Nikhar Miglani

CFO

Place: Mumbai
Date : 22nd April, 2024

Place: Mumbai
Date : 22nd April, 2024

Place: Mumbai
Date : 22nd April, 2024

Place: Mumbai
Date : 22nd April, 2024

Standalone Statement of Profit and Loss

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
INCOME			
Revenue from operations	23	10,372.20	10,007.50
Other income	24	534.59	10,012.13
TOTAL INCOME		10,906.79	20,019.63
EXPENSES			
Cost of materials consumed	25	682.87	2,924.24
Purchase of Stock-in-trade	26	3,897.02	840.37
Changes in inventories of finished goods and stock in trade	27	(89.25)	1,028.43
Employee benefits expense	28	1,607.94	2,652.46
Finance costs	29	124.58	718.64
Depreciation and amortisation expense	30	193.66	201.16
Other expenses	31	8,846.11	6,133.28
TOTAL EXPENSES		15,262.93	14,498.58
(Loss)/profit before tax		(4,356.14)	5,521.05
Tax expense			
Current tax	7	-	-
Deferred tax credit	7	(2.50)	(375.55)
(LOSS)/PROFIT FOR THE YEAR (A)		(4,353.64)	5,896.60
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit and loss account			
Re-measurement (gains)/loss on defined benefit plans		(10.25)	6.73
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Re-measurement loss/(gains) on defined benefit plans	7	2.58	(1.69)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX (B)		(7.67)	5.04
TOTAL COMPREHENSIVE INCOME FOR THE YEAR [(A)+(B)]		(4,345.97)	5,891.56
Earnings per equity share (in ₹) of face value of ₹10 each	32		
Basic		(1,741.97)	3,996.20
Diluted		(1,740.09)	(2,394.57)
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes 1 to 44 are an integral part of these standalone financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration Number : 101248W/W - 100022

For and on behalf of the Board of Directors of Zywie Ventures Private Limited

CIN : U74900CH2013PTC034657

Aniruddha Godbole

Partner
Membership Number: 105149

Mihir Gadani

Director
DIN No: 06436118

Aarti Gill

Director
DIN No: 06625860

Nikhar Miglani

CFO

Place: Mumbai
Date : 22nd April, 2024

Place: Mumbai
Date : 22nd April, 2024

Place: Mumbai
Date : 22nd April, 2024

Place: Mumbai
Date : 22nd April, 2024

Standalone Statement of Changes in Equity

for the year ended 31st March, 2024

FINANCIAL STATEMENTS



(All amounts in ₹ lakhs, unless otherwise stated)

A) EQUITY SHARE CAPITAL

	As at 31st March, 2024		As at 31st March, 2023	
	Numbers	Amount	Numbers	Amount
Balance as at the beginning of the year	2,22,841	22.28	1,00,329	10.03
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	2,22,841	22.28	1,00,329	10.03
Changes in equity share capital during the year *	27,085	2.71	1,22,512	12.25
Balance at the end of the year	2,49,926	24.99	2,22,841	22.28

B) INSTRUMENTS ENTIRELY EQUITY IN NATURE

Preference Share Capital

	Series A	
	Numbers	Amount
Balance as at the beginning of the year	27,085	27.08
Changes in equity share capital due to prior period errors	-	-
Restated balance at 1st April, 2023	27,085	27.08
CCPS converted to equity shares during the year	(27,085)	(27.08)
At 31st March, 2024	-	-
At 1st April, 2022	-	-
Changes in equity share capital due to prior period errors	-	-
Restated balance at 1st April, 2022	-	-
Changes in the instruments entirely equity in nature during the year (Refer note 16A)	27,085	27.08
At 31st March, 2023	27,085	27.08

* On 23rd February, 2024, pursuant to the approval by the Board of Directors of the Company, 27,085 CCPS A shares of ₹ 100 each, have been converted to 27,085 equity shares of ₹ 10 each and ₹ 90 per share pertains to security premium.

C) OTHER EQUITY

Particulars	Equity component of compound financial instruments	Reserve & Surplus			Total other equity
		Securities Premium	Employee Stock Options Outstanding Account	Retained earnings	
Balances as at 1st April, 2022 (A)	-	-	153.58	(21,364.01)	(21,210.43)
Changes due to prior period errors	-	-	-	-	-
Restated balance as at 1st April, 2022	-	-	153.58	(21,364.01)	(21,210.43)
Loss for the year	-	-	-	5,896.60	5,896.60
Other comprehensive income					
Re-measurement Gain/(loss) of defined benefit plans, net of tax	-	-	-	(5.04)	(5.04)
Total comprehensive income (B)	-	-	-	5,891.56	5,891.56

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Equity component of compound financial instruments	Reserve & Surplus			Total other equity
		Securities Premium	Employee Stock Options Outstanding Account	Retained earnings	
Transaction with owners of the Company					
Shares issued during the year at premium	-	10,230.87	-	-	10,230.87
Shares converted to from Preference shares to Equity Shares	-	23.64	-	-	23.64
Issue of bonus shares	-	(1.80)			(1.80)
Share Issue Expense	-	(1,087.82)			(1,087.82)
Share Forfeited during the year	*	-			-
Equity Share and CCPS reclassified as Equity from compound financial instrument during the year	-	15,806.72	-		15,806.72
Employee stock option plan reclassified from equity to cash settled	-	-	(153.58)		(153.58)
Total Transactions with the owners of the Company (C)	-	24,971.61	(153.58)	-	24,818.03
Balances as at 31st March, 2023 [(A)+(B)+(C)]	-	24,971.61	-	(15,472.45)	9,499.16
Balances as at 1st April, 2023 (A)	-	24,971.61	-	(15,472.45)	9,499.16
Changes due to prior period errors	-	-	-	-	-
Restated balance as at 1st April, 2023	-	24,971.61	-	(15,472.45)	9,499.16
Loss for the year	-	-	-	(4,353.64)	(4,353.64)
Other comprehensive income					
Re-measurement Gain/(loss) of defined benefit plans, net of tax	-	-	-	7.67	7.67
Total comprehensive income (B)	-	-	-	(4,345.97)	(4,345.97)
Transaction with owners of the Company					
Shares converted to from Preference shares to Equity Shares	-	24.38	-	-	24.38
Share Issue Expense	-	-	-	-	-
Total Transactions with the owners of the Company (C)	-	24.38	-	-	24.38
Balances as at 31st March, 2024 [(A)+(B)+(C)]	-	24,995.99	-	(19,818.42)	5,177.57

* represents amounts that are below the rounding off norms followed by the Company.

The accompanying notes 1 to 44 are an integral part of these standalone financial statements

As per our report of even date attached

For B S R & Co. LLPChartered Accountants
Firm's Registration Number : 101248W/W - 100022**For and on behalf of the Board of Directors of Zywie Ventures Private Limited**

CIN : U74900CH2013PTC034657

Aniruddha GodbolePartner
Membership Number: 105149**Mihir Gadani**Director
DIN No: 06436118**Aarti Gill**Director
DIN No: 06625860**Nikhar Miglani**

CFO

Place: Mumbai
Date : 22nd April, 2024Place: Mumbai
Date : 22nd April, 2024Place: Mumbai
Date : 22nd April, 2024Place: Mumbai
Date : 22nd April, 2024

Standalone statement of cash flows

for the year ended 31st March, 2024

FINANCIAL STATEMENTS



(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31st March, 2024	Year ended 31st March, 2023
A CASH FLOWS FROM OPERATING ACTIVITIES:		
(Loss)/Profit before tax	(4,356.14)	5,521.05
Adjustments for:		
Depreciation and amortisation expense	81.93	96.29
Depreciation on right-of-use	111.73	104.87
Share-based payment expense	(52.47)	750.43
Interest on fixed deposits with banks	(410.31)	(439.91)
Interest income on security deposits	(2.94)	(3.17)
Interest on income tax refund	-	(13.78)
(Gains) on fair value changes on financial liabilities	-	(9,552.70)
(Gains)/Loss on modification of leases	(52.00)	0.09
Interest expense on borrowings	65.94	576.61
Interest on lease liability	58.49	55.13
Interest expenses - others	0.15	86.90
Assets write off	22.36	-
Provision for slow and non-moving inventories	87.12	20.51
Allowance for expected credit loss	37.95	17.11
Cash outflow from operations before working capital changes	(4,408.19)	(2,780.57)
Adjustments for:		
(Increase)/decrease in Non-Current Assets	32.31	(0.53)
(Increase)/decrease in Current Assets	364.37	(927.26)
(Increase)/decrease in Inventories	(0.17)	1,606.00
Increase/(decrease) in Non-Current Liabilities	28.82	(200.15)
Increase/(decrease) in Current Liabilities	1,338.77	(151.74)
Cash outflow from operating activities	(2,644.09)	(2,454.25)
(Payment)/Refund of direct taxes (net)	(5.03)	183.46
Net cash flows (used in) operating activities - (A)	(2,649.12)	(2,270.79)
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(7.01)	(19.39)
Purchase of Intangible Asset	-	(25.74)
Proceeds from fixed deposits (net)	2,426.80	35.69
Interest Income received	553.46	101.05
Net cash flows generated from investing activities - (B)	2,973.25	91.61
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liability	(159.62)	(137.94)
Proceeds from issue of debentures	-	500.00
Repayment of debentures	-	(2,500.00)
(Repayment)/Proceeds from short-term borrowings	-	(41.00)
Proceeds from issue of shares	-	10,236.07
Share issue expenses	-	(1,087.82)
Interest and other borrowing cost paid	(66.09)	(643.02)
Net cash flows (used in)/generated from financing activities - (C)	(225.71)	6,326.29
Increase in cash and cash equivalents [(A)+(B)+(C)]	98.42	4,147.11
Add: Cash and cash equivalents at the beginning of the year	(1,286.02)	(5,433.13)
Cash and cash equivalents at the end of the year	(1,187.60)	(1,286.02)

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Components of cash and cash equivalents		
Cash on hand	2.01	3.00
Balances with banks	-	-
- in Current accounts	17.50	5.77
- Deposits with original maturity of less than three months	61.61	-
Total Cash and cash equivalents (refer note 12)	81.12	8.77
Less : Secured, Bank overdrafts (refer note 18)	(1,268.72)	(1,294.79)
Cash and cash equivalents for statement of cashflow	(1,187.60)	(1,286.02)

Changes in liabilities arising from financing activities

Particulars	Opening Balance 1st April, 2023	Cash flows	Non cash movement	Closing Balance 31st March, 2024
Lease Liability	310.94	(159.62)	89.85	241.17
Total	310.94	(159.62)	89.85	241.17

Particulars	Opening balance 1st April, 2022	Cash flows	Non-cash movement	Closing balance 31st March, 2023
Borrowings - non convertible debentures	1,979.50	(2,000.00)	20.50	-
Borrowings - Cash Credit	40.00	(40.00)	-	-
Borrowings - Related Party Loan	1.00	(1.00)	-	-
Lease Liability	378.58	(137.94)	70.30	310.94
Total	2,399.08	(2,178.94)	90.80	310.94

Note -

The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS 7) on Statement of Cash Flows notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

The accompanying notes 1 to 44 are an integral part of these standalone financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration Number : 101248W/W - 100022

For and on behalf of the Board of Directors of Zywie Ventures Private Limited

CIN : U74900CH2013PTC034657

Aniruddha Godbole

Partner
Membership Number: 105149

Mihir Gadani

Director
DIN No: 06436118

Aarti Gill

Director
DIN No: 06625860

Nikhar Miglani

CFO

Place: Mumbai
Date : 22nd April, 2024

Place: Mumbai
Date : 22nd April, 2024

Place: Mumbai
Date : 22nd April, 2024

Place: Mumbai
Date : 22nd April, 2024

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 1 CORPORATE INFORMATION

Zywie Ventures Private Limited ("The Company" or "OZiva") was incorporated in India as a Private Limited Company under the Companies Act, 2013. The registered office of the Company is located at Ground Floor, Plot No. 57, Industrial Area Phase I, Chandigarh – 160 002. The Company became subsidiary of Hindustan Unilever Limited with effect from 10th January, 2023. Further, OZiva shall be treated as deemed public company owing to being a subsidiary of Public Limited Company.

The Company is primarily engaged in the business of manufacturing and selling of health and nutrition products under the brand name "OZiva".

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Statement of Compliance

The standalone financial statements of the entity have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Companies Act.

These standalone financial statements are approved for issue by the Company's Board of Directors on 22nd April, 2024.

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies adopted in the preparation of standalone financial statements are consistent for all the periods presented in the financials statement.

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.

An asset is treated as current when it is

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

All other assets are classified as non-current.

A liability is treated 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.

All other liabilities are classified as non-current.

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

The standalone financial statements are presented in Indian Rupee (INR), the functional currency of the Company. Items included in the standalone financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the standalone 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 standalone statement of profit and loss.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency exchange differences are generally recognised in profit or loss, except foreign currency exchange differences arising from the translation of the following items which are recognised in OCI

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective (see 3(O)(v)); and
- qualifying cash flow hedges to the extent that the hedges are effective.

The Company has decided to round off the figures to the nearest lakhs. Transactions and balances

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements. The standalone financial statements of the Company for the year ended 31st March, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 22nd April, 2024.

(b) Measurement

The standalone financial statements have been prepared and presented under the historical cost convention, except for the following items, which are measured at fair value:

- Financial assets and financial liabilities - Compulsory Convertible Preference Shares
- Share based payments for cash settled
- Net defined benefit (asset)/liability:

2.2 Key Accounting Estimates and Judgements

The preparation of standalone 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. Continuous evaluation is done on the estimation and judgements 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 effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- a Measurement of defined benefit obligations – The liabilities of the Company arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions. Refer note 36 for significant assumptions used.
- b Recognition of deferred tax assets – Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the

losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 7 for recognition of deferred tax assets.

- c Measurement of Lease liabilities – The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgement in assessing the applicable discount rate. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates (IBR). The IBR is the rate of interest that the Company pays to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.
- d Share-based payments - Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and making assumptions about them. Refer note 37 for Share based payments.

2.3 Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company

2.4 Summary of Material Accounting Policies

The material accounting policies used in preparation of the standalone financial statements have been included in the relevant notes to the standalone financial statements.

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

	As at 31st March, 2024	As at 31st March, 2023
Owned Assets	100.18	169.98
Leased Assets	234.34	266.62
Total Property, plant and equipment	334.52	436.60

A. Owned Assets

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

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

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the standalone statement of profit and loss.

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

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

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

Asset	Useful life*
Plant and Machinery	3 - 15 Years
Computers	3 Years
Furniture and fixtures	10 Years
Vehicles	10 Years
Office Equipment	5 Years

* In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The exception are as under:

- a) Leasehold Improvement is amortised over the period of lease

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.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their carrying value and estimated net realisable value and are disclosed separately in the standalone financial statements. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

	Plant and Machinery	Computers	Furniture and fixtures	Vehicles	Office Equipment	Leasehold improvements	Total
Gross block							
Opening Balance as at 1st April, 2022	62.43	93.12	10.60	14.61	20.71	57.44	258.91
Additions	6.67	11.30	-	-	1.42	-	19.39
Disposals	-	-	-	-	-	-	-
Opening Balance as at 1st April, 2023	69.10	104.42	10.60	14.61	22.13	57.44	278.30
Additions	0.91	0.22	3.40	-	2.48	-	7.01
Disposals	(30.43)	(2.48)	(0.36)	-	(2.81)	(14.26)	(50.34)
Balance as at 31st March, 2024	39.58	102.16	13.64	14.61	21.80	43.18	234.97

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

	Plant and Machinery	Computers	Furniture and fixtures	Vehicles	Office Equipment	Leasehold improvements	Total
Accumulated depreciation							
Opening Balance as at 1st April, 2022	10.83	21.49	0.77	1.89	3.54	6.62	45.14
Depreciation for the year	15.08	32.86	1.01	1.90	4.39	7.94	63.18
On Disposals	-	-	-	-	-	-	-
Opening Balance as at 1st April, 2023	25.91	54.35	1.78	3.79	7.93	14.56	108.32
Depreciation for the year	14.43	29.46	1.25	1.90	4.81	7.72	59.57
On Disposals	(21.93)	(2.48)	(0.02)	-	(1.27)	(7.40)	(33.10)
Balance as at 31st March, 2024	18.41	81.33	3.01	5.69	11.47	14.88	134.79
Net Block							
Balance as at 31st March, 2024	21.17	20.83	10.63	8.92	10.33	28.30	100.18
Balance as at 31st March, 2023	43.19	50.07	8.82	10.82	14.20	42.88	169.98

Notes:

- The Company has not revalued any of its property, plant and equipment.

B Leased Assets (Right-of-use assets)

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

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

The right-of-use asset ("ROU") is a lessee's right to use an asset over the life of a lease. At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these, the Company recognises the lease payments as an operating expense.

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

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

	Buildings
Gross Block	
Opening Balance as at 1st April, 2022	458.60
Additions	15.97
Disposals	(7.85)
Opening Balance as at 1st April, 2023	466.72
Additions	262.38
Disposals	(425.02)
Balance as at 31st March, 2024	304.08

(All amounts in ₹ lakhs, unless otherwise stated)

	Buildings
Accumulated Depreciation	
Opening Balance as at 1st April, 2022	102.19
Depreciation for the year	104.87
On Disposals	(6.96)
Opening Balance as at 1st April, 2023	200.10
Depreciation for the year	111.73
On Disposals	(242.09)
Balance as at 31st March, 2024	69.74
Net Block	
Balance as at 31st March, 2024	234.34
Balance as at 31st March, 2023	266.62

NOTE 4 INTANGIBLE ASSETS

	As at 31st March, 2024	As at 31st March, 2023
Intangible Assets	82.18	97.62
Intangible Asset under Development	20.61	32.65

Intangible assets purchased are initially measured at cost. Intangible Asset under development is stated at cost, net of accumulated impairment loss, if any. The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in standalone statement of profit or loss as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Estimated useful lives by major class of finite-life intangible assets are as follows:

Asset	Useful life
Trademark	10 Years
Software	3-5 Years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the standalone statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Trademarks and Software which are not ready for intended use as on the date of Balance Sheet are disclosed as "Intangible Asset under Development".

	Intangible assets		Intangible Asset under Development	Total
	Finite Life Intangible assets			
	Trademark	Softwares		
Gross Carrying amount				
Opening Balance as at 1st April, 2022	41.29	24.75	77.06	143.10
Additions	4.24	65.90	18.65	88.79
Disposals	-	-	-	-
Capitalisation	-	-	(63.06)	(63.06)
Opening Balance as at 1st April, 2023	45.53	90.65	32.65	168.83
Additions	11.13	-	-	11.13
Disposals	(4.90)	(21.38)	(0.91)	(27.19)
Capitalisation	-	-	(11.13)	(11.13)
Balance as at 31st March, 2024	51.76	69.27	20.61	141.64

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

	Intangible assets		Intangible Asset under Development	Total
	Finite Life Intangible assets			
	Trademark	Softwares		
Accumulated depreciation				
At 1st April, 2022	2.07	3.39	-	5.46
Amortization for the year	5.00	28.10	-	33.10
On Disposals	-	-	-	-
Opening Balance as at 1st April, 2023	7.07	31.49	-	38.56
Amortization for the year	7.06	15.30	-	22.36
On Disposals	(2.09)	(19.98)	-	(22.07)
Balance as at 31st March, 2024	12.04	26.81	-	38.85
Net Book Value				
Balance as at 31st March, 2024	39.72	42.46	20.61	102.79
Balance as at 31st March, 2023	38.46	59.16	32.65	130.27

Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset other than inventory and deferred tax may be impaired. Intangible Under Development are subject to 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.

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 standalone statement of profit and loss.

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.

Impairment on Finite intangible assets is tested at each Balance sheet date only if there is any impairment indicator.

No impairment was identified as at 31st March, 2024 and 31st March, 2023.

Intangible Asset under Development (IAUD) Ageing Schedule

Balance as at 31st March, 2024

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	-	7.94	12.67	-	20.61
Projects temporarily suspended	-	-	-	-	-
Total	-	7.94	12.67	-	20.61

* There is no project under the intangibles for which timeline has been anticipated. It largely comprises of Trademarks and copyrights applications which are yet to be granted.

Balance as at 31st March, 2023

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	18.65	14.00	-	-	32.65
Projects temporarily suspended	-	-	-	-	-
Total	18.65	14.00	-	-	32.65

* There is no project under the intangibles for which timeline has been anticipated. It largely comprises of Trademarks and copyrights applications which are yet to be granted.

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 5 INVESTMENT IN SUBSIDIARY

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

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT INVESTMENTS		
Equity Instrument		
At cost		
Unquoted		
10,000 equity shares (31st March, 2023 - 10,000 shares) of ₹ 10/- each fully paid up in Zenherb Labs Private Limited	1.00	1.00
Total	1.00	1.00
Note:		
Aggregate amount of unquoted investments	1.00	1.00
Aggregate amount of impairment in value of investments	-	-

NOTE 6 OTHER FINANCIAL ASSETS

(Unsecured, considered goods unless otherwise stated)

Refer note 34 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Security deposits (refer note (b) and (c) below)	20.98	56.23
Investments in term deposits (with remaining maturity of more than twelve months) (refer note (a) below)	3,461.53	441.46
Total (A)	3,482.51	497.69
Current		
Security deposits	14.69	0.95
Other assets	2.43	1.96
Total (B)	17.12	2.91
Total (A+B)	3,499.63	500.60

Notes -

- (a) Held as lien by bank against overdraft facility amounting to ₹ 1,300 lakhs (31st March, 2023: ₹ 441.46 lakhs)
- (b) Refer note 38 for information about receivables from related party
- (c) The Company has not given any advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member except the security deposit given under the terms and conditions of Rent Agreement entered into with Veena Gadani, relative of director.
- (d) Refer note 34 for information about credit risk and market risk for other financial assets

NOTE 7 INCOME TAXES

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the standalone 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,

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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.

Uncertain Tax position:

Management periodically evaluates positions taken in the tax returns with respect to situations in tax rates enacted or substantively enacted at the reporting date, regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

A. Components Of Income Tax Expense

(i) Statement of profit and loss

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current Tax		
Current Year	-	-
Adjustment of tax relating to earlier periods	-	-
Total (A)	-	-
Deferred tax charge		
Origination and reversal of temporary differences	(2.50)	(375.55)
Adjustments/(credits) related to previous years - (net)	-	-
Total (B)	(2.50)	(375.55)
Total [(A)+(B)]	(2.50)	(375.55)

(ii) Tax expense recognised in Other Comprehensive Income

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Deferred tax charge		
(Gain)/loss on remeasurement of net defined benefit plans	2.58	(1.69)
(Gain)/loss on debt instruments through other comprehensive income	-	-
(Gain)/loss on cash flow hedges through other comprehensive income	-	-
Total	2.58	(1.69)

(iii) Tax expense recognised in Equity

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current tax		
Stamp Duty on issue of equity shares on account of business combination	-	-
Deferred tax		
Stamp Duty on issue of equity shares on account of business combination	-	-
Total	-	-

(All amounts in ₹ lakhs, unless otherwise stated)

B. Reconciliation of Effective Tax Rate

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

	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
	%	Amount	%	Amount
(Loss)/Profit before tax		(4,356.14)		5,521.05
Statutory income tax rate	25.17%	(1,096.44)	25.17%	1,389.65
Differences due to:				
Expenses not deductible for tax purposes	0.24%	(10.56)	3.62%	199.72
Income exempt from income tax	0.00%	-	-	-
Gains on derecognition of financial liabilities	-	-	(0.4)%	(2,404.42)
Unrecognised tax losses	(0.3)%	1,101.52	8.00%	441.16
Others *	(0.0)%	2.98	0.03%	(1.66)
Effective tax rate	0.06%	(2.50)	6.80%	(375.55)

* Others includes impact due to prior period tax refunds.

C. Deferred Tax Assets and Liabilities

	As at 31st March, 2024	As at 31st March, 2023
Deferred tax assets	489.39	501.70
Deferred tax liabilities	(57.73)	(69.96)
Net deferred tax Asset/(liability)	431.66	431.74

D. Movement in Deferred Tax Assets and Liabilities

	For the year ended 31st March, 2024			
	As at 1st April, 2023	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in other comprehensive income	As at 31st March, 2024
Movements during the year ended 31st March, 2024				
Deferred tax assets/(liabilities)				
Provision for post retirement benefits and other employee benefits	27.14	7.22	(2.58)	31.78
Allowance for expected credit loss	9.12	6.36	-	15.48
Expenses allowable for tax purposes when paid	-	-	-	-
Property, plant and equipment and Intangible assets	(4.97)	14.22	-	9.25
Fair value gain/(loss)	-	-	-	-
Lease Equalization reserve	-	-	-	-
Impact of Right-of-Use Asset (including Security Deposit)	(64.99)	7.26	-	(57.73)
Fair value gain/(loss) on Financial Instrument	-	-	-	-
Impact of lease liabilities	78.26	(17.56)	-	60.70
Provision for sales return	-	25.87	-	25.87
Provision for slow and non-moving inventories	-	27.09	-	27.09
Share issue expenses	219.04	(54.76)	-	164.28
Business losses	-	-	-	-
Unabsorbed depreciation	-	-	-	-
Employee Stock Option Plan	168.14	(13.20)	-	154.94
Total	431.74	2.50	(2.58)	431.66

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Movements during the year ended 31st March, 2023	For the year ended 31st March, 2023			
	As at 1st April, 2022	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in other comprehensive income	As at 31st March, 2023
Deferred tax assets/(liabilities)				
Provision for post retirement benefits and other employee benefits	9.73	15.72	1.69	27.14
Allowance for expected credit loss	4.82	4.30	-	9.12
Expenses allowable for tax purposes when paid	-	-	-	-
Property, plant and equipment and Intangible assets	(7.21)	2.24	-	(4.97)
Fair value gain/(loss)	-	-	-	-
Lease Equalization reserve	-	-	-	-
Impact of Right-of-Use Asset (including Security Deposit)	(86.79)	21.80	-	(64.99)
Fair value gain/(loss) on Financial Instrument	-	-	-	-
Impact of lease liabilities	95.29	(17.03)	-	78.26
Share issue expenses	-	219.04	-	219.04
Employee Stock Option Plan	38.66	129.48	-	168.14
Total	54.50	375.55	1.69	431.74

E. Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	As at 31st March, 2024		As at 31st March, 2023	
	Amount	Unrecognised tax effect	Amount	Unrecognised tax effect
Deductible temporary differences				
Losses				
Tax Losses	5,994.71	1,508.87	1,677.68	422.27
Unabsorbed Depreciation	134.33	33.81	75.05	18.89
Total	6,129.04	1,542.68	1,752.73	441.16

F. Tax losses

Tax losses of previous years for which no deferred tax asset was recognised lapse under Section 79 of the Income Tax Act, 1961 due to change in the ownership.

	31st March, 2024	Lapse Date	31st March, 2023	Lapse Date
Tax Losses	4,317.03	FY 2031-32	1,677.68	FY 2030-31
Tax Losses	1,677.68	FY 2030-31	-	-

G. Tax Assets and Liabilities

	As at 31st March, 2024	As at 31st March, 2023
Non-current tax assets (net of tax provision)	82.72	77.69
Non-current tax liabilities (net of tax assets)	-	-

H. Disclosure in Relation to Undisclosed Income

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

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 8 OTHER NON-CURRENT ASSETS**(Unsecured, considered good)**

	As at 31st March, 2024	As at 31st March, 2023
Deposit with Government Authorities (Customs, GST, etc.)	0.25	0.25
Total	0.25	0.25

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

NOTE 9 INVENTORIES

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

Cost of raw materials, stock in trade and packing material 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 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.

	As at 31st March, 2024	As at 31st March, 2023
(a) Raw materials	23.46	199.66
[includes in transit: ₹ Nil (31st March, 2023: ₹ Nil)]		
(b) Finished goods (other than those acquired for trading)	-	760.28
[includes in transit: ₹ NIL lakhs (31st March, 2023: ₹ 21.40 lakhs)]		
(c) Stock-in-trade	887.07	37.54
[includes in transit: ₹ Nil (31st March, 2023: ₹ NIL lakhs)]		
Total	910.53	997.48

Note : During year ended 31st March, 2024 an amount of ₹ 87.63 lakhs (31st March, 2023: ₹ 20.51 lakhs) was charged to the standalone statement of profit and loss on account of damaged and slow moving inventory.

NOTE 10 TRADE RECEIVABLES

Refer note 34 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured	999.40	1,799.42
Less: Allowance for expected credit loss	(12.67)	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	61.53	36.25
Less: Allowance for credit impairment	(61.53)	(36.25)
Total	986.73	1,799.42
The movement in change in allowance for expected credit loss and credit impairment		
Balance as at beginning of the year	(36.25)	(19.14)
Change in allowance for expected credit loss and credit impairment during the year	(37.95)	(17.11)
Trade receivables written off during the year	-	-
Balance as at the end of the year	(74.20)	(36.25)

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

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Trade Receivable Ageing Schedule

As at 31st March, 2024

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	585.61	153.40	199.91	59.95	0.53	-	999.40
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	32.20	9.52	19.81	61.53
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total (A)	585.61	153.40	199.91	92.15	10.05	19.81	1,060.93
Allowance for credit impairment							12.67
Allowance for which have significant increase in credit risk							61.53
Total (B)							74.20
Total [(A)-(B)]							986.73

As at 31st March, 2023

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	789.86	935.24	74.32	-	-	-	1,799.42
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	5.61	12.27	5.08	13.29	36.25
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total (A)	789.86	935.24	79.93	12.27	5.08	13.29	1,835.67
Allowance for credit impairment							-
Allowance for significant increase in credit risk							36.25
Total (B)							36.25
Total [(A)-(B)]							1,799.42

There are no unbilled receivables as at 31st March, 2024 and 31st March, 2023.

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

There are receivables from wholly owned subsidiary company of ₹103.25 lacs (31st March, 2023 - ₹ 66.10 lacs). Refer note 38 for related party transaction.

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 11 CASH AND CASH EQUIVALENTS

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

	As at 31st March, 2024	As at 31st March, 2023
Cash on hand	2.01	3.00
Balances with banks		
- in current accounts	17.50	5.77
- Deposits with original maturity of less than three months	61.61	-
Total	81.12	8.77

NOTE 12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS MENTIONED ABOVE

	As at 31st March, 2024	As at 31st March, 2023
Investments in term deposits (with original maturity of more than three months but less than twelve months) (refer note (a) and (b) below)	2,592.64	8,182.66
Total	2,592.64	8,182.66

Notes -

(a) Held as lien by bank against overdraft facility amounting to ₹ Nil (31st March, 2023: ₹ 858.54 lakhs)

NOTE 13 LOANS

	As at 31st March, 2024	As at 31st March, 2023
Current		
Loans Others	3.52	2.37
Total	3.52	2.37
Sub-classification of Loans:		
Loans Receivables considered good- Secured	-	-
Loans Receivables considered good- Unsecured	3.52	2.37
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-

Refer Note 34 for information about credit risk and market risk for loans.

- 1) In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10/03/2015, 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.
- 2) There are no loans or advances in the nature of loans granted to promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
 - (a) repayable on demand; or
 - (b) without specifying any terms or period of repayment
- 3) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 14 OTHER CURRENT ASSETS

	As at 31st March, 2024	As at 31st March, 2023
Advances other than Capital advances		
Balances with government authorities	1,905.27	1,487.54
Other advances (includes prepaid expenses etc.) *	66.60	89.32
Total	1,971.87	1,576.86

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

NOTE 15 SHARE CAPITAL

	As at 31st March, 2024		As at 31st March, 2023	
	Numbers	Amount	Numbers	Amount
Authorised share capital				
Equity shares of ₹10/- each	2,50,000	25.00	2,50,000	25.00
Series A Compulsorily convertible preference shares of ₹100/- each with voting rights	29,000	29.00	29,000	29.00
Series B Compulsorily convertible preference shares of ₹100/- each with voting rights	25,000	25.00	25,000	25.00
Series C Compulsorily convertible preference shares of ₹100/- each without voting rights	1,000	1.00	1,000	1.00
Issued, subscribed and fully paid up share capital				
Equity shares of ₹10/- each (refer note (a) below)	2,49,926	24.99	2,22,841	22.28
Series A Compulsorily convertible preference shares of ₹100/- each with voting rights (refer note (b) and note (c) below)	-	-	27,085	27.08
	2,49,926	24.99	2,49,926	49.36

Notes-

- In previous year ended 31st March, 2023, the Company had issued 26,169 equity share capital which were classified as financial liability measured at FVTPL due to buyback obligation attached to these shares.
- In previous year ended 31st March, 2023, the Company had issued 28,571 Series A CCPS on 5th May, 2020 which are classified as financial liability measured at FVTPL due to buyback obligation attached to these shares.
- On 23rd February, 2024, pursuant to the approval by the Board of Directors of the Company, 27,085 CCPS A shares of ₹100 each, have been converted to 27,085 equity shares of ₹ 10 each.

A. Reconciliation of the number of shares

	As at 31st March, 2024		As at 31st March, 2023	
	Equity Shares		Equity Shares	
	Numbers	Amount	Numbers	Amount
Equity Share Capital				
Balance as at the beginning of the year	2,22,841	22.28	1,00,329	10.03
Share classified as equity during the year	-	-	26,169	2.62
Bonus shares issued during the year	-	-	18,028	1.80
Shares issued during the year	-	-	52,049	5.20
CCPS converted to equity shares during the year	27,085	2.71	26,266	2.63
Balance as at the end of the year	2,49,926	24.99	2,22,841	22.28

	As at 31st March, 2024		As at 31st March, 2023	
	Preference Shares		Preference Shares	
	Numbers	Amount	Numbers	Amount
Series A compulsorily convertible preference share capital				
Balance as at the beginning of the year	27,085	27.08	-	-
Share classified as Compound financial instrument	-	-	-	-
Share classified as Equity during the year	-	-	28,571	28.57
Converted to Equity shares during the year	(27,085)	(27.08)	(1,486)	(1.49)
Balance as at the end of the year	-	-	27,085	27.08

(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31st March, 2024		As at 31st March, 2023	
	Preference Shares		Preference Shares	
	Numbers	Amount	Numbers	Amount
Series B compulsorily convertible preference share capital				
Balance as at the end of the year	-	-	-	-
Share classified as Compound financial instrument	-	-	-	-
Share classified as Equity during the year	-	-	24,780	24.78
Converted to Equity shares during the year	-	-	(24,780)	(24.78)
Balance as at the end of the year	-	-	-	-

B. Rights, preferences and restrictions attached to shares**(i) Equity shares**

The Company had one class of equity shares with a par value of ₹ 10 per share. Each shareholder was eligible for one vote per share held. The dividend proposed by the Board of Directors was 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 were eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. Out of the aforementioned shares, 10,633 shares were classified as liability at initial recognition and hence contained Equity and Financial Liability component. These shares were re-classified as equity as of 10th January, 2023. Pursuant to the Share Holders Agreement ('SHA') dated 5th May, 2020, the Company was required to undertake a buyback of all or any of the Investors Securities which included equity shares held by the major investors. During the previous year ended 31st March, 2023, shareholders waived off the buy back obligation. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature".

(ii) Series A compulsorily convertible preference shares

The Company had issued and allotted Series A Compulsorily Convertible Preference Shares ("CCPS") of ₹ 100/- each at a premium of ₹ 11,095/- per share. The holder of CCPS was entitled to participate pari passu in any cash or non-cash dividends paid to the holders of any other class of shares (including Equity Shares) or series on a pro rata, as-if-converted basis. The holder of CCPS had the right but not the obligation (i.e., at its option) to convert CCPS, in such numbers or in such tranches as it deems fit, into the relevant Equity Shares at any time (within maximum period of 20 years from date of ballottment/subsorption) between date of allotment of CCPS up to the Mandatory Conversion Date (i.e. 3rd May, 2040) as defined in the Shareholders Agreement. Further, at the option of the holder of CCPS, on or prior to the occurrence of a Liquidation Event, CCPS would convert into Equity Shares. The holder of CCPS converted into Equity Shares on a 1:1 basis except in certain limited scenarios as set out in the terms and conditions of CCPS. The holder of the CCPS was entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders of the Company (including the holders of Equity Shares). Each of the Promoters, the Company and all other Shareholders hereby acknowledged that the Investor agreed to subscribe to the CCPS on the basis that the Investor would be able to exercise voting rights on the CCPS as if the same were converted into Equity Shares. Each CCPS entitled the holder to the number of votes equal to the number of whole or fractional Equity Shares into which such CCPS could then be converted. Above aforementioned shares were classified as Compound financial instrument at initial recognition and hence contained Equity and Financial Liability component. These shares were re-classified as equity as of 10th January, 2023. Pursuant to the Share Holders Agreement ('SHA') dated 05 May, 2020, the Company was required to undertake a buyback of all or any of the Investors Securities which includes preference shares held by the major investors. During the previous year ended 31st March, 2023, Shareholders waived off the buy back obligation. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature".

On 23rd February, 2024, pursuant to the approval by the Board of Directors of the Company, 27,085 CCPS A shares of ₹ 100 each were converted to 27,085 equity shares of ₹ 10 each and ₹ 90 pertains to security premium.

(iii) Series B compulsorily convertible preference shares

The Company had issued and allotted Series B Compulsorily Convertible Preference Shares ("CCPS") of ₹ 100/- each at a premium of ₹ 31,951/- per share. The holder of CCPS was entitled to participate pari passu in any cash or non-cash dividends paid to the holders of any other class of shares (including Equity Shares) or series on a pro rata, as-if-converted basis. The holder of CCPS had the right but not the obligation (i.e., at its option) to convert CCPS, in such numbers or in such tranches as it deems fit, into the relevant Equity Shares at any time

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

(within maximum period of 20 years from date of allotment/subscription) between date of allotment of CCPS up to the Mandatory Conversion Date (i.e. 10th March, 2041) as defined in the Shareholders Agreement. Further, at the option of the holder of CCPS, on or prior to the occurrence of a Liquidation Event, CCPS would convert into Equity Shares. The holder of CCPS converted into Equity Shares on a 1:1 basis except in certain limited scenarios as set out in the terms and conditions of CCPS. The holder of the CCPS was entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders of the Company (including the holders of Equity Shares). Each of the Promoters, the Company and all other Shareholders hereby acknowledged that the Investor agreed to subscribe to the CCPS on the basis that the Investor would be able to exercise voting rights on the CCPS as if the same were converted into Equity Shares. Each CCPS entitled the holder to the number of votes equal to the number of whole or fractional Equity Shares into which such CCPS could then be converted. Above aforementioned shares were classified as Compound financial instrument at initial recognition and hence contained Equity and Financial Liability component. These CCPS were converted into equity shares on 10th January, 2023.

C. Shares held by Holding Company

	As at 31st March, 2024		As at 31st March, 2023	
	Numbers	Amount	Numbers	Amount
Equity Share Capital				
Hindustan Unilever Limited	1,33,300	13.33	1,06,215	10.62
Series A compulsorily convertible preference share capital				
Hindustan Unilever Limited	-	-	27,085	27.09

D. Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2024		As at 31st March, 2023	
	Numbers	% holding	Numbers	% holding
Equity Share Capital				
Hindustan Unilever Limited *	1,33,300	53.34%	1,06,215	47.66%
Mrs. Aarti Gill	56,051	22.43%	56,051	25.15%
Mr. Mihir Gadani	34,466	13.79%	34,466	15.47%
Eight Roads Ventures India III LLP	20,876	8.35%	20,876	9.37%
Series A compulsorily convertible preference share capital				
Matrix Partners India Investment III LLC	-	-	-	-
Hindustan Unilever Limited *	-	-	27,085	100.00%

*During the previous year, Hindustan Unilever Limited invested in Zywie Ventures Private Limited by subscribing to 52,049 Equity share capital of the Company. Further, In the previous year, on 23rd February, 2024, pursuant to the approval by the Board of Directors of the Company, 27,085 CCPS A shares of ₹100 each, have been converted to 27,085 equity shares of ₹ 10 each. Accordingly, Hindustan Unilever Limited acquired 51% on fully diluted basis (53.34% without dilution) in Zywie Ventures Private Limited.

E. Details of shares held by promoters

(I) Equity shares of ₹ 10/- each

S. No	Promoter name	As at 31st March, 2024		As at 31st March, 2023		% change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited	1,33,300	53.34%	1,06,215	47.66%	6%
2	Mrs. Aarti Gill	56,051	22.43%	56,051	25.15%	(3%)
3	Mr. Mihir Gadani	34,466	13.79%	34,466	15.47%	(2%)
Total Promoters shares outstanding		2,23,817		1,96,732		
Total shares outstanding		2,49,926		2,22,841		

(All amounts in ₹ lakhs, unless otherwise stated)

S. No Promoter name	As at 31st March, 2023		As at 31st March, 2022		% change in the year
	Number of shares	% of total shares	Number of shares	% of total shares	
1 Hindustan Unilever Limited	1,06,215	47.66%	-	-	100.00%
2 Mrs. Aarti Gill	56,051	25.15%	62,127	61.92%	(9.78%)
3 Mr. Mihir Gadani	34,466	15.47%	38,202	17.14%	(9.78%)
Total Promoters shares outstanding	1,96,732		1,00,329		
Total shares outstanding	2,22,841		1,00,329		

(II) Series A compulsorily convertible preference share capital of ₹ 100/- each

S. No Promoter name	As at 31st March, 2024		As at 31st March, 2023		% change in the year
	Number of shares	% of total shares	Number of shares	% of total shares	
1 Hindustan Unilever Limited	-	-	27,085	100%	(100.00%)

S. No Promoter name	As at 31st March, 2023		As at 31st March, 2022		% change in the year
	Number of shares	% of total shares	Number of shares	% of total shares	
1 Hindustan Unilever Limited	27,085	100%	-	-	100.00%

- F.** The Holding Company has established cash-settled share-based payment plan for employees of the Holding Company. Refer note 36 for further details on the plan.

Particulars	As at 31st March, 2024	As at 31st March, 2023
Number of Equity shares	4,432	4,382
	4,432	4,382

NOTE 16 OTHER EQUITY**A. Summary of Other Equity balance**

	As at 31st March, 2024	As at 31st March, 2023
Securities Premium	24,995.99	24,971.61
Retained earnings	(19,818.42)	(15,472.45)
Total Other Equity	5,177.57	9,499.16

B. Nature and purpose of reserves**a. Securities Premium Reserve**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	24,971.61	-
Shares issued during the year at premium	-	10,230.87
Shares converted to from Preference shares to Equity Shares	24.38	23.64
Issue of bonus shares	-	(1.80)
Less: Share issue expenses	-	(1,087.82)
Add/(Less): Addition during the year on account of change in classification of compound financial instrument	-	15,806.72
Balance at the end of the year	24,995.99	24,971.61

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

b. Retained earnings

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

Remeasurements of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	(15,472.45)	(21,364.01)
Add: (Loss)/Profit for the year	(4,353.64)	5,896.60
Add: Other comprehensive income/(loss) for the year (Remeasurement of Net Defined Benefit Plans)*	7.67	(5.04)
Balance at the end of the year	(19,818.42)	(15,472.45)

	As at 31st March, 2024	As at 31st March, 2023
*Movement in Remeasurement of Net Defined Benefit Plans		
Balance at the beginning of the year	-	-
Add: Gain/(loss) on remeasurement of net defined benefit plans, net of tax	7.67	(5.04)
Less: Transfer to retained earnings	(7.67)	5.04
Balance at the end of the year	-	-

c. Employee Stock Reserve

The fair value of the equity-settled share based payment transactions is recognised in standalone statement of profit and loss with corresponding credit to Employee Stock Options expense account.

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	-	153.58
Add: Addition during the year	-	-
Less: Classified as cash settled option*	-	(153.58)
Balance at the end of the year	-	-

* During the previous year ended 31st March, 2023, equity settled share based payment transaction was classified as cash settled share based payment transaction and therefore equity reserve was derecognised and liability for cash settled share based payment was recognised as at 10th January, 2023. Any difference between the carrying amount of equity derecognised and the amount of liability recognised on the modification date was recognised in profit or loss account.

d. Equity component of Compound financial instrument

The convertible preference share reserve contains the equity component of the issued convertible shares. The liability component is reflected in financial liabilities.

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year *	-	0.00
Add: Addition during the year	-	-
Less: Reclassified as Equity *	-	(0.00)
Balance at the end of the year	-	-

* In the previous year ended 31st March, 2023, the value CCPS series C classified as compound financial instrument. The financials are presented in lakhs and hence the amount is shown as "0.00"

e. Capital management

Equity share capital and other equity are considered 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 its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

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

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 17 BORROWINGS

Refer note 34 for accounting policy on financial instruments

	Effective Interest Rate %	Maturity	As at 31st March, 2024	As at 31st March, 2023
Current				
Loan repayable on demand				
From banks (Secured)				
- Bank overdraft	Refer note below		1,268.72	1,294.79
			1,268.72	1,294.79
Aggregate Secured loans			1,268.72	1,294.79
Aggregate Unsecured loans			-	-
			1,268.72	1,294.79

Note: Secured, Bank overdrafts are obtained at interest ranging between 5.15% to 7.30% (31st March, 2023 - 5.15 % to 7.30%) and is repayable on demand. The bank overdrafts are secured against the term deposits.

NOTE 18 LEASE LIABILITIES

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

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

	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Lease liabilities payable beyond 12 months	196.86	167.27
Total	196.86	167.27
Current		
Lease liabilities payable within 12 months	44.31	143.67
Total	44.31	143.67

The incremental borrowing rate applied to lease liabilities is 14% per annum (31st March, 2023: 14% per annum) based on the lease term.

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

	As at 31st March, 2024	As at 31st March, 2023
Balance as at beginning of the year	310.94	378.58
Add: Addition	262.38	15.97
Add: Accretion of interest	58.49	55.13
Less: Payments	(159.62)	(137.94)
Less: Others (including foreclosure)	(231.02)	(0.80)
Closing balance	241.17	310.94

Maturity analysis of lease liabilities

	As at 31st March, 2024	As at 31st March, 2023
Less than one year	79.25	137.09
One to two years	78.28	139.50
Two to five years	194.02	109.56
More than five years	-	-
Undiscounted lease liability (A)	351.55	386.15
Less : Financing component (B)	(110.38)	(75.21)
Closing balance of lease liability [(A)-(B)]	241.17	310.94

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 19 OTHER FINANCIAL LIABILITIES

	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Employee Stock Option Scheme (Refer note 37)	615.55	668.02
Total	615.55	668.02
Current		
Salaries, wages, bonus and other employee payable	130.81	33.53
Total	130.81	33.53

NOTE 20 PROVISIONS

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 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 assessment of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Provision for employee benefits		
Provision for gratuity (refer note 36)	86.23	67.66
Total	86.23	67.66
Current		
Provision for employee benefits		
Provision for Leave Compensation	40.17	40.17
Other provisions (Refer note (a) below)	102.80	42.75
Total	142.97	82.92

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

	Sales Returns
Opening balance as at 1st April, 2022	34.92
Add: Provision during the year	42.75
Less: Amount utilised during the year	-
Less: Amount reversed during the year	(34.92)
Opening balance as at 1st April, 2023	42.75
Add: Provision during the year	102.80
Less: Amount utilised during the year	-
Less: Amount reversed during the year	(42.75)
Balance as on 31st March, 2024	102.80

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. The Company does not expect any reimbursement in respect of the above provisions. The provision for sales return comprises the returns that Company is expecting in future basis the past trends.

NOTE 21 TRADE PAYABLES

Refer note 34 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Total outstanding, dues of micro and small enterprises	471.10	634.73
Total outstanding, dues of creditors other than micro and small enterprises	2,707.98	1,452.24
Total	3,179.08	2,086.97

(All amounts in ₹ lakhs, unless otherwise stated)

Disclosure Pertaining To Micro, Small And Medium Enterprises

	As at 31st March, 2024	As at 31st March, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	471.10	634.73
Principal amount due to micro and small enterprises	465.17	627.89
Interest due on above	2.87	3.82
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	5.93	6.84
The amount of further 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 enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

Trade Payables Ageing Schedule**As at 31st March, 2024**

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	414.57	56.48	0.05	-	-	471.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	882.97	572.72	16.59	-	-	1,472.28
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	1,297.54	629.20	16.64	-	-	1,943.38
Add - Accrued expenses						1,235.70
Total						3,179.08

As at 31st March, 2023

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	303.10	331.44	0.19	-	-	634.73
Total outstanding dues of creditors other than micro enterprises and small enterprises	397.92	347.38	14.93	-	-	760.23
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	701.02	678.82	15.12	-	-	1,394.96
Add - Accrued expenses						692.01
Total						2,086.97

NOTE 22 OTHER CURRENT LIABILITIES

	As at 31st March, 2024	As at 31st March, 2023
Statutory dues (including provident fund, tax deducted at source and others)	56.89	51.49
Others (including advance from customers etc.)	75.00	0.86
Total	131.89	52.35

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 23 REVENUE FROM OPERATIONS

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue is measured on the basis of on the basis of transaction price, which is the consideration, adjusted for 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.

Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Income from Services rendered

Income from services rendered is recognised based on agreements/ arrangements with the customers as and when the service is performed.

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from contract with customers		
Sale of products		
Sale of manufactured goods	1,883.22	7,938.18
Sale of traded goods	8,458.00	2,015.31
	10,341.22	9,953.49
Other operating income		
Income from services rendered	30.98	30.44
Others	-	23.57
	30.98	54.01
Total Revenue from operations	10,372.20	10,007.50

23a. Set out below is the disaggregation of the Company's revenue from contract with customer

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Geographical location of customer		
India	10,341.22	9,929.81
Outside India	-	23.68
Total revenue from contract with customers	10,341.22	9,953.49

23b. Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue as per contracted price	10,632.84	10,299.00
Other deductions*	(291.62)	(345.51)
Revenue from contract with customers	10,341.22	9,953.49

* Other deduction includes claims to customers, incentives, free samples and visibility claims, etc.

Notes -

- The Company does not have any contract asset as on 31st March, 2024 (31st March, 2023 - Nil)
- The Company does not have any contract liability as on 31st March, 2024 (31st March, 2023 - Nil)

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 24 OTHER INCOME

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the Statement of Profit and Loss.

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest income on		
- Bank deposits	410.31	439.91
- Income tax refund	3.72	13.78
- Others Income	2.94	3.17
Gains on derecognition of financial liabilities *	-	9,552.70
Gain on fair value of share based payment	52.47	-
Others	65.15	2.57
Total	534.59	10,012.13

* This represent the gain on buy back obligation extinguishment on Equity, CCPS Series A and Series B

NOTE 25 COST OF MATERIALS CONSUMED

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Inventory of materials at the beginning of the year	199.66	797.74
Add : Purchases	506.67	2,326.16
Less : Inventory of materials at the end of the year	(23.46)	(199.66)
Total	682.87	2,924.24

NOTE 26 PURCHASE OF TRADED GOODS

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Purchase of traded goods	3,897.02	840.37
Total	3,897.02	840.37

NOTE 27 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening inventories		
Finished goods	760.28	977.62
Stock-in-trade	37.54	848.63
Total (A)	797.82	1,826.25
Closing inventories		
Finished goods	-	760.28
Stock-in-trade	887.07	37.54
Total (B)	887.07	797.82
Total [(A)-(B)]	(89.25)	1,028.43

NOTE 28 EMPLOYEE BENEFIT EXPENSE**Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and performance incentives, are charged to consolidated statement of profit and loss on an undiscounted, accrual basis during the period of service rendered by the employees in the financial year.

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

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

certain employees, is made to a Government administered fund and charged as an expense to the standalone 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

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability/(asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Company has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972. Which entitles an employee, who has rendered at least five years of continuous service, to gratuity payable on termination of his employment at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The plan is partly funded by LIC of India and partly non-funded.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised based on undiscounted value of estimated value of benefit expected to be availed by the employees.

Termination benefits

Termination benefits are expensed at the earlier of when the entity can no longer withdraw the offer of those benefits or when the entity 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.

Share Based Payment transactions

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 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.

(All amounts in ₹ lakhs, unless otherwise stated)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries, wages and bonus	1,521.80	1,813.03
Share based payment	-	750.43
Contribution to provident and other funds	60.75	70.61
Staff welfare expenses	25.39	18.39
Total	1,607.94	2,652.46

NOTE 29 FINANCE COSTS

Finance costs includes costs in relation to borrowings and similar obligations, interest on lease liabilities which represents the unwinding of the discount rate applied to lease liabilities and also include interest costs in relation to financial liabilities.

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest cost on financial liabilities at amortised cost	-	249.62
Interest on bank overdraft	65.94	326.99
Interest on lease liabilities	58.49	55.13
Others	0.15	86.90
Total	124.58	718.64

NOTE 30 DEPRECIATION AND AMORTISATION EXPENSE

Refer note 3 and note 4 for accounting policy on depreciation and amortisation cost respectively

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Depreciation on property, plant and equipment (owned assets)	59.57	63.19
Depreciation on property, plant and equipment (leased assets)	111.73	104.87
Amortisation on intangible assets	22.36	33.10
Total	193.66	201.16

NOTE 31 OTHER EXPENSES

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Advertising and promotion	6,151.84	3,834.55
Marketplace Commission	784.99	646.20
Carriage and freight	1,080.01	812.78
Power, fuel, light and water	7.09	5.10
Rent	3.89	1.82
Travelling and motor car expenses	50.32	101.56
Repairs	13.38	3.89
Product Testing Charges	58.84	61.64
Packing & Design Charges	4.05	36.81
Professional Fees	139.03	145.57
Software Subscription Charges	170.52	167.56
Insurance Charges	36.99	30.84
License Fee Charges	0.78	25.00
Telephone & Mobile Expense	120.50	111.59
Bank Fees and Charges	1.92	13.20
Printing and Stationery	13.75	13.12
Miscellaneous expenses	208.21	122.05
Total	8,846.11	6,133.28

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Note:		
Miscellaneous expenses include:		
Payments to the auditors for:		
Statutory audit fees	20.00	20.00
Tax audit fees	2.00	2.00
Others	-	-
Reimbursement of out-of-pocket expenses*	0.88	0.23
Total	22.88	22.23

NOTE 32 EARNINGS PER SHARE (EPS)

Basic and diluted EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

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

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit/(Loss) after tax for the year (A)	(4,353.64)	5,896.60
Weighted average number of equity shares for basic EPS (B)	2,49,926	1,47,555
Basic Earnings per equity share [(A)/(B)]	(1,741.97)	3,996.20
Profit/(Loss) after tax for the year (C)	(4,406.11)	(3,656.10)
Weighted average number of Equity shares for diluted EPS (D)	2,53,211	1,52,683
Diluted Earnings per share (refer note (d) below) [(C)/(D)]	(1,740.09)	(2,394.57)

Weighted - average number of equity shares (basic)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Issued equity shares at the beginning of the year	2,22,841	1,00,329
Effect of bonus share issued (refer note (a) below)	-	18,028
Effect of liability classified as equity shares and instruments entirely equity in nature (refer note (b) below)	27,085	11,636
Effect of share issued during the year	-	11,551
Preference shares outstanding during the year, to be converted into equity shares (refer note (c) and note (e) below)	-	6,011
Weighted - average number of equity shares (basic)	2,49,926	1,47,555

Profit/(loss) attributable to equity shareholders (diluted)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit/(loss) attributable to equity shareholders (basic)	(4,353.64)	5,896.60
Gain on fair value changes on financial liabilities	-	(9,552.70)
Gain on fair value of share based payment	(52.47)	-
Profit/(loss) attributable to equity shareholders (diluted)	(4,406.11)	(3,656.10)

Weighted - average number of equity shares (diluted)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Issued equity shares at the beginning of the year	2,22,841	1,00,329
Effect of bonus share issued (refer note (a) below)	-	18,028
Effect of liability classified as instruments entirely equity in nature (refer note (b) below)	27,085	11,636
Effect of share issued during the year	-	11,551
Preference shares outstanding during the year, to be converted into equity shares (refer note (c) and note (e) below)	-	6,011
Employee share option	3,285	5,128
Weighted - average number of equity shares (diluted)	2,53,211	1,52,683

(All amounts in ₹ lakhs, unless otherwise stated)

- (a) On 27th December, 2022, the Company allotted 18,028 bonus equity shares of ₹ 100 each to Series A and Series B Compulsorily Convertible preference shareholders of the Company as below:
- 2,536 bonus shares to holders of Series A compulsorily convertible preference shares and
 - 15,492 bonus shares to holders of Series B compulsorily convertible preference shares
- (b) On 20th December, 2022, pursuant to the approval by the Board of Directors of the Company and the amendment to the shareholders agreement dated 8th December, 2022, the conversion ratio for 0.001% Cumulative Compulsorily Convertible Preference Shares of Series A ("CCPS A") stands changed from 1 equity share for 1 CCPS A share to 1 equity share for 1 CCPS A share. Accordingly, 1,486 CCPS A shares of ₹100 each, have been converted to 1,486 equity shares of ₹ 10 each, on 8th December, 2022.
- (c) On 6th January, 2023, pursuant to the approval by the Board of Directors of the Company and the amendment to the shareholders agreement dated 6th January, 2023, the conversion ratio for 0.001% Cumulative Compulsorily Convertible Preference Shares of Series B ("CCPS B") stands changed from 1 equity share for 1 CCPS B share to 1 equity share for 1 CCPS B share. Accordingly, 24,780 CCPS B shares of ₹100 each, have been converted to 24,780 equity shares of ₹ 10 each, on 6th January, 2023.
- 626 Series C CCPS are forfeited as at 6th January, 2023 on account of non payment of outstanding subscription amount by the erstwhile shareholder in response to the call notice issued by the Company. The Earnings per share (in compliance with Ind AS 33) for the current year and previous year has been arrived at after giving effect to the above mentioned issue of bonus share to CCPS holders.
- (d) The effect of conversion of 0% redeemable, convertible, non-cumulative, preference shares into equity shares being anti-dilutive, has not been considered for the purpose of computing diluted earnings per share.
- (e) On 23rd February, 2024, pursuant to the approval by the Board of Directors of the Company, 27,085 CCPS A shares of ₹100 each, have been converted to 27,085 equity shares of ₹ 10 each.

NOTE 33 CONTINGENT LIABILITIES, CAPITAL AND OTHER COMMITMENTS

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

A Contingent Liabilities

	As at 31st March, 2024	As at 31st March, 2023
Claims against the Company not acknowledged as debts		
Indirect Tax matters	81.80	-
Total	81.80	-

- (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 indirect tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

B The Company does not have any capital and other commitments as on 31st March, 2024 and 31st March, 2023.

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 34 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I Financial Assets:

(a) Initial recognition and measurement

Financial assets, except for trade receivables, are recognised when The Group becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value. Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate for these receivables is zero.

(b) Subsequent measurement and classification

The subsequent measurement of a financial asset depends on the classification of the asset on the basis of business model for managing such assets and the contractual cash flow characteristics of such asset. These classifications are:

- 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 Group changes its business model for managing financial assets.

In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the standalone statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

(c) 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.

(d) Debt Instruments

Debt instruments includes Compulsorily Convertible Debentures at a coupon of 14% 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) Financial assets at amortised costs

Financial assets that give rise to cash flows on specified dates that are solely the payments of principal and interest; and the financial asset is held within a business model whose objective is solely to collect those cash flows, then the financial asset is classified and measured at amortised cost. These are measured by applying the effective interest rate method. The effective interest rate method allocates interest income over the relevant period by applying the effective interest rate (that is the interest rate that exactly discounts expected future cash flows to the gross carrying amount of the asset).

(ii) Financial instruments 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 consolidated statement of profit and loss.

(iii) Financial assets 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

(All amounts in ₹ lakhs, unless otherwise stated)

recognised in the standalone 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 standalone 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 or has assumed an obligation to pay the received cash flows to one or more recipient.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

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

- (a) Trade receivables
- (b) Financial assets measured at amortised cost (other than trade receivables)

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

In case of other assets (listed as ii 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.

ECL allowance recognised (or reversed) during the period is recognised as income/expense in the standalone 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 (Refer note 10).

II Financial Liabilities:

(a) 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.

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Subsequent measurement

The subsequent measurement of a financial asset depends on the classification of the asset on the basis of business model for managing such assets and the contractual cash flow characteristics of such asset. These classifications are:

- 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.

In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the standalone statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

(c) 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 standalone statement of profit and loss.

(d) Compound financial instruments

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

A Accounting Classifications and Carrying value

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

	Note	Carrying value	
		As at 31st March, 2024	As at 31st March, 2023
Financial Assets			
Financial assets measured at amortised cost			
Other non-current financial assets	6	3,482.51	497.69
Other current financial assets	6	17.12	2.91
Trade Receivables	10	986.73	1,799.42
Cash and Cash Equivalents	11	81.12	8.77
Bank balances other than cash and cash equivalents mentioned above	12	2,592.64	8,182.66
Loans	13	3.52	2.37
		7,163.64	10,493.82
Financial Liabilities			
Financial liabilities measured at fair value			
Employee Stock Option Plan (Cash Settled Liability)	19	615.55	668.02
Financial liabilities measured at amortised cost			
Lease Liabilities	18	241.17	310.94
Borrowings	17	1,268.72	1,294.79
Other financial liabilities	19	130.81	33.53
Trade payables	21	3,179.08	2,086.96
		5,435.33	4,394.24

(All amounts in ₹ lakhs, unless otherwise stated)

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables and trade payables at carrying value 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 year ended 31st March, 2024	For the year ended 31st March, 2023
Financial assets measured at amortised cost			
Interest income	24	416.97	456.86
Financial liabilities measured at amortised cost			
Interest expense	29	66.09	663.51
Interest on lease liabilities	29	58.49	55.13

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, 2024

	Level 1	Level 2	Level 3	Total
Liabilities at fair value				
Financial Liability component of Compulsory Convertible Preference Shares	-	-	-	-
Financial Liability component of Equity Shares	-	-	-	-
Lease Liabilities	-	-	241.17	241.17

As at 31st March, 2023

	Level 1	Level 2	Level 3	Total
Liabilities at fair value				
Financial Liability component of Compulsory Convertible Preference Shares	-	-	-	-
Financial Liability component of Equity Shares	-	-	-	-
Lease Liabilities	-	-	310.94	310.94

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2023.

Other financial assets and liabilities

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

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as significant unobservable inputs used.

Financial Instruments measured at Fair Values

Type	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Lease Liabilities	Discounted cash flow approach : The approach model considers the present value of expected payments/ receipts, discounted using incremental borrowing rates.	Discount rate 100 bps	Increase in discount rate by 100 bps points will increase the lease liability by ₹ 2.42 lakhs and 100 bps decrease would have led to an equal but opposite effect.

Transfers between Levels 1 and 2

There are no transfers between Level 1 and Level 2 during the reporting year.

Reconciliation of Level 3 fair value measurements of financial liabilities is given below:

(A) Financial Liability component of Compulsory Convertible Preference Shares

Reconciliation of movements in Level 3 valuations	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening	-	17,051.51
Additions during the year	-	-
Payments during the year	-	-
Gain recognised in profit and loss on fair value adjustments	-	(6,335.22)
Transfer to profit and loss on extinguishment of buy-back rights	-	(10,716.29)
Closing	-	-

(B) Financial Liability component of Equity Shares

Reconciliation of movements in Level 3 valuations	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening	-	8,363.87
Additions during the year	-	-
Payments during the year	-	-
Gain recognised in profit and loss on fair value adjustments	-	(3,217.47)
Transfer to profit and loss on extinguishment of buy-back rights	-	(5,146.40)
Closing	-	-

(C) Lease Liabilities

Reconciliation of movements in Level 3 valuations	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening	310.94	378.58
Additions during the year	320.87	71.10
Payments during the year	(159.62)	(137.94)
Others (foreclosure)	(231.02)	(0.80)
Closing	241.17	310.94

Other financial assets and liabilities

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

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 35 FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk, credit risk and other price risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

A 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 maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2024 and 31st March, 2023. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits 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 financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

	Note	Carrying amount	Undiscounted Amount				
			Within 1 year	1-2 year	2-5 Year	More than 5 years	Total
As at 31st March, 2024							
Financial assets							
Non-derivative assets							
Loans	13	3.52	3.52	-	-	-	3.52
Trade Receivables	10	986.73	986.73	-	-	-	986.73
Cash and cash equivalents	11	81.12	81.12	-	-	-	81.12
Bank Balances other cash and cash equivalents	12	2,592.64	2,592.64	-	-	-	2,592.64
Investments in term deposits (with remaining maturity of more than twelve months)	6	3,461.53	-	3,232.75	228.78	-	3,461.53
Other assets	6	2.43	2.43	-	-	-	2.43
Security deposits	6	35.67	0.95	-	40.82	-	41.77
Financial liabilities							
Non-derivative liabilities							
Lease Liabilities	18	241.17	79.25	78.28	194.02	-	351.55
Borrowings	17	1,268.72	1,268.72	-	-	-	1,268.72
Trade payables	21	3,179.08	3,179.08	-	-	-	3,179.08
Employee liabilities	19	130.81	130.81	-	-	-	130.81
Other financial liabilities	20	615.55	-	615.55	-	-	615.55

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	Carrying amount	Undiscounted Amount				
			Within 1 year	1-2 year	2-5 Year	More than 5 years	Total
As at 31st March, 2023							
Financial assets							
Non-derivative assets							
Loans	13	2.37	2.37	-	-	-	2.37
Trade Receivables	10	1,799.42	1,799.42	-	-	-	1,799.42
Cash and cash equivalents	11	8.77	8.77	-	-	-	8.77
Bank Balances other cash and cash equivalents	12	8,182.66	8,182.66	-	-	-	8,182.66
Investments in term deposits (with remaining maturity of more than twelve months)	6	441.46	-	441.46	-	-	441.46
Other assets	6	1.96	1.96	-	-	-	1.96
Security deposits	6	57.18	0.95	-	64.66	-	65.61
Financial liabilities							
Non-derivative liabilities							
Lease Liabilities	18	310.94	137.09	139.50	109.56	-	386.15
Trade payables	21	2,086.97	2,086.97	-	-	-	2,086.97
Employee liabilities	19	33.53	33.53	-	-	-	33.53
Borrowings	17	1,294.79	1,294.79	-	-	-	1,294.79
Other financial liabilities	20	668.02	668.02	-	-	-	668.02

B Management of Market Risk

The Company's business activities are exposed to a variety of financial risks, namely:

- currency risk;
- interest rate risk; and
- other price risk (commodity risk)

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company's exposure to foreign currency risk at the end of reporting period expressed in INR as on 31st March, 2024

Particulars	As at 31st March, 2024	As at 31st March, 2023
Financial assets		
Foreign Currency receivables for export of goods	-	10.95
Financial liabilities		
Foreign Currency payables for Import of services	-	4.94
Net exposure for Foreign currency risk (Liabilities)	-	6.01

(All amounts in ₹ lakhs, unless otherwise stated)

Impact on profit/(loss) for the year for a 5% change:

Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
	5% Appreciation	5% Depreciation	5% Appreciation	5% Depreciation
USD/INR	-	-	0.30	(0.30)

Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to borrowings from financial institutions. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to borrowings from banks. Refer note 18 of financial statements.

Particulars	As at 31st March, 2024	As at 31st March, 2023
Variable Rate Instruments		
Financial Liabilities	1,268.72	1,294.79

Interest rate sensitivity - fixed rates

The Company's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rates

	Profit or loss	
	100 bps increase	100 bps decrease
31st March, 2024		
Variable-rate borrowings		
Borrowings	(1.25)	1.25
31st March, 2023		
Variable-rate borrowings		
Borrowings	(7.19)	7.19

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

Company adopts cash and carry terms for a majority of its Sales revenue, thus eliminating any component of risk. Further customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

There are no receivables for more than 10% from each customer.

Other financial assets

The Company maintains exposure in cash and cash equivalents, money market liquid mutual funds with financial institutions. The Company has set counter-party limits based on multiple factors including financial position, credit rating, etc.

The Company's maximum exposure to credit risk as at 31st March, 2024 and 31st March, 2023 is the carrying value of each class of financial assets.

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 36 EMPLOYEE BENEFITS

The Company has classified various employee benefits as under:

I. Defined contribution plans

Amount towards Defined contribution plan have been recognised under “Contribution to Provident and Other funds” in Note 28 of Standalone Statement of Profit and Loss. The Company has made contribution to provident fund and other funds of ₹ 28.94 lakhs (31st March, 2023 : ₹ 35.96 lakhs). Further Company has contributed in ESIC of ₹ 1.47 lakhs (31st March, 2023 : ₹ 2.22 lakhs).

II. Defined benefit plans

In respect of Gratuity, a defined benefit plan, contributions are made to LIC’s Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member’s length of service and salary at the time of retirement/termination age. Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund and decides its contribution. The Company aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium-term.

A Balance Sheet

The assets, liabilities and (surplus)/deficit position of the defined benefit plans at the Balance Sheet date were:

	Retirement Benefit Plans	
	As at 31st March, 2024	As at 31st March, 2023
Present Value of Obligation	104.96	84.80
Fair Value of Plan Assets	(18.73)	(17.14)
(Asset)/Liability recognised in the Balance Sheet	86.23	67.66
Funded plans in deficit:		
Present Value of Obligation	104.96	84.80
Fair Value of Plan Assets	(18.73)	(17.14)
(Asset)/Liability recognised in the Balance Sheet	86.23	67.66

B Movements in Present Value of Obligation and Fair Value of Plan Assets

	Plan Assets	Plan Obligation	Net Obligation
As at 1st April, 2022	17.14	48.96	31.82
Current service cost	-	24.88	24.88
Interest cost	-	5.37	5.37
Excess of interest on plan assets over actual return	(1.15)	-	1.15
Interest income	1.15	-	(1.15)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(2.04)	(2.04)
Actuarial (gain)/loss arising from experience adjustments	-	7.63	7.63
As at 31st March, 2023	17.14	84.80	67.66
Current service cost	-	23.13	23.13
Interest cost	-	6.95	6.95
Excess of interest on plan assets over actual return	1.34	-	(1.34)
Benefit payments	(1.01)	(1.01)	-
Interest income	1.26	-	(1.26)
Actuarial (gain)/loss arising from changes in financial assumptions	-	0.96	0.96
Actuarial (gain)/loss arising from experience adjustments	-	(9.87)	(9.87)
As at 31st March, 2024	18.73	104.96	86.23

(All amounts in ₹ lakhs, unless otherwise stated)

C Statement of Profit and Loss

The charge to the Standalone Statement of Profit and Loss comprises:

	As at 31st March, 2024	As at 31st March, 2023
Employee Benefit Expense*:	23.13	24.88
Finance costs * :		
Interest cost	6.95	5.37
Interest income	(1.26)	(1.15)
Net impact on profit (before tax)	28.82	29.10
Remeasurement of the net defined benefit plans:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	0.96	(2.04)
Actuarial (gains)/losses arising from experience adjustments	(9.87)	7.62
Excess of interest on plan assets over actual return	(1.34)	1.15
Net impact on other comprehensive income (before tax)	(10.25)	6.73

* Service cost and Finance cost excludes charges towards Officer's Pension and Provident Fund.

D Assets

The fair value of plan assets at the Balance Sheet date for defined benefit plans are as follows:

	As at 31st March, 2024	As at 31st March, 2023
Investments Funds	18.73	17.14

E Assumptions

	As at 31st March, 2024	As at 31st March, 2023
Discount rate (per annum)	7.00%	7.20%
Salary Escalation Rate (per annum)	13.00%	13.00%

F Sensitivity analysis

Sensitivity analysis indicates the effects of reasonable changes in certain significant assumptions on the outcome of the present value of obligation. Sensitivity analysis is done by increasing/decreasing one parameter at a time (while keeping all other parameters constant) and studying its impact.

	Effect on gratuity obligation	
Change in assumptions	As at 31st March, 2024	As at 31st March, 2023
Discount rate		
Increase by 1%	(4.70%)	(4.80%)
Decrease by 1%	5.10%	5.20%
Salary escalation rate		
Increase by 1%	4.20%	4.20%
Decrease by 1%	(4.00%)	(4.00%)
Rate of Employee Turnover		
Increase by 1%	(4.10%)	(4.40%)
Decrease by 1%	4.50%	5.00%

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

G The following are the expected future benefit payments for the defined benefit plan:

	As at 31st March, 2024	As at 31st March, 2023
Within the next 12 months (next annual reporting period)	12.95	11.15
Between 2 and 5 years	60.98	46.88
Beyond 5 years	82.58	71.60

Current Liability as at 31st March, 2024 is ₹ Nil (Previous year ₹ Nil) and Non- Current Liability is ₹ 86.22 lakhs (Previous year ₹ 67.66 lakhs). Discount rate considered for current year is 7.00 % (previous year 7.2%).

Other long-term employee benefits

The Company provides for compensated absences to employees which can be carried forward to future years. Consequently based on Guidance on implementation of IND AS 19 "Employee Benefits" (IND AS-19), the Company has considered the benefits provided as other long-term employee benefits. An amount of ₹ Nil (31st March, 2023: ₹ 33.35 lakhs), has been charged to the Statement of Profit and Loss for the year ended 31st March, 2024.

Termination benefits

The Company do not have any termination benefits as on 31st March, 2024 (31st March, 2023 : Nil).

NOTE 37 SHARE BASED PAYMENTS

Equity Settled Share Based Payments

The members of the Company had approved ESOP Plan 2021 at the Annual General Meeting held on 9th July, 2021. The plan envisaged grant of share options to eligible employees at market price as defined in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

This plan was amended and revised vide ESOP Plan 2021' at the Annual General Meeting held on 20th December, 2022. This scheme provided for conditional grant of Performance Shares at nominal value to eligible management employees as determined by Board of Directors from time to time, at the end of 4-year performance period. The performance measures under this scheme include period of service.

The Employee Stock Option Plan includes employees of Zywie Ventures Private Limited.

Scheme	Scheme Grant Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share	Weighted Average Exercise Price (₹) per share
Employee Stock option plan 2021	2021	01-07-2021	226	Graded Vesting over the period of 4 Years	To be determined by the Board	₹10 Per Share	₹10 Per Share
		01-10-2021	76				
		01-04-2022	2,245				
		01-08-2022	181				
		01-09-2022	16				
		02-09-2022	19				
		11-10-2022	125				
		15-11-2022	10				
		19-12-2022	31				
		01-04-2023	1,453	Graded Vesting over the period of 4 Years	To be determined by the Board	₹13,766.37 Per Share	₹13,766.37 Per Share

Scheme	Scheme Grant Year	Financial year	Number of share options				
			Outstanding at the beginning of the year	Granted during the year	Forfeited/ Cancelled during the year	Exercised during the year	Outstanding at the end of the year
Employee Stock option plan 2021	2021	2021-22	-	1,694	-	-	1,694
		2022-23	1,694	3,888	(1,448)	-	4,134
		2023-24	4,134	1,453	(1,205)	-	4,382

For the purpose of fair value of the share options at the grant date equity share value is considered.

(All amounts in ₹ lakhs, unless otherwise stated)

The Monte Carlo Simulation valuation model has been used for computing the fair value for stock options considering the following inputs:

Particulars	As at 31st March, 2024		As at 31st March, 2023
Exercise price (₹ per share)	10	13,766.37	10
Weighted average share price/market price (₹ per share)	21,690.22	21,690.22	22,591.65
Expected volatility	26.96%	26.96%	33.05%
Life of the options granted (vesting and exercise period) in years	1.91 Years	3 Years	3.1 Years
Expected dividends	-	-	-
Average risk-free interest rate	7.00%	7.00%	7.00%
Fair value of option (₹ per share)	22,774.61	22,774.61	32,186.37

Effect of share based payment transactions on the Balance Sheet:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Employee stock option outstanding reserve	-	-
Other non-current financial liabilities	615.55	668.02
Other current financial liabilities	-	-
Total carrying amount of liabilities	615.55	668.02

Effect of share based payment transactions on the Statement of Profit and Loss:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Equity settled share based payments	-	-
Cash settled share based payments	-	750.43
Gain on fair value of share based payment	(52.47)	-
Total expense on share based payments	(52.47)	750.43

Modifications to ESOPs:

- The Company had in place a Employee Stock Option Plan 2021 ("ESOP Plan 2021") under which certain units have been granted to eligible employees. However, in the FY 2021-22, the Company has amended and revised the plan to Employee Stock Option Plan 2021 ("ESOP Plan 2021") with effect from 20th December, 2022. This scheme would replace the earlier ESOP Plan 2021 and employees will receive equivalent value of grants under the new ESOP plan in lieu of the former Employee stock options.
- Below is the details of input used for computing incremental fair value per option on the date of modification i.e. 20th December, 2022

Particulars	ESOP Plan 2021
Modification date	20-12-2022
Weighted average share price/market price (₹ per share)	22,592
Exercise price (₹ per share)	10
Expected volatility	33.05%
Life of the options granted (vesting and exercise period) in years	3.1 Years
Expected dividends	-
Average risk-free interest rate	7.00%
Fair value of option (₹ per share)	32,000.00

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 38 RELATED PARTY TRANSACTIONS

Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for year ended 31st March, 2024

A Enterprises exercising control

(i) Ultimate Holding Company (effective from 10th January, 2023)	Unilever PLC
(ii) Holding Company (effective from 10th January, 2023)	Hindustan Unilever Limited

B Enterprises where control exists

Subsidiary	Zenherb labs Private Limited
------------	------------------------------

C Other Related Parties with whom the Company had transactions during the year

(i) Key Management Personnel	
(a) Executive directors & Sr. Management	
- Whole-time Director	Mihir Gadani
- Chief Executive Officer (CEO) and Managing director	Aarti Gill
- Chief Financial Officer	Nikhil Miglani (effective from 19 July, 2023)
(b) Non-executive directors	
- Independent director	Chandrabhan (effective from 8th January, 2024)
- Independent director	Rajgopal Thirumalai (effective from 23rd February, 2024)
- Nominee Director	Madhusudhan Rao Rupanagudi (effective from 10th January, 2023)
- Nominee Director	Kedar Lele (effective from 10th January, 2023)
- Nominee Director	Bibhav Pradhan (effective from 22nd September, 2023)
- Nominee Director	Ravishankar A. (effective from 23rd February, 2023)
(ii) Relative of Key management Personnel	Nikhil Gill and Veena Gadani

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as at 31st March, 2024 and 31st March, 2023

		Year ended 31st March, 2024	Year ended 31st March, 2023
Holding Company	Issue of equity shares	-	10,236.07
	Sale of finished goods/raw materials etc	136.09	-
	Expenses	54.43	-
	Outstanding as at the year end:		
	- Advance from customers	61.15	-
	- Trade payables	57.18	-
Subsidiaries	Sale of finished goods/raw materials etc	2.73	138.99
	Expenses shared by subsidiary companies	30.00	30.00
	Outstanding as at the year end:		
	- Trade receivables	103.25	66.10
	- Investment in Subsidiary	1.00	1.00
Key Management Personnel			
(a) Executive directors & Sr. Management	Remuneration	159.56	119.57
(b) Non-executive directors	Sitting fees	0.45	-
Relative of Key Management Personnel	Remuneration (including Share based payment) - Mr. Nikhil Gill	33.06	94.01
	Rent Paid - Veena Gadani	6.00	5.65
	Outstanding as at the year end:		
	- Deposits (Receivable)	2.00	2.00
	- Salary payable	16.05	-
	- Rent Outstanding to be paid (Payable)	-	0.36

(All amounts in ₹ lakhs, unless otherwise stated)

D Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended 31st March, 2024, 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.

There have been no guarantees provided or received for any related party receivables or payables except as disclosed in Note 18(5) of financial statements.

For the year ended 31st March, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2023: ₹Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 38A DISCLOSURE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

(a) Investments in subsidiary

In financial year 2021-22, the Company made an investment in Zenherb Labs Private Limited with of ₹1 lakh. In current year, no new investments are made.

- (b) The Company has not given any guarantees or provided any security covered under Section 186 and accordingly, the disclosure requirements to that extent does not apply to the Company.

NOTE 39 RATIOS

No	Name of the Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	% Variance	Reason for variance more than 25%
1	Current Ratio (in times)	Current assets	Current liabilities	1.34	3.40	(60.6%)	Ratio has been impacted due to utilisation of bank balance towards working capital needs
2	Debt - Equity Ratio (in times)	Total debt	Equity	0.24	0.14	79.8%	Ratio has been impacted due to reduction in reserves on account of losses in the current year
3	Debt Service coverage ratio* (in times)	Earnings available for debt service	Total debt service	(2.47)	3.34	(173.9%)	Change is due fair value gain on account of Ind AS adjustments in base year
4	Return on equity (in %)	Net profit - preferred dividends	Average shareholder equity	(59.0%)	(101.2%)	(41.7%)	Change is due fair value gain on account of Ind AS adjustments in base year
5	Inventory Turnover Ratio (in times)	Sales	Average inventory	4.71	2.65	77.8%	Improvement in ratio is due to optimisation of inventory in the current year
6	Trade receivables turnover ratio (in times)	Net sales	Average accounts receivables	7.45	9.49	(21.5%)	Change is due to recovery of debtor balance in the current year compared to base year
7	Trade payables turnover ratio (in times)	Net purchases	Average trade payables	1.71	2.32	(26.5%)	Change is due to increase in the overall spends compared to the base year
8	Net capital turnover ratio (in times)	Net sales	Working Capital	6.23	1.13	452.3%	Change is due to optimisation of working capital in the current year
9	Net profit ratio (in %)	Net profit	Net sales	(42.0%)	58.9%	(171.2%)	Change is due to increase in the overall spends which has increase the loss in the current year
10	Return on capital employed (in %)	Earning before interest and taxes	Capital employed	(70.0%)	63.5%	(210.2%)	Change is due to increase in the overall spends which has increase the loss in the current year
11	Return on investment (in %)	refer (k) below		NA	NA	NA	No explanation required

Notes

to the standalone financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Definitions:

- (a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (b) Debt service = Interest & Lease Payments + Principal Repayments
- (c) Average inventory = (Opening inventory balance + Closing inventory balance)/2
- (d) Net credit sales = Net credit sales consist of gross credit sales minus sales return
- (e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance)/2
- (f) Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return
- (g) Average trade payables = (Opening trade payables balance + Closing trade payables balance)/2
- (h) Working capital = Current assets - Current liabilities
- (i) Earning before interest and taxes = Profit before exceptional items and tax + Finance costs - Other Income
- (j) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
- (k) Return on Investment

$$\frac{\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}}{\{MV(T0) + \text{Sum } [W(t) * C(t)]\}}$$

where,

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

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

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

NOTE 40

During the previous year, the Company had granted 1,000 Employee Stock Options (ESOPs) of fair value of ₹ 199.66 lakhs as at 1st April, 2023 (1st April, 2022: ₹ 199.66 lakhs) to an employee belonging to the promoter group. This resulted in contravention of the provisions of Section 62(1) of the Companies Act, 2013 ("the Act") read with 'Rule 12 - Issue of Employee Stock Options' of the Companies (Share Capital and Debentures) Rules, 2014 and the Employee Stock Option Plan, 2021 of the Company up to 5th January, 2024.

During the current year, the aforementioned ESOPs were cancelled by the Company in the board meeting dated 6th January, 2024. Pending assessment of penalties that may be levied pursuant to contravention of the above-mentioned provisions of the Act read with relevant rules thereunder for the period from 1st April, 2022 to 5th January, 2024, and which the management does not expect to be material, no adjustments have been made to the standalone financial statements in respect of this matter.

NOTE 41

The Company is engaged in the business of Health, nutrition & beauty products, which is the primary business segment, and has only domestic sales in the current year. The Company has only one reportable business segment, which is Health, nutrition & beauty products and only one reportable geographical segment. Accordingly, these financial statements are reflective of the information required by the Indian Accounting Standard 108, Operating Segements for the Health, nutrition & beauty products segment.

NOTE 42

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

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 43 DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

NOTE 44

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
 - i. Wilful defaulter
 - ii. Utilisation of borrowed funds & share premium
 - iii. Discrepancy in utilisation of borrowings
 - iv. Current maturity of long-term borrowings

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration Number : 101248W/W - 100022

Aniruddha Godbole

Partner
Membership Number: 105149

Place: Mumbai
Date : 22nd April, 2024

For and on behalf of the Board of Directors of Zywie Ventures Private Limited

CIN : U74900CH2013PTC034657

Mihir Gadani

Director
DIN No: 06436118

Place: Mumbai
Date : 22nd April, 2024

Aarti Gill

Director
DIN No: 06625860

Place: Mumbai
Date : 22nd April, 2024

Nikhil Miglani

CFO

Place: Mumbai
Date : 22nd April, 2024

Independent Auditor's Report

to the Members of Zywie Ventures Private Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

We have audited the consolidated financial statements of Zywie Ventures Private Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March, 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31st March, 2024, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditors on separate consolidated financial statements of such subsidiary as was audited by the other auditors, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2024, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Qualified Opinion

As fully explained in note 40 to the consolidated financial statements for the year ended 31st March, 2024, in the previous year, the Holding Company had granted 1,000 employee stock options of fair value of ₹ 199.66 lakhs as at 1st April, 2023 (1st April, 2022: ₹ 199.66 lakhs) to an employee belonging to the promoter group under the Holding Company's Employee Stock Option Plan, 2021 (ESOP). The said ESOPs granted were not in compliance with the provisions of Section 62(1) read with 'Rule 12 - Issue of Employee Stock Options' of the Companies (Share Capital and Debentures) Rules, 2014 and the ESOP Policy of the Holding Company. Subsequently, during the current year, the aforementioned ESOP's were cancelled by the Holding Company in the board meeting dated 6th January, 2024. We are unable to comment on the impact of the above non-compliance on the standalone financial statements of the Holding Company for the year ended 31st March, 2024. Our audit opinion on the consolidated financial statements for the year ended 31st March, 2023 was modified accordingly.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's directors' report, but does not include the financial statements and auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate audit evidence on the implications of non-compliance with the provisions of the Act on the consolidated financial statements. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated

profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statement of such entity or business activity within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statement of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out

Independent Auditor's Report

by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

- a. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 38.69 lakhs as at 31st March, 2024, total revenues (before consolidation adjustments) of ₹ 61.54 lakhs and net cash flows (before consolidation adjustments) amounting to ₹ 13.10 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of

such subsidiary, as was audited by other auditors, as noted in the "Other Matters" paragraph (a), we report, to the extent applicable, that:

- a. We have sought and, except for the matter described in the Basis for Qualified Opinion paragraph obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors. Further in absence of confirmation from the relevant service provider, we are unable to comment if the back-up of the books of account and other relevant books and papers in electronic mode has been kept on servers physically located in India on a daily basis during 1st April, 2023 till 31st March, 2024 by the Group.
- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Holding Company.
- f. On the basis of the written representations received from the directors of the Holding Company as on 1st April, 2024 as taken on record by the Board of Directors of Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of Group companies incorporated in India is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B.** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph (a):
- a. There were no pending litigations as at 31st March, 2024 which would impact the consolidated financial position of the Group.
 - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March, 2024.
 - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31st March, 2024.
 - d. (i) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditors of such subsidiary company that, to the best of their knowledge and belief, as disclosed in the Note 12(3) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditors of such subsidiary company that, to the best of their knowledge and belief, as disclosed in the Note 12(3) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Holding Company and its subsidiary company incorporated in India have neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks and that performed by the respective auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiary company have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of such subsidiary company did not come across any instance of audit trail feature being tampered with.

Independent Auditor's Report

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of such subsidiary company incorporated in India which was not audited by us, the remuneration paid by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The subsidiary company has not paid any remuneration to its directors. The Ministry of Corporate Affairs has not

(All amounts in ₹ lakhs, unless otherwise stated)

prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Membership No.: 105149

Date: 22nd April, 2024

ICAI UDIN:24105149BKEXCN9867

Annexure A

to the Independent Auditor's Report on the consolidated financial statements of Zywie Ventures Private Limited for the year ended 31st March, 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Zywie Ventures Private Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March, 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company incorporated in India under the Act, as of that date.

In our opinion and based on the consideration of report of the other auditors on internal financial controls with reference to financial statements of subsidiary company, as was audited by the other auditors, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2024, based on the internal financial controls with reference to financial statements criteria established by Holding Company and such subsidiary company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective 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 respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of such subsidiary company in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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

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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of this matter.

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No.: 105149

ICAI UDIN:24105149BKEXCN9867

Place: Mumbai

Date: 22nd April, 2024

Consolidated Balance Sheet

as at 31st March, 2024

FINANCIAL STATEMENTS



(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	335.10	438.58
Other intangible assets	4	82.18	97.62
Intangible assets under development	4	20.61	32.65
Financial assets			
Other financial assets	5	3,482.51	497.69
Deferred tax assets (Net)	6	431.71	431.79
Non-Current Tax Asset	6	82.72	77.69
Other non-current assets	7	0.25	0.25
Total - Non-current assets (A)		4,435.08	1,576.27
Current assets			
Inventories	8	910.53	1,020.75
Financial assets			
Trade receivables	9	883.63	1,739.69
Cash and cash equivalents	10	82.53	23.28
Bank balances other than cash and cash equivalents mentioned above	11	2,594.70	8,182.66
Loans	12	3.52	2.25
Other financial assets	5	17.12	2.91
Other current assets	13	2,007.09	1,602.32
Total - Current assets (B)		6,499.12	12,573.86
TOTAL ASSETS [(A) + (B)]		10,934.20	14,150.13
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	24.99	22.28
Instruments entirely equity in nature	14	-	27.08
Other equity	15	5,108.83	9,432.99
Total - Equity (A)		5,133.82	9,482.35
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	17	197.52	167.62
Other Financial Liabilities	18	615.55	668.02
Provisions	19	86.23	67.66
Total - Non-current liabilities (B)		899.30	903.30
Current liabilities			
Financial liabilities			
Borrowings	16	1,269.73	1,295.80
Lease Liabilities	17	44.31	145.47
Trade Payables	20		
Total outstanding dues of micro and small enterprises		471.19	635.50
Total outstanding dues of creditors other than micro and small enterprises		2,710.13	1,459.10
Other financial liabilities	18	130.81	33.53
Other current liabilities	21	131.94	112.16
Provisions	19	142.97	82.92
Total - Current liabilities (C)		4,901.08	3,764.48
TOTAL EQUITY AND LIABILITIES [(A) + (B) + (C)]		10,934.20	14,150.13
Basis of preparation, measurement and material accounting policies	2		
Contingent liabilities and commitments	32		

The accompanying notes 1 to 44 are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration Number : 101248W/W - 100022

For and on behalf of the Board of Directors of Zywie Ventures Private Limited

CIN : U74900CH2013PTC034657

Aniruddha Godbole

Partner
Membership Number: 105149

Mihir Gadani

Director
DIN No: 06436118

Aarti Gill

Director
DIN No: 06625860

Nikhil Miglani

CFO

Place: Mumbai
Date : 22nd April, 2024

Place: Mumbai
Date : 22nd April, 2024

Place: Mumbai
Date : 22nd April, 2024

Place: Mumbai
Date : 22nd April, 2024

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
INCOME			
Revenue from operations	22	10,400.06	9,932.23
Other income	23	534.63	10,012.13
TOTAL INCOME		10,934.69	19,944.36
EXPENSES			
Cost of materials consumed	24	682.87	2,924.24
Purchase of Stock-in-trade	25	3,897.02	840.37
Changes in inventories of finished goods and stock in trade	26	(65.98)	1,005.16
Employee benefits expenses	27	1,607.94	2,652.46
Finance cost	28	124.88	719.83
Depreciation and amortisation expense	29	195.06	201.73
Other expenses	30	8,851.61	6,145.50
TOTAL EXPENSES		15,293.40	14,489.29
(Loss)/Profit before exceptional items and tax		(4,358.71)	5,455.07
Exceptional items (net)		-	-
(Loss)/Profit before tax		(4,358.71)	5,455.07
Tax expense			
Current tax	6	-	-
Deferred tax	6	(2.50)	(375.62)
(LOSS)/PROFIT FOR THE YEAR (A)		(4,356.21)	5,830.69
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit and loss account			
Re-measurement loss/(gains) on defined benefit plans		(10.25)	6.73
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Re-measurement loss/(gains) on defined benefit plans	6	2.58	(1.69)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (B)		(7.67)	5.04
TOTAL COMPREHENSIVE INCOME FOR THE YEAR [(A)+(B)]		(4,348.54)	5,825.65
Earnings per equity share (in ₹) of face value of ₹ 10 each	31		
Basic		(1,739.93)	3,951.54
Diluted		(1,738.08)	(2,437.74)
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes 1 to 44 are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration Number : 101248W/W - 100022

Aniruddha Godbole

Partner
Membership Number: 105149

Place: Mumbai
Date : 22nd April, 2024

For and on behalf of the Board of Directors of Zywie Ventures Private Limited

CIN : U74900CH2013PTC034657

Mihir Gadani

Director
DIN No: 06436118

Place: Mumbai
Date : 22nd April, 2024

Aarti Gill

Director
DIN No: 06625860

Place: Mumbai
Date : 22nd April, 2024

Nikhil Miglani

CFO

Place: Mumbai
Date : 22nd April, 2024

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

A) EQUITY SHARE CAPITAL

	As at 31st March, 2024		As at 31st March, 2023	
	Numbers	Amount	Numbers	Amount
Balance as at the beginning of the year	2,22,841	22.28	1,00,329	10.03
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	2,22,841	22.28	1,00,329	10.03
CCPS converted to equity shares during the year *	27,085	2.71	1,22,512	12.25
Balance at the end of the year	2,49,926	24.99	2,22,841	22.28

B) INSTRUMENTS ENTIRELY EQUITY IN NATURE

(i) Preference Share Capital

	Series A	
	Numbers	Amount
Balance as at the beginning of the year	27,085	27.08
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	27,085	27.08
CCPS converted to equity shares during the year	(27,085)	(27.08)
At 31st March, 2024	-	-
At 1st April, 2022	-	-
CCPS converted to equity shares during the year	-	-
Restated balance at 1st April, 2022	-	-
Changes in the instruments entirely equity in nature during the year (Refer note 14A)	27,085	27.08
At 31st March, 2023	27,085	27.08

* On 23rd February, 2024, pursuant to the approval by the Board of Directors of the Holding Company, 27,085 CCPS A shares of ₹ 100 each, have been converted to 27,085 equity shares of ₹ 10 each and ₹ 90 per share pertains to security premium.

C) OTHER EQUITY

	Equity component of compound financial instruments	Reserve & Surplus			Total other equity
		Securities Premium	Employee Stock Options Outstanding Account	Retained earnings	
Balances as at 1st April, 2022 (A)	-	-	153.58	(21,364.28)	(21,210.70)
Changes due to prior period errors	-	-	-	-	-
Restated balance as at 1st April, 2022	-	-	153.58	(21,364.28)	(21,210.70)
Profit for the year	-	-	-	5,830.69	5,830.69
Other comprehensive income					
Re-measurement Gain/(loss) of defined benefit plans, net of tax	-	-	-	(5.04)	(5.04)
Total comprehensive income (B)	-	-	-	5,825.65	5,825.65

(All amounts in ₹ lakhs, unless otherwise stated)

	Equity component of compound financial instruments	Reserve & Surplus			Total other equity
		Securities Premium	Employee Stock Options Outstanding Account	Retained earnings	
Transaction with owners of the Group					
Share Issue during the year at premium	-	10,230.88	-	-	10,230.88
Share converted to/from preference shares to equity shares	-	23.64	-	-	23.64
Issue of bonus shares	-	(1.80)	-	-	(1.80)
Share Issue Expense	-	(1,087.82)	-	-	(1,087.82)
Equity share and CCPS reclassified as equity from compound financial intrument during the year	-	15,806.72	-	-	15,806.72
CCPS classified as compound financial instrument during the year	*	-	-	-	-
Employee stock option plan reclassified from equity to cash settled	-	-	(153.58)	-	(153.58)
Total Transactions with the owners of the Group (C)	-	24,971.62	(153.58)	-	24,818.04
Balances as at 31st March, 2023 [(A)+(B)+(C)]	-	24,971.62	-	(15,538.63)	9,432.99
Balances as at 1st April, 2023 (A)	-	24,971.62	-	(15,538.63)	9,432.99
Changes due to prior period errors	-	-	-	-	-
Restated balance as at 1st April, 2023	-	24,971.62	-	(15,538.63)	9,432.99
Loss for the year	-	-	-	(4,356.21)	(4,356.21)
Other comprehensive income					
Re-measurement Gain/(loss) of defined benefit plans, net of tax	-	-	-	7.67	7.67
Total comprehensive income (B)	-	-	-	(4,348.54)	(4,348.54)
Transactions with owners of the Group					
Shares converted to from Preference shares to Equity Shares	-	24.38	-	-	24.38
Share Issue Expense	-	-	-	-	-
Total Transactions with the owners of the Group (C)	-	24.38	-	-	24.38
Balances as at 31st March, 2024 [(A)+(B)+(C)]	-	24,996.00	-	(19,887.17)	5,108.83

* represents amounts that are below the rounding off norms followed by the Group.

The accompanying notes 1 to 44 are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLPChartered Accountants
Firm's Registration Number : 101248W/W - 100022**For and on behalf of the Board of Directors of Zywie Ventures Private Limited**

CIN : U74900CH2013PTC034657

Aniruddha GodbolePartner
Membership Number: 105149**Mihir Gadani**Director
DIN No: 06436118**Aarti Gill**Director
DIN No: 06625860**Nikhil Miglani**

CFO

Place: Mumbai
Date : 22nd April, 2024Place: Mumbai
Date : 22nd April, 2024Place: Mumbai
Date : 22nd April, 2024Place: Mumbai
Date : 22nd April, 2024

Consolidated Cash Flow Statement

for the year ended 31st March, 2024

FINANCIAL STATEMENTS



(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31st March, 2024	Year ended 31st March, 2023
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax	(4,358.71)	5,455.07
Adjustments for:		
Depreciation and Amortisation expense	195.06	201.73
Share-based payment expense	(52.47)	750.43
Interest on fixed deposits with banks	(410.35)	(439.91)
Interest on income tax refund	-	(13.78)
Interest income on security deposits	(2.94)	(3.17)
(Gains) on fair value changes on financial liabilities	-	(9,552.70)
Loss on modification of leases	(52.00)	0.09
Interest expense on borrowings	65.94	577.36
Interest on lease liability	58.79	55.48
Interest expenses - others	0.15	86.99
Assets write off	22.36	-
Provision for slow and non-moving inventories	87.12	20.51
Allowance for expected credit loss	37.95	17.11
Cash outflows from operations before working capital changes	(4,409.10)	(2,844.79)
Adjustments for:		
Decrease/Increase in Non-Current Assets	32.31	(0.53)
Decrease/Increase in Current Assets	397.86	(890.20)
Decrease in Inventories	23.10	1,582.73
Increase/(decrease) in Non-Current Liabilities	28.82	(200.15)
Increase/(decrease) in Current Liabilities	1,269.60	(89.31)
Cash flows from operating activities	(2,657.41)	(2,442.25)
(Payment)/Refund of direct taxes (net)	(5.03)	183.46
Net cash flows (used in) operating activities - (A)	(2,662.44)	(2,258.79)
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(7.01)	(19.39)
Purchase of Intangible Asset	-	(25.73)
Investment in fixed deposits (net)	-	-
Proceeds from fixed deposits (net)	2,428.80	35.69
Interest Income	553.46	101.05
Net cash flows generated from investing activities - (B)	2,975.25	91.62

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31st March, 2024	Year ended 31st March, 2023
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liability	(161.40)	(138.69)
Proceeds from issue of debentures	-	500.00
Repayment of debentures	-	(2,500.00)
(Repayment)/Proceeds from short-term borrowings	-	(40.50)
Share issue expenses	-	(1,087.82)
Proceeds from issue of shares	-	10,236.07
Interest paid on borrowings	(66.09)	(643.85)
Net cash flow (used in)/generated from financing activities - (C)	(227.49)	6,325.21
Increase in cash and cash equivalents [(A)+(B)+(C)]	85.32	4,158.04
Add: Cash and cash equivalents at the beginning of the year	(1,271.51)	(5,429.55)
Cash and cash equivalents at the end of the year	(1,186.19)	(1,271.51)
Components of cash and cash equivalents		
Cash on hand	2.01	3.00
Balances with banks		
- in Current accounts	18.91	20.28
- Deposits with original maturity of less than three months	61.61	-
Total Cash and cash equivalents (refer note 10)	82.53	23.28
Less : Secured, Bank overdrafts (refer note 16)	(1,268.72)	(1,294.79)
Cash and cash equivalents for statement of cash flow	(1,186.19)	(1,271.51)

Changes in liabilities arising from financing activities

Particulars	Opening balance 1st April, 2023	Cash flows	Non-cash adjustments	Closing Balance 31st March 2024
Borrowings - Related Party Loan	1.01	-	-	1.01
Lease Liability	313.09	(161.40)	90.14	241.83
Total	314.10	(161.40)	90.14	242.84

Particulars	Opening balance 1st April, 2022	Cash flows	Non-cash adjustments	Closing Balance 31st March 2023
Borrowings - NCD	1,979.50	(2,000.00)	20.50	-
Borrowings - cash credit	40.00	(40.00)	-	-
Borrowings - Related Party Loan	1.51	(0.50)	-	1.01
Lease Liability	378.58	(138.69)	73.20	313.09
Total	2,399.59	(2,179.19)	93.70	314.10

Note -

The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS 7) on Statement of Cash Flows notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

The accompanying notes 1 to 44 are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration Number : 101248W/W - 100022

Aniruddha Godbole

Partner
Membership Number: 105149

Place: Mumbai
Date : 22nd April, 2024

For and on behalf of the Board of Directors of Zywie Ventures Private Limited

CIN : U74900CH2013PTC034657

Mihir Gadani

Director
DIN No: 06436118

Place: Mumbai
Date : 22nd April, 2024

Aarti Gill

Director
DIN No: 06625860

Place: Mumbai
Date : 22nd April, 2024

Nikhil Miglani

CFO

Place: Mumbai
Date : 22nd April, 2024

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE1 GROUP INFORMATION

The Consolidated Financial Statements comprises of Zywie Ventures Private Limited ("the Holding Company" or "the Company") and its subsidiary Zenherb Labs Private Limited (collectively referred to as "the Group") for the year ended 31st March, 2024. The Holding Company has become subsidiary of Hindustan Unilever Limited with effect from 10th January, 2023. Further, Zywie Ventures Private Limited shall be treated as deemed public company owing to being a subsidiary of Public Limited Company. The Group is primarily engaged in the business of manufacturing and selling of health and nutrition products under the brand name "OZiva".

The Holding Company and its subsidiary considered in these consolidated financial statements

a) Subsidiary

Name of the Company	Country of incorporation	Principal activities	Proportion (%) of equity interest
Zenherb Labs Private Limited	India	FMCG export business	As at 31st March, 2023
			100
			100

b) Share of Entities in Group

Name of the Entity	As at 31st March, 2024		For the year ended 31st March, 2024							
	Net Assets (Total Assets - Total Liabilities)		Share in Sales of Products		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated products and services	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent										
Zywie Ventures Private Limited	101.34%	5,202.56	99.44%	10,341.22	99.94%	(4,353.64)	128.94%	(9.89)	99.89%	(4,343.75)
Subsidiaries										
Zenherb Labs Private Limited	(1.32%)	(67.76)	0.59%	61.54	0.70%	(30.38)	-	-	0.70%	(30.38)
Inter-company eliminations	(0.02%)	(0.98)	(0.04%)	(3.67)	(0.64%)	27.81	(28.94%)	2.22	(0.59%)	25.59
Total	100.00%	5,133.82	100.00%	10,399.08	100.00%	(4,356.21)	100.00%	(7.67)	100.00%	(4,348.54)

Name of the Entity	As at 31st March, 2023		For the year ended 31st March, 2023							
	Net Assets		Share in Sales of Products		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	(Total Assets - Total Liabilities)		As % of consolidated products and services	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	
	As % of consolidated net assets	Amount								
Parent										
Zywie Ventures Private Limited	100.70%	9,548.53	100.50%	9,953.49	101.13%	5,896.60	100.05%	5.04	101.13%	5,891.56
Subsidiaries										
Zenherb Labs Private Limited	(0.39%)	(37.38)	0.90%	89.29	(0.65%)	(38.15)	-	-	(0.65%)	(38.15)
Inter-company eliminations	(0.30%)	(28.80)	(1.40%)	(138.99)	(0.48%)	(27.76)	(0.05%)	(0.00)	(0.48%)	(27.76)
Total	100.00%	9,482.35	100.00%	9,903.79	100.00%	5,830.69	100.00%	5.04	100.00%	5,825.65

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Statement of compliance

The consolidated financial statements of the entity have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Companies Act.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies adopted in the preparation of consolidated financial statements are consistent for all the periods presented in the financial statement.

All assets and liabilities have been classified as current or non-current as per the Group 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.

Subsidiary is entity where the group exercise or controls more than one-half of its total share capital. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The financial statements of the Holding Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/losses, unless cost/revenue cannot be recovered.

The excess of cost to the Group of its investment in subsidiary, on the acquisition dates over and above the Group's share of equity in the subsidiary, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiary as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiary is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiary consists of:

- The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
- The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

The profit and other comprehensive income attributable to non-controlling interests of subsidiary are shown separately in the Statement of Profit and Loss and Statement of Changes in Equity.

The consolidated financial statements are presented in Indian National Rupee (INR), the functional currency of the Holding Company. Items included in the consolidated financial statements of the Group are recorded using the currency of the primary economic environment in which the Holding Company operates (the 'functional currency'). Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the consolidated statement of profit and loss.

The Group has decided to round off the figures to the nearest lakhs. Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes to these financial statements.

The Consolidated Financial statements of the Group for the year ended 31st March, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 22nd April, 2024.

(b) Measurement

The consolidated financial statements have been prepared and presented under the historical cost convention, except for the following items, which are measured at fair value:

- Financial assets and financial liabilities - Compulsory Convertible Preference Shares
- Share based payments for cash settled
- Net defined benefit (asset)/liability

2.2 Key accounting estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts

(All amounts in ₹ lakhs, unless otherwise stated)

of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements 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 effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- a Measurement of defined benefit obligations – The liabilities of the Group arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions. Refer note 36 for significant assumptions used.
- b Recognition of deferred tax assets – Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 6 for recognition of deferred tax assets.
- c Measurement of Lease liabilities – The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Group uses significant judgement in

assessing the applicable discount rate. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates (IBR). The IBR is the rate of interest that the Group pays to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Refer note 17.

- d Share-based payments - Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and making assumptions about them. Refer note 36 for Share based payments

2.3 Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

2.4 Summary of Material Accounting Policies

The material accounting policies used in preparation of the consolidated financial statements have been included in the relevant notes to the consolidated financial statements.

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

	As at 31st March, 2024	As at 31st March, 2023
Owned Assets	100.18	169.98
Leased Assets	234.92	268.60
Total Property, plant and equipment	335.10	438.58

A. Owned Assets

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

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the consolidated statement of profit and loss during the year in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the consolidated statement of profit and loss.

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

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

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

Asset	Useful life*
Plant and Machinery	3 - 15 Years
Computers	3 Years
Furniture and fixtures	10 Years
Vehicles	10 Years
Office Equipment	5 Years

* In case of certain class of assets, the Group uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The exception are as under:

- a) Leasehold Improvement is amortised over the period of lease

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.

The management believes that the depreciation rates fairly reflect its estimation of the useful lives and residual values of the Property, plant and equipment.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their carrying value and estimated net realisable value and are disclosed separately in the consolidated financial statements. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

	Plant and Machinery	Computers	Furniture and fixtures	Vehicles	Office Equipment	Leasehold improvements	Total
Gross block							
Opening balance as at 1st April, 2022	62.43	93.12	10.60	14.61	20.71	57.44	258.91
Additions	6.67	11.30	-	-	1.42	-	19.39
Disposals	-	-	-	-	-	-	-
Opening balance as at 1st April, 2023	69.10	104.42	10.60	14.61	22.13	57.44	278.30
Additions	0.91	0.22	3.40	-	2.48	-	7.01
Disposals	(30.43)	(2.48)	(0.36)	-	(2.81)	(14.26)	(50.34)
Balance as at 31st March, 2024	39.58	102.16	13.64	14.61	21.80	43.18	234.97

(All amounts in ₹ lakhs, unless otherwise stated)

	Plant and Machinery	Computers	Furniture and fixtures	Vehicles	Office Equipment	Leasehold improvements	Total
Accumulated depreciation							
Opening balance as at 1st April, 2022	10.83	21.49	0.77	1.89	3.54	6.62	45.14
Depreciation for the year	15.08	32.86	1.01	1.90	4.39	7.94	63.18
On Disposals	-	-	-	-	-	-	-
Opening balance as at 1st April, 2023	25.91	54.35	1.78	3.79	7.93	14.56	108.32
Depreciation for the year	14.43	29.46	1.25	1.90	4.81	7.72	59.57
On Disposals	(21.93)	(2.48)	(0.02)	-	(1.27)	(7.40)	(33.10)
Balance as at 31st March, 2024	18.41	81.33	3.01	5.69	11.47	14.88	134.79
Net Block							
Balance as at 31st March, 2024	21.17	20.83	10.63	8.92	10.33	28.30	100.18
Balance as at 31st March, 2023	43.19	50.07	8.82	10.82	14.20	42.88	169.98

Notes:

- The Group has not revalued any of its property, plant and equipment.

B Leased Assets (Right-of-use assets)

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

- the contract involves the use of an identified asset
- the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Group has the right to direct the use of the asset.

The right-of-use asset ("ROU") is a lessee's right to use an asset over the life of a lease. At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these, the Group recognises the lease payments as an operating expense.

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

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

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

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

	Buildings
Gross Block	
Opening balance as at 1st April, 2022	458.60
Additions	18.52
Disposals	(7.85)
Opening balance as at 1st April, 2023	469.27
Additions	262.38
Disposals	(425.02)
Balance as at 31st March, 2024	306.63

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

	Buildings
Accumulated Depreciation	
Opening balance as at 1st April, 2022	102.19
Depreciation for the year	105.44
On Disposals	(6.96)
Opening balance as at 1st April, 2023	200.67
Depreciation for the year	113.13
On Disposals	(242.09)
Balance as at 31st March, 2024	71.71
Net Block	
Balance as at 31st March, 2024	234.92
Balance as at 31st March, 2023	268.60

NOTE 4 INTANGIBLE ASSETS

	As at 31st March, 2024	As at 31st March, 2023
Owned Assets	82.18	97.62
Intangible Asset under Development	20.61	32.65

Intangible assets purchased are initially measured at cost. Intangible Asset under development is stated at cost, net of accumulated impairment loss, if any. The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in consolidated statement of profit or loss as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Estimated useful lives by major class of finite-life intangible assets are as follows:

Asset	Useful lives - Management estimates (years)
Trademark	10 Years
Software	3-5 Years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Trademarks and Software which are not ready for intended use as on the date of Balance Sheet are disclosed as "Intangible Asset under Development".

	Intangible assets		Intangible Asset under Development	Total
	Finite Life Intangible assets			
	Trademark	Softwares		
Gross Carrying amount				
Opening balance as at 1st April, 2022	41.29	24.75	77.06	143.10
Additions - acquired separately	4.24	65.90	18.65	88.79
Disposals	-	-	-	-
Capitalisation	-	-	(63.06)	(63.06)
Opening balance as at 1st April, 2023	45.53	90.65	32.65	168.83
Additions - acquired separately	11.13	-	-	11.13
Disposals	(4.90)	(21.38)	(0.91)	(27.19)
Capitalisation	-	-	(11.13)	(11.13)
Balance as at 31st March, 2024	51.76	69.27	20.61	141.64

(All amounts in ₹ lakhs, unless otherwise stated)

	Intangible assets		Intangible Asset under Development	Total
	Finite Life Intangible assets			
	Trademark	Softwares		
Accumulated depreciation				
Opening balance as at 1st April, 2022	2.07	3.39	-	5.46
Amortization for the year	5.00	28.10	-	33.10
On Disposals	-	-	-	-
Opening balance as at 1st April, 2023	7.07	31.49	-	38.56
Amortization for the year	7.06	15.30	-	22.36
On Disposals	(2.09)	(19.98)	-	(22.07)
Balance as at 31st March, 2024	12.04	26.81	-	38.85
Net Book Value				
Balance as at 31st March, 2024	39.72	42.46	20.61	102.79
Balance as at 31st March, 2023	38.46	59.16	32.65	130.27

Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset other than inventory and deferred tax may be impaired. Intangible Assets Under Development are subject to 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.

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 consolidated statement of profit and loss.

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.

Impairment on Finite intangible assets is tested at each Balance sheet date only if there is any impairment indicator.

No impairment was identified as at 31st March, 2024 and 31st March, 2023.

Intangible Asset under Development (IAUD) Ageing Schedule

Balance as at 31st March, 2024

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
Projects in progress*	-	7.94	12.68	-	20.62
Projects temporarily suspended	-	-	-	-	-
Total	-	7.94	12.68	-	20.62

* There is no project under the intangibles for which timeline has been anticipated. It largely comprises of trademarks and copyrights applications which are yet to be granted.

Balance as at 31st March, 2023

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	INR lacs	INR lacs	INR lacs	INR lacs	INR lacs
Projects in progress	18.65	14.00	-	-	32.65
Projects temporarily suspended	-	-	-	-	-
Total	18.65	14.00	-	-	32.65

* There is no project under the intangibles for which timeline has been anticipated. It largely comprises of trademarks and copyrights applications which are yet to be granted.

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 5 OTHER FINANCIAL ASSETS

(Unsecured, considered goods unless otherwise stated)

Refer note 33 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Security deposits (refer note (b) and (c) below)	20.98	56.23
Investments in term deposits (with remaining maturity of more than twelve months) (refer note (a) below)	3,461.53	441.46
Total (A)	3,482.51	497.69
Current		
Security deposits	14.69	0.95
Other assets	2.43	1.96
Total (B)	17.12	2.91
Total (A+B)	3,499.63	500.60

Notes -

- (a) Held as lien by bank against overdraft facility amounting to ₹ 1,300 lakhs (31st March, 2023: ₹ 441.46 lakhs)
- (b) Refer note 38 for information about receivables from related party.
- (c) The Group has not given any advances to directors or other officers of the Holding or subsidiary Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member except the security deposit given under the terms and conditions of Rent Agreement entered into with Veena Gadani, relative of director.
- (d) Refer note 35 for information about credit risk and market risk for other financial assets.

NOTE 6 INCOME TAXES

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the consolidated 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.

Uncertain Tax position:

Management periodically evaluates positions taken in the tax returns with respect to situations in tax rates enacted or substantively enacted at the reporting date, regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

(All amounts in ₹ lakhs, unless otherwise stated)

A. Components Of Income Tax Expense**(i) Statement of profit and loss**

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current Tax		
Current Year	-	-
Adjustment of tax relating to earlier periods	-	-
Total (A)	-	-
Deferred tax charge		
Origination and reversal of temporary differences	(2.50)	(375.62)
Total (B)	(2.50)	(375.62)
Total (A+B)	(2.50)	(375.62)

(ii) Tax expense recognised in Other Comprehensive Income

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Deferred tax charge		
(Gain)/loss on remeasurement of net defined benefit plans	2.58	(1.69)
Total	2.58	(1.69)

B. Reconciliation of Effective Tax Rate

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

	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
	%	Amount	%	Amount
(Loss)/Profit before tax		(4,358.71)		5,455.07
Statutory income tax rate	25.17%	(1,097.09)	25.17%	1,373.04
Differences due to				
Expenses not deductible for tax purposes	0.24%	(10.56)	3.62%	199.72
Gains on derecognition of financial liabilities	-	-	(43.63%)	(2,404.42)
Unrecognised tax losses	(25.46%)	1,109.81	8.00%	441.16
Others *	0.11%	(4.66)	(0.05%)	14.88
Effective tax rate	0.06%	(2.50)	-6.89%	(375.62)

* Others includes impact due to prior period tax refunds.

C. Deferred Tax Assets and Liabilities

	As at 31st March, 2024	As at 31st March, 2023
Deferred tax assets	489.43	501.73
Deferred tax liabilities	(57.72)	(69.94)
Net deferred tax Asset/(liability)	431.71	431.79

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

D. Movement in Deferred Tax Assets and Liabilities

Movements during the year ended 31st March, 2024	For the year ended 31st March, 2024			
	As at 1st April, 2023	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in the Other Comprehensive Income	As at 31st March, 2024
Deferred tax assets/(liabilities)				
Provision for post retirement benefits and other employee benefits	27.14	7.23	(2.58)	31.79
Provision for doubtful debts and advances	9.12	6.36	-	15.48
Property, plant and equipment and Intangible assets	(4.97)	14.22	-	9.25
Impact of Right-of-Use Asset (include Security Deposit)	(64.97)	7.25	-	(57.72)
Impact of Lease Liabilities	78.29	(17.56)	-	60.73
Provision for sales return	-	25.87	-	25.87
Provision for slow and non-moving inventories	-	27.09	-	27.09
Share issue expenses	219.04	(54.76)	-	164.28
Employee Stock Option Plan	168.14	(13.20)	-	154.94
Total	431.79	2.50	(2.58)	431.71

Movements during the year ended 31st March, 2023	For the year ended 31st March, 2023			
	As at 1st April, 2022	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in other comprehensive income	As at 31st March, 2023
Deferred tax assets/(liabilities)				
Provision for post retirement benefits and other employee benefits	9.73	15.72	1.69	27.14
Provision for doubtful debts and advances	4.82	4.30	-	9.12
Property, plant and equipment and Intangible assets	(7.21)	2.24	-	(4.97)
Business losses	(0.02)	0.02	-	-
Impact of Right-of-Use Asset (include Security Deposit)	(86.79)	21.82	-	(64.97)
Impact of Lease Liabilities	95.29	(17.00)	-	78.29
Share issue expenses	-	219.04	-	219.04
Employee Stock Option Plan	38.66	129.48	-	168.14
Total	54.48	375.62	1.69	431.79

E. Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	As at 31st March, 2024		As at 31st March, 2023	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Deductible temporary differences				
Tax losses	5,981.60	1,505.57	1,677.68	422.27
Unabsorbed depreciation	134.33	33.81	75.05	14.58
Losses	6,115.93	1,539.38	1,752.73	436.85

(All amounts in ₹ lakhs, unless otherwise stated)

F. Tax losses

Tax losses of previous years for which no deferred tax asset was recognised lapse under Section 79 of the Income Tax Act, 1961 due to change in the ownership.

	31st March, 2024	Lapse Date	31st March, 2023	Lapse Date
Deductible temporary differences	4,303.92	FY 2031-32	1,677.68	FY 2030-31
Tax losses	1,677.68	FY 2030-31	-	-

G. Tax Assets and Liabilities

	As at 31st March, 2024	As at 31st March, 2023
Non-current tax assets (net of tax provision)	82.72	77.69
Non-current tax liabilities (net of tax assets)	-	-

H. Disclosure in Relation to Undisclosed Income

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

NOTE 7 OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2024	As at 31st March, 2023
Deposit with Government Authorities (Customs, GST, etc.)	0.25	0.25
Total	0.25	0.25

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

NOTE 8 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. The comparison of cost and net realisable value is made on an item-by-item basis.

Cost of raw materials, stock in trade and packing material 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 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.

	As at 31st March, 2024	As at 31st March, 2023
(a) Raw materials	23.46	199.66
[includes in transit: ₹ 0 lakhs (31st March, 2023: ₹ 0 lakhs)]		
(b) Finished goods (other than those acquired for trading)	-	783.55
[includes in transit: ₹ Nil (31st March, 2023: ₹ 21.40 lakhs)]		
(c) Stock-in-trade	887.07	37.54
[includes in transit: ₹ Nil (31st March, 2023: ₹ NIL lakhs)]		
Total	910.53	1,020.75

Notes - (a) During year ended 31st March, 2024 an amount of ₹ 87.63 lakhs (31st March, 2023: ₹ 20.51 lakhs) was charged to the statement of profit and loss on account of damaged and slow moving inventory. The reversal on account of above during the year amounted to ₹ 0 lakhs (31st March, 2023: 0 lakhs).

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 9 TRADE RECEIVABLES

Refer note 33 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured	896.30	1,739.69
Less: Allowance for expected credit loss	(12.67)	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	61.53	36.25
Less: Allowance for credit impairment	(61.53)	(36.25)
Total	883.63	1,739.69
The movement in change in allowance for expected credit loss and credit impairment		
Balance as at beginning of the year	(36.25)	(19.14)
Change in allowance for expected credit loss and credit impairment during the year	(37.95)	(17.11)
Trade receivables written off during the year	-	-
Balance as at the end of the year	(74.20)	(36.25)

Refer note 33 for information about credit risk and market risk of trade receivables.

Trade Receivable Ageing Schedule

As at 31st March, 2024

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	475.34	153.40	199.91	67.15	0.50	-	896.30
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	32.20	9.52	19.81	61.53
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total (A)	475.34	153.40	199.91	99.35	10.02	19.81	957.83
Allowance for credit impairment							12.67
Allowance for significant increase in credit risk							61.53
Total (B)							74.20
Total [(A)- (B)]							883.63

As at 31st March, 2023

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	730.13	935.24	74.32	-	-	-	1,739.69
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	5.61	12.27	5.08	13.29	36.25
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total (A)	730.13	935.24	79.93	12.27	5.08	13.29	1,775.94
Allowance for credit impairment							-
Allowance for significant increase in credit risk							36.25
Total (B)							36.25
Total [(A)- (B)]							1,739.69

There are no unbilled receivables as at 31st March, 2024 and 31st March, 2023.

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

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 10 CASH AND CASH EQUIVALENTS

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

	As at 31st March, 2024	As at 31st March, 2023
Cash on hand	2.01	3.00
Balances with banks		
- in current accounts	18.91	20.28
- Deposits with original maturity of less than three months	61.61	-
Total	82.53	23.28

NOTE 11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS MENTIONED ABOVE

	As at 31st March, 2024	As at 31st March, 2023
Investments in term deposits (with original maturity of more than three months but less than twelve months) (refer note (a) below)	2,594.70	8,182.66
Total	2,594.70	8,182.66

Notes -

(a) Held as lien by bank against overdraft facility amounting to ₹ Nil (31st March, 2023: ₹ 858.54 lakhs)

NOTE 12 LOANS

	As at 31st March, 2024	As at 31st March, 2023
Current		
Loans Others	3.52	2.25
Total	3.52	2.25
Sub-classification of Loans:		
Loans Receivables considered good- Secured	-	-
Loans Receivables considered good- Unsecured	3.52	2.25
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-

Refer note 33 for information about credit risk and market risk of trade receivables.

- 1) In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10/03/2015, loans given to employees as per the Group's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.
- 2) There are no loans or advances in the nature of loans granted to promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
 - (a) repayable on demand; or
 - (b) without specifying any terms or period of repayment
- 3) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 13 OTHER CURRENT ASSETS

	As at 31st March, 2024	As at 31st March, 2023
Advances other than Capital advances		
Balances with government authorities (GST, etc.)	1,936.74	1,512.17
Other advances (includes prepaid expenses etc.)*	70.35	90.15
Total	2,007.09	1,602.32

* There are no advances to directors or other officers of the Group or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

NOTE 14 SHARE CAPITAL

	As at 31st March, 2024		As at 31st March, 2023	
	Numbers	Amount	Numbers	Amount
Authorised share capital				
Equity shares of ₹10/- each	2,50,000	25.00	2,50,000	25.00
Series A Compulsorily convertible preference shares of ₹100/- each with voting rights	29,000	29.00	29,000	29.00
Series B Compulsorily convertible preference shares of ₹100/- each with voting rights	25,000	25.00	25,000	25.00
Series C Compulsorily convertible preference shares of ₹100/- each without voting rights	1,000	1.00	1,000	1.00
Issued, subscribed and fully paid up share capital				
Equity shares of ₹10/- each (refer note (a) below)	2,49,926	24.99	2,22,841	22.28
Series A Compulsorily convertible preference shares of ₹100/- each with voting rights (refer note (b) and (c) below)	-	-	27,085	27.08
	2,49,926	24.99	2,49,926	49.36

- (a) In previous year ended 31st March, 2023, The Holding Company had issued 26,169 equity share capital which were classified as financial liability measured at FVTPL due to buyback obligation attached to these shares.
- (b) In previous year ended 31st March, 2023, The Holding Company had issued 28,571 Series A CCPS on 5th May, 2020 which are classified as financial liability measured at FVTPL due to buyback obligation attached to these shares.
- (c) On 23rd February, 2024, pursuant to the approval by the Board of Directors of the Holding Company, 27,085 CCPS A shares of ₹100 each, have been converted to 27,085 equity shares of ₹ 10 each.

A. Reconciliation of the number of shares

	As at 31st March, 2024		As at 31st March, 2023	
	Equity Shares		Equity Shares	
	Numbers	Amount	Numbers	Amount
Equity Share Capital				
Balance as at the beginning of the year	2,22,841	22.28	1,00,329	10.03
Share classified as Equity during the year	-	-	26,169	2.62
Bonus Shares Issued during the year	-	-	18,028	1.80
Shares Issued during the year	-	-	52,049	5.20
CCPS converted to Equity Shares during the year	27,085	2.71	26,266	2.63
Balance as at the end of the year	2,49,926	24.99	2,22,841	22.28
Series A compulsorily convertible preference share capital				
	Preference Shares		Preference Shares	
	Numbers	Amount	Numbers	Amount
Balance as at the beginning of the year	27,085	27.08	-	-
Share classified as Compound financial instrument	-	-	-	-
Share classified as Equity during the year	-	-	28,571	28.57
Converted to Equity shares during the year	(27,085)	(27.08)	(1,486)	(1.49)
Balance as at the end of the year	-	-	27,085	27.08

(All amounts in ₹ lakhs, unless otherwise stated)

Series B compulsorily convertible preference share capital	Preference Shares		Preference Shares	
	Numbers	Amount	Numbers	Amount
Balance as at the end of the year	-	-	-	-
Share classified as Compound financial instrument	-	-	-	-
Share classified as Equity during the year	-	-	24,780	24.78
Converted to Equity shares during the year	-	-	(24,780)	(24.8)%
Balance as at the end of the year	-	-	-	-

B. Rights, preferences and restrictions attached to shares

(i) Equity shares

The Holding 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 Holding Company after distribution of all preferential amounts, in proportion to their shareholding. Out of aforementioned shares, 10,633 shares are classified as liability at initial recognition and hence contains Equity and Financial Liability component. These shares were re-classified as equity as at 10th January, 2023. Pursuant to the Share Holders Agreement ('SHA') dated 5th May, 2020, the Holding Company is required to undertake a buyback of all or any of the Investors Securities which includes equity shares held by the major investors. In previous year ended 31st March, 2023, shareholder has waived off the buy back obligation. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature".

(ii) Series A compulsorily convertible preference shares

The Holding Company has issued and allotted Series A Compulsorily Convertible Preference Shares ("CCPS") of ₹ 100/- each at a premium of ₹ 11,095/- per shares. The holder of CCPS would be entitled to participate pari passu in any cash or non-cash dividends paid to the holders of any other class of shares (including Equity Shares) or series on a pro rata, as-if-converted basis. The holder of CCPS have the right but not the obligation (i.e., at its option) to convert CCPS, in such numbers or in such tranches as it deems fit, into the relevant Equity Shares at any time (within maximum period of 20 years from date of ballottment/subscription) between date of allotment of CCPS up to the Mandatory Conversion Date (i.e. 3rd May, 2040) as defined in the Shareholders Agreement. Further, at the option of the holder of CCPS, on or prior to the occurrence of a Liquidation Event, CCPS shall convert into Equity Shares. The holder of CCPS shall convert into Equity Shares on a 1:1 basis except in certain limited scenario as set out in the terms and conditions of CCPS. The holder of the CCPS shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders of the Holding Company (including the holders of Equity Shares). Each of the Promoters, the Holding Company and all other Shareholders hereby acknowledge that the Investor has agreed to subscribe to the CCPS on the basis that the Investor will be able to exercise voting rights on the CCPS as if the same were converted into Equity Shares. Each CCPS shall entitle the holder to the number of votes equal to the number of whole or fractional Equity Shares into which such CCPS could then be converted. Above aforementioned shares are classified as Compound financial instrument at initial recognition and hence contains Equity and Financial Liability component. These shares were re-classified as equity as at 10th January, 2023. Pursuant to the Share Holders Agreement ('SHA') dated 5th May, 2020, the Holding Company is required to undertake a buyback of all or any of the Investors Securities which includes preference shares held by the major investors. In previous year ended 31st March, 2023, Shareholder has waived off the buy back obligation. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature".

On 23rd February, 2024, pursuant to the approval by the Board of Directors of the Holding Company, 27,085 CCPS A shares of ₹100 each were converted to 27,085 equity shares of ₹ 10 each and ₹ 90 pertains to security premium.

(ii) Series B compulsorily convertible preference shares

The Holding Company has issued and allotted Series B Compulsorily Convertible Preference Shares ("CCPS") of ₹ 100/- each at a premium of ₹ 31,951/- per shares. The holder of CCPS would be entitled to participate pari passu in any cash or non-cash dividends paid to the holders of any other class of shares (including Equity Shares) or series on a pro rata, as-if-converted basis. The holder of CCPS have the right but not the obligation (i.e., at its option) to convert CCPS, in such numbers or in such tranches as it deems fit, into the relevant Equity Shares at any time (within maximum period of 20 years from date of ballottment/subscription) between date of allotment of CCPS up to the Mandatory Conversion Date (i.e. 10th March, 2041) as defined in the Shareholders

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Agreement. Further, at the option of the holder of CCPS, on or prior to the occurrence of a Liquidation Event, CCPS shall convert into Equity Shares. The holder of CCPS shall convert into Equity Shares on a 1:1 basis except in certain limited scenario as set out in the terms and conditions of CCPS. The holder of the CCPS shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders of the Holding Company (including the holders of Equity Shares). Each of the Promoters, the Holding Company and all other Shareholders hereby acknowledge that the Investor has agreed to subscribe to the CCPS on the basis that the Investor will be able to exercise voting rights on the CCPS as if the same were converted into Equity Shares. Each CCPS shall entitle the holder to the number of votes equal to the number of whole or fractional Equity Shares into which such CCPS could then be converted. Above aforementioned shares are classified as Compound financial instrument at initial recognition and hence contains Equity and Financial Liability component. Pursuant to the Share Holders Agreement ('SHA') dated 5th May, 2020, the Holding Company is required to undertake a buyback of all or any of the Investors Securities which includes preference shares held by the major investors. These CCPS were converted into equity shares on 10th January, 2023.

C. Shares held by Holding Company

	As at 31st March, 2024		As at 31st March, 2023	
	Numbers	Amount	Numbers	Amount
Equity Share Capital				
Hindustan Unilever Limited	1,33,300	13.33	1,06,215	10.62
Series A compulsorily convertible preference share capital				
Hindustan Unilever Limited	-	-	27,085	27.09

D. Details of shareholders holding more than 5% shares in the Holding Company

	As at 31st March, 2024		As at 31st March, 2023	
	Numbers	% holding	Numbers	% holding
Equity Share Capital				
Hindustan Unilever Limited *	1,33,300	59.82%	1,06,215	47.66%
Mrs. Aarti Gill	56,051	25.15%	56,051	25.15%
Mr. Mihir Gadani	34,466	15.47%	34,466	15.47%
Eight Roads Ventures India III LLP	20,876	9.37%	20,876	9.37%
Series A compulsorily convertible preference share capital				
Hindustan Unilever Limited *	27,085	100.00%	27,085	100.00%

*During the previous year, Hindustan Unilever Limited invested in Zywie Ventures Private Limited by subscribing to 52,049 Equity share capital of the Holding Company. Hindustan Unilever Limited further purchased 54,166 equity shares, 27,085 Series A compulsorily convertible preference share capital of the Holding Company from existing Shareholders as on 10th January, 2023. Accordingly, Hindustan Unilever Limited acquired 51% on fully diluted basis (53.34% without dilution) in Holding Company.

E. Details of shares held by promoters

I. Equity shares of ₹ 10/- each

S. No	Promoter name	As at 31st March, 2024		As at 31st March, 2023		% change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited	1,33,300	53.34%	1,06,215	47.66%	5.67%
2	Mrs. Aarti Gill	56,051	22.43%	56,051	25.15%	(2.73%)
3	Mr. Mihir Gadani	34,466	13.79%	34,466	15.47%	(1.68%)
	Total Promoters shares outstanding	2,23,817		1,96,732		
	Total shares outstanding	2,49,926		2,22,841		

(All amounts in ₹ lakhs, unless otherwise stated)

S. No Promoter name	As at 31st March, 2023		As at 31st March, 2022		% change in the year
	Number of shares	% of total shares	Number of shares	% of total shares	
1 Hindustan Unilever Limited	1,06,215	47.66%	-	-	100.00%
2 Mrs. Aarti Gill	56,051	25.15%	62,127	61.92%	(9.78%)
3 Mr. Mihir Gadani	34,466	15.47%	38,202	17.14%	(9.78%)
Total Promoters shares outstanding	1,96,732		1,00,329		
Total shares outstanding	2,22,841		1,00,329		

II. Series A compulsorily convertible preference share capital of ₹ 100 each

S. No Promoter name	As at 31st March, 2024		As at 31st March, 2023		% change in the year
	Number of shares	% of total shares	Number of shares	% of total shares	
1 Hindustan Unilever Limited	-	-	27,085	100%	(100%)

S. No Promoter name	As at 31st March, 2023		As at 31st March, 2022		% change in the year
	Number of shares	% of total shares	Number of shares	% of total shares	
1 Hindustan Unilever Limited	27,085	100%	-	-	100%

- F.** The Holding Company has established cash-settled share-based payment plan for employees of the Holding Company. Refer note 36 for further details on the plan.

Particulars	As at 31st March, 2024	As at 31st March, 2023
Number of Equity shares	4,432	4,382
	4,432	4,382

NOTE 15 OTHER EQUITY**A. Summary of Other Equity balance**

	As at 31st March, 2024	As at 31st March, 2023
Securities Premium	24,996.00	24,971.62
Retained earnings	(19,887.17)	(15,538.63)
Total Other Equity	5,108.83	9,432.99

B. Nature and purpose of reserves**a. Securities Premium Reserve**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	24,971.62	-
Shares issued during the year at premium	-	10,230.88
Shares converted to from Preference shares to Equity Shares	24.38	23.64
Issue of bonus shares	-	(1.80)
Less: Share issue expenses	-	(1,087.82)
Add/(Less): Addition during the year on account of change in classification of compound financial instrument	-	15,806.72
Balance at the end of the year	24,996.00	24,971.62

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

b. Retained earnings

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

Remeasurements of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	(15,538.63)	(21,364.28)
Add: Profit for the year	(4,356.21)	5,830.69
Add: Other comprehensive income for the year (Remeasurement of Net Defined Benefit Plans)*	7.67	(5.04)
Balance at the end of the year	(19,887.17)	(15,538.63)

	As at 31st March, 2024	As at 31st March, 2023
*Movement in Remeasurement of Net Defined Benefit Plans		
Balance at the beginning of the year	-	-
Add: Gain/(loss) on remeasurement of net defined benefit plans, net of tax	7.67	(5.04)
Less: Transfer to retained earnings	(7.67)	5.04
Balance at the end of the year	-	-

c. Employee Stock Reserve

The fair value of the equity-settled share based payment transactions is recognised in consolidated statement of profit and loss with corresponding credit to Employee Stock Options expense account.

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	-	153.58
Add: Addition during the year	-	-
Less: Classified as cash settled option*	-	(153.58)
Balance at the end of the year	-	-

* During the previous year ended 31st March, 2023, equity settled share based payment transaction is classified as cash settled share based payment transaction and therefore equity reserve is derecognised and liability for cash settled share based payment was recognised as at 10th January, 2023. Any difference between the carrying amount of equity derecognised and the amount of liability recognised on the modification date is recognised in profit or loss account.

d. Equity component of Compound financial instrument

The convertible preference share reserve contains the equity component of the issued convertible shares. The liability component is reflected in financial liabilities.

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year*	0.00	-
Add: Addition during the year	-	0.00
Less: Shares Forfeited*	(0.00)	-
Balance at the end of the year	-	0.00

* In the previous year ended 31st March, 2023, The value CCPS series C classified as compound financial instrument. The financials are presented in lakhs and hence the amount is shown as "0.00".

e. Capital management

Equity share capital and other equity are considered for the purpose of Group's capital management.

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

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

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 16 BORROWINGS

Refer note 33 for accounting policy on financial instruments

	Effective Interest Rate %	Maturity	As at 31st March, 2024	As at 31st March, 2023
Current				
Loan repayable on demand				
From banks				
- Secured, Bank overdrafts	Refer note 1 below		1,268.72	1,294.79
Loan from related parties				
Unsecured, from director	Refer note 2 below		1.01	1.01
			1,269.73	1,295.80
Aggregate Secured loans			1,268.72	1,294.79
Aggregate Unsecured loans			1.01	1.01
			1,269.73	1,295.80

Notes:

1. Secured, Bank overdrafts are obtained at interest ranging between 5.15% to 7.30% (31st March, 2023 - 6 % to 7.20%) and is repayable on demand. The bank overdrafts are secured against the term deposits.
2. Unsecured, interest free loans, from directors outstanding as at 31st March, 2024 and 31st March, 2023 are repayable on demand

NOTE 17 LEASE LIABILITIES

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

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

	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Lease liabilities payable beyond 12 months	197.52	167.62
Total	197.52	167.62
Current		
Lease liabilities payable within 12 months	44.31	145.47
Total	44.31	145.47

The incremental borrowing rate applied to lease liabilities is in the range of 14% per annum (2023: 14% per annum) based on the lease term.

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

	As at 31st March, 2024	As at 31st March, 2023
Balance as at beginning of the year	313.09	378.58
Add: Addition	262.38	18.52
Add: Accretion of interest	58.79	55.48
Less: Payments	(161.40)	(138.69)
Less: Others (including foreclosure)	(231.03)	(0.80)
Balance as at end of the year	241.83	313.09

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Maturity analysis of lease liabilities

	As at 31st March, 2024	As at 31st March, 2023
Less than one year	80.00	138.89
One to two years	78.28	140.25
Two to five years	194.02	109.55
More than five years	-	-
Undiscounted lease liability (A)	352.30	388.69
Less : Financing component (B)	110.47	75.60
Closing balance of lease liability [(A)-(B)]	241.83	313.09

NOTE 18 OTHER FINANCIAL LIABILITIES

	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Employee Stock Option Scheme (Refer note 35 of financial statement)	615.55	668.02
Total	615.55	668.02
Current		
Salaries, wages, bonus and other employee payable	130.81	33.53
Total	130.81	33.53

Refer Note 33 for information about liquidity risk of other financial liability.

NOTE 19 PROVISIONS

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 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 assessment of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Provision for employee benefits		
Provision for gratuity	86.23	67.66
Total	86.23	67.66
Current		
Provision for employee benefits		
Provision for Leave Compensation	40.17	40.17
Provision for Sales returns	102.80	42.75
Total	142.97	82.92

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

	Sales Returns
Opening balance as at 1st April, 2022	34.92
Add: Provision during the year	42.75
Less: Amount utilised during the year	-
Less: Amount reversed during the year	(34.92)
Opening balance as at 1st April, 2023	42.75
Add: Provision during the year	102.80
Less: Amount utilised during the year	-
Less: Amount reversed during the year	(42.75)
Balance as on 31st March, 2024	102.80

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. The provision for sales return comprises the returns that company is expecting in future basis the past trends.

The Group does not expect any reimbursements in respect of the above provisions.

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 20 TRADE PAYABLES

Refer note 33 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Total outstanding, dues of micro and small enterprises	471.19	635.50
Total outstanding, dues of creditors other than micro and small enterprises	2,710.13	1,459.10
Total	3,181.32	2,094.60

Disclosure Pertaining To Micro, Small And Medium Enterprises

	As at 31st March, 2024	As at 31st March, 2023
A(i). The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	471.19	635.50
A(ii). Principal amount due to micro and small enterprises	465.17	631.59
A(iii). Interest due on above	2.87	3.91
B. The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
C. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
D. The amount of interest accrued and remaining unpaid at the end of each accounting year	6.02	6.93
E. The amount of further 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 enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

Trade Payables Ageing Schedule**As at 31st March, 2024**

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	414.66	56.48	0.05	-	-	471.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	881.70	572.71	16.60	-	-	1,471.01
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	1,296.36	629.19	16.65	-	-	1,942.20
Add - Accrued expenses						1,239.12
Total						3,181.32

As at 31st March, 2023

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	303.87	331.44	0.19	-	-	635.50
Total outstanding dues of creditors other than micro enterprises and small enterprises	400.63	347.38	14.93	-	-	762.94
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	704.50	678.82	15.12	-	-	1,398.44
Add - Accrued expenses						696.16
Total						2,094.60

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 21 OTHER CURRENT LIABILITIES

	As at 31st March, 2024	As at 31st March, 2023
Statutory dues (including provident fund, tax deducted at source and others)	56.94	53.12
Others (including advance from customers etc.)	75.00	59.04
Total	131.94	112.16

NOTE 22 REVENUE FROM OPERATIONS

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue is measured on the basis of transaction price, which is the consideration, adjusted for 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.

Our customers have the contractual right to return goods only when authorised by the Group. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Income from Services rendered

Income from services rendered is recognised based on agreements/arrangements with the customers as and when the service is performed.

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from contract with customers		
Sale of products		
Sale of manufactured goods	1,941.08	7,885.76
Sale of traded goods	8,458.00	2,018.03
	10,399.08	9,903.79
Other operating income		
Income from services rendered	0.98	0.44
Others	-	28.00
	0.98	28.44
Total revenue from operations	10,400.06	9,932.23

22a. Set out below is the disaggregation of the Group's revenue from contract with customer

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Geographical location of customer		
India	10,341.39	9,790.82
Outside India	57.69	112.97
Total revenue from contract with customers	10,399.08	9,903.79

22b. Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue as per contracted price	10,690.70	10,249.30
Other deductions *	(291.62)	(345.51)
Revenue from contract with customers	10,399.08	9,903.79

* Other deduction includes claims to customers, incentives, free samples and visibility claims, etc.

Notes -

- The Group does not have any contract asset as on 31st March, 2024 (31st March, 2023 - Nil)
- The Group does not have any contract liability as on 31st March, 2024 (31st March, 2023 - Nil)

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 23 OTHER INCOME

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the Statement of Profit and Loss.

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest income on		
- Bank deposits	410.35	439.91
- Income tax refund	3.72	13.78
- Others Income	2.94	3.17
Gain on fair value changes on financial liabilities *	-	9,552.70
Gain on fair value of share based payment	52.47	-
Others	65.15	2.57
Total	534.63	10,012.13

* This represent the gain on buy back obligation extinguishment on Equity, CCPS Series A and Series B

NOTE 24 COST OF MATERIALS CONSUMED

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Inventory of materials at the beginning of the year	199.66	797.74
Add : Purchases	506.67	2,326.16
Less : Inventory of materials at the end of the year	(23.46)	(199.66)
Total	682.87	2,924.24

NOTE 25 PURCHASE OF TRADED GOODS

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Purchase of traded goods	3,897.02	840.37
Total	3,897.02	840.37

NOTE 26 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening inventories		
Finished goods	783.55	994.13
Stock-in-trade	37.54	832.12
Total (A)	821.09	1,826.25
Closing inventories		
Finished goods	-	783.55
Stock-in-trade	887.07	37.54
Total (B)	887.07	821.09
Total [(A)-(B)]	(65.98)	1,005.16

NOTE 27 EMPLOYEE BENEFIT EXPENSE**Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and performance incentives, are charged to consolidated statement of profit and loss on an undiscounted, accrual basis during the period of service rendered by the employees in the financial year.

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. Group's provident fund contribution, in respect of certain employees, is made to a Government administered fund and charged as an expense to the consolidated statement of

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

profit and loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability/(asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972. Which entitles an employee, who has rendered at least five years of continuous service, to gratuity payable on termination of his employment at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The plan is partly funded by LIC of India and partly non-funded.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Group's net obligation into current and non-current is as per the actuarial valuation report.

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised based on undiscounted value of estimated value of benefit expected to be availed by the employees.

Termination benefits

Termination benefits are expensed at the earlier of when the entity can no longer withdraw the offer of those benefits or when the entity 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.

Share Based Payment transactions

Employees of the Group 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 Group issues fresh equity shares.

For cash-settled share-based payments, the fair value of the amount payable 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.

(All amounts in ₹ lakhs, unless otherwise stated)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries, wages and bonus	1,521.80	1,813.03
Share based payment	-	750.43
Contribution to provident and other funds	60.75	70.61
Staff welfare expenses	25.39	18.39
Total	1,607.94	2,652.46

NOTE 28 FINANCE COSTS

Finance costs includes costs in relation to borrowings and similar obligations, interest on lease liabilities which represents the unwinding of the discount rate applied to lease liabilities and also include interest costs in relation to financial liabilities.

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest expense on financial liabilities at amortised cost	-	250.37
Interest on bank overdraft	65.94	326.99
Interest on lease liabilities	58.79	55.48
Others	0.15	86.99
Total	124.88	719.83

NOTE 29 DEPRECIATION AND AMORTISATION EXPENSE

Refer note 3 and 4 for accounting policy on depreciation and amortisation cost respectively.

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Depreciation on property, plant and equipment (owned assets)	59.57	63.19
Depreciation on property, plant and equipment (leased assets)	113.13	105.44
Amortisation on intangible assets	22.36	33.10
Total	195.06	201.73

NOTE 30 OTHER EXPENSES

	For the year ended 31st March 2024	For the year ended 31st March 2023
Advertising and promotion	6,151.84	3,834.55
Marketplace Commission	784.99	646.20
Carriage and freight	1,084.16	821.15
Power, fuel, light and water	7.09	5.10
Rent	3.89	1.82
Travelling and motor car expenses	50.32	101.56
Repairs	13.38	3.89
Product Testing Charges	58.84	61.64
Packing & Design Charges	4.05	36.81
Professional Fees	139.08	146.28
Software Subscription Charges	171.35	167.56
Insurance Charges	36.99	30.84
License Fee Charges	0.78	25.00
Telephone & Mobile Expense	120.50	111.59
Bank Fees and Charges	1.99	13.25
Printing and Stationery	13.75	13.12
Miscellaneous expenses	208.61	125.14
Total	8,851.61	6,145.50
Note:		
Miscellaneous expenses include:		
Payments to the auditors for:		
Statutory audit fees	20.00	20.00
Tax audit fees	2.00	2.00
Others		
Fees for other audit related services	-	-
Fees for certification	-	-
Reimbursement of out-of-pocket expenses *	0.88	0.23
Total	22.88	22.23

* The reimbursement of out-of-pocket expenses pertains to erstwhile auditors of Holding Company.

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 31 EARNINGS PER SHARE (EPS)

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Holding 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

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

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(Loss)/Profit after tax for the year (A)	(4,348.54)	5,830.69
Consolidated Weighted average number of equity shares for basic EPS (B)	2,49,926	1,47,555
Basic Earning per equity share [(A)/(B)]	(1,739.93)	3,951.54
Loss after tax for the year (C)	(4,401.01)	(3,722.01)
Weighted average number of Equity shares for diluted EPS (D)	2,53,211	1,52,683
Diluted Earning per share (refer note (d) below) [(C)/(D)]	(1,738.08)	(2,437.74)

Consolidated Weighted - average number of equity shares (basic)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening balance	2,22,841	1,00,329
Effect of bonus share issued (refer note (a) below)	-	18,028
Effect of Liability classified as equity shares and instruments entirely equity in nature **	-	11,636
Effect of Share issued during the year	-	11,551
Preference shares outstanding during the year, to be converted into equity shares **	27,085	6,011
Closing balance	2,49,926	1,47,555

Loss attributable to equity shareholders (diluted)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Profit/(loss) attributable to equity shareholders (basic)	(4,348.54)	5,830.69
Gain on fair value changes on financial liabilities	-	(9,552.70)
Gain on fair value of share based payment	(52.47)	-
Loss attributable to equity shareholders (diluted)	(4,401.01)	(3,722.01)

Consolidated Weighted - average number of equity shares (diluted)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Issued equity shares at the beginning of the year	2,22,841	1,00,329
Effect of bonus share issued (refer note (a) below)	-	18,028
Effect of liability classified as instruments entirely equity in nature (refer note (b) below)	-	11,636
Effect of share issued during the year	-	11,551
Preference shares outstanding during the year, to be converted into equity shares (refer note (c) and note (e) below)	27,085	6,011
Employee share option	3,285	5,128
Weighted - average number of equity shares (diluted)	2,53,211	1,52,683

(a) On 27th December, 2022, the Holding Company has allotted 18,028 bonus equity shares of ₹ 100 each to Series A and Series B Compulsorily Convertible Preference shareholders of the Holding Company as below:

- 2,536 bonus shares to holders of Series A compulsorily convertible preference shares and
- 15,492 bonus shares to holders of Series B compulsorily convertible preference shares

(All amounts in ₹ lakhs, unless otherwise stated)

- (b) On 20th December, 2022, pursuant to the approval by the Board of Directors of the Holding Company and the amendment to the shareholders agreement dated 8th December, 2022, the conversion ratio for 0.001% Cumulative Compulsorily Convertible Preference Shares of Series A ("CCPS A") stands changed from 1 equity share for 1 CCPS A share to 1 equity share for 1 CCPS A share. Accordingly, 1,486 CCPS A shares of ₹100 each, have been converted to 1,486 equity shares of ₹ 10 each, on 8th December, 2022.
- (c) On 6th January, 2023, pursuant to the approval by the Board of Directors of the Holding Company and the amendment to the shareholders agreement dated 6th January, 2023, the conversion ratio for 0.001% Cumulative Compulsorily Convertible Preference Shares of Series B ("CCPS B") stands changed from 1 equity share for 1 CCPS B share to 1 equity share for 1 CCPS B share. Accordingly, 24,780 CCPS B shares of ₹100 each, have been converted to 24,780 equity shares of ₹ 10 each, on 6th January, 2023.
- 626 Series C CCPS are forfeited as at 6th January, 2023 on account of non payment of outstanding subscription amount by the erstwhile shareholder in response to the call notice issued by the Holding Company.
- (d) The effect of conversion of 0% redeemable, convertible, non-cumulative, preference shares into equity shares being anti-dilutive, has not been considered for the purpose of computing diluted earnings per share.
- (e) On 23rd February, 2024, pursuant to the approval by the Board of Directors of the Holding Company, 27,085 CCPS A shares of ₹ 100 each, have been converted to 27,085 equity shares of ₹ 10 each.

NOTE 32 CONTINGENT LIABILITIES, CAPITAL AND OTHER COMMITMENTS

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

A. Contingent Liabilities

	As at 31st March, 2024	As at 31st March, 2023
Claims against the Holding Company not acknowledged as debts		
Indirect Tax matters	81.80	-
	81.80	-

- (i) It is not practicable for the Holding 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 Holding Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) The Holding Company's pending litigations comprise of proceedings pending with indirect tax authorities. The Holding Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its standalone financial statements. The Holding Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

B. The Group does not have any capital and other commitments as on 31st March, 2024 and 31st March, 2023.

NOTE 33 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I Financial Assets:

(a) Initial recognition and measurement

Financial assets, except for trade receivables, are recognised when the Group becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value.

Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate for these receivables is zero.

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Subsequent measurement and classification

The subsequent measurement of a financial asset depends on the classification of the asset on the basis of business model for managing such assets and the contractual cash flow characteristics of such asset. These classifications are:

- 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 Group changes its business model for managing financial assets.

In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the consolidated statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

(c) 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.

(d) Debt Instruments

Debt instruments includes Compulsorily Convertible Debentures at a coupon of 14% 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 Group's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(i) Financial assets at amortised costs

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 consolidated statement of profit and loss.

Financial assets that give rise to cash flows on specified dates that are solely the payments of principal and interest; and the financial asset is held within a business model whose objective is solely to collect those cash flows, then the financial asset is classified and measured at amortised cost.

These are measured by applying the effective interest rate method. The effective interest rate method allocates interest income over the relevant period by applying the effective interest rate (that is the interest rate that exactly discounts expected future cash flows to the gross carrying amount of the asset).

(ii) Financial instruments 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 consolidated statement of profit and loss.

(iii) Financial assets 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 consolidated 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 consolidated statement of profit and loss.

Derecognition

The Group 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 or has assumed an obligation to pay the received cash flows to one or more recipient.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has

(All amounts in ₹ lakhs, unless otherwise stated)

not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

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

- (a) Trade receivables
- (b) Financial assets measured at amortised cost (other than trade receivables)

In case of trade receivables, the Group 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 above), the Group 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 Group 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 Group in accordance with the contract and all the cash flows that the Group 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.

ECL allowance recognised (or reversed) during the period is recognised as income/expense in the consolidated 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 Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

II Financial Liabilities:

(a) Initial recognition and measurement

Financial liabilities are recognised when the Group 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.

(b) Subsequent measurement

The subsequent measurement of a financial asset depends on the classification of the asset on the basis of business model for managing such assets and the contractual cash flow characteristics of such asset. These classifications are:

- 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 Group changes its business model for managing financial assets.

In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the consolidated statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

(c) 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 consolidated statement of profit and loss.

(d) Offsetting financial instruments

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

A Accounting Classifications and Carrying value

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

	Note	Carrying value	
		As at 31st March, 2023	As at 31st March, 2023
Financial Assets			
Financial assets measured at amortised cost			
Other non-current financials assets	5	3,482.51	497.69
Other current financials assets	5	17.12	2.91
Trade Receivables	10	883.63	1,739.69
Cash and Cash Equivalents	10	82.53	23.28
Bank balances other than cash and cash equivalents mentioned above	11	2,594.70	8,182.66
Loans	13	3.52	2.25
		7,064.01	10,448.48
Financial Liabilities			
Financial liabilities measured at fair value			
Employee Stock Option Plan (Cash Settled Liability)	18	615.55	668.02
Financial liabilities measured at amortised cost			
Lease Liabilities	17	241.83	313.09
Borrowings	16	1,269.73	1,295.80
Other financial liabilities	18	130.81	33.53
Trade payables	20	3,181.33	2,094.60
		5,439.25	4,405.04

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables and trade payables at carrying value 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 year ended 31st March, 2024	For the year ended 31st March, 2023
Financial assets measured at amortised cost			
Interest income	23	417.01	456.86
Financial liabilities measured at amortised cost			
Interest expense	28	66.09	664.35
Interest on lease liabilities	28	58.79	55.48

(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, 2024

	Level 1	Level 2	Level 3	Total
Liabilities at fair value				
- Lease Liabilities	-	-	241.83	241.83

As at 31st March, 2023

	Level 1	Level 2	Level 3	Total
Liabilities at fair value				
- Lease Liabilities	-	-	313.09	313.09

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. The following methods and assumptions were used to estimate the fair values:

Other financial assets and liabilities

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

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as significant unobservable inputs used.

Financial Instruments measured at Fair Values

Type	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Lease Liabilities	Discounted cash flow approach : The approach model considers the present value of expected payments/ receipts, discounted using incremental borrowing rates.	Discount rate 100 bps	Increase in discount rate by 100 bps points will increase the lease liability by ₹ 2.42 lakhs and 100 bps decrease would have led to an equal but opposite effect.

Transfers between Levels 1 and 2

There are no transfers between Level 1 and Level 2 during the reporting year.

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Reconciliation of Level 3 fair value measurements of financial liabilities is given below:

(A) Financial Liability component of Compulsory Convertible Preference Shares

Reconciliation of movements in Level 3 valuations	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening	-	17,051.51
Additions during the year	-	-
Payments during the year	-	-
Gain recognised in profit and loss on fair value adjustments	-	(6,335.22)
Transfer to profit and loss on extinguishment of buy-back rights	-	(10,716.29)
Closing	-	-

(B) Financial Liability component of Equity Shares

Reconciliation of movements in Level 3 valuations	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening	-	8,363.87
Additions during the year	-	-
Payments during the year	-	-
Gain recognised in profit and loss on fair value adjustments	-	(3,217.47)
Transfer to profit and loss on extinguishment of buy-back rights	-	(5,146.40)
Closing	-	-

(C) Lease Liabilities

Reconciliation of movements in Level 3 valuations	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening	313.09	378.58
Additions during the year	321.17	74.00
Payments during the year	(161.40)	(138.69)
Others (foreclosure)	(231.03)	(0.80)
Closing	241.83	313.09

Other financial assets and liabilities

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

NOTE 34 FINANCIAL RISK MANAGEMENT

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk, credit risk and other price risk. The Group's senior management has the overall responsibility for establishing and governing The Group's risk management framework. The Group has constituted a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Group.

A Management of Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2024 and 31st March, 2023.

The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

(All amounts in ₹ lakhs, unless otherwise stated)

The following table shows the maturity analysis of the Group's financial assets and financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

	Note	Carrying amount	Undiscounted Amount				
			Within 1 year	1-2 year	2-5 Year	More than 5 years	Total
As at 31st March, 2024							
Financial assets							
Non-derivative assets							
Loans	12	3.52	3.52	-	-	-	3.52
Trade Receivables	9	883.63	883.63	-	-	-	883.63
Cash and cash equivalents	10	82.53	82.53	-	-	-	82.53
Bank Balances other cash and cash equivalents	11	2,594.70	2,594.70	-	-	-	2,594.70
Investments in term deposits (with remaining maturity of more than twelve months)	5	3,461.53	-	3,232.75	228.78	-	3,461.53
Other assets	5	2.43	2.43	-	-	-	2.43
Security deposits	5	35.67	14.69	-	63.08	-	77.77
Financial liabilities							
Non-derivative liabilities							
Lease Liabilities	17	241.83	80.75	78.28	194.02	-	353.05
Borrowings	16	1,269.73	1,269.73	-	-	-	1,269.73
Trade payables	20	3,181.32	3,181.32	-	-	-	3,181.32
Employee liabilities	18	130.81	130.81	-	-	-	130.81
Other financial liabilities	19	615.55	-	615.55	-	-	615.55

	Note	Carrying amount	Undiscounted Amount				
			Within 1 year	1-2 year	2-5 Year	More than 5 years	Total
As at 31st March, 2023							
Financial assets							
Non-derivative assets							
Loans	12	2.25	2.25	-	-	-	2.25
Trade Receivables	9	1,739.69	1,739.69	-	-	-	1,739.69
Cash and cash equivalents	10	23.28	23.28	-	-	-	23.28
Bank Balances other cash and cash equivalents	11	8,182.66	8,182.66	-	-	-	8,182.66
Investments in term deposits (with remaining maturity of more than twelve months)	5	441.46	-	441.46	-	-	441.46
Other assets	5	1.96	1.96	-	-	-	1.96
Security deposits	5	57.19	0.95	-	64.66	-	65.61
Financial liabilities							
Non-derivative liabilities							
Lease Liabilities	17	313.09	138.89	140.25	109.55	-	388.70
Trade payables	20	2,094.61	2,094.61	-	-	-	2,094.61
Employee liabilities	18	33.53	33.53	-	-	-	33.53
Borrowings	16	1,295.80	1,295.80	-	-	-	1,295.80
Other financial liabilities	19	668.02	-	-	-	668.02	668.02

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

B Management of Market Risk

The Group's business activities are exposed to a variety of financial risks, namely:

- currency risk;
- interest rate risk; and
- other price risk (commodity risk)

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group's exposure to foreign currency risk at the end of reporting period expressed in INR as on 31st March, 2024

Particulars	As at 31st March, 2024	As at 31st March, 2023
Financial assets		
Foreign Currency receivables for export of goods	-	12.15
Financial liabilities		
Foreign Currency payables for Import of service and advance from customer	-	58.85
Net exposure for Foreign currency risk (Liabilities)	-	(46.70)

Impact on profit/(loss) for the year for a 5% change:

Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
	5% Appreciation	5% Depreciation	5% Appreciation	5% Depreciation
USD/INR	-	-	(2.34)	2.34

Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates to borrowings from financial institutions. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates to borrowings from banks. Refer note 18 of financial statements.

The Group is mainly exposed to the interest rate risk due to its investment in debt mutual funds. The interest rate risk arises due to uncertainties about the future market interest rate on these investments.

Particulars	As at 31st March, 2024	As at 31st March, 2023
Variable Rate Instruments		
Financial Liabilities	1,269.73	1,295.80

Interest rate sensitivity - fixed rates

The Group's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rates

	Profit or loss	
	100 bps increase	100 bps decrease
31st March, 2024		
Variable-rate borrowings		
Borrowings	-	(7.20)
31st March, 2023		
Variable-rate borrowings		
Borrowings	-	(2.72)

(All amounts in ₹ lakhs, unless otherwise stated)

C Management of Credit Risk

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

Trade receivables

The Group adopts cash and carry terms for a majority of its Sales revenue, thus eliminating any component of risk. Further customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

There are no receivables for more than 10% from each customer.

Other financial assets

The Group maintains exposure in cash and cash equivalents, money market liquid mutual funds with financial institutions. The Group has set counter-party limits based on multiple factors including financial position, credit rating, etc. The Group's maximum exposure to credit risk as at 31st March, 2024 and as at 31st March, 2023 is the carrying value of each class of financial assets.

NOTE 35 EMPLOYEE BENEFITS

The Group has classified various employee benefits as under:

I. Defined contribution plans

Refer Note 27 for accounting policy on Employee Benefits.

Amount towards Defined contribution plan have been recognised under "Contribution to Provident and Other funds" in Note 27 of Statement of Profit and Loss. The Group has made contribution to provident fund and other funds of ₹ 28.94 (31st March, 2023 - ₹ 35.96 lakhs). Further Group has contributed in ESIC of ₹ 1.47 lakhs (31st March, 2023 : ₹ 2.22 lakhs)

II. Defined benefit plans

Refer Note 27 for accounting policy on Employee Benefits.

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Group reviews the level of funding in gratuity fund and decides its contribution. The Group aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium-term.

A Balance Sheet

The assets, liabilities and (surplus)/deficit position of the defined benefit plans at the Balance Sheet date were:

	Retirement Benefit Plans	
	As at 31st March, 2024	As at 31st March, 2023
Present Value of Obligation	104.95	84.80
Fair Value of Plan Assets	(18.73)	(17.14)
(Asset)/Liability recognised in the Balance Sheet	86.22	67.66
Funded plans in deficit:		
Present Value of Obligation #	104.95	84.80
Fair Value of Plan Assets #	(18.73)	(17.14)
(Asset)/Liability recognised in the Balance Sheet	86.22	67.66

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

B Movements in Present Value of Obligation and Fair Value of Plan Assets

	Plan Assets	Plan Obligation	Net Obligation
As at 1st April, 2022	17.14	48.96	31.82
Current service cost	-	24.88	24.88
Interest cost	-	5.37	5.37
Excess of interest on plan assets over actual return	(1.15)	-	1.15
Interest income	1.15	-	(1.15)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(2.04)	(2.04)
Actuarial (gain)/loss arising from experience adjustments	-	7.63	7.63
As at 31st March, 2023	17.14	84.80	67.66
Additions due to business combination	-	-	-
Current service cost	-	23.13	23.13
Interest cost	-	6.95	6.95
Excess of interest on plan assets over actual return	1.34	-	(1.34)
Benefit payments	(1.01)	(1.01)	-
Interest income	1.26	-	(1.26)
Actuarial (gain)/loss arising from changes in financial assumptions	-	0.96	0.96
Actuarial (gain)/loss arising from experience adjustments	-	(9.87)	(9.87)
As at 31st March, 2024	18.73	104.96	86.23

C. Statement of Profit and Loss

The charge to the consolidated Statement of Profit and Loss comprises:

	As at 31st March, 2024	As at 31st March, 2023
Employee Benefit Expense*:	23.13	24.88
Finance costs * :		
Interest cost	6.95	5.37
Interest income	(1.26)	(1.15)
Net impact on profit (before tax)	5.69	4.22
Remeasurement of the net defined benefit plans:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	0.96	(2.04)
Actuarial (gains)/losses arising from experience adjustments	(9.87)	7.62
Excess of interest on plan assets over actual return	(1.34)	1.15
Net impact on other comprehensive income (before tax)	(10.25)	6.73

* Service cost and Finance cost excludes charges towards Officer's Pension and Provident Fund.

D. Assets

The fair value of plan assets at the Balance Sheet date for defined benefit plans are as follows:

	As at 31st March, 2024	As at 31st March, 2023
Investments Funds	18.73	17.14

(All amounts in ₹ lakhs, unless otherwise stated)

E. Assumptions

	As at 31st March, 2024	As at 31st March, 2023
Discount rate (per annum)	7.00%	7.20%
Salary Escalation Rate (per annum)	13.00%	13.00%

F. Sensitivity analysis

Sensitivity analysis indicates the effects of reasonable changes in certain significant assumptions on the outcome of the present value of obligation. Sensitivity analysis is done by increasing/decreasing one parameter at a time (while keeping all other parameters constant) and studying its impact.

Change in assumptions	Effect on gratuity obligation	
	As at 31st March, 2024	As at 31st March, 2023
Discount rate		
Increase by 1%	(4.70%)	(4.80%)
Decrease by 1%	5.10%	5.20%
Salary escalation rate		
Increase by 1%	4.20%	4.20%
Decrease by 1%	(4.00%)	(4.00%)
Rate of Employee Turnover		
Increase by 1%	(4.10%)	(4.40%)
Decrease by 1%	4.50%	5.00%

G. The following are the expected future benefit payments for the defined benefit plan:

	As at 31st March, 2024	As at 31st March, 2023
Within the next 12 months (next annual reporting period)	12.95	11.15
Between 2 and 5 years	60.98	46.88
Beyond 5 years	82.58	71.60

Current Liability as at 31st March, 2024 is ₹ Nil (Previous year ₹ Nil) and Non- Current Liability is ₹ 86.22 lakhs (Previous year ₹ 67.66 lakhs). Discount rate considered for current year is 7.00% (previous year 7.20%).

Other long-term employee benefits

The Group provides for compensated absences to employees which can be carried forward to future years. Consequently based on Guidance on implementation of IND AS 19 "Employee Benefits" (IND AS-19), the Group has considered the benefits provided as other long-term employee benefits. An amount of ₹ Nil (31st March, 2023: ₹ 33.35 lakhs), has been charged to the Statement of Profit and Loss for the year ended 31st March, 2024.

Termination benefits

The Group do not have any termination benefits as on 31st March, 2024 (31st March, 2023 : Nil).

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 36 SHARE BASED PAYMENTS

Equity Settled Share Based Payments

The members of the Holding Company had approved ESOP Plan 2021 at the Annual General Meeting held on 09th July, 2021. The plan envisaged grant of share options to eligible employees at market price as defined in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

This plan was amended and revised vide ESOP Plan 2021' at the Annual General Meeting held on 20th December, 2022. This scheme provided for conditional grant of Performance Shares at nominal value to eligible management employees as determined by Board of Directors from time to time, at the end of 4-year performance period. The performance measures under this scheme include period of service.

The Employee Stock Option Plan includes employees of Zywie Ventures Private Limited.

Scheme	Scheme Grant Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share	Weighted Average Exercise Price (₹) per share
Employee Stock option plan 2021	2021	01-07-2021	226	Graded Vesting over the period of 4 Years	To be determined by the Board	₹ 10 Per Share	₹ 10 Per Share
		01-10-2021	76				
		01-04-2022	2,245				
		01-08-2022	181				
		01-09-2022	16				
		02-09-2022	19				
		11-10-2022	125				
		15-11-2022	10				
		19-12-2022	31				
		01-04-2023	1,453	Graded Vesting over the period of 4 Years	To be determined by the Board	₹ 13,766.37 Per Share	₹13,766.37 Per Share

Scheme	Scheme Grant Year	Financial year	Number of share options				
			Outstanding at the beginning of the year	Granted during the year	Forfeited/ Cancelled during the year	Exercised during the year	Outstanding at the end of the year
Employee Stock option plan 2021	2021	2021-22	-	1,694	-	-	1,694
		2022-23	1,694	3,888	(1,448)	-	4,134
		2023-24	4,134	1,453	(1,205)	-	4,382

For the purpose of fair value of the share options at the grant date equity share value is considered.

The Monte Carlo Simulation valuation model has been used for computing the fair value for stock options considering the following inputs:

Particulars	As at 31st March, 2024		As at 31st March, 2023
Exercise price (₹ per share)	10	13,766.37	10
Weighted average share price/market price (₹ per share)	21,690.22	21,690.22	22,591.65
Expected volatility	26.96%	26.96%	33.05%
Life of the options granted (vesting and exercise period) in years	1.91 Years	3 Years	3.1 Years
Expected dividends	-	-	-
Average risk-free interest rate	7%	7%	7%
Fair value of option (₹ per share)	22,774.61	22,774.61	32,186.37

Effect of share based payment transactions on the Balance Sheet:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Employee stock option outstanding reserve	-	-
Other non-current financial liabilities	615.55	668.02
Other current financial liabilities	-	-
Total carrying amount of liabilities	615.55	668.02

(All amounts in ₹ lakhs, unless otherwise stated)

Effect of share based payment transactions on the Statement of Profit and Loss:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Equity settled share based payments	-	-
Cash settled share based payments	-	750.43
Gain on fair value of share based payment	(52.47)	-
Total expense on share based payments	(52.47)	750.43

Modifications to ESOPs:

- The Holding Company had in place a Employee Stock Option Plan 2021 ("ESOP Plan 2021") under which certain units have been granted to eligible employees. However, in the previous year, the Holding Company has amended and revised the plan to Employee Stock Option Plan 2021 ("ESOP Plan 2021") with effect from 20th December, 2022. This scheme would replace the earlier ESOP Plan 2021 and employees will receive equivalent value of grants under the new ESOP plan in lieu of the former Employee stock options.
- Below is the details of input used for computing incremental fair value per option on the date of modification i.e. 20th December, 2022

Particulars	ESOP Plan 2021
Modification date	20-12-2022
Weighted average share price/market price (₹ per share)	22,591.65
Exercise price (₹ per share)	10
Expected volatility	33.05%
Life of the options granted (vesting and exercise period) in years	3.1 Years
Expected dividends	-
Average risk-free interest rate	7.00%
Fair value of option (₹ per share)	32,186.37

NOTE 37 RELATED PARTY TRANSACTIONS

Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for year ended 31st March, 2024

A Enterprises exercising control

- | | |
|-------------------------------------|----------------------------|
| (i) Ultimate Holding Company | Unilever PLC |
| (ii) Holding Company | Hindustan Unilever Limited |

B Other Related Parties with whom the Group had transactions during the year**(i) Key Management Personnel****(a) Executive directors & Sr. Management**

- | | |
|---|---|
| - Whole-time Director | Mihir Gadani |
| - Chief Executive Officer (CEO) and Managing director | Aarti Gill |
| - Chief Financial Officer | Nikhil Miglani (effective from 19th July, 2023) |

(b) Non-executive directors

- | | |
|------------------------|--|
| - Independent director | Chandrabhan (effective from 8th January, 2024) |
| - Independent director | Rajgopal Thirumalai (effective from 23rd February, 2024) |
| - Nominee Director | Madhusudhan Rao Rupanagudi (effective from 10th January, 2023) |
| - Nominee Director | Kedar Lele (effective from 10th January, 2023) |
| - Nominee Director | Bibhav Pradhan (effective from 22nd September, 2023) |
| - Nominee Director | Ravishankar A. (effective from 23rd February, 2023) |

(ii) Relative of Key management Personnel

Nikhil Gill and Veena Gadani

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Disclosure of transactions between the Group and Related Parties and the status of outstanding balances as at 31st March, 2024 and 31st March, 2023

		Year ended 31st March, 2024	Year ended 31st March, 2023
Holding Company	Issue of equity shares	-	10,236.08
	Sale of finished goods/raw materials etc	136.09	-
	Expenses	54.43	-
	Outstanding as at the year end:		
	- Advance from customers	61.15	-
	- Trade payables	57.18	-
Key Management Personnel			
(a) Executive directors & Sr. Management	Remuneration	159.56	119.57
(b) Non-executive directors	Sitting fees	0.45	-
	Outstanding as at the year end:		
	- Borrowing	1.01	1.01
	- Remuneration payable	-	-
Relative of Key Management Personnel	Remuneration (including share based payment) Nikhil Gill	33.06	94.01
	Rent Paid	7.80	6.40
	Deposits paid	-	-
	Outstanding as at the year end:		
	- Deposits (Receivable)	2.00	2.00
	- Salary payable	11.05	-
	- Rent Outstanding to be paid (Payable)	-	0.36

C. Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended 31st March, 2024, the Group 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.

There have been no guarantees provided or received for any related party receivables or payables except as disclosed in Note 18(5) of financial statements.

For the year ended 31st March, 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2023: ₹Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 38 DISCLOSURE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Group has not made any investment, given any guarantees or provided any security covered under Section 186 and accordingly, the disclosure requirements to that extent does not apply to the Group.

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 39 RATIOS

No	Name of the Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	% Variance	Reason for variance more than 25%
1	Current Ratio (in times)	Current assets	Current liabilities	1.3	3.3	(60.3%)	Ratio has been impacted due to utilisation bank balance towards working capital needs.
2	Debt - Equity Ratio (in times)	Total debt	Equity	0.2	0.1	81.0%	Ratio has been impacted due reduction in reserves on account of losses in the current year
3	Debt Service coverage ratio* (in times)	Earnings available for debt service	Total debt service	(2.6)	3.7	(170.6%)	Change is due fair value gain on account of Ind AS adjustments in base year.
4	Return on equity (in %)	Net profit - preferred dividends	Average shareholder equity	(59.6%)	(99.5%)	(40.1%)	Change is due fair value gain on account of Ind AS adjustments in base year.
5	Inventory Turnover Ratio (in times)	Sales	Average inventory	4.7	2.6	78.6%	Improvement in ratio is due to optimisation of inventory in the current year
6	Trade receivables turnover ratio (in times)	Net sales	Average accounts receivables	7.9	9.7	(18.2%)	Change is due to recovery of debtor balance in the current year compared to base year.
7	Trade payables turnover ratio (in times)	Net purchases	Average trade payables	1.7	2.3	(27.5%)	Change is due to increase in the overall spends compared to the base year.
8	Net capital turnover ratio (in times)	Net sales	Working Capital	6.5	1.1	477.2%	Change is due to optimisation of working capital in the current year.
9	Net profit ratio (in %)	Net profit	Net sales	(41.9%)	58.7%	(171.4%)	Change is due to increase in the overall spends which has increase the loss in the current year.
10	Return on capital employed (in %)	Earning before interest and taxes	Capital employed	(70.9%)	63.3%	(211.9%)	Change is due to increase in the overall spends which has increase the loss in the current year.
11	Return on investment (in %)	refer (k) below		NA	NA	NA	No explanation required

Definitions:

- (a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (b) Debt service = Interest & Lease Payments + Principal Repayments
- (c) Average inventory = (Opening inventory balance + Closing inventory balance)/2
- (d) Net credit sales = Net credit sales consist of gross credit sales minus sales return
- (e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance)/2
- (f) Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return
- (g) Average trade payables = (Opening trade payables balance + Closing trade payables balance)/2
- (h) Working capital = Current assets - Current liabilities.
- (i) Earning before interest and taxes = Profit before exceptional items and tax + Finance costs - Other Income
- (j) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
- (k) Return on Investment

$$\frac{\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}}{\{MV(T0) + \text{Sum } [W(t) * C(t)]\}}$$

where,

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

Notes

to consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

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

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

NOTE 40

During the previous year, the Holding Company had granted 1,000 Employee Stock Options (ESOPs) of fair value of ₹ 199.66 lakhs as at 1st April, 2023 (1st April, 2022: ₹ 199.66 lakhs) to an employee belonging to the promoter group. This resulted in contravention of the provisions of Section 62(1) of the Companies Act, 2013 ("the Act") read with 'Rule 12 - Issue of Employee Stock Options' of the Companies (Share Capital and Debentures) Rules, 2014 and the Employee Stock Option Plan, 2021 of the Holding Company up to 5th January, 2024.

During the current year, the aforementioned ESOPs were cancelled by the Holding Company in the board meeting dated 6th January, 2024. Pending assessment of penalties that may be levied pursuant to contravention of the above-mentioned provisions of the Act read with relevant rules thereunder for the period from 1st April, 2022 to 5th January, 2024, and which the management does not expect to be material, no adjustments have been made to the consolidated financial statements in respect of this matter.

NOTE 41

The Group is engaged in the business of Health, nutrition & beauty products, which is the primary business segment, and has only domestic sales in the current year. The Group has only one reportable business segment, which is Health, nutrition & beauty products and only one reportable geographical segment. Accordingly, these financial statements are reflective of the information required by the Indian Accounting Standard 108, Operating Segments for the Health, nutrition & beauty products segment.

NOTE 42

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

NOTE 43 DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Group did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year

NOTE 44 NO TRANSACTIONS TO REPORT AGAINST THE FOLLOWING DISCLOSURE REQUIREMENTS AS NOTIFIED BY MCA PURSUANT TO AMENDED SCHEDULE III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
 - i. Wilful defaulter
 - ii. Utilisation of borrowed funds & share premium
 - iii. Discrepancy in utilisation of borrowings
 - iv. Current maturity of long-term borrowings

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration Number : 101248W/W - 100022

Aniruddha Godbole

Partner
Membership Number: 105149

Place: Mumbai
Date : 22nd April, 2024

For and on behalf of the Board of Directors of Zywie Ventures Private Limited

CIN : U74900CH2013PTC034657

Mihir Gadani

Director
DIN No: 06436118

Place: Mumbai
Date : 22nd April, 2024

Aarti Gill

Director
DIN No: 06625860

Place: Mumbai
Date : 22nd April, 2024

Nikhil Miglani

CFO

Place: Mumbai
Date : 22nd April, 2024

DAVERASHOLA ESTATES PRIVATE LIMITED

In this section

358 Report of Board of Directors

361 Financial Statements

Daverashola Estates Private Limited

Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Ravishankar A. (DIN: 09136289) Harshal Marathe (DIN: 09644551) Shilpa Kedia (DIN: 10508350)	M/s. B S R & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099 CIN - U15200MH2004PTC149035

To the Members,

Your Directors present the 19th Annual Report of Daverashola Estates Private Limited (the Company) along with Audited financial statements for the financial year ended 31st March, 2024.

FINANCIAL RESULTS

The financial performance of your company for the year under review is given below:

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from operations	-	-
Profit / (Loss) before tax	-	-
Profit / (Loss) for the year	-	-

(₹ In lakhs)

OPERATIONAL REVIEW

The Company is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) and currently has no business activity. There is an ongoing litigation on the property owned by the Company in Tamil Nadu.

There has been no change in the nature of business of the Company during the year under review.

DIVIDEND

The Directors did not recommend any dividend during the year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve during the year under review.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company did not have any subsidiary or associate or joint venture company during the year under review.

THE BOARD OF DIRECTORS

The composition of the Board of the Company is in line with the applicable provisions of the Companies Act, 2013 (the Act).

Mr. Harshal Marathe was appointed as an Additional (Non-Executive) Director on the Board of the Company with effect from 15th July, 2022 to hold office up to the 18th Annual General Meeting (AGM) of the Company. Based on the recommendation of the Board, the members of the Company approved the appointment of Mr. Harshal Marathe as a Director (Non-Executive Director) of the Company at the 18th AGM of the Company held on 14th July, 2023.

During the year under review, Ms. Asha Gopalakrishnan (DIN: 08383915) resigned as a Director of the Company with effect from 15th July, 2023. Ms. Suman Hegde

(DIN: 06539295) was appointed as an Additional (Non-Executive) Director on the Board of the Company with effect from 15th July, 2023 to hold office up to the conclusion of ensuing AGM of the Company. However, Ms. Suman Hegde resigned as an Additional (Non-Executive) Director of the Company with effect from 19th February, 2024. The Board placed on record, its sincere appreciation for the contribution made by Ms. Suman Hegde and Ms. Asha Gopalakrishnan during their tenure as Directors of the Company.

During the year under review, Ms. Shilpa Kedia was appointed as an Additional (Non-Executive) Director on the Board of the Company with effect from 17th February, 2024 to hold office up to the conclusion of ensuing AGM of the Company. Being eligible, Ms. Shilpa Kedia has offered her candidature for appointment as a Director of the Company.

The Board recommends the appointment of Ms. Shilpa Kedia as Director of the Company and the resolution proposing the aforesaid appointment pursuant to the Section 152 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

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

RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT

In accordance with Article 34 of the Articles of Association of the Company and the relevant provisions of the Act, every Director other than Managing Director of the Company, if any, shall retire by rotation at every AGM and accordingly, Mr. Ravishankar A. and Mr. Harshal Marathe, Directors of the Company shall retire by rotation at the ensuing AGM and being eligible, offers their candidature for re-appointment.

The Board recommends the re-appointment of Mr. Ravishankar A. and Mr. Harshal Marathe as Directors

of the Company and the resolution proposing the same pursuant to the Section 152 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's business operations, policies and strategy apart from other Board business. The Board Meetings are pre-scheduled and a tentative calendar of each of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure worthwhile participation in the meetings. However, in case of a special and urgent business need, the approval of the Board 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. However, during certain circumstances, the Agenda is circulated on a shorter notice with due consent of the Directors. The Agenda for the Board Meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the financial year ended 31st March 2024, four (4) Board Meetings were held on 21st April, 2023, 14th July, 2023, 12th October, 2023 and 16th January, 2024. The interval between any two meetings was well within the maximum allowed gap of 120 days as per the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended 31st March, 2024, the Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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 Act, 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 Act read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any modifications or re-enactments thereof) are not applicable.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS OR SECURITY GIVEN IN CONNECTION TO LOAN

There have been no loans, guarantees or investments made by the Company or security given by the Company in connection to any loan in accordance with the provisions of Section 186 of the Act during the year under review.

RELATED PARTY TRANSACTIONS / CONTRACTS / ARRANGEMENTS

The Company has not entered into any transactions / contracts / arrangements referred to in Section 188(1) of the Act with party(ies) as defined under Clause 76 of Section 2 of the Act during the year under review.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Act (including any modifications or re-enactments thereof) during the year under review.

ANNUAL RETURN

The Company does not have any website and therefore as per provisions of Section 92(3) and 134(3)(a) of the Act read with the Companies (Management and Administration) Rules, 2014, the Company is not required to upload its Annual Return on the website. Further a copy of Annual Return shall be filed with the Registrar of Companies.

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 Board of Directors of the Company, elements of risks that threaten the existence of the 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 during the year under review 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 Act read with the Companies (Cost Records and Audit) Rules, 2014 (including any modifications or re-enactments thereof), during the year under review.

The Company had no employee during the year under review and hence, provisions relating to the constitution of Internal Committee under the Sexual Harassment

Report of Board of Directors

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 this Report.

The Company has generally 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 The Institute of Company Secretaries of India.

The Company has not issued any shares with differential voting rights, sweat equity shares and equity shares under Employees Stock Option Scheme during the year under review.

The Company had no employee during the year under review and hence, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 to be furnished.

The Company has not transferred any amount to the Investor Education & Protection Fund (IEPF) and no amount is lying in Unpaid Dividend Account of the Company during the year under review.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act, the Members of the Company at 14th AGM held on 28th June, 2019 had approved the Re-appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm registration No. 101248W/W-100022), as the Statutory Auditors of the Company for a second term of 5 (five) years. Accordingly, the second term of Statutory Auditors expires on the conclusion of ensuing 19th AGM.

The report given by the Statutory Auditors on the financial statements of the Company for the financial year ended 31st March, 2024 forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory 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.

The Board at its meeting held on 22nd April, 2024, recommended the proposal of appointment of M/s. Walker Chandio & Co. LLP, (Firm registration No. 001076N/N500013), as the Statutory Auditors of the Company for a term of 5 (five) consecutive years

commencing from the conclusion of 19th AGM up to the conclusion of 24th AGM to be held in the year 2029, subject to approval of the Members at the ensuing AGM. The resolution proposing the aforesaid appointment pursuant to Section 139, 142 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

M/s. Walker Chandio & Co. LLP, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It was established in the year 1935 and is a Limited Liability Partnership Firm incorporated in India. It has its registered office at L-41, Connaught Circus, New Delhi - 110001 apart from 15 other branch offices in various cities in India. It is primarily engaged in providing audit and assurance services to its clients.

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

The requirements under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 (including any modifications or re-enactments thereof) in so far as energy conservation, technology absorption and foreign exchange are concerned, are not applicable to the Company during the year under review.

DETAILS OF PROCEEDINGS PENDING OR APPLICATION MADE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

No application was filed for Corporate Insolvency Resolution Process, by a Financial creditor or Operational creditor or by the Company itself under the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal during the year under review.

DETAILS OF DIFFERENCE BETWEEN VALUATION DONE AT THE TIME OF TAKING LOAN FROM BANK AND AT THE TIME OF ONE-TIME SETTLEMENT ALONG WITH REASONS

There was no instance of one-time settlement with any Bank or Financial Institution during the year under review.

ACKNOWLEDGEMENTS

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

On behalf of the Board

Ravishankar A.

Director

DIN: 09136289

Harshal Marathe

Director

DIN: 09644551

Mumbai, 22nd April, 2024

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 2024, 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 material 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 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Independent Auditor's Report

Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2A. 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, except for certain matters in respect of audit trail as stated in the paragraph 2B(f) below.
- 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 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as

on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - 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".
- B.** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 12 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 16 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 16 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

- Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares except that, in case of such accounting softwares other than the software

used for posting journal entries, the audit trail was not enabled at the database level to log any direct data changes. Further, changes to the application level by a super user does not have feature of a concurrent real time audit trail. Where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For BSR & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Date: 22 April 2024

Membership No.: 105149

ICAI UDIN:24105149BKEXCF7467

Annexure A

to the Independent Auditor's Report on the Financial Statements of Daverashola Estates Private Limited for the year ended 31 March 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, the property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements are not held in the name of the Company.

(Amount in ₹ '000)

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Leasehold land	44,642	Hindustan Unilever Limited	No	15 years	Ongoing Litigation

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) during the year. The Company does not have any intangible assets.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any inventory and hence clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Accordingly, clause 3(vii)(a) of the Order is not applicable to the Company.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company did not hold any investment in any subsidiaries, associate or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable to the Company.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is not a listed public company or a company covered under rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and accordingly the requirements as stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions with the related parties during the year.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
- (b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

Annexure A

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group (Group means companies in the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) We draw your attention to Note 1 to the financial statements which explains that the Company does not have any business operations in the current year and the previous year. As explained in the Note 11 to the financial statements, Hindustan Unilever Limited, the Holding Company has given a letter that it would continue to provide financial support to the Company in the foreseeable future to meet its obligations.

On the basis of the above and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For BSR & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No.: 105149

ICAI UDIN:24105149BKEXCF7467

Place: Mumbai

Date: 22 April 2024

Annexure B

to the Independent Auditor's Report on the financial statements of Daverashola Estates Private Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(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 Daverashola Estates Private Limited ("the Company") as of 31 March 2024 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 2024, 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 and Board of Directors' Responsibilities 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 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk

that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For BSR & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Date: 22 April 2024

Membership No.: 105149

ICAI UDIN: 24105149BKEXCF7467

Balance Sheet

as at 31st March, 2024

(All amounts in ₹ '000, unless otherwise stated)

	Note	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	-	-
TOTAL ASSETS		-	-
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4A	2,217	2,217
Other equity	4B	(5,139)	(5,139)
Total Equity		(2,922)	(2,922)
Liabilities			
Non-current liabilities			
Other non-current liabilities	5	2,922	2,922
TOTAL EQUITY AND LIABILITIES		-	-
Basis of preparation, measurement and material accounting policies	2		

The accompanying notes 1 to 17 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 105149

Place: Mumbai

Date : 22nd April, 2024

For and on behalf of Board of Directors of Daverashola Estates Private Limited

CIN : U15200MH2004PTC149035

Ravishankar A.

Director

DIN No. 09136289

Place: Mumbai

Date: 22nd April, 2024

Harshal Marathe

Director

DIN No. 09644551

Place: Mumbai

Date: 22nd April, 2024

Statement of Profit & Loss

for the year ended 31st March, 2024

FINANCIAL STATEMENTS



(All amounts in ₹ '000, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
INCOME			
TOTAL INCOME		-	-
EXPENSES			
TOTAL EXPENSES		-	-
Profit/Loss before exceptional items and tax		-	-
Profit/(Loss) before tax		-	-
Tax expenses			
Current tax		-	-
PROFIT/(LOSS) FOR THE YEAR (A)		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR [(A)+(B)]		-	-
Earnings per equity share			
Basic and Diluted (Face value of ₹10 each)	6	-	-
Basis of preparation, measurement and material accounting policies	2		

The accompanying notes 1 to 17 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of Board of Directors of Daverashola Estates Private Limited

CIN : U15200MH2004PTC149035

Aniruddha Godbole

Partner

Membership No: 105149

Ravishankar A.

Director

DIN No. 09136289

Harshal Marathe

Director

DIN No. 09644551

Place: Mumbai

Date : 22nd April, 2024

Place: Mumbai

Date: 22nd April, 2024

Place: Mumbai

Date: 22nd April, 2024

Statement of Changes in Equity

for the year ended 31st March, 2024

(All amounts in ₹ '000, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	As at 31st March, 2024	As at 31st March, 2023
Balance as at the beginning of the year	4A	2,217	2,217
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year		2,217	2,217
Changes in equity share capital during the year	4A	-	-
Balance as at the end of the year	4A	2,217	2,217

B. OTHER EQUITY

	Reserves and Surplus		
	Securities Premium	Retained Earnings	Total
As at 31st March, 2022	42,925	(48,064)	(5,139)
Changes due to prior period errors	-	-	-
Restated balance as at 1st April, 2022	42,925	(48,064)	(5,139)
Profit / (loss) for the year	-	-	-
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	-	-
As at 31st March, 2023	42,925	(48,064)	(5,139)
Changes due to prior period errors	-	-	-
Restated balance as at 1st April, 2023	42,925	(48,064)	(5,139)
Profit / (loss) for the year	-	-	-
Other comprehensive income for the year	-	-	-
As at 31st March, 2024	42,925	(48,064)	(5,139)

The accompanying notes 1 to 17 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 105149

Place: Mumbai

Date: 22nd April, 2024

For and on behalf of Board of Directors of Daverashola Estates Private Limited

CIN : U15200MH2004PTC149035

Ravishankar A.

Director

DIN No. 09136289

Place: Mumbai

Date: 22nd April, 2024

Harshal Marathe

Director

DIN No. 09644551

Place: Mumbai

Date: 22nd April, 2024

Statement of Cash flows

for the year ended 31st March, 2024



(All amounts in ₹ '000, unless otherwise stated)

	Year ended 31st March, 2024	Year ended 31st March, 2023
A. Cash flows from operating activities :		
Profit/(Loss) before tax	-	-
Cash generated from operations before working capital changes	-	-
Changes in working capital	-	-
Net cash flows (used in)/ generated from operating activities - (A)	-	-
B. Cash flows from investing activities :		
Net cash flows (used in)/ generated from investing activities - (B)	-	-
C. Cash flows from financing activities :		
Net cash flows (used in)/ generated from financing activities - (C)	-	-
Net increase/ (decrease) in Cash and Cash equivalents - [(A)+(B)+(C)]	-	-
Add: Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents as at end of the year	-	-

The Company does not have any borrowings as on 31st March, 2024 and 31st March, 2023.

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 1 to 17 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 105149

For and on behalf of Board of Directors of Daverashola Estates Private Limited

CIN : U15200MH2004PTC149035

Ravishankar A.

Director

DIN No. 09136289

Harshal Marathe

Director

DIN No. 09644551

Place: Mumbai

Date : 22nd April, 2024

Place: Mumbai

Date: 22nd April, 2024

Place: Mumbai

Date: 22nd April, 2024

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ '000, unless otherwise stated)

NOTE 1 COMPANY INFORMATION

Daverashola Estates Private Limited (the "Company") incorporated on 8th October, 2004 is a private limited company domiciled in India with its registered office located at Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099, with its main objective to construct, improve, maintain, develop, work, manage, carry out or control any buildings, offices, branches, warehouses, stores, chawls and other building which may seem calculated directly or indirectly to advance the Company's interests, and contribute to subsidise or otherwise assist or take part in the construction improvement etc. However, there are no business operations during the current and previous year.

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Basis for 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, 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.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated 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.

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian Rupee (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

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

The financial statements of the Company for the year ended 31st March, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 22nd April, 2024.

b) Basis of Measurement

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

The accounting policies adopted are the same as those which were applied for the previous financial year.

2.2 New Standards, Interpretations and Amendments Adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2.3 Material Accounting Policies

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

(All amounts in ₹ '000, unless otherwise stated)

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, other than freehold land, 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, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

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

	Land Leasehold	Total
Gross Block		
Opening balance as at 1st April, 2022	44,642	44,642
Additions	-	-
Disposals	-	-
Opening balance as at 1st April, 2023	44,642	44,642
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2024	44,642	44,642
Accumulated Depreciation/ Impairment		
Opening balance as at 1st April, 2022	44,642	44,642
Additions	-	-
Disposals	-	-
Opening balance as at 1st April, 2023	44,642	44,642
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2024	44,642	44,642
Net Block		
Balance as at 31st March, 2023	-	-
Balance as at 31st March, 2024	-	-

Notes:

- i) Under the Gudalur Janmam Estates (Abolition and Conversion into Ryotwari) Act, 1969, the right and title to Leasehold land may be altered at a later date, the nature and effect of which cannot be ascertained at present. However, appropriate steps have been taken to protect the Company's interest.
- ii) The title deeds of Leasehold Land are in the process of perfection of title. Details of such leasehold land are as follows:

Details as on 31st March, 2024

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of company
Leasehold land	44,642	Hindustan Unilever Limited	Yes	16th September, 2008	Ongoing pending litigations
Total	44,642				

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ '000, unless otherwise stated)

Details as on 31st March, 2023

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of company
Leasehold land	44,642	Hindustan Unilever Limited	Yes	16th September, 2008	Ongoing pending litigations
Total	44,642				

NOTE 4A EQUITY SHARE CAPITAL

	As at 31st March, 2024	As at 31st March, 2023
Authorised		
5,00,000 (31st March, 2023: 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, 2023: 2,21,700) of ₹10 each	2,217	2,217
[All shares are held by Hindustan Unilever Limited, the Holding Company and its nominees]		
	2,217	2,217

a) Reconciliation of the number of shares

Equity Shares:	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	2,21,700	2,217	2,21,700	2,217
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	2,21,700	2,217	2,21,700	2,217

b) Rights, preferences and restrictions attached to shares

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

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

	As at 31st March, 2024	As at 31st March, 2023
Equity Shares of ₹ 10 :		
2,21,700 Equity shares (31st March, 2023: 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, 2024	As at 31st March, 2023
Equity Shares held by the Holding Company, Hindustan Unilever Limited and its nominee		
Number of shares	2,21,700	2,21,700
% of Holding	100%	100%

(All amounts in ₹ '000, unless otherwise stated)

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

Sr. No.	Promoter Name	As at 31st March, 2024		As at 31st March, 2023		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its Nominees	2,21,700	100%	2,21,700	100%	-

Sr. No.	Promoter Name	As at 31st March, 2023		As at 31st March, 2022		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited and its Nominees	2,21,700	100%	2,21,700	100%	-

NOTE 4B OTHER EQUITY**A. Summary of Other Equity Balance:**

OTHER EQUITY	Securities Premium	Retained Earnings	Total
Opening balance as at 1st April, 2022	42,925	(48,064)	(5,139)
Profit for the year	-	-	-
Other comprehensive income for the year	-	-	-
Opening balance as at 1st April, 2023	42,925	(48,064)	(5,139)
Profit for the year	-	-	-
Other comprehensive income for the year	-	-	-
As at 31st March, 2024	42,925	(48,064)	(5,139)

B. Nature and Purpose of Reserves:**(a) Securities Premium :**

The amount received in excess of face value of the equity shares is recognised in Securities Premium.

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	42,925	42,925
Balance at the end of the year	42,925	42,925

(b) Retained Earnings :

Retained earnings are the profits/loss that the Company has earned/incurred till date, less any transfer to general reserve, dividends or other distributions paid to the shareholder.

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	(48,064)	(48,064)
Add: Profit/(loss) for the year	-	-
Add: Other comprehensive income for the year	-	-
Balance at the end of the year	(48,064)	(48,064)

NOTE 5 OTHER NON-CURRENT LIABILITIES

	As at 31st March, 2024	As at 31st March, 2023
Payable to Hindustan Unilever Limited, the Holding company (Refer note 7)	2,922	2,922
	2,922	2,922

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ '000, unless otherwise stated)

NOTE 6 EARNINGS PER SHARE

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

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Earnings Per Share has been computed as under:		
Profit/(Loss) for the year (₹ '000s) (A)	-	-
Weighted average number of Equity shares outstanding (B)	2,21,700	2,21,700
Earnings per share (₹) - basic and diluted (face value of ₹ 10 per share) [(A)/(B)]	-	-

NOTE 7 RELATED PARTY DISCLOSURES

i) Enterprise exercising control

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

ii) Disclosure of transactions between the Company and Holding Company and the status of outstanding balances

There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

There are no related party transactions during the current and the previous year.

Balance outstanding as at the year end:

	As at 31st March, 2024	As at 31st March, 2023
Payable to Holding Company	2,922	2,922

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

NOTE 8 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31st March, 2024 (31st March, 2023: Nil).

NOTE 9 SEGMENT REPORTING

The operations have been considered as representing a single business segment, governed by the same set of risks and returns.

There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 10

Pursuant to the Scheme of Arrangement for demerger of Janmam Property of Hindustan Unilever Limited to the Company, with effect from 1st November, 2006 as sanctioned by the Honourable High Court of Mumbai on 9th February, 2007, the Janmam leasehold land has been transferred to the Company at a consideration of 1,71,700 equity shares of face value of ₹10/- each at a premium of ₹250/- per share.

(All amounts in ₹ '000, unless otherwise stated)

NOTE 11 GOING CONCERN

Having regard to the continued support of the Company's Holding Company, Hindustan Unilever Limited, the financial statements are prepared on a going concern basis.

NOTE 12

The Company has reviewed all its pending litigations and proceedings. The Company's litigations comprise of proceedings with respect to leasehold land pending before the settlement officer, the Madras High Court and the Supreme Court.

NOTE 13 ACCOUNTING RATIOS

Ratios are not applicable to the Company as there are no transactions during the current year and previous year.

NOTE 14 DISCLOSURE OF STRUCK OFF COMPANIES

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

NOTE 15

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
 - i. Wilful defaulter
 - ii. Utilisation of borrowed funds & share premium
 - iii. Borrowings obtained on the basis of security of current assets
 - iv. Discrepancy in utilisation of borrowings

NOTE 16

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 17 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

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No: 105149

Place: Mumbai

Date : 22nd April, 2024

For and on behalf of Board of Directors of Daverashola Estates Private Limited

CIN : U15200MH2004PTC149035

Ravishankar A.

Director

DIN No. 09136289

Place: Mumbai

Date: 22nd April, 2024

Harshal Marathe

Director

DIN No. 09644551

Place: Mumbai

Date: 22nd April, 2024

LEVERS ASSOCIATED TRUST LIMITED

In this section

379 Report of Board of Directors

382 Financial Statements

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Anuradha Razdan (DIN: 08530676) Ravishankar A. (DIN: 09136289) Shilpa Kedia (DIN: 10508350)	M/s. B S R & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099 CIN - U74999MH1946PLC005403

To the Members,

Your Directors present the 77th Annual Report of Levers Associated Trust Limited (the Company) along with Audited financial statements for the financial year ended 31st March, 2024.

FINANCIAL RESULTS

The financial performance of your company for the year under review is given below:

	(₹ In Thousands)	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from operations	-	-
Profit / (Loss) before tax	(0.31)	(0.45)
Profit / (Loss) for the year	(0.31)	(0.45)

OPERATIONAL REVIEW

The Company is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) and continued to act jointly with Levindra Trust Limited as the Trustee of the Union Provident Fund and jointly with Hindlever Trust Limited as the Trustee of Hindlever Pension Fund, Hindustan Unilever Management Staff Gratuity Fund, Hindlever Limited Superannuation Fund and Hindustan Unilever Educational and Welfare Trust for the benefit of the employees of HUL and its subsidiaries.

There has been no change in the nature of activities undertaken by the Company during the year under review.

DIVIDEND

The Directors did not recommend any dividend during the year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve during the year under review.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company did not have any subsidiary or associate or joint venture company during the year under review.

THE BOARD OF DIRECTORS

The composition of the Board of the Company is in line with the applicable provisions of the Companies Act, 2013 (the Act).

During the year under review, Ms. Asha Gopalakrishnan (DIN: 08383915) resigned as a Director of the Company with effect from 14th July, 2023. Ms. Suman Hegde (DIN: 06539295) was appointed as an Additional (Non-Executive) Director on the Board of the Company with effect from 14th July, 2023 to hold office up to the conclusion of ensuing Annual General Meeting (AGM) of the Company.

However, Ms. Suman Hegde (DIN: 06539295) resigned as an Additional (Non-Executive) Director of the Company with effect from 19th February, 2024. The Board placed on record, its sincere appreciation for the contribution made by Ms. Suman Hegde and Ms. Asha Gopalakrishnan during their tenure as Directors of the Company.

During the year under review, Ms. Shilpa Kedia was appointed as an Additional (Non-Executive) Director on the Board of the Company with effect from 17th February, 2024 to hold office up to the conclusion of ensuing AGM of the Company. Being eligible, Ms. Shilpa Kedia have offered her candidature for appointment as a Director of the Company.

The Board recommends the appointment of Ms. Shilpa Kedia as a Director of the Company and the resolution proposing the aforesaid appointment pursuant to the Section 152 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any forms part of the Notice of the AGM.

Except as mentioned above, there were no changes in the composition of the Board of Directors of the Company during the year under review.

RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT

In accordance with Article 33 of the Articles of Association of the Company and the relevant provisions of the Act, every Director other than Managing Director of the Company, if any, shall retire by rotation at every AGM and accordingly, Ms. Anuradha Razdan and Mr. Ravishankar A., Directors of the Company shall retire by rotation at the ensuing AGM and being eligible, have offered their candidatures for re-appointment.

The Board recommends the re-appointment of Ms. Anuradha Razdan and Mr. Ravishankar A., as Directors of the Company and the resolution proposing the same pursuant to the Section 152 of the Act and all other applicable provisions (including any modifications or

Report of Board of Directors

re-enactments thereof), if any, forms part of the Notice of the AGM.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's operations, policies and strategy apart from other Board business. The Board Meetings are pre-scheduled and a tentative calendar of each of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure worthwhile participation in the meetings. However, in case of a special and urgent business need, the approval of the Board 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. However, during certain circumstances, the Agenda is circulated on a shorter notice with due consent of the Directors. The Agenda for the Board Meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the financial year ended 31st March 2024, four (4) Board Meetings were held on 21st April, 2023, 13th July, 2023, 12th October, 2023 and 16th January, 2024. The interval between any two meetings was well within the maximum allowed gap of 120 days as per the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended 31st March, 2024, the Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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 Act, 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 Act read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any modifications or re-enactments thereof) are not applicable.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS OR SECURITY GIVEN IN CONNECTION TO LOAN

There have been no loans, guarantees or investments made by the Company or security given by the Company in connection to any loan in accordance with the provisions of Section 186 of the Act during the year under review.

RELATED PARTY TRANSACTIONS / CONTRACTS / ARRANGEMENTS

The Company has not entered into any transactions / contracts / arrangements referred to in Section 188(1) of the Act with party(ies) as defined under Clause 76 of Section 2 of the Act during the year under review.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Act (including any modifications or re-enactments thereof), during the year under review.

ANNUAL RETURN

The Company does not have any website and therefore as per provisions of Section 92(3) and 134(3)(a) of the Act read with the Companies (Management and Administration) Rules, 2014, the Company is not required to upload its Annual Return on the website. Further a copy of Annual Return shall be filed with the Registrar of Companies.

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 Board of Directors of the Company, elements of risks that threaten the existence of the 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 during the year under review 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 Act read with the Companies (Cost Records and Audit) Rules, 2014 (including any modifications or re-enactments thereof), during the year under review.

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 this Report.

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.

The Company has generally 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 The Institute of Company Secretaries of India.

The Company has not issued any shares with differential voting rights, sweat equity shares and equity shares under Employees Stock Option Scheme during the year under review.

The Company had no employee during the year under review and hence, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 to be furnished.

The Company has not transferred any amount to the Investor Education & Protection Fund (IEPF) and no amount is lying in Unpaid Dividend Account of the Company during the year under review.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act, the Members of the Company at 72nd AGM held on 25th June, 2019 had approved the Re-appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm registration No. 101248W/W-100022), as the Statutory Auditors of the Company for a second term of 5 (five) years. Accordingly, the second term of Statutory Auditors expires on the conclusion of ensuing 77th AGM.

The report given by the Statutory Auditors on the financial statements of the Company for the financial year ended 31st March, 2024 forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory 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.

The Board at its meeting held on 22nd April, 2024, recommended the proposal of appointment of M/s. Walker Chandiok & Co. LLP, (Firm registration No. 001076N/N500013), as the Statutory Auditors of the Company for a term of 5 (five) consecutive years commencing from the conclusion of 77th AGM up to the conclusion of 82nd

AGM to be held in the year 2029, subject to approval of the Members at the ensuing AGM. The resolution proposing the aforesaid appointment pursuant to Section 139, 142 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

M/s. Walker Chandiok & Co. LLP, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It was established in the year 1935 and is a Limited Liability Partnership Firm incorporated in India. It has its registered office at L-41, Connaught Circus, New Delhi - 110001 apart from 15 other branch offices in various cities in India. It is primarily engaged in providing audit and assurance services to its clients.

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

The requirements under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 (including any modifications or re-enactments thereof) in so far as energy conservation, technology absorption and foreign exchange are concerned, are not applicable to the Company during the year under review.

DETAILS OF PROCEEDINGS PENDING OR APPLICATION MADE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

No application was filed for Corporate Insolvency Resolution Process, by a Financial creditor or Operational creditor or by the Company itself under the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal during the year under review.

DETAILS OF DIFFERENCE BETWEEN VALUATION DONE AT THE TIME OF TAKING LOAN FROM BANK AND AT THE TIME OF ONE-TIME SETTLEMENT ALONGWITH REASONS

There was no instance of one-time settlement with any Bank or Financial Institution during the year under review.

ACKNOWLEDGEMENTS

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

On behalf of the Board

Anuradha Razdan

Director

DIN: 08530676

Ravishankar A.

Director

DIN: 09136289

Mumbai, 22nd April, 2024

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 2024, 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 material 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 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2A. 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, except for certain matters in respect of audit trail as stated in the paragraph 2B(f) below.
- 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 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March

2024 from being appointed as a director in terms of Section 164(2) of the Act.

- f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - 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".
- B.** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 15 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 15 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Independent Auditor's Report

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares except that, in case of such accounting softwares other than the software used for posting journal entries, the audit trail was not enabled at the database level to log any direct data changes. Further, changes to

the application level by a super user does not have feature of a concurrent real time audit trail. Where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

According to the information and explanations given to us and based on our examination of the records, there is no remuneration paid to the directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For BSR & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Membership No.: 105149

Date: 22 April 2024

ICAI UDIN:24105149BKEXCI1982

Annexure A

to the Independent Auditor's Report on the Financial Statements of Levers Associated Trust Limited for the year ended 31 March 2024

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

- (i) (a) (A) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any property plant and equipment (including Right-of-Use assets) or intangible assets. Accordingly, provisions of clauses 3(i)(a) to 3(i)(e) of the Order are not applicable to the Company.
- (ii) (a) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any inventory and hence clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Accordingly, clause 3(vii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

Annexure A

- (e) The Company does not hold any investment in any subsidiaries, associates or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company did not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable to the Company.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is not a listed public company or a company covered under rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and accordingly the requirements as stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions with the related parties during the year.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) According to the information and explanations provided to us during the course of audit, the Group (Group means companies in the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has incurred cash losses of ₹0.31 thousand in the current financial year and ₹0.45 thousand in the previous financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, Clause 3(xviii) of the Order is not applicable.
- (xix) The Company does not have business operations and has incurred losses in the current year and the previous year and has accumulated losses as at 31 March 2024. As explained in the Note 11 to the financial statements, Hindustan

Unilever Limited, the Holding Company has given a letter that it would continue to provide financial support to the Company in the foreseeable future to meet its obligations. On the basis of the above and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For BSR & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Date: 22 April 2024

Membership No.: 105149

ICAI UDIN:24105149BKEXCI1982

Annexure B

to the Independent Auditor's Report on the financial statements of Levers Associated Trust Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(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 Levers Associated Trust Limited ("the Company") as of 31 March 2024 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 2024, 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 and Board of Directors' Responsibilities 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 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For BSR & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Membership No.: 105149

Date: 22 April 2024

ICAI UDIN:24105149BKEXCI1982

Balance Sheet

as at 31st March, 2024

(All amounts in ₹'000 unless otherwise stated)

Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Investment	3	0.01	0.01
Non-current tax assets (net)		0.09	0.06
Current Assets			
Financial assets			
Cash and cash equivalents	4	495.26	495.61
TOTAL ASSETS		495.36	495.68
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5A	500.00	500.00
Other equity	5B	(4.64)	(4.32)
TOTAL EQUITY AND LIABILITIES		495.36	495.68
Basis of preparation, measurement and material accounting policies	2		

The accompanying notes 1 to 16 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No. 101248W/W - 100022

Aniruddha Godbole

Partner

Membership No: 105149

Place: Mumbai

Date: 22nd April, 2024

For and on behalf of Board of Directors of Levers Associated Trust Limited

CIN: U74999MH1946PLC005403

Anuradha Razdan

Director

DIN No. 08530676

Place: Mumbai

Date: 22nd April, 2024

Ravishankar A.

Director

DIN No. 09136289

Place: Mumbai

Date: 22nd April, 2024

Statement of Profit and Loss

for the year ended 31st March, 2024

FINANCIAL STATEMENTS



(All amounts in ₹'000 unless otherwise stated)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
INCOME			
Other Income	6	0.34	0.20
TOTAL INCOME		0.34	0.20
EXPENSES			
Other Expenses	7	0.65	0.65
TOTAL EXPENSES		0.65	0.65
Loss before tax		(0.31)	(0.45)
Tax expenses			
Current tax		-	-
LOSS FOR THE YEAR (A)		(0.31)	(0.45)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR [(A)+(B)]		(0.31)	(0.45)
Loss per equity share			
Basic and Diluted (Face value of ₹10 each)	8	(0.01)	(0.01)
Basis of preparation, measurement and material accounting policies	2		

The accompanying notes 1 to 16 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No. 101248W/W - 100022

Aniruddha Godbole

Partner

Membership No: 105149

Place: Mumbai

Date: 22nd April, 2024

For and on behalf of Board of Directors of Levers Associated Trust Limited

CIN: U74999MH1946PLC005403

Anuradha Razdan

Director

DIN No. 08530676

Place: Mumbai

Date: 22nd April, 2024

Ravishankar A.

Director

DIN No. 09136289

Place: Mumbai

Date: 22nd April, 2024

Statement of Changes in Equity

for the year ended 31st March, 2024

(All amounts in ₹'000 unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	As at 31st March, 2024	As at 31st March, 2023
Balance as at the beginning of the year	5A	500.00	500.00
Changes in equity share capital due to prior period errors		-	-
Restated balance as at the beginning of the year	5A	500.00	500.00
Changes in equity share capital during the year		-	-
Balance as at the end of the year	5A	500.00	500.00

B. OTHER EQUITY

	Note	Retained Earnings
As at 31st March, 2022		(3.87)
Changes due to prior period error		-
Restated balance as at 1st April, 2022	5B	(3.87)
Loss for the year		(0.45)
Other comprehensive income for the year		-
Total comprehensive loss for the year		(0.45)
As at 31st March, 2023		(4.32)
Changes due to prior period error		-
Restated balance as at 1st April, 2023	5B	(4.32)
Loss for the year		(0.31)
Other comprehensive income for the year		-
Total comprehensive loss for the year		(0.31)
As at 31st March, 2024	5B	(4.64)

The accompanying notes 1 to 16 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No. 101248W/W - 100022

Aniruddha Godbole

Partner

Membership No: 105149

Place: Mumbai

Date: 22nd April, 2024

For and on behalf of Board of Directors of Levers Associated Trust Limited

CIN: U74999MH1946PLC005403

Anuradha Razdan

Director

DIN No. 08530676

Place: Mumbai

Date: 22nd April, 2024

Ravishankar A.

Director

DIN No. 09136289

Place: Mumbai

Date: 22nd April, 2024

Statement of Cash Flows

for the year ended 31st March, 2024

(All amounts in ₹'000 unless otherwise stated)

	Year ended 31st March, 2024	Year ended 31st March, 2023
A CASH FLOWS FROM OPERATING ACTIVITIES :		
Loss before tax	(0.31)	(0.45)
Cash used in operations before working capital changes	(0.31)	(0.45)
Changes in working capital	-	-
Cash flow used in operations	(0.31)	(0.45)
Taxes Paid	(0.04)	(0.01)
Net cash flows used in from operating activities - (A)	(0.35)	(0.46)
B CASH FLOWS FROM INVESTING ACTIVITIES :		
Net cash flows (used in)/ generated from financing activities - (B)	-	-
C CASH FLOWS FROM FINANCING ACTIVITIES :		
Net cash flows (used in)/ generated from financing activities - (C)	-	-
Net decrease in Cash and Cash equivalents - [(A)+(B)+(C)]	(0.35)	(0.46)
Add: Cash and cash equivalents at the beginning of the year	495.61	496.07
Cash and cash equivalents as at end of the year (Refer Note 4)	495.26	495.61

The Company does not have any borrowings as on 31st March, 2024 and 31st March, 2023.

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 1 to 16 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No. 101248W/W - 100022

Aniruddha Godbole

Partner

Membership No: 105149

Place: Mumbai

Date: 22nd April, 2024

For and on behalf of Board of Directors of Levers Associated Trust Limited

CIN: U74999MH1946PLC005403

Anuradha Razdan

Director

DIN No. 08530676

Place: Mumbai

Date: 22nd April, 2024

Ravishankar A.

Director

DIN No. 09136289

Place: Mumbai

Date: 22nd April, 2024

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹'000 unless otherwise stated)

NOTE 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. However, there are no business operations during the current and previous year.

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Basis for preparation

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

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

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

- a. It is expected to be settled in normal operating cycle;
- b. It is held primarily for the purpose of trading;

- c. It is due to be settled within twelve months after the reporting period; or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian Rupee (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

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

The financial statements of the Company for the year ended 31st March, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 22nd April, 2024.

(b) Basis of measurement

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

The accounting policies adopted are the same as those which were applied for the previous financial year.

2.2 New Standards, Interpretations and Amendments Adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2.3 Material Accounting Policies

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

(All amounts in ₹'000 unless otherwise stated)

NOTE 3 INVESTMENTS

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Unquoted		
Unilever India Exports Limited - 1 equity share (31st March, 2023: 1 equity share) of ₹10 each fully paid	0.01	0.01
Total	0.01	0.01

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

NOTE 4 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.

	As at 31st March, 2024	As at 31st March, 2023
Balances with banks		
- In current accounts	495.26	495.61
Total	495.26	495.61

NOTE 5A EQUITY SHARE CAPITAL

	As at 31st March, 2024	As at 31st March, 2023
Authorised		
50,000 (31st March, 2023: 50,000) equity shares of ₹10 each	500.00	500.00
Issued, subscribed and fully paid up		
50,000 (31st March, 2023: 50,000) equity shares of ₹10 each fully paid	500.00	500.00
	500.00	500.00

a) Reconciliation of the number of shares

	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
Balance as at the beginning of the year	50,000	500.00	50,000	500.00
Add/Less: Issued during the year	-	-	-	-
Balance as at the end of the year	50,000	500.00	50,000	500.00

b) Rights, preferences and restrictions attached to shares

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

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

	As at 31st March, 2024	As at 31st March, 2023
Equity Shares of ₹10:		
50,000 Equity shares (31st March, 2023: 50,000) of ₹10 each held by Hindustan Unilever Limited, the Holding Company alongwith its subsidiaries and nominees	500.00	500.00

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹'000 unless otherwise stated)

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

	As at 31st March, 2024	As at 31st March, 2023
Equity shares held by the Holding Company, Hindustan Unilever Limited along with its subsidiaries and nominees		
Number of shares held	500.00	500.00
% of holding	100%	100%

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

Sr. No.	Promoter Name	As at 31st March, 2024		As at 31st March, 2023		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited along with its subsidiaries and nominees	50,000	100	50,000	100	-

Sr. No.	Promoter Name	As at 31st March, 2023		As at 31st March, 2022		% Change in the year
		Number of shares	Amount	Number of shares	Amount	
1	Hindustan Unilever Limited along with its subsidiaries and nominees	50,000	100	50,000	100	-

NOTE 5B OTHER EQUITY

A. Summary of Other Equity Balance:

	Retained Earnings
Opening balance as at 1st April, 2022	(3.87)
Loss for the year	(0.45)
Other comprehensive income for the year	-
Opening balance as at 1st April, 2023	(4.32)
Loss for the year	(0.31)
Other comprehensive income for the year	-
As at 31st March, 2024	(4.64)

B. Nature and Purpose of Reserves:

Retained Earnings: Retained earnings are the profit/(losses) that the Company has earned/incurred till date, less any transfer to general reserve, dividends or other distributions paid to the shareholders.

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	(4.32)	(3.87)
Add: Loss for the year	(0.31)	(0.45)
Add: Other comprehensive income for the year	-	-
Balance at the end of the year	(4.64)	(4.32)

NOTE 6 OTHER INCOME

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Dividend Income	0.34	0.20
Total	0.34	0.20

(All amounts in ₹'000 unless otherwise stated)

NOTE 7 OTHER EXPENSES

Expenses are accounted on accrual basis.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Bank charges	0.65	0.65
Total	0.65	0.65

NOTE 8 EARNINGS PER SHARE

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

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Earnings for the year (A)	(0.31)	(0.45)
Weighted average number of equity shares outstanding (B)	50,000	50,000
Earnings per share - basic and diluted (Face value of ₹10 per share) [(A)/(B)]	(0.01)	(0.01)

NOTE 9 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31st March, 2024 (31st March, 2023: Nil).

NOTE 10 RELATED PARTY DISCLOSURES**i) Enterprises exercising control**

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

ii) There are no transactions between related parties in the current year as well as in the previous year.

iii) There are no outstanding balance receivable from/ payable to any related party as at 31st March, 2024 (31st March, 2023: Nil).

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

NOTE 11 GOING CONCERN

Having regard to the continued support of the Company's Holding Company, Hindustan Unilever Limited, the financial statements are prepared on a going concern basis.

NOTE 12 ACCOUNTING RATIOS

Given there are no business operations, accounting ratios are not applicable for the Company.

NOTE 13 DISCLOSURE OF STRUCK OFF COMPANIES

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

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹'000 unless otherwise stated)

NOTE 14

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
 - i. Wilful defaulter
 - ii. Utilisation of borrowed funds and share premium
 - iii. Borrowings obtained on the basis of security of current assets
 - iv. Discrepancy in utilisation of borrowings

NOTE 15

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 16 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.

The accompanying notes 1 to 16 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No. 101248W/W - 100022

Aniruddha Godbole

Partner

Membership No: 105149

Place: Mumbai

Date: 22nd April, 2024

For and on behalf of Board of Directors of Levers Associated Trust Limited

CIN: U74999MH1946PLC005403

Anuradha Razdan

Director

DIN No. 08530676

Place: Mumbai

Date: 22nd April, 2024

Ravishankar A.

Director

DIN No. 09136289

Place: Mumbai

Date: 22nd April, 2024

LEVINDRA TRUST LIMITED

In this section

400 Report of Board of Directors

403 Financial Statements

Levindra Trust Limited

Report of Board of Directors

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Rajani Gopalkrishna Rao (DIN: 09406355) Raghunathan S. A. (DIN: 09785847) Jitendra Jethalal Dulera (DIN: 10566478) Sripathi Panditharadhyula Sridhar (DIN: 10566479)	M/s. B S R & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099 CIN - U67120MH1946PLC005402

To the Members,

Your Directors present the 77th Annual Report of Levindra Trust Limited (the Company) along with Audited financial statements for the financial year ended 31st March, 2024.

FINANCIAL RESULTS

The financial performance of your Company for the year under review is given below:

	(₹ In Thousands)	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from operations	-	-
Profit / (Loss) before tax	(0.65)	(0.65)
Profit / (Loss) for the year	(0.65)	(0.65)

OPERATIONAL REVIEW

The Company is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) and continued to act jointly with Levers Associated Trust Limited as the Trustee of the Union Provident Fund for the benefit of the employees of HUL and its subsidiaries.

There has been no change in the nature of activities undertaken by the Company during the year under review.

DIVIDEND

The Directors did not recommend any dividend during the year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve during the year under review.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company did not have any subsidiary or associate or joint venture company during the year under review.

THE BOARD OF DIRECTORS

The composition of the Board of the Company is in line with the applicable provisions of the Companies Act, 2013 (the Act).

Mr. Raghunathan S. A. was appointed as an Additional (Non-Executive) Director on the Board of the Company with effect from 16th January, 2023 to hold office up to the 76th Annual General Meeting (AGM) of the Company. Based on the recommendation of the Board, the members of the Company approved the appointment of Mr. Raghunathan S. A. as a Director of the Company at the 76th AGM of the Company held on 17th July, 2023.

During the year under review, Mr. Jaising Bhor (DIN: 08165955) and Mr. Puthige Ramamoorthy (DIN: 09414339) resigned as Directors of the Company with effect from 29th March, 2024. The Board placed on record, its sincere appreciation for the contribution made by Mr. Jaising Bhor and Mr. Puthige Ramamoorthy during their tenure as Directors of the Company.

Mr. Sripathi Panditharadhyula Sridhar and Mr. Jitendra Jethalal Dulara were appointed as an Additional (Non-Executive) Directors on the Board of the Company with effect from 28th March, 2024 to hold office up to the conclusion of ensuing AGM of the Company. Being eligible Mr. Sripathi Panditharadhyula Sridhar and Mr. Jitendra Jethalal Dulara have offered their candidature for appointment as Directors of the Company.

The Board recommends the appointment of Mr. Sripathi Panditharadhyula Sridhar and Mr. Jitendra Jethalal Dulara as Directors of the Company and the resolutions proposing the aforesaid appointments pursuant to the Section 152 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

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

RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT

In accordance with Article 33 of the Articles of Association of the Company and the relevant provisions of the Act, every Director of the Company, shall retire by rotation at every AGM and accordingly, Ms. Rajani Gopalkrishna Rao and Mr. Raghunathan S. A., Directors of the Company shall retire by rotation at the ensuing AGM and being eligible, have offered their candidatures for re-appointment.

The Board recommends the re-appointment of Ms. Rajani Gopalkrishna Rao and Mr. Raghunathan S. A., as Directors of the Company and the resolution proposing the same pursuant to the Section 152 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's operations, policies and strategy apart from other Board business. The Board Meetings are pre-scheduled and a tentative calendar of each of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure worthwhile participation in the meetings. However, in case of a special and urgent business need, the approval of the Board 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. However, during certain circumstances, the Agenda is circulated on a shorter notice with due consent of the Directors. The Agenda for the Board Meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the financial year ended 31st March, 2024, four (4) Board Meetings were held on 26th April, 2023, 17th July, 2023, 12th October, 2023 and 16th January, 2024. The interval between any two meetings was well within the maximum allowed gap of 120 days as per the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended 31st March, 2024, the Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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 Act, 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 Act read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any modifications or re-enactments thereof) are not applicable.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS OR SECURITY GIVEN IN CONNECTION TO LOAN

There have been no loans, guarantees or investments made by the Company or security given by the Company in connection to any loan in accordance with the provisions of Section 186 of the Act during the year under review.

RELATED PARTY TRANSACTIONS / CONTRACTS / ARRANGEMENTS

The Company has not entered into any transactions / contracts / arrangements referred to in Section 188(1) of the Act with party(ies) as defined under Clause 76 of Section 2 of the Act during the year under review.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Act (including any modifications or re-enactments thereof), during the year under review.

ANNUAL RETURN

The Company does not have any website and therefore as per provisions of Section 92(3) and 134(3)(a) of the Act read with the Companies (Management and Administration) Rules, 2014, the Company is not required to upload its Annual Return on the website. Further a copy of Annual Return shall be filed with the Registrar of Companies.

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 Board of Directors of the Company, elements of risks that threaten the existence of the 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 during the year under review 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 Act read with the Companies (Cost Records and Audit) Rules, 2014 (including any modifications or re-enactments thereof), during the year under review.

Report of Board of Directors

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

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.

The Company has generally 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 The Institute of Company Secretaries of India.

The Company has not issued any shares with differential voting rights, sweat equity shares and equity shares under Employees Stock Option Scheme during the year under review.

The Company had no employee during the year under review and hence, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 to be furnished.

The Company has not transferred any amount to the Investor Education & Protection Fund (IEPF) and no amount is lying in Unpaid Dividend Account of the Company during the year under review.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act, the Members of the Company at 72nd AGM held on 25th June, 2019 had approved the Re-appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm registration No. 101248W/W-100022), as the Statutory Auditors of the Company for a second term of 5 (five) years. Accordingly, the second term of Statutory Auditors expires on the conclusion of ensuing 77th AGM.

The report given by the Statutory Auditors on the financial statements of the Company for the financial year ended 31st March, 2024 forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory 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.

The Board at its meeting held on 22nd April, 2024, recommended the proposal of appointment of M/s. Walker Chandiok & Co. LLP, (Firm registration No. 001076N/

N500013), as the Statutory Auditors of the Company for a term of 5 (five) consecutive years commencing from the conclusion of 77th AGM up to the conclusion of 82nd AGM to be held in the year 2029, subject to approval of the Members at the ensuing AGM. The resolution proposing the aforesaid appointment pursuant to the Section 139, 142 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

M/s. Walker Chandiok & Co. LLP, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It was established in the year 1935 and is a Limited Liability Partnership Firm incorporated in India. It has its registered office at L-41, Connaught Circus, New Delhi - 110001 apart from 15 other branch offices in various cities in India. It is primarily engaged in providing audit and assurance services to its clients.

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

The requirements under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 (including any modifications or re-enactments thereof) in so far as energy conservation, technology absorption and foreign exchange are concerned, are not applicable to the Company during the year under review.

DETAILS OF PROCEEDINGS PENDING OR APPLICATION MADE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

No application was filed for corporate insolvency resolution process, by a Financial creditor or Operational creditor or by the Company itself under the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal during the year under review.

DETAILS OF DIFFERENCE BETWEEN VALUATION DONE AT THE TIME OF TAKING LOAN FROM BANK AND AT THE TIME OF ONE-TIME SETTLEMENT ALONG WITH REASONS

There was no instance of one-time settlement with any Bank or Financial Institution during the year under review.

ACKNOWLEDGEMENTS

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

On behalf of the Board

Rajani Gopalkrishna Rao

Director

DIN: 09406355

Raghunathan S. A.

Director

DIN: 09785847

Mumbai, 22nd April, 2024

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 2024, 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 material 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 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Independent Auditor's Report

we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2A. 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, except for certain matters in respect of audit trail as stated in the paragraph 2B(f) below.
- 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 1 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- f) The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- 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".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company does not have any pending litigations which would impact its financial position.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 13 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 13 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe

that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e) The Company has neither declared nor paid any dividend during the year.
- f) Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares except that, in case of such accounting softwares other than the software used for posting journal entries, the audit trail was not enabled at the database level to log any direct data changes. Further, changes to the application level by a super user does not have feature of a concurrent real time audit trail.

Where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

According to the information and explanations given to us and based on our examination of the records, there is no remuneration paid to the directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For BSR & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Date: 22 April 2024

Membership No.: 105149

ICAI UDIN: 24105149BKEXCH5271

Annexure A

to the Independent Auditor's Report on the Financial Statements of Levindra Trust Limited for the year ended 31 March 2024

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

- (i) (a) (A) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any property plant and equipment (including Right-of-Use assets) or intangible assets. Accordingly, provisions of clauses 3(i)(a) to 3(i)(e) of the Order are not applicable to the Company.
- (ii) (a) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any inventory and hence clause 3(ii)(a) of the Order is not applicable to the Company.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Accordingly, clause 3(vii)(a) of the Order is not applicable to the Company.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
 - (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
 - (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) The Company does not hold any investment in any subsidiaries, joint venture or associates (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company did not hold any investment in any subsidiaries, joint venture or associates (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable to the Company.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is not a listed public company or a company covered under rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and accordingly the requirements as stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions with the related parties during the year.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
- (b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group (Group means companies in the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has incurred cash losses of ₹ 0.65 thousand in the current financial year and ₹ 0.65 thousand in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) The Company does not have business operations and has incurred losses in the current year and the previous year and has accumulated losses as at 31 March 2024. As explained in the Note 9 to the financial statements, Hindustan Unilever Limited, the Holding Company has given a letter that it would continue to provide financial support to the Company in the foreseeable future to meet its obligations. On the basis of the above and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of

Annexure A

realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No.: 105149

ICAI UDIN: 24105149BKEXCH5271

Place: Mumbai

Date: 22 April 2024

Annexure B

to the Independent Auditor's Report on the financial statements of Levindra Trust Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(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 Levindra Trust Limited ("the Company") as of 31 March 2024 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 2024, 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 and Board of Directors' Responsibilities 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 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Date: 22 April 2024

Membership No.: 105149

ICAI UDIN: 24105149BKEXCH5271

Balance Sheet

as at 31st March, 2024

(All amounts in ₹ '000, unless otherwise stated)

Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Current assets			
Financial assets			
Cash and cash equivalents	3	492.65	493.30
TOTAL ASSETS		492.65	493.30
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4A	500.00	500.00
Other equity	4B	(7.35)	(6.70)
TOTAL EQUITY AND LIABILITIES		492.65	493.30
Basis of preparation, measurement and material accounting policies	2		

The accompanying notes 1 to 14 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Firm Registration No.: 101248W/W - 100022

Chartered Accountants

Aniruddha Godbole

Partner

Membership No.: 105149

Place: Mumbai

Date: 22nd April, 2024

For and on behalf of Board of Directors of Levindra Trust Limited

CIN: U67120MH1946PLC005402

Rajani Gopalkrishna Rao

Director

DIN No.: 09406355

Place: Mumbai

Date: 22nd April, 2024

Raghunathan S. A.

Director

DIN No.: 09785847

Place: Mumbai

Date: 22nd April, 2024

Statement of Profit and Loss

for the year ended 31st March, 2024

(All amounts in ₹ '000, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
INCOME			
TOTAL INCOME		-	-
EXPENSES			
Other Expenses	5	0.65	0.65
TOTAL EXPENSES		0.65	0.65
Loss before tax		(0.65)	(0.65)
Tax expenses			
Current tax		-	-
LOSS FOR THE YEAR (A)		(0.65)	(0.65)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR [(A)+(B)]		(0.65)	(0.65)
Loss per equity share			
Basic and Diluted (Face value of ₹10 each)	6	(0.01)	(0.01)
Basis of preparation, measurement and material accounting policies	2		

The accompanying notes 1 to 14 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W - 100022

Aniruddha Godbole

Partner

Membership No.: 105149

Place: Mumbai

Date: 22nd April, 2024

For and on behalf of Board of Directors of Levindra Trust Limited

CIN: U67120MH1946PLC005402

Rajani Gopalkrishna Rao

Director

DIN No.: 09406355

Place: Mumbai

Date: 22nd April, 2024

Raghunathan S. A.

Director

DIN No.: 09785847

Place: Mumbai

Date: 22nd April, 2024

Statement of Changes in Equity

for the year ended 31st March, 2024

(All amounts in ₹ '000, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	As at 31st March, 2024	As at 31st March, 2023
Balance as at the beginning of the year	4A	500.00	500.00
Changes in equity share capital due to prior period errors		-	-
Restated balance as at the beginning of the year	4A	500.00	500.00
Changes in equity share capital during the year		-	-
Balance as at the end of the year	4A	500.00	500.00

B. OTHER EQUITY

	Note	Retained Earnings
As at 31st March, 2022		(6.05)
Changes due to prior period errors		-
Restated balance as at 1st April, 2022	4B	(6.05)
Loss for the year		(0.65)
Other comprehensive income for the year		-
Total comprehensive loss for the year		(0.65)
As at 31st March, 2023		(6.70)
Changes due to prior period errors		-
Restated balance as at 1st April, 2023	4B	(6.70)
Loss for the year		(0.65)
Other comprehensive income for the year		-
Total comprehensive loss for the year		(0.65)
As at 31st March, 2024	4B	(7.35)

The accompanying notes 1 to 14 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W - 100022

Aniruddha Godbole

Partner

Membership No.: 105149

Place: Mumbai

Date: 22nd April, 2024

For and on behalf of Board of Directors of Levindra Trust Limited

CIN: U67120MH1946PLC005402

Rajani Gopalkrishna Rao

Director

DIN No.: 09406355

Place: Mumbai

Date: 22nd April, 2024

Raghunathan S. A.

Director

DIN No.: 09785847

Place: Mumbai

Date: 22nd April, 2024

Statement of Cash Flows

for the year ended 31st March, 2024

(All amounts in ₹ '000, unless otherwise stated)

	Year ended 31st March, 2024	Year ended 31st March, 2023
A CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before tax	(0.65)	(0.65)
Cash used in operations before working capital changes	(0.65)	(0.65)
Changes in working capital	-	-
Net cash flows used in operating activities - (A)	(0.65)	(0.65)
B CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash flows generated from investing activities - (B)	-	-
C CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash flows generated from financing activities - (C)	-	-
Net decrease in Cash and Cash equivalents - [(A)+(B)+(C)]	(0.65)	(0.65)
Add: Cash and cash equivalents at the beginning of the year	493.30	493.95
Cash and cash equivalents as at end of the year (Refer Note 3)	492.65	493.30

The Company does not have any borrowings as on 31st March, 2024 and 31st March, 2023.

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 1 to 14 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W - 100022

Aniruddha Godbole

Partner

Membership No.: 105149

Place: Mumbai

Date: 22nd April, 2024

For and on behalf of Board of Directors of Levindra Trust Limited

CIN: U67120MH1946PLC005402

Rajani Gopalkrishna Rao

Director

DIN No.: 09406355

Place: Mumbai

Date: 22nd April, 2024

Raghunathan S. A.

Director

DIN No.: 09785847

Place: Mumbai

Date: 22nd April, 2024

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ '000, unless otherwise stated)

NOTE 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. However, there are no business operations during the current and previous year.

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Basis for 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.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated 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.

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian Rupee (₹), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

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

The financial statements of the Company for the year ended 31st March, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 22nd April, 2024.

(b) Basis of measurement

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

The accounting policies adopted are the same as those which were applied for the previous financial year.

2.2 New Standards, Interpretations and Amendments adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2.3 Material Accounting Policies

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

(All amounts in ₹ '000, unless otherwise stated)

NOTE 3 CASH AND CASH EQUIVALENTS

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

	As at 31st March, 2024	As at 31st March, 2023
Balances with banks		
- In current accounts	492.65	493.30
Total	492.65	493.30

NOTE 4A EQUITY SHARE CAPITAL

	As at 31st March, 2024	As at 31st March, 2023
Authorised		
50,000 (31st March, 2023: 50,000) equity shares of ₹ 10 each	500.00	500.00
Issued, subscribed and fully paid up		
50,000 (31st March, 2023: 50,000) equity shares of ₹ 10 each fully paid	500.00	500.00
	500.00	500.00

a) Reconciliation of the number of shares

	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
Balance as at the beginning of the year	50,000	500.00	50,000	500.00
Add: issued during the year	-	-	-	-
Balance as at the end of the year	50,000	500.00	50,000	500.00

b) Rights, preferences and restrictions attached to shares

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

c) Shares held by Holding Company along with the subsidiaries and nominees of the Holding Company in aggregate

	As at 31st March, 2024	As at 31st March, 2023
Equity Shares of ₹10:		
50,000 Equity shares (31st March, 2023: 50,000) of ₹ 10 each held by Hindustan Unilever Limited, the Holding Company along with its subsidiaries and nominees	500.00	500.00

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

	As at 31st March, 2024	As at 31st March, 2023
Equity shares held by the Holding Company, Hindustan Unilever Limited along with its subsidiaries and nominees		
Number of shares held	50,000	50,000
% of holding	100%	100%

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

Sr. No.	Promoter Name	As at 31st March, 2024		As at 31st March, 2023		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited along with its subsidiaries and nominees	50,000	100%	50,000	100%	-

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ '000, unless otherwise stated)

Sr. No.	Promoter Name	As at 31st March, 2023		As at 31st March, 2022		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited alongwith its subsidiaries and nominees	50,000	100%	50,000	100%	-

NOTE 4B OTHER EQUITY

A. Summary of Other Equity Balance:

	Retained Earnings
Opening balance as at 1st April, 2022	(6.05)
Loss for the year	(0.65)
Other comprehensive income for the year	-
Total comprehensive loss for the year	(0.65)
Opening balance as at 1st April, 2023	(6.70)
Loss for the year	(0.65)
Other comprehensive income for the year	-
As at 31st March, 2024	(7.35)

B. Nature and Purpose of Reserves:

Retained Earnings: Retained earnings are the profit/(losses) that the Company has earned/incurred till date, less any transfer to general reserve, dividends or other distributions paid to the shareholders.

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	(6.05)	(6.05)
Add: Loss for the year	(0.65)	(0.65)
Add: Other comprehensive income for the year	-	-
Balance at the end of the year	(6.70)	(6.70)

NOTE 5 OTHER EXPENSES

	Year ended 31st March, 2024	Year ended 31st March, 2023
Bank charges	0.65	0.65
	0.65	0.65

NOTE 6 EARNINGS PER SHARE

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

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Loss for the year (A)	(0.65)	(0.65)
Weighted average number of equity shares outstanding (B)	50,000	50,000
Earnings per share - basic and diluted (Face value of ₹10 per share) [(A)/(B)]	(0.01)	(0.01)

NOTE 7 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31st March, 2024 (31st March, 2023: Nil).

NOTE 8 RELATED PARTY DISCLOSURES

i) Enterprises exercising control

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

(All amounts in ₹ '000, unless otherwise stated)

- ii) There are no transactions between related parties in the current year as well as in the previous year.
- iii) There are no outstanding balance receivable from/payable to any related party as at 31st March, 2024 (31st March, 2023: Nil).

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

NOTE 9 GOING CONCERN

Having regard to the continued support of the Company's Holding Company, Hindustan Unilever Limited, the financial statements are prepared on a going concern basis.

NOTE 10 ACCOUNTING RATIOS

Given there are no business operations, accounting ratios are not applicable for the Company.

NOTE 11 DISCLOSURE OF STRUCK OFF COMPANIES

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

NOTE 12

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
 - i. Wilful defaulter
 - ii. Utilisation of borrowed funds & share premium
 - iii. Borrowings obtained on the basis of security of current assets
 - iv. Discrepancy in utilisation of borrowings

NOTE 13

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 14 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 BSR & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W - 100022

Aniruddha Godbole

Partner

Membership No.: 105149

Place: Mumbai

Date: 22nd April, 2024

For and on behalf of Board of Directors of Levindra Trust Limited

CIN: U67120MH1946PLC005402

Rajani Gopalkrishna Rao

Director

DIN No.: 09406355

Place: Mumbai

Date: 22nd April, 2024

Raghuathan S. A.

Director

DIN No.: 09785847

Place: Mumbai

Date: 22nd April, 2024

HINDLEVER TRUST LIMITED

In this section

419 Report of Board of Directors

422 Financial Statements

BOARD OF DIRECTORS	AUDITORS	REGISTERED OFFICE
Ravishankar A. (DIN: 09136289) Harshal Marathe (DIN: 09644551) Shilpa Kedia (DIN: 10508350)	M/s. B S R & Co. LLP, Chartered Accountants	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099 CIN - U65990MH1958PLC011060

To the Members,

Your Directors present the 66th Annual Report of Hindlever Trust Limited (the Company) along with Audited financial statements for the financial year ended 31st March, 2024.

FINANCIAL RESULTS

The financial performance of your company for the year under review is given below:

	(₹ In Thousands)	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from operations	-	-
Profit / (Loss) before tax	(0.65)	(0.65)
Profit / (Loss) for the year	(0.65)	(0.65)

OPERATIONAL REVIEW

The Company is a wholly owned subsidiary of Hindustan Unilever Limited (HUL) and continues to act jointly with Levers Associated Trust Limited as the Trustee of the Hindlever Pension Fund, Hindustan Unilever Managment Staff Gratuity Fund, Hindlever Limited Superannuation Fund and Hindustan Unilever Educational and Welfare Trust for the benefit of employees of HUL and its subsidiaries.

There has been no change in the nature of activities undertaken by the Company during the year under review.

DIVIDEND

The Directors did not recommend any dividend during the year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve during the year under review.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company did not have any subsidiary or associate or joint venture company during the year under review.

THE BOARD OF DIRECTORS

The composition of the Board of the Company is in line with the applicable provisions of the Companies Act, 2013 (the Act).

During the year under review, Ms. Asha Gopalakrishnan (DIN: 08383915) and Ms. Mallika Mutreja (DIN: 09260657) resigned as a Directors of the Company with effect from 15th July, 2023 and 1st September, 2023 respectively. The Board placed on record, its sincere appreciation for the contributions made by Ms. Asha Gopalakrishnan and Ms. Mallika Mutreja during their tenure as Directors of the Company.

During the year under review, Ms. Suman Hegde (DIN: 06539295) was appointed as an Additional (Non-Executive) Director on the Board of the Company with effect from 15th July, 2023 to hold office up to the conclusion of ensuing Annual General Meeting (AGM) of the Company. However, Ms. Suman Hegde resigned as an Additional (Non-Executive) Director of the Company with effect from 19th February, 2024. The Board placed on record, its sincere appreciation for the contribution made by Ms. Suman Hegde during her tenure as a Director of the Company.

During the year under review, Mr. Harshal Marathe and Ms. Shilpa Kedia were appointed as Additional (Non-Executive) Directors on the Board of the Company with effect from 31st August, 2023 and 17th February, 2024, respectively to hold office up to the conclusion of ensuing AGM of the Company. Being eligible, Mr. Harshal Marathe and Ms. Shilpa Kedia have offered their candidatures for appointment as Directors of the Company.

The Board recommends the appointment of Mr. Harshal Marathe and Ms. Shilpa Kedia as Directors of the Company and the resolution proposing the aforesaid appointments pursuant to the Section 152 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

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

RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT

In accordance with Article 33 of the Articles of Association of the Company and the relevant provisions of the Act, all the Directors of the Company, shall retire by rotation at every AGM and accordingly, Mr. Ravishankar A., Director of the Company shall retire by rotation at the ensuing

Report of Board of Directors

AGM and being eligible, offers his candidature for re-appointment.

The Board recommends the re-appointment of Mr. Ravishankar A. as Director of the Company and the resolution proposing the same pursuant to the Section 152 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

BOARD MEETINGS

The Board of Directors meet at regular intervals to discuss and decide on Company's operations, policies and strategy apart from other Board business. The Board Meetings are pre-scheduled and a tentative calendar of each of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure worthwhile participation in the meetings. However, in case of a special and urgent business need, the approval of the Board 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. However, during certain circumstances, the Agenda is circulated on a shorter notice with due consent of the Directors. The Agenda for the Board Meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the financial year ended 31st March 2024, four (4) Board Meetings were held on 21st April, 2023, 14th July, 2023, 12th October, 2023 and 16th January, 2024. The interval between any two meetings was well within the maximum allowed gap of 120 days as per the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended 31st March, 2024, the Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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 Act, 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 Act read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any modifications or re-enactments thereof) are not applicable.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS OR SECURITY GIVEN IN CONNECTION TO LOAN

There have been no loans, guarantees or investments made by the Company or security given by the Company in connection to any loan in accordance with the provisions of Section 186 of the Act during the year under review.

RELATED PARTY TRANSACTIONS / CONTRACTS / ARRANGEMENTS

The Company has not entered into any transactions / contracts / arrangements referred to in Section 188(1) of the Act with party(ies) as defined under Clause 76 of Section 2 of the Act during the year under review.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Act (including any modifications or re-enactments thereof) during the year under review.

ANNUAL RETURN

The Company does not have any website and therefore as per provisions of Section 92(3) and 134(3)(a) of the Act read with the Companies (Management and Administration) Rules, 2014, the Company is not required to upload its Annual Return on the website. Further a copy of Annual Return shall be filed with the Registrar of Companies.

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 Board of Directors of the Company, elements of risks that threaten the existence of the 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 during the year under review 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 Act read with the Companies (Cost Records

and Audit) Rules, 2014 (including any modifications or re-enactments thereof), during the year under review.

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 this Report.

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.

The Company has generally 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 The Institute of Company Secretaries of India.

The Company has not issued any shares with differential voting rights, sweat equity shares and equity shares under Employees Stock Option Scheme during the year under review.

The Company had no employee during the year under review and hence, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 to be furnished.

The Company has not transferred any amount to the Investor Education & Protection Fund (IEPF) and no amount is lying in Unpaid Dividend Account of the Company during the year under review.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act, the Members of the Company at 61st AGM held on 25th June, 2019 had approved the Re-appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm registration No. 101248W/W-100022), as the Statutory Auditors of the Company for a second term of 5 (five) years. Accordingly, the second term of Statutory Auditors expires on the conclusion of ensuing 66th AGM.

The report given by the Statutory Auditors on the financial statements of the Company for the financial year ended 31st March, 2024 forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory 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.

Mumbai, 22nd April, 2024

The Board at its meeting held on 22nd April, 2024, recommended the proposal of appointment of M/s. Walker Chandiook & Co. LLP, (Firm registration No. 001076N/N500013), as the Statutory Auditors of the Company for a term of 5 (five) consecutive years commencing from the conclusion of 66th AGM up to the conclusion of 71st AGM to be held in the year 2029, subject to approval of the Members at the ensuing AGM. The resolution proposing the aforesaid appointment pursuant to the Section 139, 142 of the Act and all other applicable provisions (including any modifications or re-enactments thereof), if any, forms part of the Notice of the AGM.

M/s. Walker Chandiook & Co. LLP, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It was established in the year 1935 and is a Limited Liability Partnership Firm incorporated in India. It has its registered office at L-41, Connaught Circus, New Delhi - 110001 apart from 15 other branch offices in various cities in India. It is primarily engaged in providing audit and assurance services to its clients.

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

The requirements under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 (including any modifications or re-enactments thereof) in so far as energy conservation, technology absorption and foreign exchange are concerned, are not applicable to the Company during the year under review.

DETAILS OF PROCEEDINGS PENDING OR APPLICATION MADE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

No application was filed for Corporate Insolvency Resolution Process, by a Financial creditor or Operational creditor or by the Company itself under the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal during the year under review.

DETAILS OF DIFFERENCE BETWEEN VALUATION DONE AT THE TIME OF TAKING LOAN FROM BANK AND AT THE TIME OF ONE-TIME SETTLEMENT ALONG WITH REASONS

There was no instance of one-time settlement with any Bank or Financial Institution during the year under review.

ACKNOWLEDGEMENTS

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

On behalf of the Board

Ravishankar A.

Director

DIN: 09136289

Harshal Marathe

Director

DIN: 09644551

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 2024, 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 material 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 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting

policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference

to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2A. 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, except for certain matters in

respect of audit trail as stated in the paragraph 2B(f) below.

- 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 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - 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".
- B.** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 13 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

Independent Auditor's Report

Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 13 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the Company

has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares except that, in case of such accounting softwares other than the software used for posting journal entries, the audit trail was not enabled at the database level to log any direct data changes. Further, changes to the application level by a super user does not have feature of a concurrent real time audit trail. Where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

According to the information and explanations given to us and based on our examination of the records, there is no remuneration paid to the directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For BSR & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Date: 22 April 2024

Membership No.: 105149

ICAI UDIN:24105149BKEXCG8095

Annexure A

to the Independent Auditor's Report on the Financial Statements of Hindleaver Trust Limited for the year ended 31 March 2024

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

- (i) (a) (A) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any property plant and equipment (including Right-of-Use assets) or intangible assets. Accordingly, provisions of clauses 3(i)(a) to 3(i)(e) of the Order are not applicable to the Company.
- (ii) (a) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any inventory and hence clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Accordingly, clause 3(vii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company did not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable to the Company.

Annexure A

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is not a listed public company or a company covered under rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and accordingly the requirements as stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions with the related parties during the year.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
- (b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group (Group means companies in the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has incurred cash losses of ₹0.65 thousand in the current financial year and ₹0.65 thousand in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

- (xix) The Company does not have business operations and has incurred losses in the current year and the previous year and has accumulated losses as at 31 March 2024. As explained in Note 9 to the financial statements, Hindustan Unilever Limited, the Holding Company has given a letter that it would continue to provide financial support to the Company in the foreseeable future to meet its obligations. On the basis of the above and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Date: 22 April 2024

Membership No.: 105149

ICAI UDIN:24105149BKEXCG8095

Annexure B

to the Independent Auditor's Report on the financial statements of Hindlever Trust Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(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 Hindlever Trust Limited ("the Company") as of 31 March 2024 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 2024, 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 and Board of Directors' Responsibilities 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 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the

risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Place: Mumbai

Date: 22 April 2024

Membership No.: 105149

ICAI UDIN:24105149BKEXCG8095

Balance Sheet

as at 31st March, 2024

FINANCIAL STATEMENTS



(All amounts in ₹ '000, unless otherwise stated)

Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Current assets			
Financial assets			
Cash and cash equivalents	3	492.62	493.27
TOTAL ASSETS		492.62	493.27
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	4A	500.00	500.00
Other equity	4B	(7.38)	(6.73)
TOTAL EQUITY AND LIABILITIES		492.62	493.27
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes 1 to 14 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of Board of Directors of Hindlever Trust Limited

CIN: U65990MH1958PLC011060

Aniruddha Godbole

Partner

Membership No. 105149

Ravishankar A.

Director

DIN No. 09136289

Harshal Marathe

Director

DIN No. 09644551

Place: Mumbai

Date : 22nd April, 2024

Place: Mumbai

Date : 22nd April, 2024

Place: Mumbai

Date : 22nd April, 2024

Statement of Profit and Loss

for the year ended 31st March, 2024

(All amounts in ₹ '000, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
INCOME			
TOTAL INCOME		-	-
EXPENSES			
Other Expenses	5	0.65	0.65
TOTAL EXPENSES		0.65	0.65
Loss before tax		(0.65)	(0.65)
Tax expenses			
Current tax		-	-
LOSS FOR THE YEAR (A)		(0.65)	(0.65)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR [(A)+(B)]		(0.65)	(0.65)
Loss per equity share			
Basic and Diluted (Face value of ₹10 each)	6	(0.01)	(0.01)
Basis of preparation, measurement and material accounting policies	2		

The accompanying notes 1 to 14 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No. 105149

Place: Mumbai

Date : 22nd April, 2024

For and on behalf of Board of Directors of Hindlever Trust Limited

CIN: U65990MH1958PLC011060

Ravishankar A.

Director

DIN No. 09136289

Place: Mumbai

Date : 22nd April, 2024

Harshal Marathe

Director

DIN No. 09644551

Place: Mumbai

Date : 22nd April, 2024

Statement of Changes in Equity

for the year ended 31st March, 2024

FINANCIAL STATEMENTS



(All amounts in ₹ '000, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	As at 31st March, 2024	As at 31st March, 2023
Balance as at the beginning of the year	4A	500.00	500.00
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year	4A	500.00	500.00
Changes in equity share capital during the year		-	-
Balance as at the end of the year	4A	500.00	500.00

B. OTHER EQUITY

	Note	Retained Earnings
As at 31st March, 2022		(6.08)
Changes due to prior period errors		-
Restated balance as at 1st April, 2022	4B	(6.08)
Loss for the year		(0.65)
Other comprehensive income for the year		-
Total comprehensive loss for the year		(0.65)
As at 31st March 2023		(6.73)
Changes due to prior period errors		-
Restated balance as at 1st April, 2023	4B	(6.73)
Loss for the year		(0.65)
Other comprehensive income for the year		-
Total comprehensive loss for the year		(0.65)
As at 31st March, 2024	4B	(7.38)

The accompanying notes 1 to 14 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole

Partner
Membership No. 105149

Place: Mumbai
Date : 22nd April, 2024

For and on behalf of Board of Directors of Hindlevar Trust Limited

CIN: U65990MH1958PLC011060

Ravishankar A.

Director
DIN No. 09136289

Place: Mumbai
Date : 22nd April, 2024

Harshal Marathe

Director
DIN No. 09644551

Place: Mumbai
Date : 22nd April, 2024

Statement of Cash Flows

for the year ended 31st March, 2024

(All amounts in ₹ '000, unless otherwise stated)

	Year ended 31st March, 2024	Year ended 31st March, 2023
A CASH FLOWS FROM OPERATING ACTIVITIES :		
Loss before tax	(0.65)	(0.65)
Cash flows used in operations before working capital changes	(0.65)	(0.65)
Changes in working capital	-	-
Net cash flows (used in)/ generated from operating activities - (A)	(0.65)	(0.65)
B CASH FLOWS FROM INVESTING ACTIVITIES :		
Net cash flows (used in)/ generated from investing activities - (B)	-	-
C CASH FLOWS FROM FINANCING ACTIVITIES :		
Net cash flows (used in)/ generated from financing activities - (C)	-	-
Net decrease in Cash and Cash equivalents - [(A)+(B)+(C)]	(0.65)	(0.65)
Add: Cash and cash equivalents at the beginning of the year	493.27	493.92
Cash and cash equivalents as at end of the year (Refer Note 3)	492.62	493.27

The Company does not have any borrowings as on 31st March, 2024 & 31st March, 2023

Note:

The above Statement of cashflows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes 1 to 14 are an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole

Partner
Membership No. 105149

Place: Mumbai

Date : 22nd April, 2024

For and on behalf of Board of Directors of Hindlever Trust Limited

CIN: U65990MH1958PLC011060

Ravishankar A.

Director
DIN No. 09136289

Place: Mumbai

Date : 22nd April, 2024

Harshal Marathe

Director
DIN No. 09644551

Place: Mumbai

Date : 22nd April, 2024

NOTE 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. However, there are no business operations during the current and previous year.

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND MATERIAL ACCOUNTING POLICIES**2.1 Basis of Preparation and Measurement****(a) Basis for preparation**

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

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated 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.

All other liabilities are classified as non-current.

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

The financial statements are presented in Indian Rupee (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

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

The financial statements of the Company for the year ended 31st March, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 22nd April, 2024.

(b) Basis of measurement

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

The accounting policies adopted are the same as those which were applied for the previous financial year.

2.2 New Standards, Interpretations and Amendments Adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2.3 Material Accounting Policies

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

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ '000, unless otherwise stated)

NOTE 3 CASH AND CASH EQUIVALENTS

	As at 31st March, 2024	As at 31st March, 2023
Balances with banks		
- In current accounts	492.62	493.27
Total	492.62	493.27

NOTE 4A EQUITY SHARE CAPITAL

	As at 31st March, 2024	As at 31st March, 2023
Authorised		
50,000 (31st March, 2023: 50,000) equity shares of ₹ 10 each	500.00	500.00
Issued, subscribed and fully paid up		
50,000 (31st March, 2023: 50,000) equity shares of ₹ 10 each fully paid	500.00	500.00
	500.00	500.00

a) Reconciliation of the number of shares

	As at 31st March, 2024		As at 31st March, 2023	
Equity Shares:	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	50,000	500.00	50,000	500.00
Add/Less: Issued during the year	-	-	-	-
Balance as at the end of the year	50,000	500.00	50,000	500.00

b) Rights, preferences and restrictions attached to shares

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

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

	As at 31st March, 2024	As at 31st March, 2023
Equity Shares of ₹10 :		
50,000 Equity shares (31st March, 2023: 50,000) of ₹10 each held by Hindustan Unilever Limited, the Holding Company alongwith its subsidiaries and its nominees	500.00	500.00

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

	As at 31st March, 2024	As at 31st March, 2023
Equity shares held by the Holding Company, Hindustan Unilever Limited alongwith subsidiaries and nominees		
Number of shares held	50,000	50,000
% of holding	100%	100%

(All amounts in ₹ '000, unless otherwise stated)

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

Sr. No.	Promoter Name	As at 31st March, 2024		As at 31st March, 2023		% Change in the year
		Number of shares	% of total shares	Number of shares	% of total shares	
1	Hindustan Unilever Limited alongwith its subsidiaries and nominees	50,000	100%	50,000	100%	-

Sr. No.	Promoter Name	As at 31st March, 2023		As at 31st March, 2022		% Change in the year
		Number of shares	Amount	Number of shares	Amount	
1	Hindustan Unilever Limited alongwith its subsidiaries and nominees	50,000	100%	50,000	100%	-

NOTE 4B OTHER EQUITY**A. Summary of Other Equity Balance:**

	Retained Earnings
Opening balance as at 1st April, 2022	(6.08)
Loss for the year	(0.65)
Other comprehensive income for the year	-
Total comprehensive loss for the year	(0.65)
Opening balance as at 1st April, 2023	(6.73)
Loss for the year	(0.65)
Other comprehensive income for the year	-
Total comprehensive loss for the year	(0.65)
As at 31st March, 2024	(7.38)

B. Nature and Purpose of Reserves:

Retained Earnings: Retained earnings are the profit/(losses) that the Company has earned/incurred till date, less any transfer to general reserve, dividends or other distributions paid to the shareholders.

	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	(6.73)	(6.08)
Add: Loss for the year	(0.65)	(0.65)
Add: Other comprehensive income for the year	-	-
Balance at the end of the year	(7.38)	(6.73)

NOTE 5 OTHER EXPENSES

	Year ended 31st March, 2024	Year ended 31st March, 2023
Bank charges	0.65	0.65
Total	0.65	0.65

Notes

to the financial statements for the year ended 31st March, 2024

(All amounts in ₹ '000, unless otherwise stated)

NOTE 6 EARNINGS PER SHARE

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

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

	Year ended 31st March, 2024	Year ended 31st March, 2023
Loss for the year (A)	(0.65)	(0.65)
Weighted average number of equity shares outstanding (B)	50,000	50,000
Earnings per share - basic and diluted (Face value of ₹10 per share) [(A)/(B)]	(0.01)	(0.01)

NOTE 7 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31st March, 2024 (31st March, 2023: Nil).

NOTE 8 RELATED PARTY DISCLOSURES

i) Enterprises exercising control

Ultimate Holding Company : Unilever PLC

Holding Company : Hindustan Unilever Limited

ii) There are no transactions between related parties in the current year as well as in the previous year.

iii) There are no outstanding balance receivable from / payable to any related party as at 31st March, 2024 (31st March, 2023: Nil).

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

NOTE 9 GOING CONCERN

Having regard to the continued support of the Company's Holding Company, Hindustan Unilever Limited, the financial statements are prepared on a going concern basis.

NOTE 10 ACCOUNTING RATIOS

Given there are no business operations, accounting ratios are not applicable for the Company.

NOTE 11 DISCLOSURE OF STRUCK OFF COMPANIES

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

NOTE 12

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
 - i. Wilful defaulter
 - ii. Utilisation of borrowed funds & share premium
 - iii. Borrowings obtained on the basis of security of current assets
 - iv. Discrepancy in utilisation of borrowings

(All amounts in ₹ '000, unless otherwise stated)

NOTE 13

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 14 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

Chartered Accountants

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

Aniruddha Godbole

Partner

Membership No. 105149

Place: Mumbai

Date : 22nd April, 2024

For and on behalf of Board of Directors of Hindlever Trust Limited

CIN: U65990MH1958PLC011060

Ravishankar A.

Director

DIN No. 09136289

Place: Mumbai

Date : 22nd April, 2024

Harshal Marathe

Director

DIN No. 09644551

Place: Mumbai

Date : 22nd April, 2024

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



1930 - Leela Chitnis



1980 - Zeenat Aman



2015 - Kareena Kapoor



1950 - Nirupa Roy



2010 - Aishwarya Rai



2017 - Deepika Padukone



2021 - Anushka Sharma



1995 - Madhuri Dixit



1970 - Hema Malini



2024 - Suhana Khan

100 YEARS OF UNAPOLOGETIC BEAUTY

LUX celebrates one hundred years of being 'filmi sitaaron ka Saundarya saabun' with its unapologetic expression of elegance, femininity and beauty. Over the years, LUX has been loved by millions of consumers across the globe, for crafting products with exquisite fragrances and skincare expertise. As the iconic brand celebrates its centenary year, we look back at some of the glamorous stars who added glamour to LUX!

100
LUX

