

# J. K. INVESTO TRADE (INDIA) LIMITED

## BOARD'S REPORT

To,  
The Members,

Your Directors are pleased to present the 72<sup>nd</sup> Annual Report on the business and operations of the Company together with Audited Financial Statements for the year ended March 31, 2020.

### 1. FINANCIAL PERFORMANCE

(₹ in lakhs)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Income during the year	135.85	403.67
Depreciation	0.20	0.30
Exceptional items	43386.03	1119.70
Provision for taxation (including deferred tax)	8834.38	464.51
Profit after tax	34558.13	919.65
Profit brought forward	4940.55	4204.83
Transferred to Statutory Reserve Fund under RBI Act	6911.63	183.93
Adjustment on transfer of combined FMCG business undertaking	1465.23	-
Surplus as per Balance Sheet	31121.82	4940.55

The main reason for increase in profit was on account of the Company selling its land, along with structure thereon, during the year under review and the profit of ₹ 43684.03 lakhs thereon, is shown under exceptional items.

During the year, rental income decreased to ₹ 21.97 lakhs from ₹ 179.68 lakhs in the previous year, due to sale of buildings of the Company located at Thane, from where rental activity was carried on. There has been no other change in the nature of the business during the year under review.

The Mumbai Bench of National Company Law Tribunal ("NCLT") has vide its order dated February 7, 2020 approved the Composite Scheme of Amalgamation and Arrangement between Raymond Consumer Care Private Limited and J. K. Helene Curtis Limited and J. K. Investo Trade (India) Limited and Ray Global Consumer Trading Limited and Ray Universal Trading Limited and their respective shareholders. The entire operation of the FMCG businesses, which was shown as "Discontinued Operations" in the Consolidated Financial Statements for the previous year ended March 31, 2019, have been merged into a single entity namely Ray Universal Trading Limited, as per the aforesaid order of NCLT, to bring operational efficiency.

The Consolidated Financial Statements for the year ended March 31, 2020 are prepared in accordance with the provisions of the Companies Act, 2013 and the relevant Accounting Standards issued by the Institute of Chartered Accountants of India. Pursuant to Section 129(3) of the Companies Act, 2013 read with Rules made thereunder, a statement containing salient features of the Financial Statements of Subsidiaries / Associate Companies / Joint Ventures is given in Form AOC-1 and forms an integral part of this Annual Report. The consolidated total revenue for the year ended March 31, 2020 was ₹ 243.61 lakhs as compared to ₹ 511.43 lakhs in the previous year. The consolidated net profit after tax for the year under review was ₹ 34590.16 lakhs as compared to ₹ 936.01 lakhs in the previous year.

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report, except for the impact arising out of Covid-19.

The management has performed a detailed assessment of the situation arising out of Covid-19 and believes that no adjustments are required in the financial statements as it does not impact the current financial year. However, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

### 2. DIVIDEND

In order to conserve resources, no dividend has been recommended for the financial year ended March 31, 2020.

### 3. RESERVES

An amount of ₹ 6911.63 lakhs is transferred to Statutory Reserve Fund under the RBI Act, 1934 and ₹ 1465.23 towards adjustment on transfer of combined FMCG business undertaking to Ray Universal Trading Limited, is transferred to capital reserve.

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## 4. SALE / TRANSFER OF LAND OF THE COMPANY

During the year under review, the Company entered into an Agreement for Sale on October 8, 2019 with Elpis Ventures Private Limited, an affiliate of Virtuous Retail South Asia Pte. Ltd. for sale of land of the Company situated at Thane admeasuring around 19 acres together with structures standing thereon. Pursuant to the said Agreement for Sale, the Company agreed to sell its land for a total consideration of ₹ 700 crore, subject to payment of taxes, cost of approvals, as applicable, and on the terms and conditions set out in the said Agreement for Sale.

Subsequently, the Company executed an Indenture of Conveyance on December 12, 2019 with Elpis Ventures Private Limited for transfer of 77,420 square metres of land of the Company for an aggregate consideration of ₹ 640 crore and also executed an Indenture of Conveyance on December 12, 2019 with Kleio Developers Private Limited (an affiliate of Elpis Ventures Private Limited) for transfer of 890 square metres of land of the Company for an aggregate consideration of ₹ 10 crore. The balance consideration of ₹ 50 crore will be received by the Company on achieving certain milestones.

## 5. FINANCE

During the year the Company availed loan facility from Hero FinCorp Limited for an amount up to ₹ 200 crore for payment to government authorities towards premium for conversion of land of the Company from industrial to residential cum commercial purposes and other transaction related expenses. The said loan availed has been fully repaid by the Company during the year under review.

## 6. COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT

The composite Scheme of Amalgamation and Arrangement (the "Scheme") between the Company and its two subsidiaries viz. Raymond Consumer Care Private Limited ("RCCPL") and J. K. Helene Curtis Limited ("JKHC"), for the amalgamation of RCCPL and demerger of the FMCG Business undertaking of JKHC with the Company and the further demerger of Combined FMCG Undertaking of the Company (vested in the Company pursuant to amalgamation of RCCPL with the Company and demerger of FMCG Business Undertaking from JKHC into the Company) into Ray Universal Trading Limited and cancellation and reduction of the share capital of Ray Global Consumer Trading Limited, which was approved by the National Company Law Tribunal (Mumbai bench) ("NCLT") on February 7, 2020 has been given effect by the Company on April 1, 2019.

## 7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

### J.K. HELENE CURTIS LIMITED

During the year under review, the total revenue of our wholly owned subsidiary, J. K. Helene Curtis Limited, was ₹ 107.76 lakhs (Previous Year ₹ 36727.99 lakhs). The profit after tax during the year under review was ₹ 25.86 lakhs as compared to net profit of ₹ 1460.14 lakhs in the previous year. On account of the entire FMCG business of this subsidiary being demerged into Ray Universal Trading Limited as per the order of NCLT, there has been a substantial decrease in revenue as well as net profit and therefore the figures of current year are not comparable with that of the previous year.

### JKHC INTERNATIONAL (FZE)

JKHC International (FZE), a wholly owned subsidiary of J.K. Helene Curtis Limited, has been liquidated with effect from December 29, 2019 and has, therefore, ceased to be our subsidiary company.

### RAYMOND CONSUMER CARE PRIVATE LIMITED (Formerly J.K. Ansell Private Limited)

As per the Scheme approved by the order of NCLT dated February 7, 2020, Raymond Consumer Care Private Limited stood dissolved without being wound up, with effect from April 1, 2019, being the date when the accounting effect to the said order has been given and hence, has ceased to be our subsidiary company.

### RAY GLOBAL CONSUMER TRADING LIMITED (Formerly Ray Global Consumer Trading Private Limited)

As per the Scheme approved by the order of NCLT dated February 7, 2020, Ray Global Consumer Trading Limited has ceased to be our subsidiary company, with effect from April 1, 2019, being the date when the accounting effect to the said order has been given.

### RAY UNIVERSAL TRADING LIMITED (Formerly Ray Universal Trading Private Limited)

As per the Scheme approved by the order of NCLT dated February 7, 2020, Ray Universal Trading Limited has ceased to be our subsidiary company, with effect from April 1, 2019, being the date when the accounting effect to the said order has been given.

# J. K. INVESTO TRADE (INDIA) LIMITED

## 8. SHARE CAPITAL

As per the Scheme approved by NCLT, the Authorised Equity Share Capital amount to ₹ 300.00 lakhs of Raymond Consumer Care Private Limited shall stand consolidated and vested in and be merged with the Authorised Equity Share Capital of the Company. Accordingly, the Authorised Equity Share Capital of the Company has increased from ₹ 800.00 lakhs to ₹ 1100.00 lakhs during the year.

The paid-up equity share capital of the Company as on March 31, 2020 was ₹ 732.22 lakhs. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2020 none of the Directors of the Company hold shares or convertible instruments of the Company in their individual capacity.

## 9. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in Form AOC-2 is not required.

## 10. DEPOSITS

The Company has not accepted any deposit from the public during the year under review.

## 11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Since the Company is a Non-Banking Financial Company, the provisions of Section 186 of the Companies Act, 2013 are not applicable to the Company.

## 12. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the Company has no manufacturing facility, information pursuant Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, on conservation of energy and technology absorption is not furnished.

During the year under review, the foreign exchange earning was ₹ Nil (Previous Year ₹ Nil) and foreign exchange outgo was ₹ Nil (Previous Year ₹ Nil).

## 13. REPORTING OF FRAUDS

There was no instance of fraud during the year under review which required the Statutory Auditors to report to the Board of Directors under Section 143(12) of the Companies Act, 2013 and Rules framed thereunder.

## 14. PARTICULARS OF EMPLOYEES

Information in accordance with Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2020 is not provided since the Company is not a listed Company.

## 15. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year under review, no complaints have been received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 16. STATUTORY AUDITORS

Messrs Price Waterhouse Chartered Accountants LLP, registered with the Institute of Chartered Accountants of India vide registration number 012754N/N500016 were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting (AGM) of the Members held on June 30, 2017 on a remuneration to be mutually agreed upon by the Board of Directors and the Statutory Auditors. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on June 30, 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017, effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

There is no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors in their audit report(s) for the year under review.

## 17. EXTRACT OF THE ANNUAL RETURN

The extract of annual return in Form MGT 9 as on March 31, 2020 is annexed as "Annexure A" which forms part of this Report and is also available on the Company's website viz. [www.jkinvesto.com](http://www.jkinvesto.com).

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## 18. DIRECTORS

Shri Gautam Hari Singhania (DIN: 00020088) retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Shri Shantilal Pokharna (DIN: 01289850) and Shri Arun Agarwal (DIN: 00194010) were appointed as Additional Directors of the Company by Circular Resolution passed on October 23, 2020, and are liable to retire by rotation.

Shri Vipin Agarwal (DIN: 02963480) and Shri Sanjay Bahl (DIN: 00332153) resigned as Directors of the Company effective from October 26, 2020. The Board places on record its sincere and deep appreciation for the services rendered by Shri Vipin Agarwal and Shri Sanjay Bahl during their tenure as Director and Member of various committees of the Board of Directors of the Company.

## 19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of the Section 135 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors constituted the Corporate Social Responsibility (CSR) Committee. The composition of CSR Committee is as under:

1. Shri Shantilal Pokharna - Chairman
2. Shri Arun Agarwal - Member

The terms of reference of CSR Committee are as under:

- a) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- b) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- c) To monitor the CSR Policy of the Company from time to time;
- d) Any other matter the CSR Committee may deem appropriate post the approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

In the financial year 2019-20, the CSR Committee met two times. The Meetings were held on January 23, 2020 and March 16, 2020.

Attendance of CSR Committee Members is as under:

Sr. No.	Name of the Member	No. of Meetings attended
1	Shri Shantilal Pokharna <sup>1</sup>	0 of 0
2	Shri Arun Agarwal <sup>2</sup>	0 of 0
3	Shri Vipin Agarwal <sup>3</sup>	2 of 2
4	Shri Sanjay Bahl <sup>3</sup>	2 of 2

### Notes:

1. Shri Shantilal Pokharna was appointed as Chairman of the aforesaid Committee w.e.f. October 23, 2020.
2. Shri Arun Agarwal was appointed as Member of the aforesaid Committee w.e.f. October 23, 2020.
3. Shri Vipin Agarwal and Shri Sanjay Bahl ceased to be Members of the Committee w.e.f. October 23, 2020.

A disclosure, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, is annexed herewith as "Annexure B" to this Report.

## 20. BOARD / COMMITTEE MEETINGS

### Board Meetings:

In the financial year 2019-20, the Board met eight times. The Meetings were held on April 30, 2019, May 16, 2019, July 31, 2019, September 27, 2019, October 7, 2019, October 24, 2019, November 29, 2019 and January 23, 2020.

Attendance of Directors at the Board Meetings is as under:

Sr. No.	Name of the Director	No. of Board Meetings attended
1	Shri Gautam Hari Singhania	8 of 8
2	Shri Vipin Agarwal	8 of 8
3	Shri Sanjay Bahl	8 of 8
4	Shri Shantilal Pokharna <sup>1</sup>	0 of 0
5	Shri Arun Agarwal <sup>1</sup>	0 of 0

### Note:

1. Shri Shantilal Pokharna and Shri Arun Agarwal were appointed as Additional Directors of the Company w.e.f. October 23, 2020.

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## Committees of the Board:

### Stakeholders Relationship Committee

The composition of Stakeholders Relationship Committee is as under:

1. Shri Shantilal Pokharna - Chairman
2. Shri Arun Agarwal - Member

In the financial year 2019-20, the Stakeholders Relationship Committee met twelve times. The Meetings were held on April 16, 2019, May 14, 2019, June 17, 2019, July 19, 2019, August 19, 2019, September 20, 2019, October 15, 2019, November 20, 2019, December 19, 2019, January 20, 2020, February 20, 2020 and March 16, 2020.

Attendance of Stakeholders Relationship Committee Members is as under:

Sr. No.	Name of the Member	No. of Meetings attended
1	Shri Shantilal Pokharna <sup>1</sup>	0 of 0
2	Shri Arun Agarwal <sup>2</sup>	0 of 0
3	Shri Vipin Agarwal <sup>3</sup>	12 of 12
4	Shri Sanjay Bahl <sup>3</sup>	12 of 12

### Notes:

1. Shri Shantilal Pokharna was appointed as Chairman of the aforesaid Committee w.e.f. October 23, 2020.
2. Shri Arun Agarwal was appointed as Member of the aforesaid Committee w.e.f. October 23, 2020.
3. Shri Vipin Agarwal and Shri Sanjay Bahl ceased to be Members of the Committee w.e.f. October 23, 2020.

### Investment Committee

The composition of Investment Committee is as under:

1. Shri Shantilal Pokharna - Chairman
2. Shri Arun Agarwal - Member

In the financial year 2019-20, the Investment Committee met two times. The Meetings were held on October 7, 2019 and December 12, 2019.

Attendance of Investment Committee Members is as under:

Sr. No.	Name of the Member	No. of Meetings attended
1	Shri Shantilal Pokharna <sup>1</sup>	0 of 0
2	Shri Arun Agarwal <sup>2</sup>	0 of 0
3	Shri Vipin Agarwal <sup>3</sup>	2 of 2
4	Shri Sanjay Bahl <sup>3</sup>	2 of 2

### Notes:

1. Shri Shantilal Pokharna was appointed as Chairman of the aforesaid Committee w.e.f. October 23, 2020.
2. Shri Arun Agarwal was appointed as Member of the aforesaid Committee w.e.f. October 23, 2020.
3. Shri Vipin Agarwal and Shri Sanjay Bahl ceased to be Members of the Committee w.e.f. October 23, 2020.

## 21. COMPLIANCE WITH SECRETARIAL STANDARDS

In terms of Section 118(10) of the Companies Act, 2013, the Company is complying with the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by Central Government with respect to Meetings of the Board of Directors and General Meetings.

## 22. INTERNAL CONTROL SYSTEMS

Your Company has an adequate and effective internal control and risk-mitigation system commensurate with the nature and size of the Company and the same are constantly assessed and strengthened with new / revised standard operating procedures

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## 23. RISK MANAGEMENT

The Company has adequate risk management measures which are implemented, developed, assessed, reviewed and strengthened from time to time.

## 24. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its operations in future.

## 25. MAINTENANCE OF COST RECORDS

As per the provisions of the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

## 26. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) that in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- (c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors had prepared the annual accounts on a going concern basis; and
- (e) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 27. ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the shareholders, bankers, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff during the year.

For and on behalf of the Board

Date : November 10, 2020  
Place : Mumbai

Gautam Hari Singhania  
Chairman  
DIN: 00020088