



UJALA

FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchange

1	Name of the Company	Jyothy Laboratories Limited
2	Annual financial statements for the year ended	31 st March, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.
5	Signed by- <ul style="list-style-type: none"> • Managing Director • CFO • CEO • Auditor of the Company 	<div style="margin-bottom: 20px;"> <p>For Jyothy Laboratories Limited</p> <p>M. P. Ramachandran Chairman & Managing Director</p> </div> <div style="margin-bottom: 20px;"> <p>For Jyothy Laboratories Limited</p> <p>K. Ullas Kamath Joint Managing Director & CFO</p> </div> <div style="margin-bottom: 20px;"> <p>For Jyothy Laboratories Limited</p> <p>S. Raghunandan Whole Time Director & CEO</p> </div> <div> <p>For S R B C & CO LLP</p> <p>Vikram Mehta Partner</p> </div>



	<ul style="list-style-type: none">Audit Committee Chairman	<p>For Jyothy Laboratories Limited</p> <p><i>Nilesh B. Mehta</i></p> <p>Nilesh B. Mehta Independent Director and Chairman – Audit Committee</p>
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Strategy



**CLARITY
AND
CONVICTION**

People



Brands



Annual Report 2014-15

AT JYOTHY LABORATORIES,
WE HAVE ALWAYS CHALLENGED
OURSELVES AND CONSTANTLY
EVOLVED AS A COMPANY. THIS WAS
VINDICATED WITH THE HENKEL
(INDIA) ACQUISITION WHICH WAS A
GAME CHANGER FOR US.

After the Henkel (India) acquisition, we embarked on a journey with the aim to continuously delight our consumers. As we entered newer categories, our products continued to offer superior value to meet the everyday needs of our consumers. We hoped to achieve our objective of consumer delight by improving our organisational capabilities to operate successfully in the business environment and by maintaining a high level of morale and engagement across all ranks of employees.

This clear vision gives us clarity to work towards a common goal with a purpose and strong conviction to achieve it. Our focus is to build strong capabilities and to adapt to

the changing environment. We aim at creating a leaner organisation and streamlining operations and distribution. We will continue to drive engagement simultaneously with our consumers and also our employees and business partners.

We believe in investing in our brands and growing them aggressively to truly powerful icons in their respective categories. With this aim in mind, advertising and marketing becomes a priority as it helps us develop a strong brand positioning and brand recall. To further this, we continue to learn from our consumers and build strong insights in order to innovate and develop relevant products that will meet their demands.

We continue with conviction on the course of innovation and progress we have charted for ourselves. We continue investing in our brands, learning new business lessons as we expand our footprint while building capabilities for our on-ground staff, business partners and employees.

Inside the
Report

Chairman’s Statement

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Mr. M. P. Ramachandran shares his thoughts on key strategies implemented during the year.

Sharpened Focus on Brands

24-27

Our keen focus on our Powerbrands helped us achieve higher revenues.

Empowered People

28-30

A culture of high performance and drive helped us bring home several awards.

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For more details Please visit
www.jyothy laboratories.com

JYOTHY LABORATORIES AT A GLANCE

Jyothy Laboratories was founded in 1983 in Kerala with a vision to create an impact by touching the lives of the people. We have now evolved into a company with operations all over the country and are hailed as one of the most trusted brands in the country. We have our strategies in place and we are now moving forward with clarity and conviction to further our brands and their offerings and our ambitions for our people.

HIGHLIGHTS FOR FY 2014-15 (CONSOLIDATED)

NET SALES

₹ **1,505 crores**

PROFIT AFTER TAX

₹ **121.12 crores**

NET GROWTH IN SALES

+14.2%














BY VOLUME

9.6%

BY VALUE

4.6%

CATEGORY-WISE SALES

Category	2014-15	₹ in crores	
		2013-14	% Growth
 Fabric Care	639.14	563.49	13.4% 
 Dishwash	416.65	354.18	17.6% 
 Household Insecticides	235.18	199.00	18.2% 
 Personal Care	141.12	132.42	6.6% 
 Other Products	31.16	30.83	1.1% 
 Laundry Services	42.05	38.48	9.3% 
Total	1,505.29	1,318.39	14.2% 



BUSINESS REVIEW

A snapshot of our business performance

SHARE OF OUR
POWERBRANDS IN REVENUE

88.1%
(₹ 1,289 crores)

GROWTH OF OUR POWERBRANDS

+15.8%

A smiling woman with dark hair is hanging laundry on a yellow clothesline outdoors. She is holding a blue and white striped shirt. The background is a blurred green landscape. The text "CONVICTION IN OUR BRANDS" is overlaid on the right side of the image.

CONVICTION IN OUR **BRANDS**





FABRIC CARE

42%

Contribution to Revenues

30%

Matics

18%

Washing powder

Brand Growth*

15%

Matics

7%

Washing powder

Market Growth*

BRAND

Ujala, Henko, Mr. White, Chek

NEW INITIATIVES IN FY 2014-15

- Henko: LINTelligent launched
- Mr. White & Chek: revamped with new packaging

*Jan - Dec growth taken for comparison with market

CONVICTION IN OUR BRANDS (CONTD.)



DISHWASH

28%

Contribution to Revenues

21.7%

Pril

19%

Exo

Brand Growth*

10.7%

Pril

12.5%

Exo

Market Growth*

BRAND

Pril, Exo

NEW INITIATIVES IN FY 2014-15

- Pril Liquid: introduction of 225 ml SKUs and pouches
- Pril: new variant Kraft Gel launched
- Exo Safai: scrubber relaunch

*Jan - Dec growth taken for comparison with market



HOUSEHOLD INSECTICIDES

16%

Contribution to Revenues

10%

Coil

54%

Liquid

Brand Growth*

-3%

Coil

8%

Liquid

Market Growth*

BRAND

Maxo

NEW INITIATIVES IN FY 2014-15

- Fastest growing insect brand in India
- Innovation of the state-of-the-art LV machine that shifts modes depending on the extent of the mosquito menace at the time

*Jan - Dec growth taken for comparison with market

CONVICTION IN OUR BRANDS (CONTD.)



PERSONAL CARE

09%

Contribution to Revenues

19%
Margo

Brand Growth*

15%
Margo

Market Growth*

BRAND

Margo, Fa, Neem

NEW INITIATIVES IN FY 2014-15

- Margo: national roll-out of new and youthful communication mix to enhance brand appeal

*Jan – Dec growth taken for comparison with market



LAUNDRY SERVICES

03%

Contribution to Revenues

9.3%

Retail Growth

19%

Railway Growth

BRAND

Fabric Spa, Snoways, Busy easy, Wardrobe

ABOUT

- 104 retail outlets in cities like Bangalore, Mumbai, Delhi, Chennai and Pune
- Washing linen for retail, institutions and railways

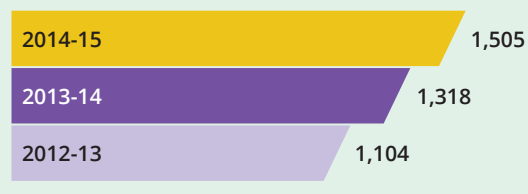
NEW INITIATIVES IN FY 2014-15

- Focus on growing retail business
- New washing facility set up at Delhi International Airport (DIAL)

KEY PERFORMANCE INDICATORS

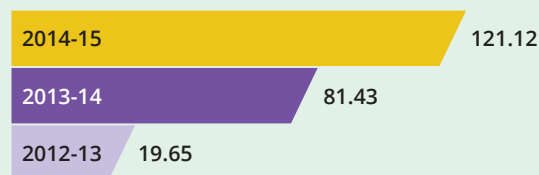
Net Sales

(₹ crores)



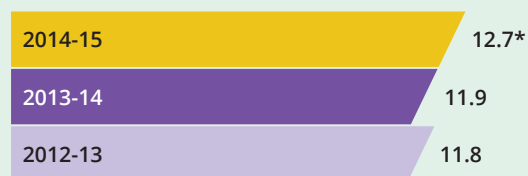
Profit after Tax

(₹ crores)



EBITDA

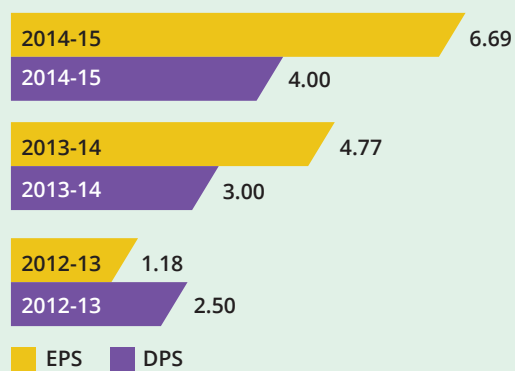
(% of sales)



*ESOP expenses not considered

Earnings and Dividend Per share

(₹)



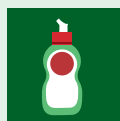
Category-wise sales

(₹ crores)



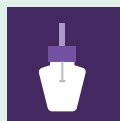
Fabric Care

2013-14	563.49
2014-15	639.14



Dishwash

2013-14	354.18
2014-15	416.65



Household Insecticide

2013-14	199.00
2014-15	235.18



Personal Care

2013-14	132.42
2014-15	141.12



Other products

2013-14	30.83
2014-15	31.16



Laundry Services

2013-14	38.48
2014-15	42.05



CASH PROFIT

₹ **182.38 crores**

EPS

₹ **6.69**

ADVERTISING AND SALES PROMOTION EXPENSES

₹ **181 crores**

PAT ON CONSOLIDATED BASIS

₹ **121.12 crores**

GROSS MARGINS

48.4%

EBITDA*

12.7%

*ESOP expenses not considered

NET WORKING CAPITAL, NO. OF DAYS OF WORKING CAPITAL

₹ **69 crores, 17 days**

CHAIRMAN'S STATEMENT



M. P. Ramachandran, Chairman & Managing Director

DEAR SHAREHOLDERS,

Our performance in 2014-15 is representative of the resilience of our business. The external environment will always be challenging, the market conditions can't be taken for granted and uncertainty will always prevail. Jyothy Labs concentrated on driving sales growth, our team continued its relentless focus on product innovation and growth of our Powerbrands and simultaneously added new products to our portfolio. Many of these led to the creation of a unique product segment. Therefore, we demonstrated both clarity and conviction. Clarity in the way we wanted to grow our topline and maintain our market shares.

Conviction in the power of our strategy as well as the acceptability of our new products.

We continued to work on reducing our working capital cycle. We brought the average working capital days down from 27 days in FY 2013-14 to 17 days in FY 2014-15. We also reduced our inventory without it affecting our off-takes. The debtors collection period was reduced from 19 days to 14 days. The number of days of credit enjoyed by us were increased without additional cost, allowing us to better manage sourcing and leading to improved margins.

**DIVIDEND RECOMMENDED
FOR THE YEAR**

400%

During the year, we gave impetus to our brands, including our six Powerbrands by devising long-term market strategies that focussed on effective vendor management. We also boosted our sales efforts by innovating on the product front. We want to, in the future, further this tradition of innovation, and usher in new brands that provide greater value to our customers. Another thrust area for us was automation that helped us achieve cost control, sales targets and consumer satisfaction.

During the year, we gave impetus to our six Powerbrands by devising long-term market strategies that focussed on effective vendor management. We also boosted our sales efforts by innovating on the product front. We want to, in the future, further this tradition of innovation, and usher in new brands that provide greater value to our customers. Another thrust area for us was automation that helped us achieve cost control, sales targets and consumer satisfaction.

TRANSLATING OUR EFFORTS INTO NUMBERS

At Jyothy Laboratories we believe in constantly challenging ourselves to exceed our expectations. The FY 2014-15 was good in terms of numbers. Our net sales for FY 2014-15 was ₹ 1,505 crores on a consolidated basis which translates to a 14.2% growth. EBIDTA stood at ₹ 191.72 crores which is a 22% growth from the previous year. This is especially important considering the

fact we achieved those figures even after increasing our promotional expenditure by 25.5%. Gross Margins also showed growth by moving from 47.03% last year to 48.3% this year.

Despite last year's challenging environment where most companies struggled we were able to register a Profit After Tax of ₹ 121.12 crores as opposed to ₹ 81.43 crores in the FY 2013-14. Our debt equity ratio stands comfortably at 0.72 and we continue servicing the same from our internal cash accruals. We were able to leverage our strong net revenue growth into an even higher increase in profit and conversion to good cash. Our net cash flow from operation was ₹ 166.3 crores and our cash profit stood at ₹ 182 crores.

DIVIDEND

As a policy of rewarding the equity stakeholders, the Board has recommended dividend @400% compared to @300% in the previous year.

GOING FORWARD

Going forward, we will continue to create value for our customers by innovating across product segments and introducing efficiencies our manufacturing processes. We shall chalk out a clear-cut strategy, comprising our operational processes to provide greater value to our stakeholders with clarity and conviction. Our focus shall also be to keep on taking up new challenges, while emphasising on sustainable growth, to drive ourselves to greater success.

M. P. Ramachandran

Chairman & Managing Director

CEO'S STATEMENT



S. Raghunandan, Chief Executive Officer

DEAR SHAREHOLDERS,

I am pleased to report that we had a great financial year despite a challenging economic environment. We entered the year in a market exhibiting high inflation and decelerating demand for the industry. Despite this, we continued moving forward towards our goals, with clarity and conviction.

We devised forward looking strategies, created a unique product portfolio, and focused and invested in research and development activities, to emerge more resilient in the face of a weak economy, with decreasing growth rates. We navigated through this volatile market situation and emerged winners because of our

team's forward thinking and clear policies to build the right brands – one that the market and customers indicate demand for. Yet another driving force for our team was its confidence and conviction, to aggressively invest and boost our product portfolio and deliver a growth of 14.2%. It is these very attributes that also saw our team and the Company gain market share across categories and for our products to emerge as significant challenger in many competitive categories.

Our endeavours helped us gain a robust growth rate of 15.8% across our power brand portfolio. This growth rate was sustained across

**BUSINESS GREW PROFITABLY
WITH 22% EBITDA GROWTH
FOR THE YEAR AHEAD OF
REVENUES.**

22% EBITDA ↑

Our clearness of future goals and of what we aim to achieve is further boosted by improvements in our efforts of sales and distribution. To achieve this, we are looking to activate key, new urban outlets; strengthen our modern trade channels and expand our reach in rural markets in southern India.

all our products. The environment turned supportive with a decrease in inflation because of crude prices falling in the second half of the financial year. We also witnessed a significant improvement in gross margins in the fourth quarter of FY 2014-15. Wherein we had a 480 bps margin improvement. Overall the business grew profitably with 22% EBITDA growth for the year ahead of revenues.

In another milestone, bringing to fore our clarity of the future and business strategies to be undertaken, we embarked on a new working capital improvement plan. This helped us reduce our Net Working Capital from 27 days to 17 days. It also resulted in the increase in the value of our Return on Capital Employed from 11.1% to 15.5%. Our clarity and conviction also saw us improve facets of our business and its efficiencies, while reducing costs.

Other key aspects that saw improvement comprised of customer service levels that saw progress, optimisation of manufacturing in fiscal benefit areas, manufacturing unit consolidation, automation of trade claim processes, and the introduction of new software for quality control in plants.

Going forward, we intend to innovate across our portfolio and introduce new categories while creating a differentiated positioning for our products. In FY 2015-16, we have planned new innovations of the Maxo Machine, the re-launch of Exo Dishwash, and growing our Henko LINTelligent range, among others.

Our clearness of future goals and of what we aim to achieve is further boosted by improvements in our efforts of sales and distribution. To achieve this, we are looking to activate key, new urban outlets; strengthen our modern trade channels and

expand our reach in rural markets in southern India. We foresee these endeavours forming our thrust areas in FY 2015-16.

We attribute our many successes to our employees and shall continue to work tirelessly to strengthen their skills. I take this opportunity to thank them. It's because of their hard work, resilience, merit, vision and confidence that we have been able to chart this long, challenging journey from being a Company located in only one state, with one key product offering, to emerging today as an entity with presence across the country and with many market leading brands in our portfolio. Commitment of our employees and teams will help us build future plans and create greater value for our shareholders with clarity, precision, and conviction.

With warm regards,

S. Raghunandan
Chief Executive Officer

Q&A WITH THE JOINT MANAGING DIRECTOR



K. Ullas Kamath, Joint Managing Director

Ullas Kamath elaborates on the conviction with which Jyothy Laboratories has navigated the challenges of the year, driven by a clear goal to become one of the leading players in the industry.

How has Jyothy Laboratories changed over the years? How has this change affected the Company's vision and clarity of plans for the future?

Jyothy Laboratories has undergone a meaningful change in the last two decades. The Company started with presence in a single state in India, comprising one major product offering. Today, it has acquired a pan-India presence and possesses a roster of market leading products in segments like fabric care, dishwash, household insecticides and personal care.

Our acquisition of Henkel (India) was an important milestone in the journey of the organisation. At Jyothy Laboratories, we have led the organisation from the front, established brands that have shown aggressive leadership in very competitive categories. We truly believed that we could make this acquisition work. This conviction was reflected in the fact that the organisation has shown tremendous adaptability to the new realities that we faced post acquisition.

We realised that we needed to bring in professional management and create a performance-driven culture to bring out the best in our newly-hired management team. We honestly believe that we have achieved what we set out to do, given the clarity and conviction that we showed in embracing these new realities. We have emerged as a strong company which is far more efficient and well-placed to face the challenges of the future.

How have clarity and conviction enabled Jyothy Laboratories to achieve its long-term plans?

I think if a company's vision of what its goals are is clear, it decidedly helps it attain what it wants in the desired time-frame and with the desired efficiency. Our conviction of the future enabled us to map a systematic, step-by-step plan encompassing all key functional areas of our Company. This included sales, marketing, manufacturing, new initiatives in R&D, and new HR policies. In addition, the past year also saw us introducing innovative product categories, bettering our vendor management, setting up aggressive sales targets and increasing the depth and width of our operations across segments, products and processes.

Aligning the management team to our plans was critical to achieve actual results. We set annual KPI metrics and monthly reviews were set up to monitor progress across all functions. We also invested in putting up state-of-the-art supply chain systems and improved processes in sales, distribution and sharpened secondary sales tracking. More importantly, our management team is motivated, stable and aligned to the organisation's vision.

What in your opinion lies at the core of Jyothy Laboratories' work ethic and helps you derive confidence in a difficult economic scenario?

At the core of our Company's culture, lies our commitment to create value for our customers and stakeholders.

We achieve this by improving our offerings qualitatively, introducing the best quality products and identifying key customer needs, to create innovative new products.

Other attributes that are core to our Company's policy is our compassion and empathy for our employees and all those that we deal with in the day-to-day functioning of our business. This includes our distributors, vendors, salesmen and dealers, among others.

What are your Company's immediate and long term priorities and how are you convinced of attaining them?

Our most immediate priority is to enhance our presence across the nation. We plan to achieve this by improving upon our distribution and sales strategies in addition to fine-tuning our products in accordance to our customers' needs. We also aim to build in-roads in to existing categories and create innovative product segments.

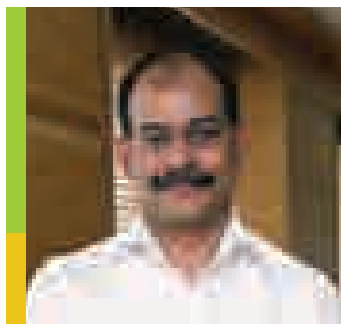
In addition, our priority is to work towards building a stronger, more resilient team in the long run. We foresee nurturing our talent as the building block of our ambition to become one of the leading players in the FMCG space in India.

BOARD OF DIRECTORS



M.P. Ramachandran, *Chairman & Managing Director*

M.P. Ramachandran remains the driving force behind the Company's progress. His vision and understanding of the customer's pulse has led to the Company emerging as a formidable player in the FMCG segment.



K. Ullas Kamath, *Joint Managing Director*

K. Ullas Kamath is a qualified Chartered Accountant and Company Secretary. He also has a degree in law and has attended the Advanced Management Programme at Wharton Business School and the Harvard Business School. He has completed Global Management Programme at London School of Economics, London, UK. It is under his leadership that the Company has diversified and become a multi-product FMCG company. He has spearheaded the successful setting up of Fabric Spa and the Henkel (India) acquisition. He has also won the CA Business Achiever Award in the SME category in the ICAI Awards, 2008.



S. Raghunandan, *Whole Time Director and CEO*

S. Raghunandan has a degree in Chemical Engineering from the Birla Institute of Technology and Science (Pilani). He also has a post-graduate degree from IIM Kolkata. He has worked with leading FMCG players like Dabur, Paras and Reckitt Benckiser. Having joined in May 2012, he brings to the table his vast industry experience in areas of sales, marketing and general management. In last three years at Jyothy Laboratories, he has created a sustainable business model by saving ₹ 100 crores, increasing spends for brand building and above all created a strong management team.



M. R. Jyothy, *Executive Director*

A postgraduate in management with an additional diploma in Family Managed Business Administration, M. R. Jyothy contributes significantly to the sales, marketing and brand communication aspects of the Company. She has also completed the Owner / President Management Programme from Harvard Business School. In the year gone by she was awarded with Emerging Kerala – Entrepreneurship Excellence Award for women. She was also among the '50 Most Influential Women in Indian Media, Marketing and Advertising' list by IMPACT.



Nilesh Mehta, *Independent Director*

Nilesh Mehta is the co-founder and Managing Partner of Access India Fund which invests in mid market, unlisted opportunities in India. He was the Managing Partner of Aureos Capital from 2005 to 2010. He is a qualified Chartered Accountant with a post graduate degree from IIM. His experience spans various fields in finance, ranging from investment banking, private equity to fund-related activities. He is a veteran in the field of private equity and mergers and acquisitions of mid-cap Indian companies



K. P. Padmakumar, *Independent Director*

K. P. Padmakumar brings to the table more than four decades of experience in the field of Commercial Banking, Treasury Management, Capital Markets and Mutual Funds. A graduate in Agriculture and a Certified Associate of Indian Institute of Bankers – CAIIB, he has vast experience in the banking and capital markets arena.



Bipin Shah, *Independent Director*

Bipin R. Shah is a Chartered Accountant with a postgraduate degree in Management. He has also attended the Senior Executive Programme conducted by Sloan School of Business, Massachusetts Institute of Technology at Boston, USA. Currently, he serves on the Board of various companies and the Company benefits from his experience with leading FMCG players.



R. Lakshminarayanan, *Independent Director*

An IIT and IIM alumnus, R. Lakshminarayanan has a string of successes in his career. He has worked with leading FMCG conglomerates across product categories and held eminent positions with top notch advertising companies in India. He has a keen interest in business strategy, brand strategy, media plural communications and brand portfolio management.

STREAMLINED STRATEGY

A focus on industry-leading manufacturing practices, an emphasis on superior quality, optimising distribution channels along with a keen focus on people has led to the strengthening of the value proposition of our brands. This in turn boosted the performance of our business during the year.





MANUFACTURING

Significant progress in consolidating the manufacturing units had led to simplifying the complexity of sourcing and procurement, allowing for scale advantages. This has additionally helped in improving our quality of deliverables.

Efficiencies have been achieved through lean engineering, automation and capacity de-bottlenecking. We have consolidated various manufacturing units in order to effectively reduce costs.

Importance placed on research and development has led to a strong product innovation pipeline which will be backed further by short term and long term investments.

We have a Quality Module integrated in our ERP systems. Periodic audits have been instituted and best-in-class-lab practices documented in the Quality Manual. Quality Control Audits at third party locations have further helped us in achieving better quality control.



TECHNOLOGY

This year we have installed new software to monitor and track business with institutional and large customers. A trade claim process has been automatised. A new discount module has been implemented for discount configuration and for passing customer discount differential entries (DN/CR) at the end of month basis secondary sales. We have also launched new software for capturing CSD secondary sales. A new software for quality control at plants for RM/PM was also launched. Most of the supply chain planning processes have been automated, through auto-generated reports.

These efforts towards achieving automation and advancing and developing IT systems have improved hygiene and ensured speed and accuracy in business operations. It has also ensured superior customer servicing that has helped us align better with our channel partners.

STREAMLINED STRATEGY (CONTD.)



URBAN MARKETS

Our strategy in urban markets is to increase our brand availability in large throughput stores. Our portfolio today consists of premium brands like Henko, Pril and Margo. Therefore, improving brand visibility and depth is of key importance. Key account activation programmes have been rolled out in open format outlets (OFOs) and going forward, we will extend a programme to key grocers as well as in the top

forty cities in India. Selective outlet focus has helped us in building brand presence and higher revenue growths. We follow the key account management structure to enhance servicing to modern trade and have a 200 strong promoter force to enhance performance. Modern trade is another key driver for growth going forward.



RURAL MARKETS

We have focused on districts with high purchasing power and created a plan to enhance our reach by appointing distributors where viable and van operations are required. We have driven demand in these markets by significantly enhancing our visibility through activations, unique and relevant to these markets.

We have further segregated our distribution strategy to address urban and rural areas as we understand that both markets are diverse with different needs and one strategy will not work for both.

At small feeder markets, i.e. mandis, we executed strong activation plans to increase brand visibility, awareness and drive purchase. All this was made possible through our energised and empowered sales team. Through continuous communication and use of technology, we have been able to improve the speed to market of our launches and thus enhance execution on-ground.



SUPPLY CHAIN AND DISTRIBUTION

FY 2014-15 witnessed a significant reduction in Working Capital. Improved tracking systems and rigorous S&OP (superior inter-meshing between sales forecasting to procurement process) has tightened the process further. It has also significantly improved the demand forecasting in the front end. We have reconfigured logistics to bring down transit times and therefore reduced our inventory holding requirements. Better monitoring of each process, i.e. proactive planning and system integration has resulted in better working capital management. There has been a considerable improvement in service levels due to automation of information flow.

We have also been successful in cutting down on our expenditures for raw and packing materials. This has been made possible by implementing a cost plus model for major items. We have also identified and started manufacturing in fiscal benefit areas for optimal cost structure. E-auctions of transportation services have been started for better service and rates.

Jyothy Laboratories today covers about 0.5 million outlets directly through a combination of Company manpower and distribution field force. We have grown our direct coverage from 0.4 million to 0.5 million outlets registering a growth of 25%.

Though distribution expansion should remain a priority, equally important, if not more, is the proposition of reaching the right stores. A blanket approach to store expansion might not help; availability of the product in stores which matter most for the specific category and brand, will make all the difference in maximising returns and growth. It is well-known that a small proportion of stores account for a large fraction of sales; hence going to these stores and ensuring presence will, play an important role.

Such initiatives towards improving purchase, supply chain and distribution, have jointly helped Jyothy Laboratories achieve optimisation and cost savings that have improved overall profit margins.

SHARPENED FOCUS ON BRANDS

We have charted our path to growth with a clear strategic intent of manufacturing superior products and brands that are backed by strong investments. We have focused on brand innovation to achieve higher revenues. We aim at achieving greater portfolio clarity and sharper messaging to win with consumers and customers. With this in mind, we have decided to re-launch various brands.



UJALA

Ujala fabric whitener operates in the niche segment of liquid blues which is a large market, and has a market share of seventy-five percent.

Extending the equity of Ujala and sensing the need gap in the market, we are discovering new opportunities. Our target audience, today, seeks to improve their lifestyle and is very style savvy. They are willing to spend in order to get the desired look. Our new product Ujala Crisp and Shine addresses this need, preventing clothes from losing their shine quickly. This product

helps customers preserve the newness of clothes and add a lasting fragrance to them. The product is already a huge success in Kerala and is now being extended to Tamil Nadu.



HENKO

In order to understand and meet the demands of our discerning consumers, we launched the LINTelligent portfolio. By doing this, we took a conscious call to steer away from traditional laundry benefit such as whiteness and stain removal and focussed on fabric care through prevention of lint. This was done to create a new product positioning that rested solely on superior fabric care. The product launch was well received by consumers. This is evident from the fact that our brand has grown at twice the market rate.

Our other two key regional brands in the portfolio, apart from Henko, i.e. Mr. White and Chek, will be driven in markets in which they are relevant. We intend to achieve this through BTL activities.



SHARPENED FOCUS ON PRODUCTS (CONTD.)

EXO

We have managed to strengthen our position as the only anti-bacterial dishwash bar in the market. Strong investment in communication further helped consolidate our position in key markets. As we expand our footprint, we have driven new formats and pack sizes. This has significantly helped grow our penetration and increase our consumer base. Exo Safai Scrubber,

India's first anti-bacterial scrubber was re-launched this year. The bar portfolio will see a significant make over in FY 2015-16.



PRIL

The re-launch of Pril delivered superior grease cutting ability. It also saw a launch of new variant which has helped in significantly enhancing penetration, especially in the north. This is evident from the fact that we have witnessed twice the market growth. Pril pouches have seen exceptional growth as newer consumers upgrade from bars into the dish-wash category. Going forward, we will continue to drive Pril pouches aggressively.

In the current year, we are focusing on improving sales of SKUs of 225 ml and pouches. We will also re-launch the Pril Bar with an all new formulation. We will drive Pril aggressively in non-South markets and gain market share.



MAXO

Growth in liquid vaporisers is driven by significant expansion in dealer penetration. We specifically focussed on rural markets where increasing electrification has made consumers-upgrade to liquid vaporisers (LV) a more convenient solution. Our LV off-takes in rural India as a consequence has seen a significant growth. Overall, we have grown significantly ahead of the market. All these efforts have made Maxo the fastest growing insect control brand in India. Going forward, we have a strong innovation pipeline which will be backed with adequate investment.

Our first innovation in the market is a state-of-the-art LV machine which is differentiated from every other machine in the market. It addresses

one of the major irritants today which is that consumers have to constantly shift modes depending on the extent of the mosquito menace at the time. This innovation will be launched soon.



MARGO

The product enjoys a unique position in the toilet soap market which is highly cluttered. It offers authentic neem protection which delivers clear skin. Backed by strong advertising support, the brand has witnessed growth significantly ahead of the market. Its growth has been the highest in markets beyond its traditional footprint. Margo has a bright future given, especially, the growing concern of skin health and the resurgence of natural brands.

The brand will be supported in FY 2015-16 by a new and youthful communication mix, designed to enhance the appeal of the brand.





EMPOWERED **PEOPLE**

At Jyothy Laboratories, we live by the philosophy that an organisation is only as effective as its people. It is, therefore, very important for us to keep our people motivated and engaged. We nurture employees through continuous training and guidance, thus developing an agile and high performance work culture. Our employees are given opportunities to better their own skills, be it technical, functional or areas of management. Our work culture embodies passion, creativity, speed and hard work. Our efforts have shown results visible in our business growth and the strengthening equity of our brands.

AWARDS AND RECOGNITION

Our efforts have brought lot of recognition as well. We have won a large number of awards in the last one year. These are enumerated below:

1. The **Master Brand Award for UJALA**. This was organised by the World Marketing Congress. The title of Master Brand is conferred upon those brands that appeal to a large set of consumers. The recognition also takes into account the brand's ability to work around a consumer centric approach.
2. The **Bronze Medal for Henko** at The Indian Marketing Awards 2014 for its exemplary work in revolutionising the laundry category. The award was given in the category, 'consumer insights'. The event was organised by Exchange4Media and comprised participants across the FMCG and consumer durables categories, among others.
3. The **Asia Star Award for the Best Packaging** was given to Henko at the event, ASIASTAR, 2014. ASIASTAR is an International Awards for Excellence in Packaging for Henko. It is the only regional packaging award in the Asian continent and is recognised as the most significant packing awards in the continent. The jury consists of eminent personalities from nine Asian countries.
4. Award for '**Scheme Configuration and Management**' under **Manufacturing Vertical** for Excellence for Transformation given by IDC. IDC (International Data Corporation) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC insights Awards are coveted by CIOs and technology leaders worldwide.



Christopher Holmes, Head - International Asia Pacific, IDC Insight, handing over the award to Mr. Ravi Razdan (Head - Systems & HR)



Ms. M. R. Jyothy receiving the Bronze Medal for Henko at The Indian Marketing Awards

EMPOWERED PEOPLE (CONTD.)



Ms. M. R. Jyothy being recognised as IMPACT's '50 Most Influential Women in Indian Media, Marketing and Advertising



Ms. M. R. Jyothy receiving the Nielsen 'Product of the Year' Award for Henko LINTelligent



Mr. Ravi Razdan (Head - Systems & HR) accepting the award from CHRO Asia



Ms. M. R. Jyothy accepting the award from Mr. K. Babu, Honourable Minister of Kerala

5. We received a citation for '**The 100 Most Talented Global HR Leaders**' by CHRO Asia. The 100 Most Talented Global HR Leaders is an intensely researched award by CHRO Asia – a high level professional body that acts as a global platform for the human resource fraternity. The Awards were presented at the 23rd edition of the World HRD Congress held in Mumbai.

6. Our Executive Director, M. R. Jyothy was also recognised for her contribution to the industry during the year. She was awarded with **Emerging**

Kerala – An Entrepreneurship Excellence Award for women.

The award ceremony was part of the Emerging Kerala Business Conclave Awards, 2015, held at Kochi.

7. Ms. Jyothy also found place in **IMPACT's '50 Most Influential Women in Indian Media, Marketing and Advertising'** list. She was felicitated by the organisation in an event in Mumbai.
8. Henko LINTelligent, awarded 'Product of the Year', 2015 in the detergent category conducted by Nielsen.



CORPORATE INFORMATION

DIRECTORS

M. P. Ramachandran
Chairman & Managing Director

K. Ullas Kamath
Joint Managing Director & CFO

S. Raghunandan
Whole-time Director & CEO

M. R. Jyothy
Whole-time Director

Nilesh B. Mehta
Independent Director

K. P. Padmakumar
Independent Director

Bipin R. Shah
Independent Director

R. Lakshminarayanan
Independent Director

STATUTORY AUDITORS

S R B C & Co LLP

INTERNAL AUDITORS

Mahajan & Aibara

COMPANY SECRETARY

M. L. Bansal

Jyothy Laboratories Limited
Ujala House, Ram Krishna Mandir Road
Kondivita, Off Andheri Kurla Road
Andheri East, Mumbai - 400059
Telephone: +91-22-66892800
Fax: +91-22-66892805
E Mail : info@jyothy.com
Website: www.jyothylaboratories.com

CORPORATE IDENTITY NUMBER (CIN)

L24240 MH1992PLC128651

MANAGEMENT DISCUSSION AND ANALYSIS



ECONOMIC OVERVIEW

Global

The global economy expanded at a moderate rate of 3.4% in 2014, on the back of a gradual recovery in the most advanced economies. This rate of progress was, however, dampened by the sluggish expansion of economies in most emerging markets. Going ahead, the global economy is expected to expand at 3.5% in 2015 and 3.8% in 2016. The growth in advanced economies, aided by lower oil prices, is projected to strengthen to 2.4% in 2015 relative to 1.8% in 2014.

Globally, while the macroeconomic risks have decreased slightly, leading to the recession and deflation in the Eurozone. Financial and geopolitical risks have increased, further hampering growth prospects of the region.

Source: IMF, World Economic Outlook, April 2015.

India

The Indian economy, after a prolonged period of sluggish growth displayed some initial recovery signs during FY 2014-15. This could largely be attributed to an improved

macroeconomic environment and pro-growth economic reforms initiated by the new government at the centre.

Advance estimates for 2014-15 puts the Indian economy's growth at 7.4% as compared to the growth rate of 6.9% in 2013-14 under a new method for computing national accounts and with the change in the base year to 2011-12. While the advance estimates place agriculture growth at 1.1% due to a weak monsoon, it puts the manufacturing industry in a 'star category' that led the economy's growth at 6.8% during 2014-15.

The inflation showed a decline during April-March 2014-15 and likely to remain in the 5.0-5.5% range supported by the measures adopted by the Reserve Bank of India (RBI) and the government. A substantial reduction in the crude oil prices and the global prices of India's major commodity imports also aided in the lowering of inflation.

The Current Account Deficit (CAD) narrowed due to the slump in oil prices and as per advance estimates to further decline at 1.3% of GDP during 2014-15. This was in comparison to 1.7% in 2013-14. Helped by the improvement in all these macroeconomic indicators, the rupee remained as one of the most stable currencies, globally, despite volatility across world economies.

Strong macro-economic factors such as lower twin deficits, that is, Fiscal Deficit and Current Account Deficit (CAD), falling oil prices and benign inflation, imparted a renewed business confidence in the Indian economy. The government's efforts towards ease of doing business and the 'Make in India' programme are designed to transform India into a global manufacturing hub are slated to provide impetus to growth.

India is among the few countries whose economic forecast was raised by the IMF during the year. The IMF has raised its Indian GDP growth estimates to 7.2% in 2014-15 and to 7.5% in 2015-16. However, headwinds such as renewed financial market volatility in response to the US Federal Reserve interest rate hike expected later this year; likely Greek contagion; geopolitical affairs, resulting in a spike in oil prices and a persistent slowdown in international trade environment may adversely impact the growth momentum of the Indian economy.

INDUSTRY OVERVIEW

The consumer market landscape in India has taken rapid strides in terms of shifts in buying behaviour influenced by increased urbanisation, a growing middle-class, altering lifestyles and the emergence of the retailer as a powerhouse, to affect and sway the consumer's decision making.

Despite this, the Indian FMCG industry, over last three years, witnessed growth challenges. Sales were impacted by a weak economy, persistently high inflation, subdued consumer confidence, all of which have had a direct bearing on demand. The tide, nonetheless, is expected to gradually turn as confidence in the market rebounds, leading to a sustained demand recovery.

In 2014, consumer optimism witnessed a sharp turnaround, after a few years of adverse macro conditions (e.g. high inflation, slowing growth) that led to a steady decline as per the Credit Suisse Emerging Consumer Survey. The formation of a strong government at the centre (the first single party majority in 30 years) has triggered a major revival in consumer sentiment. As a result, India ranks first on the Credit Suisse Emerging Consumer Scorecard 2015, unseating China – a big improvement from last year when it was ranked fourth. The study highlights that more people believe this is a good time for making big ticket purchases as average household income increased by around 10% in 2014 after being relatively steady during the last two years.

The survey conducted to gauge consumer sentiment across nine emerging economies has seen India jump from the fourth to the first rank. The three key metrics to estimate consumer sentiment included medium term expectations of personal finances, expectations of inflation, and household income trends alongside their immediate spending intentions. This revival in consumer sentiment has been primarily driven by urban India.

The Government of India has also played a major role in the growth of this segment. It has enacted policies to attract new capital and also to boost consumption and thereby give impetus to economic growth.

The announcements in the budget 2015 pertaining to Financial Inclusion, Swachh Bharat movement to

regenerate India and game-changing reforms on the anvil such as Goods and Service Tax (GST), Jan Dhan, Aadhar and Mobile (JAM) - for direct benefit transfer - auger well for the FMCG sector.

Drivers of FMCG Sales

Nielsen has identified eight factors that play a direct role in influencing FMCG sales. These drivers of sales include:

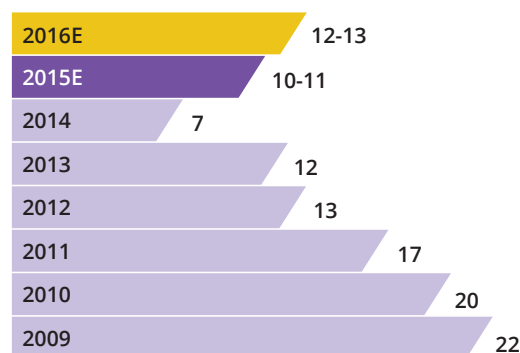
- ➔ Availability
- ➔ Value packs
- ➔ Awareness
- ➔ Sachet offerings
- ➔ Employment rate
- ➔ Index of Industrial Production(IIP)
- ➔ GDP
- ➔ Crude oil prices

What The Future Holds

Nielsen expects a steady recovery over the next few years.

FMCG Growth Rate

(%)



The primary factors expected to drive a spurt in sales are a stronger GDP and rise in employment. An increase in the rate of availability through distribution expansion is also expected to support sales growth.

Nielsen expects the Indian FMCG sector to touch US\$49 billion by 2016. The early signs of revival include a recovering GDP, a strengthening economy and increasing employment opportunities.

While marketers may not have direct control on macro-economic factors, they can certainly influence the other marketing variables which have emerged as key drivers of sales, giving them enough latitude to fuel brands and their company's growth. Distribution expansion emerging on the top of the pile is perhaps intuitive, nonetheless important. Given that an overwhelming majority of sales still move through the traditional route, availability of products in stores will continue to drive sales to a large extent.

Thrust on Sustainable Growth

Jyothy Laboratories maintained its thrust to take its successful regional brands to the national level. Supported by a strong distribution backbone, this initiative was reflected in its non-south business, growing at a faster pace than its south business. Additionally, positive media investment, a strong portfolio performance and all of the Company's Powerbrands being on a trajectory of swift growth aided its performance during the year. The Company has products available in 2.24 million outlets and a direct reach in 0.5 million outlets. The Company increased its contribution from non-south market to 59% in FY 2014-15 as compared to 56% in FY 2013-14.

The Company drives distribution in rural markets through a clear, concerted programme, covering select feeder market and van delivery, achieving a clear age in rural distribution. The Company has also invested significantly in the product segments it foresees growth in the future. Product superiority and building brand affinity through differentiated positioning and a national distribution has enabled Jyothy Laboratories achieve sustainable growth.

PRODUCTS AVAILABLE ACROSS

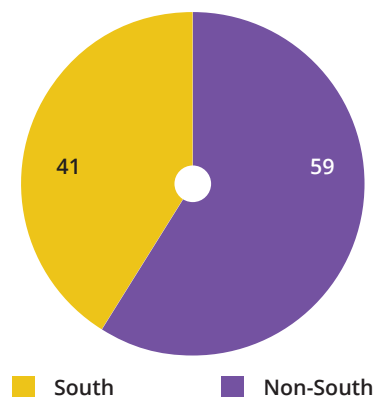
2.24 mn outlets

DIRECT REACH ACROSS

0.5 mn outlets

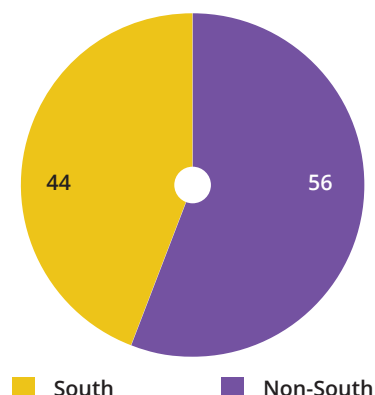
FY 2014-15

(%)



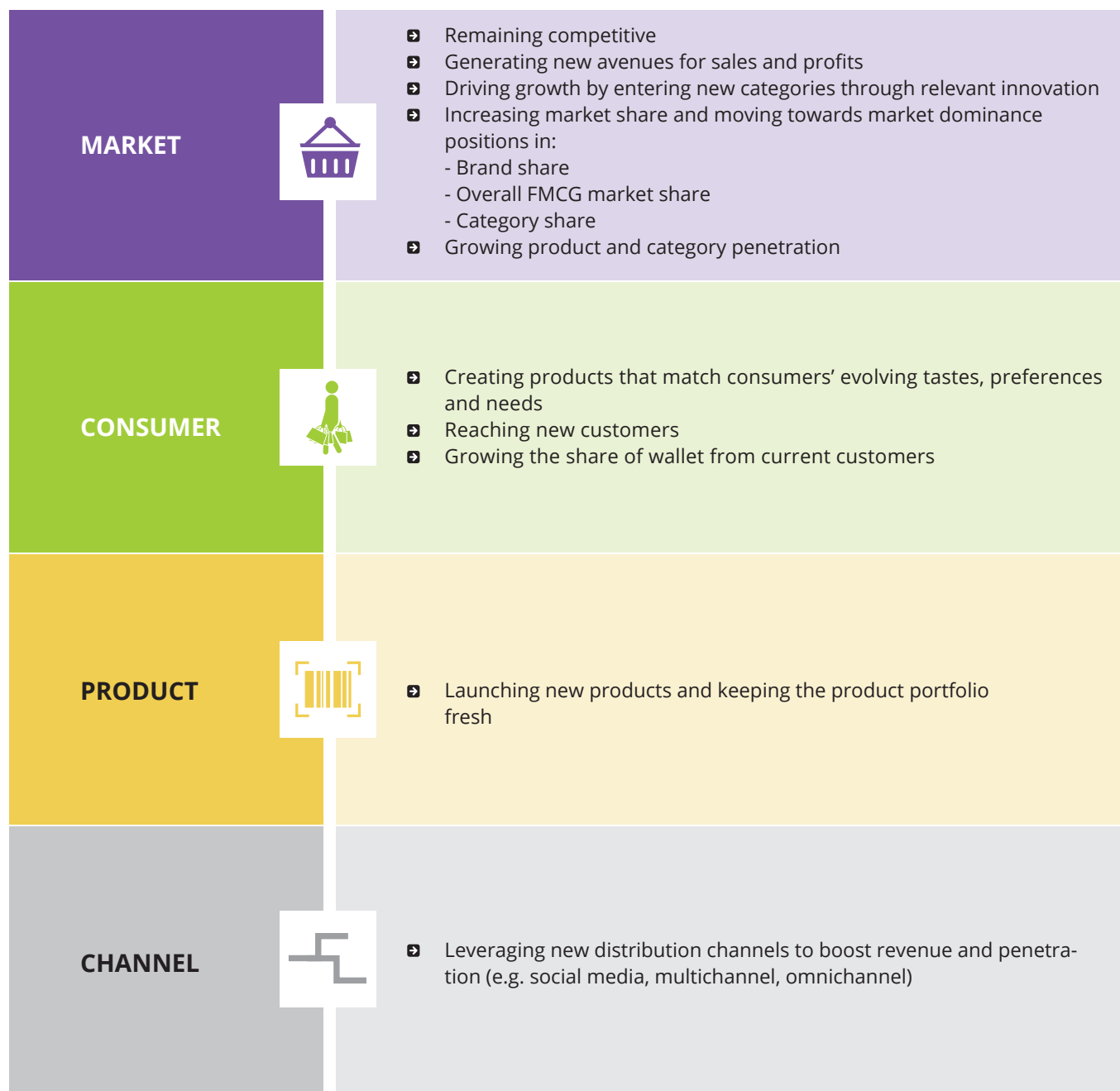
FY 2013-14

(%)



The Company continues to drive category growth across all markets, leveraging the brand core and equity for brand offerings like Margo and Henko. Sustainable growth will be driven by a robust innovation pipeline, increased investments in brands and the strategy to grow in non-South markets.

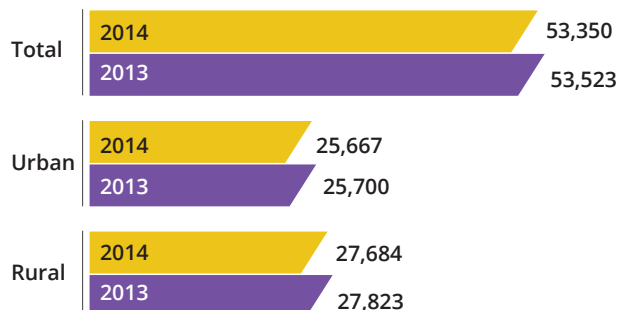
India's FMCG market is mature, competitive, and crowded with local and global brands. In this market, innovation is critical because of the following factors:



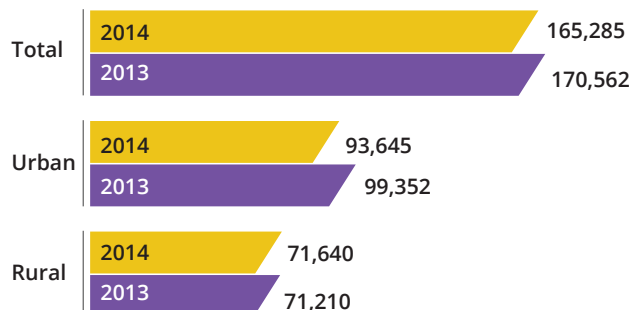
Source: PWC, *The Indian FMCG sector-The innovation imperative*, February 2013

INDUSTRY SIZE (VALUE)

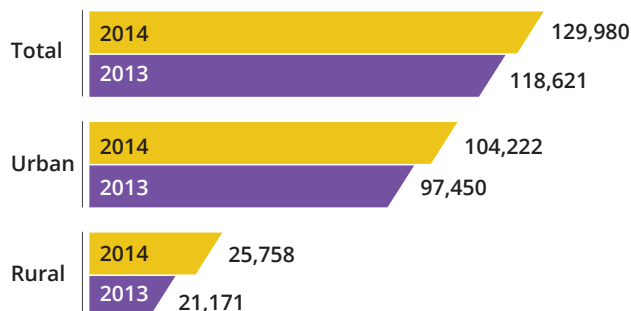
Liquid Blue (₹ in Lacs)



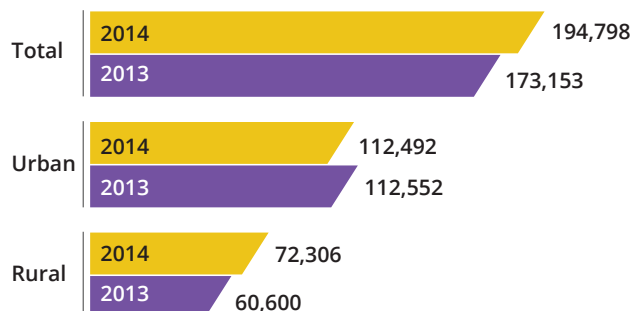
Mosquito Coils (₹ in Lacs)



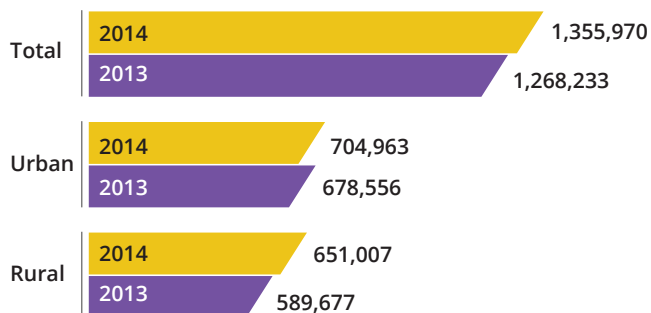
Mosquito Liquid (₹ in Lacs)



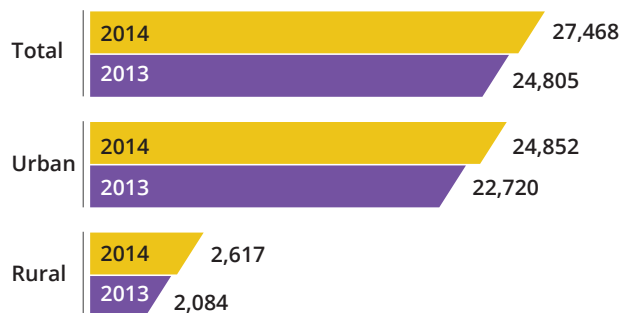
Dishwash Bars (₹ in Lacs)



Detergent (₹ in Lacs)



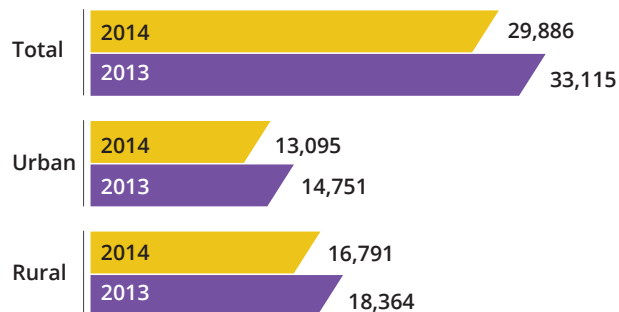
Dishwash Liquid (₹ in Lacs)



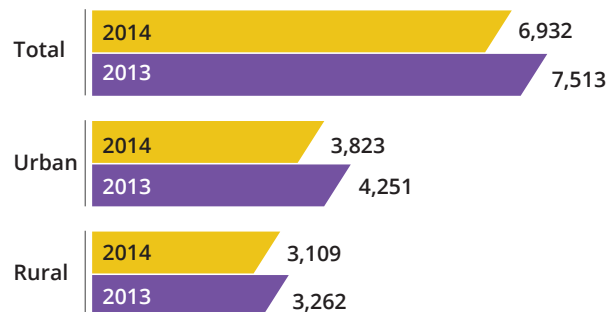
Source: A. C. Nielsen, 2015 (Jan to Dec)

INDUSTRY SIZE (VOLUME)

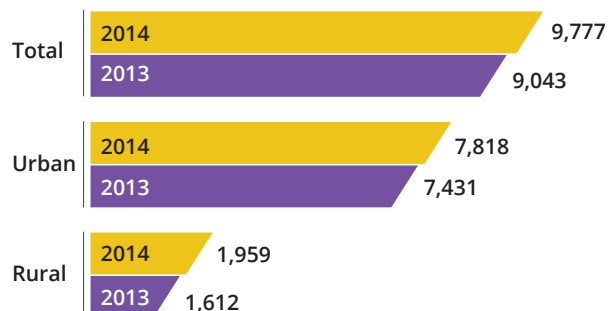
Liquid Blue (in '000 litres)



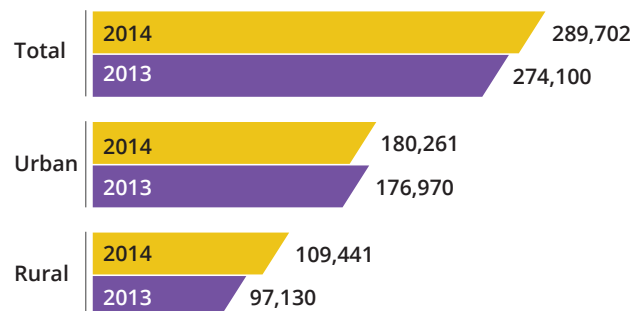
Mosquito Coils (in million)



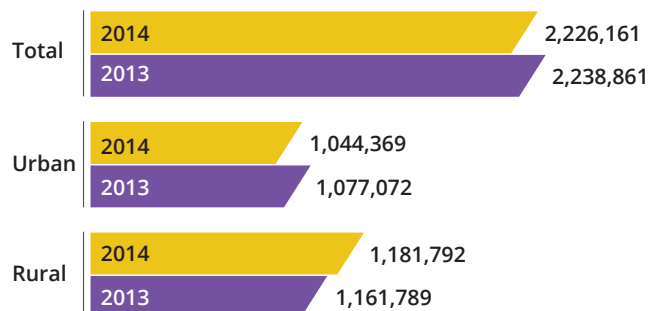
Mosquito Liquid (in '000 litres)



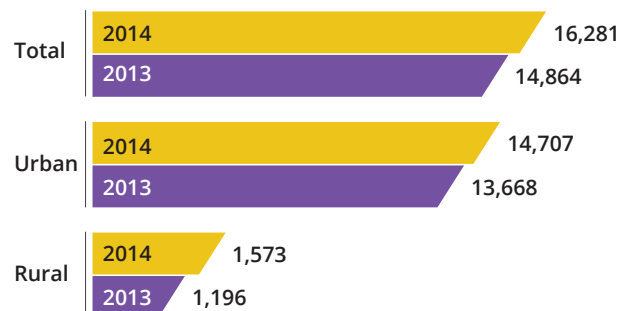
Dishwash Bars (in tonnes)



Detergent (in tonnes)



Dishwash Liquid (in '000 litres)



Source: A. C. Nielsen, 2015 (Jan to Dec)

OUTLOOK

The Indian FMCG industry is expected to grow by 10% in 2015 and by about 12% in 2016, taking the sales in 2016 to US\$ 49 billion predicts Nielsen. Distribution growth, innovations around sachet offerings, employment rates and index of industrial production (IIP) continue to be key influencers of FMCG sales in India.

The lower inflationary trend is likely to translate into higher disposable incomes, aiding consumption growth.

The India's market is consumer driven, with spending anticipated to more than double by 2025. This has resulted in the Indian consumer segment, broadly classified into urban and rural markets, becoming the focus of marketers from around the world.

Nielsen projects rural India's FMCG market to beat the US\$ 100 billion mark by 2025. FMCG players will require to align to the pulse of the Indian consumers' sentiments by customising their product portfolio as per the local market requirements.

For global conglomerates, India is an indispensable market for expanding their market share going forward. India's young demographic and a middle class with rising disposable income is a key contributor to this.

KEY INDUSTRY TRENDS

Rising purchasing power led by increasing disposable incomes and lower inflation, growing urbanisation and easy reach, increased demand for premium products during 2014. The changing demographics, a surge in innovations and high penetration levels are also noteworthy trends, redefining the FMCG industry.

In an effort to expand their market share, FMCG companies adopted strategies like the launch of new brands in the high-end segment, aggressive sales strategies, higher marketing spending and creating an innovative product portfolio, targeting the growing demand from the affluent, urban segment of customers.

Growth Drivers

- Rising disposable income
- Growing urbanisation
- Spending pattern
- FDI support
- Increase in rural consumers
- Innovations
- Expanding distribution channels and adopting innovative sales techniques, especially in rural markets thereby enhancing reach
- High GDP estimates translating into higher consumer spending
- Rise in rural consumption led by growing non-agricultural incomes and government welfare programmes

McKinsey in its report 'India's urban awakening: Building inclusive cities, sustaining economic growth, April 2010' highlights the following key factors influencing the sector:

- Surging growth and employment in cities will prove to be a powerful magnet. India's urban population grew from the 290 million reported in the 2001 Census to an estimated 340 million in 2008, and it could soar further to 590 million by 2030.
- Urban India will drive a near four-fold increase in the average national income.
- Cities will account for nearly 70 percent of India's GDP by 2030.
- India will have 68 cities with population of more than 1 million by 2030.
- Economic growth and urbanisation have gone hand-in-hand till date.
- Cities will account for a major share of GDP and income growth. India's fast-growing and relatively productive cities will drive a near four-fold increase in India's per capita income between 2008 and 2030. The number of households earning less than ₹ 90,000 per year will fall below 20 percent for the first time in India's history, while the number of middle-class households (earning between ₹ 200,000 and ₹ 1 million a year) will increase more than four-fold, nationwide, from 32 million to 147 million.

OPPORTUNITY OF INDIA'S URBANISATION

THE NUMBER BY WHICH GDP WILL HAVE MULTIPLIED BY 2030

5x

NET INCREASE IN WORKING-AGE POPULATION

270 million people

PERCENTAGE OF TOTAL NEW JOBS THAT WILL BE GENERATED IN CITIES

70%

URBAN HOUSEHOLDS WILL BELONG TO THE CATEGORY OF MIDDLE CLASS, UP FROM THE CURRENT STATISTIC OF 22 MILLION

91 million

Source: McKinsey, India's urban awakening: Building inclusive cities, sustaining economic growth, April 2010



COMPANY OVERVIEW

Jyothy Laboratories was incorporated in 1983 and over the last three decades has grown into a multi-brand, multi-product company with pan-India operations. The Company maintains its focus on select segments viz. the fabric care, dishwash, household insecticide and personal care segments.

Jyothy Laboratories has evolved into one of the most trusted brands in the country. The Company continues to make progress in this direction by reaching untapped markets, and creating innovative products, catering to the common man.

LEADERSHIP THROUGH KEY BRANDS

UJALA

75.39%

All-India market share by value

60.3%

All-India market share by volume

EXO BAR

24%

South India market share by value

22%

South India market share by volume

MAXO COIL

17.04%

All-India market share by value

19.4%

All-India market share by volume

24.8%

Rural India market share by volume

MAXO LIQUID

6.16%

All-India market share by value

6.3%

All-India market share by volume

7.6%

Rural India market share by volume

HENKO

2%

All-India market share by value in the Premium Washing Powder Category

2.2%

All-India market share by volume in the Premium Washing Powder Category

PRIL LIQUID

15%

All-India market share value

15.88%

All-India market share by volume

Source: A. C. Nielsen, 2015 (Jan to Dec)



FINANCIAL PERFORMANCE

Accounting policy

The Company follows the Generally Accepted Accounting Principles (GAAP) in India. These are the accepted accounting standards of the Companies Act, 1956, and amended provisions of the same in 2013 for the preparation of the Company's financial statements. The Company uses accrual basis of accounting except in cases of assets for which provision for impairment is made.

Review of FY 2014-15 (On consolidated basis)

Net Sales registered a 14.2% growth at ₹ 1,505 crores, other operating income increased to ₹ 9.54 crores

The following table indicates the segment revenue for the 12-month period from April 1, 2014 to March 31, 2015.

Particulars	(₹ in crores)	
	2015	2014
Soaps and Detergents	1117.94	969.75
Home Care	332.30	299.71
Others	18.18	22.55
Laundry Services	42.05	38.48
Inter Segment Revenue	(5.18)	(12.1)
Net Sales	1,505.29	1,318.39

Note: Soaps and detergents include fabric wash, dishwash bars and beauty soaps. Home care products includes household insecticides, incense sticks and scrubbers. Others includes Body Care. Laundry services includes dry cleaning and laundry.

The profitability of the 'Soaps and Detergents' segment stood at ₹ 147.71 crores in FY 2014-15 from ₹ 148.73 crores in FY 2013-14. The profitability of the Home Care segment further improved to ₹ 8.22 crores from ₹ 7.68 crores in the previous year. Segment profitability got impacted due to allocation of ESOP charge of ₹ 28.71 crores. The profitability in laundry services decreased to a loss of ₹ 13.07 crores from a loss of ₹ 11.37 crores in the previous year.

Cost Analysis

Total cost (excluding interest, ESOP Expenses and depreciation) of the Company grew by 13.41% to ₹ 1,323.11 crores in the 12 months period ended March 31, 2015 from ₹ 1,166.65 crores in the corresponding period of FY 2013-14.

Particulars	(₹ in crores)	
	2015	2014
Earnings Before Interest, Tax, Depreciation, Amortisation and impairment	168.63	161.38
Interest and Finance Charges/ (Income) Net	(9.47)	(51.26)
Depreciation, Amortisation and Impairment	(32.55)	(24.32)
Prior Year items - Expenses	-	(1.65)
Exceptional Item	(2.09)	(2.30)
Profit Before Tax	124.52	81.85
Provision for tax		
- Net Current tax	(0.02)	(0.21)
- Deferred Tax (Charge) / Reversal	0.60	(0.24)
Excess tax provision/ MAT credit reversal of earlier years	(4.12)	(0.19)
Profit After Tax	120.98	81.21
Minority Share (Share in Loss)	0.14	.22
Profit After Tax and Minority Share	121.12	81.43

Cost of Goods Sold

During the financial year, COGS of the Company increased from ₹ 694.38 crores in FY 2013-14 to ₹ 777.46 crores in FY 2014-15 due to rise in operations.

Employee Cost

During the financial year, Employee Cost stood at ₹ 150.26 crores while the corresponding figure for FY 2013-14 was ₹ 138.15 crores, translating into a 8.8% increase in Employee Cost as a proportion to total cost was at 11.4% compared to 11.8% in last year.

Other Expenses (Excluding Advertisement and Sales Promotion Expenses)

Other expenses of the Company include power and fuel, rent, legal and profession, freight outwards, communication expenses, repairs, travelling and other miscellaneous expenses. This category showed an increase of 12.9% from ₹ 189.91 crores in FY 2013-14 to ₹ 214.43 crores in FY 2014-15. Other Expenses as a percentage to Net Sales moved from 14.4% last year to 14.2% in FY 2014-15.

Advertisement and Sales Promotion Expenses of the Company increased by 25.5% from ₹ 144.21 crores in FY 2013-14 to ₹ 180.97 crores in FY 2014-15. Further, advertisement expenditure as percentage to net sales

changed from 10.9% in FY 2013-14 to 12% in FY 2014-15 driven by the objective to generate better pull for all brands.

Margins

EBIDTA margin of the Company was 12.7% in FY 2014-15 as compared to 11.9% in FY 2013-14 after spending 12% on Advertisement and Sales Promotion. This was mainly on account of benefits accrued due to business model re-engineering, undertaken in the last year.

PAT stood at ₹ 121.12 crores as compared to ₹ 81.43 crores in the previous year on account of better operating profit and lower finance costs.

Equity

The equity share capital (issued and subscribed) of the Company consists of 181,023,496 equity shares of Re.1 each.

Reserves and Surplus The reserves and surplus of the Company stood at ₹ 761.56 crores.

Own Funds

The net worth of the Company increased by 6.17% from ₹ 734.38 crores as on March 31, 2014 to ₹ 779.66 crores as on March 31, 2015.

Return on Net Worth of the Company for a 12-month period ending March 2015 increased to 15.5% as compared to 11.1% for the corresponding period of the previous year.

Loan Funds

The debt portfolio of the Company comprises of secured, redeemable, non-convertible debentures amounting to ₹ 515 crores.

Net Block of the Company as on March 31, 2015 stood at ₹ 1,074.02 crores.

Net Working Capital of the Company stood at ₹ 68.7 crores as on March 31, 2015. This translates to 17 days of working capital as against 27 days in FY 2013-14.

Inventory

Inventory of the Company stood at ₹ 185.2 crores as on March 31, 2015 compared to ₹ 173.8 crores as on March 31, 2014. Inventory turnover for the Company stood at 45 days

for 12 months year ending March 2015 as against 48 days against the corresponding period of FY 2013-14.

Sundry Debtors

Sundry debtors for the Company stood at ₹ 57.42 crores for a 12 month year ending March 2015. Debtor turnover stood at 14 days for a 12-month year ending on March 2015. For the corresponding period of the previous year, the same stood at 19 days.

Cash and Bank Balances

Cash and bank balances for the Company stood at ₹ 76.7 crores.

Loans and Advances

Loans and advances for the Company stood at ₹ 208.2 crores as on March 31, 2015 against ₹ 178.09 crores as on March 31, 2014.

Other Liabilities and Provisions

Other liabilities and provisions for the Company stood at ₹ 292.21 crores.

Working Capital

Particulars	(₹ in crores)	
	2015	2014
Current Assets		
Inventories	185.20	173.80
Trade Receivables	57.42	66.83
Loans and advances	31.74	43.08
Other Assets	2.97	4.88
	277.33	288.59
Current Liabilities		
Trade Payables	132.28	112.18
Other Current Liabilities	42.68	46.05
Provisions	33.67	31.24
	208.63	189.47
Net Working Capital	68.70	99.12

Sundry Creditors for the Company stood at ₹ 132.28 crores as on March 2015 against ₹ 112.18 crores as on March 31, 2014.

Dividend

The Board recommended a dividend at ₹ 4 (400%) per share for the financial year 2014-15 against the dividend of ₹ 3 (300%) per share paid for FY 2013-14.

RENOVATION AND INNOVATION

Constant innovation is the backbone of the work culture at Jyothy Laboratories. We feel driving and sustaining this is critical to business in order to find new areas of growth for our brands and to ensure customer satisfaction.

R&D Initiatives

The state-of-the-art facilities at the R&D centre at Mumbai is equipped with the infrastructure required for research and new product development. Quality control for raw materials as well as our facilities is another aspect of utmost importance to the company. Our plants are ISO 9001 certified for manufacturing quality.

Qualified and skilled professionals with expertise in various domains are recruited by us to be a part of our R&D team. Our R&D initiatives are reflected in our unique brand characteristics, unique formulations and varied product offerings all while keeping an eye on providing affordable products to our customers. The Company has devised a strong NPD pipeline, improvising product quality and innovative formats for the Henko brand. It has also charted goals for innovation in the segment of liquid vapouriser machines in the Maxo Liquid category.

HUMAN RESOURCES

The Company has a strong sales workforce of 1,000 plus workers reaching out to 0.5 million retail outlets directly. This on-ground workforce and our employees together are the key to the success of our Company.

Our human resource philosophy strongly supports this belief and we are committed to providing our employees with a work environment that is based on fairness, openness, and mutual respect.

Building an agile and high Performance Culture

The Company emphasises on the highest levels of professional ethics, personal decorum, adherence to deadlines, compliance to standards and customer service.

It stresses on imbibing the following attributes across every function of the organisation.

- Accountability
- Integrity
- Commitment
- Initiative and Positive Attitude

Employee Engagement

Exercises that spur employee engagement and give impetus to talent and excellence are encouraged at Jyothy Laboratories. The Company is charting an ambitious growth path for itself and its brands and it can only be successful if its employees and sales personnel are driven and passionate. HR policies play an important role in ensuring this. The Company takes constant feedback from its employees to continuously improve on its work processes and practices. It also promotes team building and encourages new ideas and innovations. It also ensures that the most stringent of safety measures are followed in its manufacturing plants.

IT SYSTEMS

Strong Investments in IT systems

The Company, supported by a robust backbone of modern IT infrastructure, has been able to achieve a strong year-on-year performance. The IT infrastructure equips the Company to effectively manage its fast-growing distribution network. This helps the Company ensure a faster rolling out of its critical business applications.

The Company's centralised ERP supports all its business functions: finance, inventory and management, transportation, logistics, and HR and payroll. The accessibility is achieved via MPLS networks connecting factories and offices across the country. The connectivity has also been provided through VPN which can be connected through any locally available broadband connection, hence reducing the cost of connectivity. We have recently upgraded our IT server infrastructure to a best-in-class blade server, giving us high performance and availability. The Business sales analytics system has been deployed on top of ERP, enabling the Company to slice and dice sales data for analysis.

We have successfully deployed 'Disha', our supply chain planning automation suite, by connecting it to the main ERP. This was done to help the business in demand forecasting, despatch/production and material planning functions.

The secondary sales system 'Lakshya' has been implemented successfully. It will be able to track distributor secondary sales and inventory. We connect most of our third party manufacturers via 'Connect' which gives us reports on daily production and despatch compliance

Additionally, to further enhance our focus on automating supply chain planning processes, most of the supply chain planning and processes have been automated through auto generated reports. We have also automated the trade-claim process. A new discount module was implemented for discount configuration and for passing customer discount differential entries on a monthly basis.

Cost Synergies and Best-in-class Practices

IT has helped the organisation to enable timely information sharing and centralised processing of data.

SUSTAINABILITY AT JYOTHY LABORATORIES

Jyothy Laboratories is committed to giving back to the community and believes that our responsibilities lie beyond the bottom line. This is ingrained in our business philosophy. We believe that we positively impact our stakeholders, customers, employees, suppliers, business partners and local communities. Jyothy Laboratories is committed to becoming a responsible corporate citizen of the country. Our CSR initiatives are designed to harmoniously blend business and social interests – driven by mutual goals, as identified by our stakeholders. We have sourced our raw materials from sustainable sources, and are committed to minimising our environmental footprint, improving sustainability throughout the value chain.

RISK MANAGEMENT

As the Company grows, the risks attached to it grows too. It is, hence, imperative to mitigate all risks on our operating performance, cash flows, financial performance, and overall sustainability. Our Company continuously monitors risks with an active risk management strategy.

Risks identified are

- **Economic Risk:** Macro-economic conditions in the country and their impact on employment, inflation and consumer demand are significant. To counter this, the Company follows a diversified product strategy, understanding the cash flow cycle of Indian consumers.
- **Compliance Risk:** The Company also ensures it meets all compliance and regulatory pressures including changes to tax laws as and when needed.
- **Input Price Volatility Risk:** The Company is able to leverage on the benefits provided by its scale. Further, the Company hires staff who are committed to vendor management.
- **Supply Chain Risk:** The Company has introduced a scientific process of demand forecasting using information technology and this is aligned with strategic sourcing of raw materials and improved manufacturing, leading to better inventory management and can easily service distributors.
- **Competitive Risk:** The Company is investing in advertising and promoting brand awareness. Six Powerbrands have been identified which are being marketed aggressively with new communication.
- **Human resources Risk:** The Company constantly motivates its sales force as it believes they are crucial to its success.
- **Seasonal Risk:** The Company has introduced a well-diversified product portfolio that helps counter seasonal ups and downs in any one category.

DIRECTORS' REPORT

To,
The Members,

It is our pleasure to present the 24th Annual Report of your Company together with the Audited Financial Statement for the financial year ended March 31, 2015.

FINANCIAL PERFORMANCE

The Company's performance for the financial year ended March 31, 2015 compared with previous financial year is summarised below:

	(₹ in Crore)	
Financial results	Financial Year ended March 31, 2015	Financial Year ended March 31, 2014
Net Sales	1,428.27	1,255.10
Other Income	16.25	9.54
Earnings before interest, tax, depreciation, amortization and impairment	172.25	171.55
Interest & Finance Charges/(Income) Net	(47.13)	1.35
Depreciation, Amortization and Impairment- Tangibles	24.27	15.08
Depreciation and Amortization- Intangibles	46.10	46.52
Exceptional Item	2.09	2.30
Profit before tax	146.92	106.30
Provision for tax		
- Current tax- (MAT)	30.75	22.60
- MAT Credit entitlement	(30.75)	(22.60)
- Excess tax provision/ MAT credit reversal of earlier years	4.13	0.19
Profit after tax	142.79	106.11
Balance as per last Balance Sheet		
- Brought forward	22.28	45.43
Balance available for appropriations	165.07	151.54
Appropriations:		
Interim Dividend	-	18.10
Tax on Interim Dividend	-	3.08
Proposed Dividend	72.41	36.21
Corp. Dividend Tax on proposed dividend	14.74	6.15
Depreciation as per Schedule II of Companies Act, 2013	3.11	-
Transfer to General Reserve	-	12.00
Transfer to Debenture Redemption Reserve	53.72	53.72
Balance Carried Forward (Profit and Loss Account)	21.09	22.28
Earning Per Share (Basic)	7.89	6.21
Earning Per Share (Diluted)	7.83	6.21
Dividend Per Share of face value of ₹1/-	4.00	3.00

PERFORMANCE HIGHLIGHTS

The gross revenue from operations on standalone basis grew by 14% and stood at ₹ 1,481.14 Crore compared with ₹ 1,301.08 Crore in the previous year. The profit before tax stood at ₹ 146.92 Crore as against ₹ 106.30 Crore in the previous year, depicting a growth of 38%. The net profit for the year stood at ₹ 142.79 Crore compared to ₹ 106.11 Crore of previous year.

The consolidated gross revenue from operations for the year under review stood at ₹ 1,515.97 Crore against ₹ 1,326.22 Crore in previous year, reporting a growth of 14%. The consolidated profit before tax at ₹ 124.53 Crore registered a growth of 52% compared to consolidated profit before tax of previous year. The consolidated profit after tax at ₹ 120.98 Crore reflected a growth of 49% against profit after tax of the previous year.

DIVIDEND

The Board is pleased to recommend a final dividend @ 400% of face Value of Equity Shares of Re.1/- each (i.e. ₹ 4/- per Equity share), for the financial year ended March 31, 2015 aggregating to cash outflow of ₹ 87.15 Crore including dividend distribution tax of ₹ 14.74 Crore. In the previous financial year, the Company had paid dividend @ 300% (including interim dividend @ 100%) i.e. ₹ 3/- per Equity share involving total cash outflow of ₹ 63.54 Crore including dividend distribution tax of ₹ 9.23 Crore.

The final dividend will be paid to eligible members if approved at the ensuing Annual General Meeting of the Company.

TRANSFER TO RESERVES

Your Company transferred a sum of ₹ 53.72 Crore (₹ 53.72 Crore in previous year) to Debenture Redemption Reserve for the year under review.

CONSOLIDATED ACCOUNTS

The consolidated financial statements of the Company are prepared in accordance with relevant Accounting Standards namely; AS-21 issued by the Institute of Chartered Accountants of India and forms integral part of the Annual Report.

PERFORMANCE OF SUBSIDIARIES, ASSOCIATE COMPANIES/ JOINT VENTURES

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies

as per the Companies Act, 2013 is attached as Annexure to this report and hence not repeated here for the sake of brevity. Policy for determining material subsidiaries formulated and adopted by the Company can be accessed at the Company's website at the link: http://www.jyothylaboratories.com/admin/docs/PMS_JLL_Website.pdf

During the year under review no company has become or ceased to be its subsidiaries, joint ventures or associate companies. However, Jyothy Consumer Products Marketing Limited which was a direct subsidiary of the Company has become step down subsidiary (i.e. Wholly Owned Subsidiary (WOS) of Associated Industries Consumer Products Private Limited, WOS of the Company) from October 29, 2014.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2015, the Board of Directors hereby confirms that:

- in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with the requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared annual accounts of the Company on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion & Analysis Report is attached and forms an integral part of this Report.

ISSUE OF SHARES

During the year under review and to date, the Company has not issued any shares with differential rights, hence no information as per provisions of Section 43(a)(ii) of the Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital & Debentures) Rules, 2014 is furnished.

Further, your Company has not issued any sweat equity shares during the year under review and to date, hence no information as per provisions of Section 54(1)(d) of the Companies Act, 2013 read with Rule 8(13) of the Companies (Share Capital & Debentures) Rules, 2014 is furnished.

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the stock exchanges together with a certificate from the Company's Auditors confirming compliance is attached and forms an integral part of this report.

RELATED PARTY TRANSACTIONS

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed form AOC-2 is appended as Annexure to the Board's report. During the year, the Company had entered into contract/ arrangement/ transaction with related parties which were on arm's length basis and none of which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Further none of the contract/ arrangement/ transaction with related parties requires approval of shareholders as the same were within the limits prescribed under Section 188(1) of the Companies Act, 2013 and Rules framed thereunder.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the

link: http://www.jyothylaboratories.com/admin/docs/RPT_JLL_Website.pdf

Attention of the members is also drawn to Note 31 to the financial statements for the year ended March 31, 2015 which sets out the related party disclosures as per AS-18.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has been a firm believer that each and every individual including artificial person's owe something to the society at large. Mr. M. P. Ramachandran, Chairman & Managing Director of the Company even before the inception of Corporate Social Responsibility under the Companies Act, 2013, has been involved in charitable and social activities in his individual capacity.

The Company has undertaken projects in the area of rural development and sanitation as part of its CSR Initiative. These projects were in accordance with Schedule VII of the Companies Act, 2013 and the CSR policy framed by the Company. The report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended as annexure and forms an integral part of this report.

Details about the CSR Policy adopted and formulated by the Company can be accessed on the Company's website at the link: http://www.jyothylaboratories.com/admin/docs/JLL_CSR%20Policy_Website.pdf

The Company was required to spend ₹ 1.67 Crore (2% of the average net profits of last three financial years) on CSR activities during the financial year 2014-15. Accordingly, the Company has spent ₹ 1.21 Crore on CSR activities during the year 2014-15 and an amount of ₹ 0.48 Crore stands committed towards housing in Adivasi Area of Trichur District (₹ 0.18 Crore) and building of toilets in school in Trichur District (₹ 0.30 Crore). The aforesaid projects being construction projects have a timeline. The balance expenditure stands committed and will be expended in the current year.

MATERIAL CHANGES AND COMMITMENTS

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company regarding inefficiency or inadequacy of such controls.

CHANGE IN NATURE OF BUSSINESS

During the year under review there was no change in the nature of business of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are appended as Annexure and forms integral part of this report.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Company has adopted Jyothy Laboratories Employee Stock Option Scheme 2014-A ("ESOS 2014-A") for granting of options to Mr. S. Raghunandan, Whole Time Director and Chief Executive Officer of the Company and Jyothy Laboratories Employee Stock Option Scheme 2014 ("ESOS 2014") for granting of options to other eligible employees of the Company pursuant to approval of Members of the Company at the Annual General Meeting held on August 13, 2014.

As per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and other applicable Regulations, details of options granted under Employees Stock Option Scheme during the financial year under review are furnished below:

	Jyothy Laboratories Employee Stock Option Scheme 2014-A ("ESOS 2014-A")	Jyothy Laboratories Employee Stock Option Scheme 2014 ("ESOS 2014")
a. Options granted - Equity shares	27,15,352	5,37,952
b. Exercise Price per option/ share	₹1	₹1
c. Options vested	Nil	Nil
d. Options exercised	Nil	Nil
e. The total number of shares arising as a result of exercise of option	Nil	Nil
f. Options lapsed	Nil	52,994
g. Variation of terms of options	Nil	Nil
h. Money realised by exercise of options	Nil	Nil
i. Total number of options in force	27,15,352	4,84,958
j. Employee wise details of Options granted to		
i. Key Managerial Personnel:	Mr. S. Raghunandan – 27,15,352	None
ii. Any other employee who received a grant of options in any one year of option amounting to 5% or more of options granted	N.A.	Mr. Rajnikant Sabnavis – 1,58,983 Mr. Pratyaya Chakrabarti- 52,994 Ms. Neetu Kashiramka – 52,994 Mr. Dinesh Kumar Jhamb – 34507 Mr. S Somasundaram – 39,746 Mr. Venkitachalam Iyer – 39,746
iii. identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Mr. S. Raghunandan	None
k. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'		₹ 7.83

The Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the members. The certificate would be placed at the Annual General Meeting for inspection by members.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. M. R. Jyothy, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

During the year under review, the members approved the appointments of Mr. Nilesh B. Mehta, Mr. K. P. Padmakumar,

The following persons were appointed as Key Managerial Personnel during the year:

Sr. No	Name of the Person	Designation
1	Mr. M. P. Ramachandran	Chairman & Managing Director
2	Mr. K. Ullas Kamath	Joint Managing Director and Chief Financial Officer
3	Mr. S. Raghunandan	Whole Time Director & Chief Executive Officer
4	Ms. M. R. Jyothy	Whole Time Director
5	Mr. M. L. Bansal	Company Secretary

POLICY ON DIRECTORS APPOINTMENT

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

Major criteria defined in the policy framed for appointment of the Directors including criteria for determining qualifications, positive attributes, Independence, etc are as under:

(I) Selection

In case of Executive Directors and Key Managerial Personnel, the selection can be made either by recruitment from outside or from within the Company hierarchy or upon recommendation by the Chairman or other Directors. The appointment may be made either to fill up a vacancy caused by retirement, resignation, death or removal of an existing Executive Director or it may be a fresh appointment.

In case of Non-Executive Directors the selection can be made either by way of selection from the data bank of

Mr. Bipin R. Shah and Mr. R. Lakshminarayanan as Independent Directors who are not liable to retire by rotation. The Company has received declaration from every Independent Director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The members during the year under review have re-appointed Mr. M. P. Ramachandran as Chairman & Managing Director, Mr. S. Raghunandan as Whole Time Director & Chief Executive Officer and Ms. M. R. Jyothy as Whole Time Director of the Company.

Independent Directors maintained by the Government or upon recommendation by Chairman or other Directors. The appointment may be made either to fill up a vacancy caused by resignation, death or removal of an existing Non-Executive Director or it may be an appointment as an additional director or an alternate director.

(II) Qualifications, Experience and Positive Attributes

- While appointing a Director, it shall always be ensured that the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
- In case of appointment as an Executive Director, the candidate must have the relevant technical or professional qualifications and experience as are considered necessary based on the job description of the position. In case no specific qualification or experience is prescribed or thought necessary

for the position then, while recommending the appointment, the HR Department shall provide the job description to the Committee and justify that the qualifications, experience and expertise of the recommended candidate are satisfactory for the relevant appointment. In such circumstances, the Committee may call for an expert opinion on the appropriateness of the qualifications and experience of the candidate for the position of the Executive Director.

- c) In case of appointment as a Non-Executive Director, the candidate must have a post graduate degree, diploma or a professional qualification in the field of his practice/ profession/ service and shall have not less than five years of working experience in such field as a professional in practice, advisor, consultant or as an employee. Provided that the Board may waive the requirements of qualification and/ or experience under this paragraph for a deserving candidate.
- d) The Board, while making the appointment of a Director, shall also try to assess from the information available and from the interaction with the candidate that he is a fair achiever in his chosen field and that he is a person with integrity, diligence and open mind.

(III) Board Diversity And Independence

While making appointment of directors, following principles shall be observed by the Board, as far as practicable:

- a) There shall be a proper mix of Executive and Non-Executive Directors and Independent and non-independent directors on the Board. The Company shall always be in compliance of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, as amended from time to time, in this regard.
- b) There shall be a workable mix of directors drawn from various disciplines, like technical, finance, commercial, legal etc. The Board shall not at any time be entirely comprised of persons drawn from one discipline or field.

- c) While appointing a director to fill in a casual vacancy caused by death, resignation etc. of a director, an effort shall be made, as far as possible, to appoint such a person in his place who has the relevant experience in the fields or disciplines in which the outgoing director had the experience or the person with relevant experience in the fields or disciplines which are not represented in the Board as requisite to Business of the Company.
- d) No preference on the basis of gender, religion or cast shall be given while considering the appointment of directors.
- e) Generally, an effort shall be made to maintain the Board diversity by appointment of persons from diverse disciplines (relevant to the Company's business), of different age groups and of both the genders (male as well as female) as Directors.
- f) While appointing independent directors, the criteria for the independent directors, as laid down in Section 149 (6) of the Companies Act, 2013 and Revised Clause 49 of the listing agreement shall be followed.

REMUNERATION POLICY

The Company follows the policy on remuneration of Directors and Senior Management Employees as approved by the Nomination, Remuneration and Compensation Committee and the Board. More details on the same are given in the Corporate Governance Report.

PERFORMANCE EVALUATION

In accordance with the Companies Act, 2013, and Clause 49 of the Listing Agreement, the Company has framed a Policy for evaluation of performance of Independent Directors, Board, Committees and other Individual Directors which includes criteria for performance evaluation of non-executive directors and executive directors. A questionnaire was formulated for evaluation of performance of Board after taking into consideration the aspects such as board composition, strategic orientation, board functioning and team dynamics.

Performance evaluation of Independent Directors was conducted by the Board of Directors, excluding the Director being evaluated. The criteria for performance evaluation of Independent Directors laid down by the Nomination,

Remuneration and Compensation Committee include ethics and values, knowledge and proficiency, diligence, behavioral traits and efforts for personal development.

Similarly, performance evaluation of the Chairman and Non – Independent Directors was carried out by the Independent Directors. The Board also evaluated its own performance. The Directors also expressed their satisfaction with the evaluation process.

TRAINING OF INDEPENDENT DIRECTORS

All Independent Directors are familiarized with the Company, their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model, strategy, operations and functions of the Company through its Executive Directors and senior managerial personnel. The details of programs for familiarization of Independent Directors with the Company are available on the website of the Company at the link: http://www.jyothylaboratories.com/admin/docs/Familiarisation%20Programme_JLL.PDF

MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Director or management personnel and the meeting is conducted informally. One meeting of Independent Director was held during the financial year.

BOARD MEETINGS

The Board of Directors met 5 times during the financial year ended March 31, 2015 in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder.

The dates on which the Board of Directors met during the financial year under review are provided in the Corporate Governance Report.

AUDIT COMMITTEE

The Audit Committee consists of majority of Independent Directors and the detailed composition is provided in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism in place which also includes a whistle blower policy in terms of the listing

agreement for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

The Vigil Mechanism/ Whistle Blower Policy of the Company can be accessed on the Company's website at the link: http://www.jyothylaboratories.com/pdf/Code%20of%20Conduct/JLL_Vigil%20Mechanism%20Policy.pdf

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee. During the year under review no protected disclosure from any Whistle Blower was received by the designated officer under the Vigil Mechanism.

RISK MANAGEMENT

The Board of Directors of the Company has designed a Risk Management Policy and monitors the risk management plan on a periodic basis through Executive Directors and functional heads of the Company. The Company has defined a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/ strategic business plans and in periodic management reviews.

INTERNAL CONTROL SYSTEMS

The Company has adequate internal control systems and procedures in place for effective and smooth conduct of business and to meet exigencies of operation and growth. The key business processes have been documented. The transactions are recorded and reported in conformity with generally accepted accounting practices. The internal control systems and procedures ensure reliability of financial reporting, compliance with the Company's policies and practices, governmental regulations and statutes. Internal Audit is conducted by independent firm of auditors. Internal Auditors regularly check the adequacy of the system, their observations are reviewed by the management and remedial measures, as necessary, are taken. Internal Auditors report directly to the Chairman of the Audit Committee to maintain its objectivity and independence.

AUDITORS & AUDIT REPORTS

Statutory Audit

M/s SRBC & Co LLP, Chartered Accountants (ICAI Registration No. 324982E), were appointed by the members of the Company in Annual General Meeting (AGM) held on August 13, 2014 for a period of three years i.e. financial years 2014-15, 2015-16 and 2016-17 subject to annual ratification by the shareholders in the AGMs to be held for Financial year 2015 and 2016.

The members are requested to ratify the appointment of M/s S R B C & Co LLP, Chartered Accountants as Auditors from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting in 2016 and to authorize the Board to fix their remuneration for the year 2015-16.

The Notes on financial statement referred to in the Auditors' Report are self explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or any adverse remark.

Cost Audit

The Board of Directors on recommendation of the Audit Committee has appointed M/s R. Nanabhoy & Co., Cost Accountants, Mumbai as Cost Auditors to audit the cost accounts of the Company for the financial year 2015-16. As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the notice convening the Annual General Meeting.

The appointment of M/s R. Nanabhoy & Co., Cost Accountants, Mumbai is within the prescribed limits of Companies Act, 2013 and free from any disqualifications specified thereunder. The Company is in receipt of Certificate from the Cost Auditor certifying their independence and relationship on arm's length basis.

The Cost Audit report for the financial year 2013-14 was filed within due date. The due date for filing Cost Audit Report for the year 2014-15 is September 30, 2015.

Secretarial Audit

The Board has appointed M/s Rathi & Associates, Company Secretaries in Whole-time Practice, to carry out Secretarial

Audit under provisions of Section 204 of the Companies Act, 2013 for the financial year 2014-15. The report of the Secretarial Auditor is appended as annexure to this report. The report does not contain any qualification, reservation or adverse remark.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return as prescribed under Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is appended as annexure to this Report.

EMPLOYEE RELATIONS

The Company has always provided a congenial atmosphere for work to all employees that is free from discrimination and harassment. Employee relations remained cordial during the year under review.

PREVENTION OF SEXUAL HARASSMENT

The Company has framed 'Anti - Sexual Harassment Policy' at workplace and has constituted Internal Complaints Committee (ICC) as per the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. No complaints with allegations of sexual harassment were reported during the year under review.

FIXED DEPOSITS

The Company did not accept/ renew any fixed deposits from the public and no fixed deposits were outstanding or unclaimed as on March 31, 2015.

Conservation Of Energy & Technology Absorption

With regard to the requirements of conservation of energy and technology absorption pursuant to provision of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the Company has nothing specific to report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Particulars	(₹ in Crore)	
	2014-15	2013-14
Foreign exchange earnings	14.39	11.91
Foreign exchange outgo	11.86	12.24

PARTICULARS OF EMPLOYEES

Particular of employees as required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2015 is given in a separate Annexure to this Report.

AWARDS AND ACCOLADES

Your Company has received following awards during the financial year 2014-15:

- Master Brand Award for UJALA fabric whitener organized by World Marketing Congress;
- Indian Marketing Awards 2014 - Bronze Medal for Henko in Consumer Insights for its exemplary work in revolutionizing the laundry category;
- Asia Star Award for best packaging at ASIA STAR 2014;
- Award for "Scheme Configuration and Management" under manufacturing vertical for excellence in transformation by International data Corporation;
- "Henko LINTelligent" the premium detergent brand was awarded "Product of the Year 2015" in the detergent category.

CAUTIONARY NOTE

Certain statements in the "Management discussion and Analysis" section may be 'forward-looking'. Such 'forward looking' statements are subject to risks and uncertainties and therefore actual results could be different from what the Directors envisage in terms of future performance and outlook.

ACKNOWLEDGEMENT

The Board of Directors express their sincere appreciation for the contribution and commitment of the employees of the Company and for the excellent support provided by the shareholders, customers, distributors, suppliers, bankers, media and other service providers, during the financial year under review.

**For and on behalf of the Board of Directors
For Jyothy Laboratories Limited**

M. P. Ramachandran
Chairman & Managing Director
(DIN: 00553406)

Mumbai,
May 25, 2015

ANNEXURE TO DIRECTORS' REPORT

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY/ ASSOCIATES/ JOINT VENTURES.

(Pursuant to first to sub-section 3 of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 - AOC-I)

Part "A" :Subsidiaries

							(₹ in Lacs)
Sr. No	Name of the Subsidiary Company	Associated Industries Consumer Products Pvt Ltd	Jyothy Fabricare Services Limited	Jyothy Kallol Bangladesh Limited	Snowways Laundrers and Drycleaners Pvt. Ltd #	Four Seasons Dry Cleaning Co. Private Limited #	Jyothy Consumer Products Marketing Ltd *
	Country	India	India	Bangladesh	India	India	India
	Financial Year/ Period	April 1, 2014 to March 31, 2015	April 1, 2014 to March 31, 2015	April 1, 2014 to March 31, 2015	April 1, 2014 to March 31, 2015	April 1, 2014 to March 31, 2015	April 1, 2014 to March 31, 2015
1	Capital	497.00	2,385.00	696.75	100.00	220.70	86.00
2	Reserves	184.15	1,512.88	(113.30)	(8.90)	(403.58)	(42,932.98)
3	Total Assets	1,178.76	9,841.30	703.18	97.66	30.52	1,407.70
4	Total Liabilities	497.60	5,943.42	119.73	6.56	213.40	44,254.67
5	Details of Investment (except investment in subsidiaries)	-	2,751.64	-	-	-	-
6	Turnover (Net)	579.04	3,229.28	757.65	-	45.49	6,579.55
7	Profit/ (Loss) before taxation	(27.04)	(2,066.56)	(53.54)	(0.00)	(51.31)	(4,506.32)
8	Provision for taxation	(4.70)	-	2.31	-	-	-
9	Profit/ (Loss) after taxation	(22.34)	(2,066.56)	(55.85)	(0.00)	(51.31)	(4,506.32)
10	Proposed/ Interim Dividend	Nil	Nil	Nil	Nil	Nil	Nil
11	% of shareholding	100.00%	86.37%	75.00%	42.32%	86.37%	100.00%
	Exchange rate used	-	-	1BDT = 0.79 INR	-	-	-
	Local Currency	INR	INR	BDT	INR	INR	INR

Snowways Laundrers and Drycleaners Pvt. Limited and Four Seasons Drycleaning Co. Pvt. Limited are subsidiaries of Jyothy Fabricare Services Limited

* Jyothy Consumer Products Marketing Ltd is a subsidiary of Associated Industries Consumer Products Pvt Ltd

Notes:

- None of the subsidiaries of the Company are yet to commence operations.
- None of the subsidiaries have been liquidated or sold during the year. However, during the year Jyothy Consumer Products Marketing Limited, direct subsidiary of the Company has become step down subsidiary of the Company.

ANNEXURE TO DIRECTORS' REPORT

Part "B": Associates and Joint Ventures

(₹ in Lacs)

Name of Joint Venture	JFSL – JLL JV (Partnership firm)
Latest audited Balance Sheet Date	March 31, 2015
Shares of Associate/Joint Ventures held by the company on the year end:	
1. No.	N.A.
2. Amount of Investment in Joint Venture	79.55
3. Extend of Holding (%)	N.A.
Description of how there is significant influence	Control of Business decisions under an Agreement
Reason why the joint venture is not consolidated	N.A.
Networth attributable to Shareholding as per latest audited Balance Sheet	N.A.
6. Profit I Loss for the year	108.67
i. Considered in Consolidation	108.67
ii Not Considered in Consolidation	-

1. None of the associates or joint ventures of the Company are yet to commence operations.
2. None of the associates or joint ventures of the Company have been liquidated or sold during the year.
3. The Company does not have any associate company.

For and on behalf of the Board of Directors of Jyothy Laboratories Limited

M.P. Ramachandran
Chairman and Managing Director

S.Raghunandan
Whole Time Director and Chief Executive Officer

Place: Mumbai
May 25, 2015

K.Ullas Kamath
Joint Managing Director and Chief Financial Officer

M.L. Bansal
Company Secretary

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS OF CONTRACTS/ ARRANGEMENTS MADE WITH RELATED PARTIES

FORM NO. AOC-2

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

1. Details of Contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/ arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	NA
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required wider first proviso to Section 188	

2. Details of material Contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/ arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
(e)	Date(s) of approval by the Board	
(f)	Amount paid as advances, if any	

**For and on behalf of the Board of Directors of
Jyothy Laboratories Limited**

M.P. Ramachandran
Chairman and Managing Director

Place: Mumbai
May 25, 2015

ANNEXURE TO DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES

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

The Company has framed a CSR Policy in Compliance with the provisions of the Companies Act, 2013 and the same is uploaded on the Company's website and can be accessed at the web link provided below: http://www.jyothylaboratories.com/admin/docs/JLL_CSR%20Policy_Website.pdf

The Company has undertaken projects in the area of rural development, sanitation, health care and education as a part of its CSR Initiative for the financial year 2014-15. The activities and funding are monitored internally by the Company. The Company has identified the following fields of operation for spending of expenditure towards CSR:

- (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

(v) protection of national heritage, alt and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents;

(vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

(viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

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

(x) rural development projects;

(xi) slum area development;

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

2. The Composition of the CSR Committee:
Mr. M. P. Ramachandran, Chairman (Managing Director);
Mr. K. P. Padmakumar, Member (Independent Director)
Ms. M. R. Jyothy, Member (Whole Time Director)
3. Average net profit of the company for last three Financial years: ₹ 83.46 Crore
4. Prescribed CSR expenditure (two percent of the amount as in item 3 above): ₹ 166.92 Lacs
5. Details of CSR spent during the Financial Year
 - a) Total amount to be spent for the Financial year: ₹ 166.92 Lacs
 - b) Amount unspent, if any: ₹ 45.59 Lacs
 - c) Manner in which the amount spent during the financial year detailed below:

ANNEXURE TO DIRECTORS' REPORT

The details are as under:

(₹ In Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects programs Sub-heads: 1) Direct expenditure on projects 2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Environment Pollution and Cleaning Work	Environment Sustainability	Pondicherry	0.40	0.40	0.40	Direct
2	Contribution to Prime Ministers National Relief fund	Prime Ministers National Relief Fund	Pan India	19.86	19.86	19.86	Direct
3	Ferro Cement Bio Toilet Project in Andhra Pradesh	Sanitation	Narasapuram, West Godavari District, Andhra Pradesh	19.37	19.37	19.37	DRDO FICCI ATAC program
4	Building of toilets in School (Trichur District)	Sanitation	Trichur District, Kerala	80.05	50.05	50.05	Direct
5	Housing in Adivasi area in Trichur	Rural development	Trichur District, Kerala	30.00	11.65	11.65	Direct
6	Contribution to Navjeevan Blind Relief Centre	Promotion of education for differently abled	Tirupati	10.00	10.00	10.00	Direct
7	Contribution to Hindu Mission Hospital	Health care	Chennai	10.00	10.00	10.00	Direct
Total				169.68	121.33	121.33	

- 6) In case the Company has failed to spend the two percent of the average net profit of the latest Financial Years or any part thereof the Company shall provide the reason for not spending the amount in its Board report:

The Company was required to spend ₹ 166.92 Lac (2% of the average net profits of last three financial years) on CSR activities during the financial year 2014-15. Accordingly, the Company has spent ₹ 121.33 Lac on CSR activities during the year 2014-15 and an amount of ₹ 48.35 Lac stands committed towards housing in Adivasi Area of Trichur District (₹ 18.35 Lac) and building of toilets in school in Trichur District (₹ 30 Lac). The aforesaid projects being construction projects have a timeline. The balance expenditure stands committed and will be expended in the current year.

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

**For and on behalf of the Board of Directors
For Jyothy Laboratories Limited**

M. P. Ramachandran
Chairman & Managing Director
and Chairman - CSR Committee
(DIN: 00553406)

Mumbai,
May 25, 2015

ANNEXURE TO DIRECTORS' REPORT

Particulars of Loans, Guarantees and Investments

Amount outstanding as at March 31, 2015

Particulars	Amount (₹ in Crore)
Loans given	433.50
Guarantee given	50.77
Investments made:	
- Current	244.55
- Non-Current	164.50

Loan, Guarantee and Investments made during the Financial Year 2014-15

Name of Entity	Relation	Amount (₹ in Crore)	Particulars of loan, guarantee and investments	Purpose for which the loans, guarantee and investments are proposed to be utilized
Jyothy Fabricare Services Limited	Subsidiary	150.00	Investments	Business purpose
Mutual Funds	-	105.04	Investments	Cash Management
Jyothy Fabricare Services Limited	Subsidiary	40.00	Guarantee	Corporate guarantee provided to facilitate fund raising

**For and on behalf of the Board of Directors
For Jyothy Laboratories Limited**

M. P. Ramachandran
Chairman & Managing Director
(DIN: 00553406)

Mumbai,
May 25, 2015

ANNEXURE TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

To
The Members
JYOTHY LABORATORIES LIMITED
Mumbai

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by Jyothy Laboratories Limited (hereinafter called "**the Company**"). The 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, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Jyothy Laboratories Limited ("the Company"), for the financial year ended on 31st March, 2015, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under for the Sections and Rules notified with effect from 1st April, 2014;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment; and

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

ii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

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

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

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-

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

ANNEXURE TO DIRECTORS' REPORT

- ii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - iii. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; and
 - iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings were not attracted to the Company in the financial year under report.
 4. We have relied on the representation made by the Company and its Officers for systems and mechanism devised by the Company for compliances under other laws that are applicable specifically to the Company. The Company has identified the following laws as specifically applicable to the Company:
 - (a) Legal Metrology Act, 2009
 - (b) Legal Metrology (Packaged commodities) Rules, 2011
 - (c) Environment [Protection] Act, 1986
 - (d) Hazardous Wastes [Management And Handling] Rules, 1989
 - (e) Insecticide Act, 1968
 - (f) Drugs And Cosmetics Act, 1940

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 1956; and
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has not undertaken any event/action which would have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **RATHI & ASSOCIATES** **COMPANY SECRETARIES**

HIMANSHU S. KAMDAR **PARTNER**

FCS No.: 5171
COP No.: 3030

Place: Mumbai
Date: May 25, 2015

Note: This report should be read with our letter of even date which is annexed as Annexure A and forms are integral part of this report.

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE A

To
The Members
Jyothy Laboratories Limited
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For RATHI & ASSOCIATES
COMPANY SECRETARIES**

HIMANSHU S. KAMDAR
Partner

Membership No. FCS 5171
C.P. No. 3030

Place : Mumbai,
May 25, 2015

ANNEXURE TO DIRECTORS' REPORT

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

[As on the financial year ended on March 31, 2015]

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:	
i) CIN	L24240MH1992PLC128651
ii) Registration Date	15/01/1992
iii) Name of the Company	Jyothy Laboratories Limited
iv) Category/ Sub-Category of the Company	Company Limited by shares/ Indian Non-Government Company
v) Address of the Registered office and contact details	'Ujala House' Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai- 400059 Tel: 022-66892800, Fax: 022-66892805, email: secretarial@jyothy.com
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West) Mumbai- 400 078 Tel: 022- 25963838/022-25946970 Fax 022-25946969 022- 25963838/022-25946970;

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10 % or more of the total turnover of the Company are as below:-

Sl. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the Company
1	Detergents	20233	44
2	Soaps	20231	24
3	Mosquito Repellant	20211	16

ANNEXURE TO DIRECTORS' REPORT

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	Associated Industries Consumer Products Private Limited Ujala House, Ramkrishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059	U24246MH2007PTC244756	Subsidiary	100%	Section2(87)
2.	Jyothy Kallol Bangladesh Limited 199, Tejgaon Industrial Area, Dhaka-1208, Bangladesh	N.A.	Subsidiary	75%	Section2(87) (ii)
3	Four Seasons Drycleaning Company Private Limited Ujala House, Ramkrishna Mandir Road, Kondivita, Andheri (East),	U93010MH2002PTC246838	Subsidiary*	86.37%	Section2(87)
4	Snoways Laundrers & Drycleaners Private Limited N-119, North Block, Manipal Centre, Dickenson Road, Bangalore, Karnataka- 560042	U93010KA2008PTC046087	Subsidiary	42.32%	Section2(87)
5	Jyothy Consumer Products Marketing Limited Ujala House, Ramkrishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059	U99999MH1974PLC242045	Subsidiary	100%	Section2(87)
6	Jyothy Fabricare Services Limited Ujala House, Ramkrishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059	U17120MH2008PLC180246	Subsidiary	86.37%	Section2(87)

* Wholly owned subsidiaries of Jyothy Fabricare Services Limited.

ANNEXURE TO DIRECTORS' REPORT

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(1) Indian										
a)	Individual/HUF	10,58,81,401	-	10,58,81,401	58.49	10,58,81,401	-	10,58,81,401	58.49	0.00
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt (s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	1,50,00,000	-	1,50,00,000	8.29	1,50,00,000	-	1,50,00,000	8.29	0.00
e)	Banks/ FI	-	-	-	-	-	-	-	-	-
f)	Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-		12,08,81,401	-	12,08,81,401	66.78	12,08,81,401	-	12,08,81,401	66.78	0.00
(2) Foreign										
a)	NRIs - Individuals									
b)	Other – Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/ FI	-	-	-	-	-	-	-	-	-
e)	Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-		-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)		12,08,81,401	-	12,08,81,401	66.78	12,08,81,401	-	12,08,81,401	66.78	0.00
B. Public Shareholding										
1. Institutions										
a)	Mutual Funds	87,08,766	550	87,09,316	4.81	73,92,840	550	73,93,390	4.08	-0.73
b)	Banks/ FI	21,839	1,866	23,705	0.01	1,23,381	1,866	1,25,247	0.07	0.06
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	68,07,880	-	68,07,880	3.76	63,15,404	-	63,15,404	3.49	-0.27

ANNEXURE TO DIRECTORS' REPORT

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
g) FIs	2,77,98,234	-	2,77,98,234	15.36	1,93,60,984	-	1,93,60,984	10.70	-4.66
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Portfolio Investor (Corporate)	-	-	-	-	1,01,14,771	-	1,01,14,771	5.59	5.59
Sub-total (B)(1):-	4,33,36,719	-	4,33,39,135	23.94	4,33,07,380	2,416	4,33,09,796	23.92	-0.02
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	59,24,821	3,307	59,28,128	3.27	61,17,727	3,232	61,20,959	3.38	0.11
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	88,67,462	8,94,059	97,61,521	5.39	89,01,034	8,59,873	97,60,907	5.39	0.00
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,10,000	-	1,10,000	0.06	1,50,681	-	1,50,681	0.08	0.02
c) Others (specify)									
1. Qualified Individual Investors	-	-	-	-	-	-	-	-	-
2. Clearing Members	2,42,227	-	2,42,227	0.13	1,05,579	-	1,05,579	0.06	-0.08
3. Office Bearers	1,370	-	1,370	0.00	830	-	830	0.00	0.00
4. Non-Resident Individuals (Repatriable)	4,18,847	6,151	4,24,998	0.23	3,78,428	6,051	3,84,479	0.21	-0.02
5. Non-Resident Individuals (Non-Repatriable)	1,20,237	-	1,20,237	0.07	93,860	-	93,860	0.05	-0.01
6. Directors/ Relatives	1,99,988	-	1,99,988	0.11	1,99,988	-	1,99,988	0.11	0.00
7. Trusts	14,491	-	14,491	0.01	15,016	-	15,016	0.01	0.00
Sub-total (B)(2):-	1,58,99,443	9,03,517	1,68,02,960	9.28	1,59,63,143	8,69,156	1,68,32,299	9.30	0.02
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5,92,36,162	9,03,517	6,01,42,095	33.22	5,92,70,523	8,71,572	6,01,42,095	33.22	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	18,01,17,563	9,03,517	18,10,23,496	100.00	18,01,51,924	8,71,572	18,10,23,496	100.00	0.00

ANNEXURE TO DIRECTORS' REPORT

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	M P Ramachandran	7,21,12,060	39.84	27.90	7,21,12,060	39.84	24.53	NIL
2	Sahyadri Agencies Limited	1,50,00,000	8.29	0.00	1,50,00,000	8.29	0.00	NIL
3	M P Divakaran	70,85,061	3.91	0.00	70,85,061	3.91	0.00	NIL
4	M P Sidharthan	52,15,230	2.88	0.00	52,15,230	2.88	0.00	NIL
5	M R Deepthy	50,30,032	2.78	0.00	50,30,032	2.78	0.00	NIL
6	M R Jyothy	46,18,084	2.55	0.00	46,18,084	2.55	0.00	NIL
7	M G Shanthakumari	36,17,954	2.00	0.00	36,17,954	2.00	0.00	NIL
8	U B Beena	34,46,600	1.90	0.00	34,46,600	1.90	0.00	NIL
9	M P Divakaran	19,04,000	1.05	0.00	19,04,000	1.05	0.00	NIL
10	K Ullas Kamath	14,51,380	0.80	0.00	14,51,380	0.80	0.00	NIL
11	Sidharthan M P	13,20,000	0.73	0.00	13,20,000	0.73	0.00	NIL
12	K K Sujatha	81,000	0.04	0.00	81,000	0.04	0.00	NIL

ANNEXURE TO DIRECTORS' REPORT

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

There was no change in promoter's holding during the specified period.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding		Date	Increase/Decrease in Share holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares at the beginning of the year (01-04-14) / End of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
1	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	65,72,898	3.63	01-04-2014				
				10-10-2014	(3,08,638)	Transfer	62,64,260	3.46
				17-10-2014	(1,68,065)	Transfer	60,96,195	3.37
				02-01-2015	(50,000)	Transfer	60,46,195	3.34
				16-01-2015	(16,000)	Transfer	60,30,195	3.33
				23-01-2015	(1,63,600)	Transfer	58,66,595	3.24
				30-01-2015	(16,300)	Transfer	58,50,295	3.23
				20-02-2015	(12,500)	Transfer	58,37,795	3.22
		57,88,016	3.20	31-03-2015	(49,779)	Transfer	57,88,016	3.20
2	FIDELITY MANAGEMENT & RESEARCH COMPANY A/C FIDELITY INVESTMENT TRUST - FIDELITY SERIES INTERNATIONAL SMALL CAP FUND	51,54,431	2.85	01/04/2014				
				19-09-2014	(49,941)	Transfer	51,04,490	2.82
				30-09-2014	(6,43,502)	Transfer	44,60,988	2.46
				03-10-2014	(32,748)	Transfer	44,28,240	2.45
				10-10-2014	(2,04,676)	Transfer	42,23,564	2.33
				17-10-2014	(32,227)	Transfer	41,91,337	2.32
				24-10-2014	(28,565)	Transfer	41,62,772	2.3
				31-10-2014	(71,435)	Transfer	40,91,337	2.26
				05-12-2014	(41,613)	Transfer	40,49,724	2.24
				12-12-2014	(2,08,387)	Transfer	38,41,337	2.12
		38,41,337	2.12	31-03-2015			38,41,337	2.12
3	EMBLEM FII	28,31,184	1.56	01-04-2014	0	Nil movement during the year		
		28,31,184	1.56	31-03-2015			28,31,184	1.56

ANNEXURE TO DIRECTORS' REPORT

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares at the beginning of the year (01-04-14) / End of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
4	SUNDARAM MUTUAL FUND A/C SUNDARAM MONTHLY INCOME PLAN - AGGRESSIVE PLAN	24,80,000	1.37	01-04-2014				
				11-04-2014	(5,000)	Transfer	24,75,000	1.37
				18-04-2014	(5,000)	Transfer	24,70,000	1.36
				25-04-2014	(1,51,433)	Transfer	23,18,567	1.28
				16-05-2014	(83,398)	Transfer	22,35,169	1.23
				23-05-2014	(42,481)	Transfer	21,92,688	1.21
				30-05-2014	(17,891)	Transfer	21,74,797	1.20
				06-06-2014	(80,248)	Transfer	20,94,549	1.16
				13-06-2014	(96,547)	Transfer	19,98,002	1.10
				22-08-2014	(8,002)	Transfer	19,90,000	1.10
				05-09-2014	(10,000)	Transfer	19,80,000	1.09
				12-09-2014	(10,000)	Transfer	19,70,000	1.09
				14-11-2014	(3,11,971)	Transfer	16,58,029	0.92
				21-11-2014	(95,637)	Transfer	15,62,392	0.86
				12-12-2014	(37,807)	Transfer	15,24,585	0.84
				23-01-2015	(4,585)	Transfer	15,20,000	0.84
5	M/S NAPEAN TRADING AND INVESTMENT CO PVT LTD	15,20,000	0.84	31-03-2015			15,20,000	0.84
		23,63,090	1.31	01-04-2014				
				23-01-2015	(1,00,000)	Transfer	22,63,090	1.25
				06-02-2015	(1,60,00,00)	Transfer	6,63,090	0.37
				13-02-2015	(5,00,000)	Transfer	1,63,090	0.09
				20-03-2015	(1,63,090)	Transfer	0	0
6	PI OPPORTUNITIES FUND I	-	-	31-03-2015			0	0
		23,03,446	1.27	01-04-2014	0	Nil movement during the year		
7	IDFC PREMIER EQUITY FUND	23,03,446	1.27	31-03-2015			23,03,446	1.27
		22,00,000	1.22	01/04/2014				
				07-11-2014	(3,40,193)	Transfer	18,59,807	1.03
				14-11-2014	(15,71,012)	Transfer	2,88,795	0.16
				21-11-2014	(2,88,795)	Transfer	0	0
		-	-	31-03-2015			0	0

ANNEXURE TO DIRECTORS' REPORT

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares at the beginning of the year (01-04-14) / End of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
8	ACACIA PARTNERS, LLP	18,00,000	0.99	01-04-2014		Nil movement during the year		
		18,00,000	0.99	31-03-2015			18,00,000	0.99
9	MORGAN STANLEY INVESTMENT MANAGEMENT, INC A/C MORGAN STANLEY INDIA INVESTMENT FUND, INC.	15,42,949	0.85	01-04-2014				
				18-04-2014	15,893	Transfer	15,58,842	0.86
				23-05-2014	1,67,000	Transfer	17,25,842	0.95
				30-05-2014	1,20,342	Transfer	18,46,184	1.02
				24-10-2014	24,042	Transfer	18,70,226	1.03
				31-10-2014	5,016	Transfer	18,75,242	1.04
				21-11-2014	76,567	Transfer	19,51,809	1.08
				13-02-2015	(2,88,644)	Transfer	16,63,165	0.92
				20-02-2015	(39,859)	Transfer	16,23,306	0.90
				27-02-2015	(3,41,123)	Transfer	12,82,183	0.71
				06-03-2015	(1,81,002)	Transfer	11,01,181	0.61
				13-03-2015	(3,43,519)	Transfer	7,57,662	0.42
				20-03-2015	(1,556)	Transfer	7,56,106	0.42
10	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE ADVANTAGE FUND	7,56,106	0.42	31-03-2015			7,56,106	0.42
		13,29,326	0.73	01-04-2014				
				13-06-2014	(30,500)	Transfer	12,98,826	0.72
				20-06-2014	(3,11,063)	Transfer	9,87,763	0.54
				30-06-2014	(51,147)	Transfer	9,36,616	0.52
				04-07-2014	(56,764)	Transfer	8,79,852	0.49
				05-09-2014	(5,237)	Transfer	8,74,615	0.48
				12-09-2014	(99,615)	Transfer	7,75,000	0.43
		7,75,000	0.43	31-03-2015			7,75,000	0.43

ANNEXURE TO DIRECTORS' REPORT

(v) Shareholding of Directors and Key Managerial Personnel:

1. Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. M. P. Ramachandran				
01/04/2014	7,21,12,060	39.84	7,21,12,060	39.84
Increase/ Decrease in Share holding	No movement	No movement	No movement	No movement
31/03/2015	7,21,12,060	39.84	7,21,12,060	39.84

2. Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Ms. M. R. Jyothy				
01/04/2014	46,18,084	2.55	46,18,084	2.55
Increase/ Decrease in Share holding	No movement	No movement	No movement	No movement
31/03/2015	46,18,084	2.55	46,18,084	2.55

3. Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. K Ullas Kamath				
01/04/2014	14,51,380	0.80	14,51,380	0.80
Increase/ Decrease in Share holding	No movement	No movement	No movement	No movement
31/03/2015	14,51,380	0.80	14,51,380	0.80

4. Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. S. Ragunandan				
01/04/2014	1,95,388	0.11	1,95,388	0.11
Increase/ Decrease in Share holding	No movement	No movement	No movement	No movement
31/03/2015	1,95,388	0.11	1,95,388	0.11

5. Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Bipin R. Shah				
01/04/2014	100	0.00	100	0.00
Increase/ Decrease in Share holding	No movement	No movement	No movement	No movement
31/03/2015	100	0.00	100	0.00

ANNEXURE TO DIRECTORS' REPORT

6. Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Nilesh B Mehta				
01/04/2014	Nil	Nil	Nil	Nil
Increase/ Decrease in Share holding	No movement	No movement	No movement	No movement
31/03/2015	Nil	Nil	Nil	Nil

7. Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. K. P. Padmakumar				
01/04/2014	Nil	Nil	Nil	Nil
Increase/ Decrease in Share holding	No movement	No movement	No movement	No movement
31/03/2015	Nil	Nil	Nil	Nil

8. Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. R. Lakshminarayanan				
01/04/2014	Nil	Nil	Nil	Nil
Increase/ Decrease in Share holding	No movement	No movement	No movement	No movement
31/03/2015	Nil	Nil	Nil	Nil

9. Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. M. L. Bansal				
01/04/2014	Nil	Nil	Nil	Nil
Increase/ Decrease in Share holding	No movement	No movement	No movement	No movement
31/03/2015	Nil	Nil	Nil	Nil

ANNEXURE TO DIRECTORS' REPORT

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amt. in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,15,00,00,000	-	-	5,15,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,77,16,372	-	-	3,77,16,372
Total (i+ii+iii)	5,18,77,16,372	-	-	5,18,77,16,372
Change in Indebtedness during the financial year				
■ Addition	-	-	-	-
■ Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	5,15,00,00,000	-	-	5,15,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,77,16,372	-	-	3,77,16,372
Total (i+ii+iii)	5,18,77,16,372	-	-	5,18,77,16,372

ANNEXURE TO DIRECTORS' REPORT

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

						(Amt. in ₹)
Sl. no.	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount
		M.P. Ramachandran	K. Ullas Kamath	S.Raghunandan	M.R. Jyothy	
		Chairman and Managing Director	Joint Managing Director & CFO	Whole Time Director & CEO	Whole Time Director	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1	1,80,00,000	4,31,00,000	86,00,000	6,97,00,001
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	3,12,68,696	2,81,41,827	-	-	5,94,10,523
	- others, specify...	-	-	-	-	-
5	Others, please specify					
	Providend Fund	-	21,60,000	47,52,000	10,32,000	79,44,000
	Superannuation	-	18,00,000	6,60,000	90,000	25,50,000
	Total (A)	3,12,68,697	5,01,01,827	4,85,12,000	97,22,000	13,96,04,524
	Ceiling as per the Act	₹ 15,63,43,481 (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).				

Note: Refer footnote given to Note. 31 of the financial statements.

ANNEXURE TO DIRECTORS' REPORT

B. Remuneration to other directors:

(Amt. in ₹)						
Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Bipin R. Shah	Nilesh B. Mehta	R. Lakshminarayanan	K. P. Padmakumar	
1	Independent Directors					
	➤ Fee for attending board/ committee meetings	1,25,000	1,00,000	65,000	60,000	3,50,000
	➤ Commission	8,00,000	8,00,000	8,00,000	8,00,000	32,00,000
	➤ Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	9,25,000	9,00,000	8,65,000	8,60,000	35,50,000
2	Other Non-Executive Directors					
	➤ Fee for attending board/ committee meetings	Nil				
	➤ Commission					
	➤ Others, please specify					
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	9,25,000	9,00,000	8,65,000	8,60,000	35,50,000
	Total Managerial Remuneration					14,31,54,524
	Overall Ceiling as per the Act	₹ 1,56,34,348 (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).				

C. Remuneration To Key Managerial Personnel Other Than MD/ Manager/ WTD

(Amt. in ₹)					
Sl no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Murari Lal Bansal Company Secretary	CFO*	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	36,64,873	-	36,64,873
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others,	-	-	-	-
5	Others, please specify				
	Providend Fund				
	Superannuation	-	4,32,000	-	4,32,000
		-	3,60,000	-	3,60,000
	Total	0	44,56,873	0	44,56,873

*Mr. S. Raghunandan, Whole Time Director holds the position of CEO and Mr. K. Ullas Kamath, Joint Managing Director holds the position of CFO and the details of remuneration paid to them are provided in VI (A) above.

ANNEXURE TO DIRECTORS' REPORT

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/ punishment/ compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

**For and on behalf of the Board of Directors
For Jyothy Laboratories Limited**

M. P. Ramachandran
Chairman & Managing Director
(DIN: 00553406)

Mumbai,
May 25, 2015

ANNEXURE TO DIRECTORS' REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

(Amount in ₹)						
Sr. No.	Name of Director	Designation	Remuneration Current Year	% increase in Remuneration in the financial year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of Remuneration of the KMP Performance of the Company
1	M. P. Ramachandran	Chairman and Managing Director	3,12,68,697	(43.35)	148.20	Profit before Tax increase by 38.21% and profit after tax increase by 34.56 % in financial year 2014-15
2	K. Ullas Kamath	Joint Managing Director and Chief Financial Officer	5,01,01,827	(4.01)	237.45	
3	S. Raghunandan	Whole Time Director and Chief Executive Officer	4,85,12,000	(0.35)	229.92	
4	M.R. Jyothy	Whole Time Director	97,22,000	66.01	46.08	Profit before Tax increase by 38.21% and profit after tax increase by 34.56 % in financial year 2014-15
5	Nilesh B. Mehta	Independent Director	9,00,000	(2.17)	4.27	
6	K.P. Padmakumar	Independent Director	8,60,000	(1.7)	4.08	
7	Bipin R. Shah	Independent Director	9,25,000	3.93	4.38	
8	R. Lakshminarayanan	Independent Director	8,65,000	(1.7)	4.10	
9	Murari Lal Bansal	Company Secretary	44,56,873	(0.5)	Not Applicable	

Note: Refer footnote given to Note 31 of the financial statements.

ANNEXURE TO DIRECTORS' REPORT

- (ii) The median remuneration of employees of the Company during the financial year is ₹ 2,10,996/- p.a.
- (iii) In the financial year, there was an increase of 15.9% in the median remuneration of employees;
- (iv) There were 2,278 permanent employees on the rolls of Company as on March 31, 2015;
- (v) Relationship between average increase in remuneration and company performance: - The Profit before Tax for the financial year ended March 31, 2015 increased by 38.21% and the increase in remuneration was 20.69%.
- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The total remuneration of Key Managerial Personnel (i.e. persons mentioned against Sr. No. 1 to 4 and Sr. No. 9) declined by 13.43% from ₹16.64 Crore in 2013-14 to ₹14.41 Crore in 2014-15 whereas the Profit before Tax increased by 38.21% to ₹146.92 Crore in 2014-15 (₹106.30 Crore in 2013-14).
- (vii) a) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2015 was ₹ 4,838.76 Crore (₹ 3,751.71 Crore as on March 31, 2014);
b) Price Earnings ratio of the Company was 33.88 as at March 31, 2015 and was 33.37 as at March 31, 2014;
- c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year: The offer price at the time of Initial Public Offer in 2007 was ₹ 690 per equity share of face value of ₹ 5/- per share, but after adjustment for share split in 5:1 ratio and bonus issue of 1:1, it work out to ₹ 69/- per share of ₹ 1/- each. The closing share price of the Company at NSE on March 31, 2015 being ₹ 267.30 per equity share of face value of Re.1/- each has grown 3.87 times of the IPO price.
- (viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 20.69% whereas the managerial remuneration for the same financial year decreased by (13.79)%.
- (ix) The key parameters for the variable component of remuneration availed by the directors are as per the Remuneration Policy of the Company.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable; and
- (xi) It is hereby affirmed that the remuneration paid is as per Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE TO DIRECTORS' REPORT

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

List of employees of the Company employed throughout the financial year 2014-15 or part of the year and were paid remuneration not less than ₹ 60 Lacs per annum or ₹ 5 Lacs per month.

Name	Age	Qualification	Designation	Date of Commencement of employment	Experience (years)	Total Gross Remuneration (₹)	Previous Employment
M. P. RAMACHANDRAN	69	Postgraduate Degree in Financial Management.	Chairman and Managing Director	15/01/1992	40 years	3,12,68,697	Proprietor - Jyothy Laboratories
K. ULLAS KAMATH	52	M.Com., F.C.A., A.C.S., L.L.B., M.Sc. (London School of Economics) A.M.P. - Wharton Business School and Harvard Business School, U.S.A.	Joint Managing Director and Chief Financial Officer	26/03/1997	29 years	5,01,01,827	Practicing Chartered Accountant
S. RAGHUNANDAN	50	PGDBM - IIM Calcutta M.Sc., BE Hons in Chemical Engg - BITS Pilani.	Whole Time Director and Chief Executive Officer	23/05/2012	25 years	4,85,12,000	Managing Director-Reckitt Benckiser India Limited
M. R. JYOTHY	37	B.Com, MBA, Family Manged Business administration from S.P. Jain Institute of Management, Owner/ President of Management Programme from Harvard University, USA.	Whole Time Director	01/01/2004	11 years	97,22,000	-
RAJNIKANT SABNAVIS	48	B. E. (Mech), MBA.	VICE PRESIDENT - SALES & MARKETING	21/10/2013	24 years	2,41,93,493	Unilever/ Regional Category Vice President (Hair Care - South Asia)
PRATYAYA CHAKRABARTI	44	B. E. Chemical	VICE PRESIDENT - MANUFACTURING AND R & D	12/09/2012	22 years	98,17,322	Unilver/ Head - R&D
NEETU KASHIRAMKA	41	B. Com, CA.	VICE PRESIDENT - FINANCE	21/11/2000	17 years	60,03,328	Kewal Kiran & Co/ Asst Manager - Accounts
DINESH KUMAR JHAMB*	47	B.Sc., MBA.	NATIONAL SALES MANAGER	09/12/2014	26 years	45,34,234	Dabur India Ltd/ GM - Sales

* Employed for part of the year.

Note:

- For the purpose of this statement, the amount accrued in respect of employee stock options granted to various employees has not been considered as remuneration of the current year as the options have not vested/ exercised.
- All appointments are contractual and terminable by notice on either side.
- None of the employees mentioned above is related to any director of the Company except Mr. M. P. Ramachandran and Ms. M. R. Jyothy, who are related to each other.
- Mr. Rajnikant Sabnavis, Mr. Pratyaya Chakrabarti and Mr. Dinesh Kumar Jhamb draw remuneration more than a whole Time Director, but do not hold by themselves or alongwith their spouse and dependent children, two percent or more of the equity shares of the Company.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy is to conduct business and its dealings with all stakeholders in compliance with law and high standards of business ethics and to exceed the statutory requirements with regard to Corporate Governance. The Company would continue to strengthen its principles of transparency, fairness and accountability to generate long-term value for its shareholders on a continuous and sustainable basis in harmony with the interests of all other stakeholders.

The Company is in compliance with all the regulations stipulated by the Companies Act, 2013 and Rules thereof, and Clause 49 of the Listing Agreement. The following together with information contained in Management Discussion and Analysis and other parts of Annual Report constitutes the Company's compliance with Corporate Governance.

The composition of the Board of Directors is as under:

Name of the Member of the Board	Category	Relationship with other Directors
Mr. M. P. Ramachandran	Promoter/ Chairman & Managing Director	Father of Ms. M. R. Jyothy
Mr. K. Ullas Kamath	Joint Managing Director & CFO	None
Mr. S. Raghunandan	Whole Time Director & CEO	None
Ms. M. R. Jyothy	Whole Time Director	Daughter of Mr. M. P. Ramachandran
Mr. Nilesh B. Mehta	Independent	None
Mr. K. P. Padmakumar	Independent	None
Mr. Bipin R. Shah	Independent	None
Mr. R. Lakshminarayanan	Independent	None

Attendance of Directors at Board Meetings and Annual General Meeting:

During the year ended on March 31, 2015, the Board of Directors had met five times on May 22, 2014, August 13, 2014, November 5, 2014, December 19, 2014 and on January 28, 2015. The last Annual General Meeting (AGM) of the Company was held on August 13, 2014. The Details of attendance of Directors at the aforesaid Board Meetings and at the last AGM is as under:

Name of Director	Number of Board Meeting attended	Last Annual General Meeting attended
Mr. M. P. Ramachandran	5	Yes
Mr. K. Ullas Kamath	5	Yes
Mr. S. Raghunandan	5	Yes
Ms. M. R. Jyothy	5	Yes
Mr. Nilesh B. Mehta	3	Yes
Mr. K. P. Padmakumar	2	No
Mr. Bipin R. Shah	4	Yes
Mr. R. Lakshminarayanan	3	Yes

Board Members and their Directorships in other Public Limited Companies as on March 31, 2015:

Name of Director	Directorships in other Public Limited Companies	Committee positions in other Public Limited Companies	
		Member	Chairman
Mr. M. P. Ramachandran	4	2	None
Mr. K. Ullas Kamath	2	1	None
Mr. S. Raghunandan	1	1	None
Ms. M. R. Jyothy	1	0	None
Mr. Nilesh B. Mehta	3	3	None
Mr. K. P. Padmakumar	5	3	2
Mr. Bipin R. Shah	3	4	2
Mr. R. Lakshminarayanan	2	2	None

AUDIT COMMITTEE

The Board has constituted a well qualified and independent Audit Committee with more than two third as Independent Directors and Non-Executive Directors. All Members of the Audit Committee possess expert knowledge of Accounts, Audit and Finance. The Company Secretary acts as Secretary to the Audit Committee.

Composition, Meetings and Attendance

The Audit Committee had 4 meetings during the year 2014-15. The Composition of the Committee and attendance of each Committee Member was as under:

Sr. No.	Name of the Director	No. of Meetings Held/ Attended
1	Mr. Nilesh B. Mehta (Chairman) - Independent	3 of 4
2	Mr. K. P. Padmakumar - Independent	2 of 4
3	Mr. Bipin R. Shah - Independent	4 of 4
4	Mr. K. Ullas Kamath - Joint Managing Director & CFO	4 of 4

Representatives of Internal Auditors and Statutory Auditors are invitees to the Audit Committee Meeting.

Terms of Reference of Audit Committee

The Terms of reference of the Audit Committee are in accordance with the provisions contained in Section 177 and other provisions of the Companies Act, 2013, and the Rules made thereunder and Clause 49 of the Listing Agreement, as amended from time to time and which inter alia include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - 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,
 - Changes, if any, in accounting policies and practices and reasons for the same,
 - Major accounting entries involving estimates based on the exercise of judgment by management,

- d. Significant adjustments made in the financial statements arising out of audit findings,
 - e. Compliance with listing and other legal requirements relating to financial statements,
 - f. Disclosure of any related party transactions,
 - g. Qualifications in the draft audit report;
5. Reviewing, with the management and examine the quarterly and annual financial statements and auditors' report before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the Company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the Company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the Whistle Blower mechanism or Vigil mechanism;
 19. 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;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
 21. To review the financial statements, in particular, the investments made by the unlisted subsidiary;
 22. To allow auditors and key managerial personnel, a right to be heard while considering the Auditors' Report;
 23. To define significant related party transactions.

The powers and role of the Audit Committee is in accordance with the provisions of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 and includes oversight of the Company's financial process, reviewing the financial statements, review of significant related party transactions, adequacy of internal audit and look into such matters as mandated under the Listing Agreement as amended from time to time. The role of Audit Committee includes the discussions with internal and statutory auditors periodically about their scope of audit and adequacy of internal control systems.

In addition, the Committee also reviews the Management Discussion and Analysis of the financial condition and results of operations and in respect of unlisted subsidiary companies, the financial statements, investments made and minutes of Board Meetings

NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE* (FORMERLY REMUNERATION AND COMPENSATION COMMITTEE)**

Composition, Meetings and Attendance

The Committee comprises of the Members as stated below. The Committee during the year ended March 31, 2015 had 3 meetings. The attendance of the members was as under.

Sr. No.	Name of the Director	Category	No. of Meetings Attended
1	Mr. Nilesh B. Mehta (Chairman)	Independent Director	2 of 3
2	Mr. M. P. Ramachandran	Managing Director	2 of 2
3	Mr. K. P. Padmakumar	Independent Director	1 of 3
4	Mr. Bipin R. Shah	Independent Director	1 of 1
5	Mr. R. Lakshminarayanan	Independent Director	2 of 2

Mr. R. Lakshminarayanan is a member of the Committee w.e.f. May 22, 2014 and Mr. Bipin R. Shah was a member of the Committee upto May 22, 2014.

***The Remuneration and Compensation Committee was reconstituted on May 22, 2014 and renamed as "The Nomination, Remuneration & Compensation Committee"

Terms of Reference of Nomination, Remuneration and Compensation Committee

The Remuneration Committee is duly constituted in accordance with the provisions of Clause 49 of the Listing Agreement and Section 178 and other provisions of Companies Act, 2013 and is empowered to do the following:

- (1) To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to appointment and remuneration for Directors, Key Managerial Personnel and other senior employees;
- (2) To formulate criteria for evaluation of the members of the Board of Directors including Independent Directors, the Board of Directors and the Committees thereof;
- (3) To devise policy on Board Diversity;
- (4) To identify persons, qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and where necessary, their removal;
- (5) To formulate policy ensuring the following:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully,
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
 - c. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- (6) To design Company's policy on specific remuneration packages for Executive/ Whole Time Directors and Key Managerial Personnel including pension rights and any other compensation payment;
- (7) To determine, peruse and finalize terms and conditions including remuneration payable to Executive/ Whole Time Directors and Key Managerial Personnel of the Company from time to time;

- (8) To review, amend or ratify the existing terms and conditions including remuneration payable to Executive/ Whole Time Directors and Key Managerial Personnel of the Company;
- (9) To apply to Ministry of Corporate Affairs, New Delhi or any authority subordinated there under regarding their approval for payment of remuneration to Executive/ Whole Time Directors as may be required under the said Act;
- (10) To consider and approve ESOP Scheme and to perform all such acts, deeds and functions including, but not limited to, the matters specified in clause 5 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and matters incidental/ supplemental thereto;
- (11) To recommend to the Board of Directors their decisions and further actions as they may deem fit.
- b) The determination of remuneration for other employees shall be governed by the HR Policy.
- c) The proposal for the appointment of an Executive Director/ Key Managerial Personnel shall provide necessary information in this regard which the Board will consider in arriving at the conclusion as to whether or not the remuneration offered to the candidate is appropriate, reasonable and balanced as to the fixed and variable portions (including the commission).
- d) The remuneration payable to the Executive Directors, including the Commission and value of the perquisites, shall not exceed the permissible limits as are mentioned within the provisions of the Companies Act, 2013.
- e) The Executive Directors shall not be eligible to receive sitting fees for attending the meetings of the Board or committees thereof of the Company and its Subsidiary Companies.
- f) The Non-Executive Directors shall not be eligible to receive any remuneration/ salary from the Company. However, the Non-Executive Directors shall be paid sitting fees for attending the meeting of the Board or committees thereof and commission, as may be decided by the Board/ Shareholders from time to time.
- g) The Non-Executive Directors shall also be eligible to reimbursement of reasonable out-of-pocket expenses incurred by them for attending meetings of Board, Committees or Shareholders, including the travelling and lodging & boarding expenses on an actual basis.

Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees.

- a) While determining the remuneration of Executive Directors and Key Managerial Personnel, the Board shall consider following factors:
 - i) Criteria/ norms for determining the remuneration of such employees prescribed in the HR Policy.
 - ii) Existing remuneration drawn.
 - iii) Industry standards, if the data in this regard is available.
 - iv) The job description.
 - v) Qualifications and experience levels of the candidate.
 - vi) Remuneration drawn by the outgoing employee, in case the appointment is to fill a vacancy on the death, resignation, removal etc. of an existing employee.
 - vii) The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.

The amount of sitting fee and commission payable to Non-Executive Directors shall not exceed the limits prescribed there for under the provisions of the Companies Act, 2013.

Explanation : For the purposes of this Policy Remuneration shall mean the Cost to the Company and shall include the salary, allowances, perquisites, performance incentive and any other facility provided or payment made to or on behalf of the employee.

- h) Independent Directors shall not be eligible to participate in the ESOP Scheme, if any.

Details of Remuneration paid to Directors for the year ended March 31, 2015:

Executive Directors

(Amount in ₹)					
Name of the Director	Salary & Perquisites	Provident Fund	Superannuation	Commission payable	Stock Options Granted (In Nos.)
M. P. Ramachandran	1	-	-	3,12,68,696	-
K. Ullas Kamath	1,80,00,000	21,60,000	18,00,000	2,81,41,827	-
S. Raghunandan	4,31,00,000	47,52,000	6,60,000	-	27,15,352*
M. R. Jyothy	86,00,000	10,32,000	90,000	-	-

Refer Note No. 31 of the Notes to financial Statements which is part of the Annual Report.

*The options shall vest over a period of 4 years on the basis of time and performance. Exercise period will be 5 years from the date of vesting of options and Exercise price will be Re.1/- per share.

Notice period and severance fees for all Executive Directors is six months' notice or six months' salary in lieu thereof or as may be mutually decided by the Director and the Company.

Non-Executive Directors' Compensation and Shareholding:

As per resolution dated May 23, 2012, passed by the shareholders of the Company through Postal Ballot, the members had approved compensation payable to Non-Executive and Independent Directors on the Board of the Company for an amount not exceeding 1% of the net profits of the Company calculated in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956.

Independent Directors were paid sitting fees and commission during the year under review. During the year, the Company did not have any stock option scheme for Independent Directors of the Company.

Details of sitting fees & commission paid to Independent Directors along with their Shareholding are as under:

Sr. No.	Name of the Directors	Sitting Fees (₹)	Commission (₹)	No. of Shares held
1	Mr. Nilesh B. Mehta	1,00,000	8,00,000	0
2	Mr. K. P. Padmakumar	60,000	8,00,000	0
3	Mr. Bipin R. Shah	1,25,000	8,00,000	100
4	Mr. R. Lakshminarayanan	65,000	8,00,000	0

STAKEHOLDERS' RELATIONSHIP COMMITTEE (FORMERLY SHAREHOLDERS & INVESTORS GRIEVANCE COMMITTEE)

Shareholders & Investors Grievance Committee was renamed as Stakeholders' Relationship Committee in line with the provisions of Section 178 of the Companies Act, 2013, w.e.f. May 22, 2014. The Committee inter-alia monitors and reviews investors' grievances and is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of services.

The Committee is headed by Mr. Nilesh B. Mehta, Independent Director and consists of members as stated below. During the year ended March 31, 2015, this Committee had 4 meetings which were attended by the members as under:

Sr. No.	Name of the Directors	Category	No. of Meetings Attended
1	Mr. Nilesh B. Mehta	Independent Director	3 of 4
2	Mr. Bipin R. Shah	Independent Director	4 of 4
3	Mr. M. P. Ramachandran	Managing Director	4 of 4

Mr. M. L. Bansal, Company Secretary is designated as Compliance Officer of the Company who oversees the redressal of investor grievances.

During the financial year, the Company received 284 complaints/ correspondences and 283 were disposed off. The Company has only one complaint unresolved at the closure of the year under review. All complaints/ queries were generally disposed of within one week of receipt of the complaint/ query.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

CSR Committee was constituted pursuant to Section 135 of the Companies Act, 2013 on May 22, 2015. The Composition of the Committee and attendance of the members of the Committee at the meetings held is as below. The CSR Committee met two times during the year ended March 31, 2015.

Sr. No.	Name of the Directors	Category	No. of Meetings Attended
1	Mr. M. P. Ramachandran	Managing Director	2 of 2
2	Mr. K. P. Padmakumar	Independent Director	1 of 2
3	Ms. M. R. Jyothy	Whole Time Director	2 of 2

Mr. M. P. Ramachandran is the Chairman of the Committee. The Company has formulated a CSR Policy and the same is uploaded on the website of the Company, which can be accessed at the weblink - http://www.jyothy laboratories.com/admin/docs/JLL_CSR%20Policy_Website.pdf

The terms of reference of the Corporate Social Responsibility Committee broadly include the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the review thereof at periodical intervals;
- To recommend the amount of expenditure to be incurred on the activities referred above;
- To monitor the expenditure incurred on the specified activities; and
- To monitor the implementation of Corporate Social Responsibility Policy of the Company from time to time.

DEPOSITORY ESCROW ACCOUNT

As on March 31, 2015, 300 Equity Shares belonging to 3 applicants were lying in Depository Escrow Account.

Aggregate number of shareholders whose shares are lying in Suspense Account at the beginning of the year	4
Aggregate number of outstanding shares lying in Suspense Account at the beginning of the year	400
Number of Shareholders who approached for transfer of shares from Suspense Account during the year	1
Number of Shareholders to whom shares were transferred from Suspense Account during the year	1
Number of Shares transferred from Suspense Account during the year	100
Aggregate number of Shareholders whose shares are lying in Suspense Account at the end of the year	3
Aggregate number of outstanding shares lying in Suspense Account at the end of the year	300

GENERAL BODY MEETING

Annual General Meetings

Last three Annual General Meetings of the Company were held at the venue and time as under:

Year	Date of Annual General Meeting	Time of Meeting	Whether Special Resolutions passed	Venue
2013-14 23 rd AGM	August 13, 2014	10.30 a.m.	Yes	M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20 K. Dubhash Marg, Kala Ghoda, Mumbai - 400001
2012-13 22 nd AGM	August 12, 2013	10.30 a.m.	Yes	M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20 K. Dubhash Marg, Kala Ghoda, Mumbai - 400001
2011-12 21 st AGM	August 14, 2012	10.30 a.m.	Yes	M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20 K. Dubhash Marg, Kala Ghoda, Mumbai - 400001

All special resolutions at the 23rd Annual General Meetings were passed through e-voting and physical ballots sent by post or cast at the AGM.

All special resolutions at the 21st and 22nd Annual General Meetings were passed by show of hands.

Postal Ballot

No special resolution was passed through postal ballot during the Financial Year 2014-15. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

Disclosures

1. During the year under review there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

The Company has formulated the Policy on dealing with related party transactions and the same is available on the website of the Company and a web link thereto is as below:

http://www.jyothylaboratories.com/admin/docs/RPT_JLL_Website.pdf

2. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements.

3. The Company has followed all relevant Accounting Standards while preparing Financial Statements and no treatment different from that prescribed in an Accounting Standard has been followed.
4. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
5. No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
6. The Company has in place Whistle Blower Policy and the details of same are provided in the Board's Report. Further it is affirmed that no personnel has been denied access to the Audit Committee.
7. The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures.
8. During the year ended March 31, 2015, the Company did not have any material listed/ unlisted subsidiary companies as defined in clause 49 of the Listing Agreement. Policy for determining material subsidiaries has been formulated by the Company and the web link thereto is as below:
http://www.jyothy laboratories.com/admin/docs/PMS_JLL_Website.pdf

CODE OF CONDUCT

The Board has adopted the code of conduct for all its Directors and Senior Management which has been displayed on the Company's website www.jyothy laboratories.com. All Board members and senior management personnel have affirmed compliance with the code on annual basis. A declaration to this effect by CEO of the Company forms part of this Annual Report.

MEANS OF COMMUNICATION

The Company after approval by its Board of Director and after submission of the same to Stock Exchanges, publishes its Quarterly and Annual results generally in Business Standard and Sakal. The said results are also available on

the website of the Company at www.jyothy laboratories.com. Official Press releases and presentation made to the institutional investor/ analysts are available on the aforesaid website of the Company.

CEO/ CFO CERTIFICATE

Managing Director, Joint Managing Director & Chief Financial Officer (CFO) and Whole-time Director & Chief Executive Officer have issued certificate in terms of Clause 49(IX) of the Listing Agreement. The said certificate is annexed and forms part of the Annual Report.

COMPLIANCE UNDER NON-MANDATORY REQUIREMENT OF CLAUSE 49

The Company complied with all mandatory requirements and has adopted non-mandatory requirement as per details given below:

- a) The Board: The Company does not have Non-Executive Chairman.
- b) Shareholder's Rights: The quarterly and half yearly results are published in the newspaper, displayed on the website of the Company and are sent to the Stock Exchanges where the shares of the Company are listed. The half-yearly results are not separately circulated to the shareholders.
- c) Audit Qualification: The auditors have not qualified the financial statement of the Company. The Company continues to adopt best practices in order to ensure unqualified financial statements.
- d) Separate posts of Chairman and CEO: The Company has the Managing Director as Chairman of the Company. Further a separate person has been appointed as Whole-time Director and CEO of the Company.
- e) Reporting of Internal Auditor: The Internal Auditors of the Company report to the Audit Committee.

GENERAL SHAREHOLDER INFORMATION

- a) **Annual General Meeting** of the Company will be held on July 30, 2015 at 11.00 a.m. at M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai - 400001

- b) **The Financial year covered by this Annual Report:** April 1, 2014 to March 31, 2015.
- c) **Book Closure Dates:** From July 17, 2015 to July 30, 2015 (both days inclusive).
- d) **Dividend Payment Date:** Within 30 days from date of declaration.
- e) **Listing on Stock Exchanges and Stock Codes:**
- BSE Limited - 532926
 - National Stock Exchange of India - JYOTHYLAB Limited
- f) **Dematerialization:** ISIN Number **INE668F01031**
- g) **Registrars & Share Transfer Agents:**
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L. B. S. Marg,
Bhandup (West), Mumbai 400078,
Phone: 0091 (0)22 25946970, Fax: 0091 (0)22 25946969
E-mail: rnt.helpdesk@linkintime.co.in
- h) **Share Transfer System:**
Transfers are registered and returned by the Registrars & Share Transfer Agents within a period of 15 days from the date of receipt of the documents, provided the same are in order. The Company has constituted Securities Transfer Committee which considers the transfer proposals generally on a weekly basis.
- i) **Stock Market Price for the year:**

Month	BSE Market Price (₹)		NSE Market Price (₹)	
	High	Low	High	Low
April 2014	213.00	190.00	212.80	189.50
May 2014	215.85	179.85	216.00	179.25
June 2014	196.40	171.95	195.45	171.30
July 2014	193.60	173.00	193.50	173.00
August 2014	232.25	175.50	232.85	175.20
September 2014	300.00	220.25	300.60	219.00
October 2014	275.00	231.55	280.00	231.30
November 2014	267.95	225.65	268.00	225.00
December 2014	265.00	231.30	264.75	232.00
January 2015	298.40	256.00	298.70	255.25
February 2015	314.00	271.45	314.90	271.25
March 2015	290.00	251.65	290.00	252.30

j) **Shareholding Pattern as on March 31, 2015:**

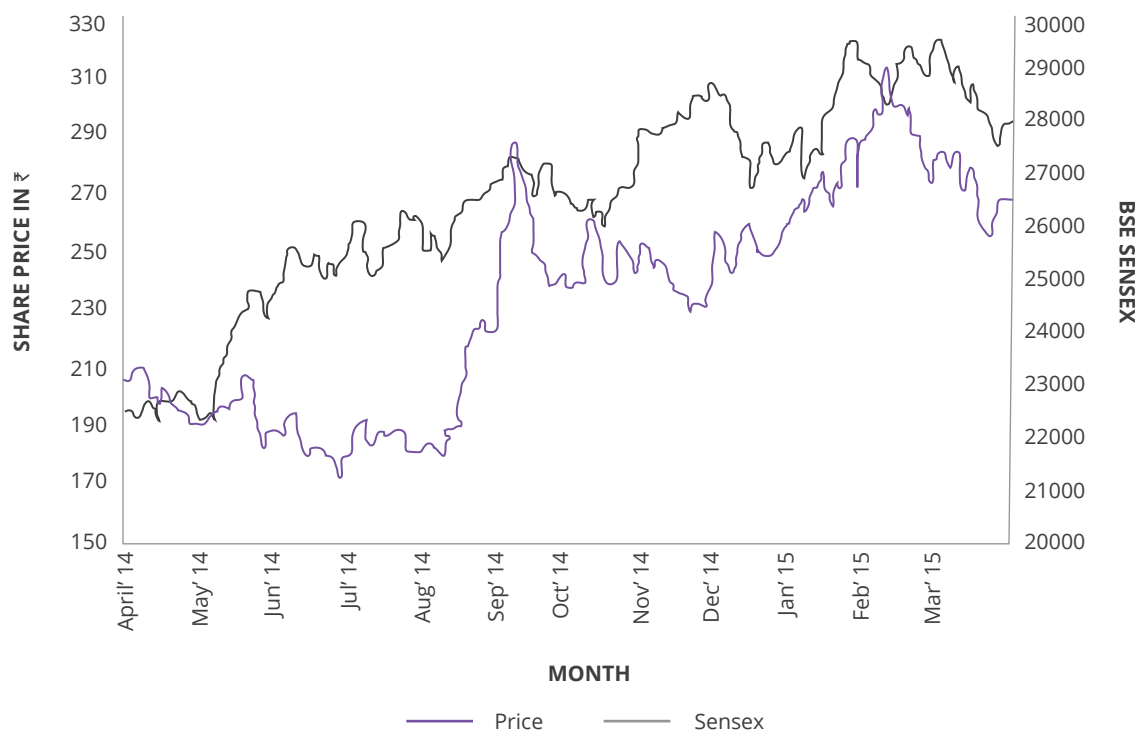
Category	No. of Shares	Percent
1 Promoter and Promoter Group	12,08,81,401	66.78
2 Institutions		
Mutual Funds	73,93,390	4.08
Financial Institutions/ Banks	1,25,247	0.07
Insurance Companies	63,15,404	3.49
Foreign Institutional Investors	1,93,60,984	10.70
Foreign Portfolio Investor (Corporate)	1,01,14,771	5.59
3 Non-Institutions		
Bodies Corporate	61,20,959	3.38
Individuals	99,11,588	5.47
Non Resident Indians (Repatriable/ Non repatriable)	4,78,339	0.26
Office Bearers	830	0.00
Clearing Member	1,05,579	0.06
Directors & their Relatives	1,99,988	0.11
Trusts	15,016	0.01
Total:	18,10,23,496	100

k) **Distribution of Shareholding as on March 31, 2015:**

Sr. No	Slab of shareholding		Shareholders		Shares Value	
	No. of Equity shares held		Numbers	In %	Face Value (₹)	In %
	From	To				
1.	1	5,000	78,144	99.64	87,94,055	4.86
2.	5,001	10,000	108	0.14	8,11,371	0.45
3.	10,001	20,000	60	0.08	8,65,163	0.48
4.	20,001	30,000	11	0.01	2,81,555	0.16
5.	30,001	40,000	7	0.01	2,59,334	0.14
6.	40,001	50,000	6	0.01	2,78,039	0.15
7.	50,001	1,00,000	22	0.02	16,72,496	0.92
8.	1,00,001	& Above	72	0.09	16,80,61,483	92.84
Total			78,430	100.00	18,10,23,496	100.00

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

ANNUAL COMPARISON OF THE COMPANY SHARE PRICE & BSE SENSEX



m) **Dematerialization of shares:**

As on March 31, 2015, 99.52% of total equity share capital are held in dematerialized

n) **Outstanding GDRs/ ADRs/ Warrants or any convertible instruments:** There has been no issue of GDRs/ ADRs/ Warrants or any convertible instruments.

o) **Plant Locations:** Manufacturing Plants of the Company are situated at following places:-

- ➔ SHED NO.25/26, IDA KOTHUR, DIST.: MEHBOOB NAGAR - 509228, ANDHRA PRADESH.
- ➔ E.P.I.P COMPLEX, AIDC- AMINGAON, GUWAHATI - 781 031, ASSAM.
- ➔ SURVEY NO. 910/7/1, DOKMARDI, AMLI, SILVASSA - 396230, DADRA & NAGAR HAVELI.
- ➔ VILLAGE: KATHA, P.O.: BADDI, DIST.: SOLAN - 173205, HIMACHAL PRADESH.
- ➔ LANE NO 2, PHASE NO 2, SIDCO INDUSTRIAL COMPLEX, BARI BARHMANA, DIST.: SAMBA (JAMMU) - 180001, JAMMU & KASHMIR.
- ➔ MP IV/ 101 B, P.O.: KOLAGAPPARA, SULTHAN BATTERY- 673591, KERALA.
- ➔ KANDANASSERY, VIA-ARIYANNUR, GURUVAYUR- 680101, DIST. : TRICHUR, KERALA
- ➔ Plot No 201, SECTOR I, PITHAMPUR INDUSTRIAL AREA, DIST. DHAR - 454775, MADHYA PRADESH.

- ➔ 131 PERALAM MAIN ROAD, P.O.: THIRUNALLAR, DIST.: KARAICKAL - 609607, PONDICHERRY.

- ➔ R.S. No 12/1 & 2, UJALA NAGAR INDL. ESTATE, UJALA ROAD, THETHAMPAKKAM, VAI VAZHUDAVUR, P.O.: SUTHUKENY - 605502, PONDICHERRY.

- ➔ PLOT NO. 6, 7 & 8, BEARING KHASARA Nos. 361, 366 & 370, KIE INDUSTRIAL ESTATE, VILLAGE : MUNDIYAKI- 247667, UTTARAKHAND.

- ➔ KHASRANO.119,PARGANABHAGWANPUR,VILLAGE RAIPUR, HARIDWAR, 24766, UTTARAKHAND

- ➔ PLOT NO.656, NEW LIGHT HOUSE MORE, BISHNUPUR, DIST.: BANKURA -722122, WEST BENGAL.

p) **Shareholders & Investors Correspondence:**

Shareholders should address their correspondence to Company's Registrars and Share Transfer Agents at the following address:

Link Intime India Private Limited
Unit: Jyothy Laboratories Limited
C-13 Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai – 400078,
Phone: 0091 (0)22 25946970, Fax: 0091 (0)22 25946969
E-mail: rnt.helpdesk@linkintime.co.in
Contact Person: Ms. Tanushree Rauth

DECLARATION BY THE CHIEF EXECUTIVE OFFICER UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING COMPLIANCE WITH CODE OF CONDUCT

In accordance with Clause 49 II E 2 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2015.

For Jyothy Laboratories Limited

S. Raghunandan

Chief Executive Officer & Whole Time Director

Mumbai, May 25, 2015

CERTIFICATION BY MANAGING DIRECTOR, CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) PURSUANT TO CLAUSE 49 (IX) OF THE LISTING AGREEMENT

We, M. P. Ramachandran, Chairman & Managing Director, K. Ullas Kamath, Joint Managing Director and Chief financial Officer and Mr. S. Raghunandan, Whole-Time Director and C.E.O. of Jyothy Laboratories Limited, certify that:-

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2015 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee that there are no
 - a) significant changes in internal control over financial reporting during the year;
 - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Jyothy Laboratories Limited

M. P. Ramachandran

Chairman & Managing Director

Mumbai, May 25, 2015

K. Ullas Kamath

Joint Managing Director and CFO

S. Raghunandan

Whole-Time Director and CEO

AUDITORS' CERTIFICATE

To
The Members of Jyothy Laboratories Limited

We have examined the compliance of conditions of corporate governance by **Jyothy Laboratories Limited**, for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E

per Vikram Mehta

Partner

Membership No.: 105938

Place: Mumbai

Date: May 25, 2015

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Jyothy Laboratories Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Jyothy Laboratories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the 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 March 31, 2015, its profit, and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
- ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E

per Vikram Mehta
Partner
Membership Number: 105938

Place : Mumbai
Date : May 25, 2015

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

Re: Jyothy Laboratories limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) (a) The Company has granted loans that are repayable on demand to two subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013. In case of one subsidiary, the Company has demanded repayment of the loan and interest and the same has been repaid by the subsidiary. In case of the other subsidiary, we are informed that the company has not demanded repayment of any loan or interest during the year, and thus, there has been no default on the part of the subsidiary to whom the money has been lent.
- (b) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. The activities of the Company do not involve sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of products of the Company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess that have not been deposited on account of any dispute, are as follows:

Matter	Year	Forum where dispute is pending (Amounts in Lacs)				Grand Total
		Commissioner and Appellate	Tribunal	High Court	Supreme court	
Excise	1998-00	10	-	-	-	10
	2004-05	-	8	-	-	8
	2005-06	-	3	-	-	3
	2007-14	153	1	-	-	154
Sales tax	1998-02	80	-	-	-	80
	2001-04	-	200	-	-	200
	2002-05	865	11	-	-	876
	2005-06	322	213	-	44	579
	2006-07	539	168	65	111	883
	2006-11	37	-	-	-	37
	2007-08	340	23	-	-	363
	2007-09	10	-	-	-	10
	2008-09	430	39	-	165	634
	2008-11	4	-	-	-	4
	2009-11	854	-	-	355	1,209
	2011-14	75	-	-	371	446
Income Tax	AY 2009-13	2,722	-	-	-	2,722
Service Tax	2005-10	7	-	-	-	7
	2010-12	91	-	-	-	91
TOTAL		6,539	666	65	1,046	8,316

(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

(viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(x) According to the information and explanations given to us, the Company has given guarantee for loans taken by subsidiaries from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of

the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from financial institutions.

(xi) The Company did not have any term loans outstanding during the year.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E

per Vikram Mehta
Partner
Membership Number: 105938

Place : Mumbai
Date : May 25, 2015

BALANCE SHEET as at March 31, 2015

₹ In Lacs

	Note	2015	2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	1,810.23	1,810.23
Reserves and surplus	5	94,360.14	86,235.72
		96,170.37	88,045.95
Non-current liabilities			
Long-term borrowings	6	40,000.00	51,590.00
Deferred tax liabilities (Net)	7	-	-
Other Long-term liabilities	8	14,795.90	14,720.09
Provisions	9	1,269.79	952.42
		56,065.69	67,262.51
Current liabilities			
Trade payables	10	12,815.82	10,394.69
Other current liabilities	11	15,149.98	4,230.96
Provisions	9	11,441.15	6,747.49
		39,406.95	21,373.14
TOTAL		191,643.01	176,681.60
ASSETS			
Non-current assets			
Fixed assets			
(i) Tangible assets	12(a)	25,143.90	26,593.25
(ii) Intangible assets	12(b)	31,888.59	36,401.03
(iii) Capital work-in-progress		536.36	348.35
Non-current investments	13	24,454.88	9,470.71
Loans and advances	14	60,135.27	66,120.68
Other assets	15	219.28	53.04
		142,378.28	138,987.06
Current assets			
Current investments	16	16,450.00	5,945.46
Inventories	17	18,101.82	16,119.20
Trade receivables	18	5,091.46	5,563.04
Cash and Bank balances	19	6,525.81	5,557.84
Loans and advances	14	2,804.73	4,150.27
Other assets	15	290.91	358.73
		49,264.73	37,694.54
TOTAL		191,643.01	176,681.60
Summary of significant accounting policies	3		

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

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E

per Vikram Mehta
Partner
Membership No.: 105938

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited

M.P. Ramachandran
Chairman and Managing Director

M.L. Bansal
Company Secretary

K. Ullas Kamath
Joint Managing Director and Chief Financial Officer

S.Raghunandan
Director and Chief Executive Officer

Place: Mumbai
Date: May 25, 2015

Place: Mumbai
Date: May 25, 2015

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2015

₹ In Lacs

	Note	2014-15	2013-14
REVENUE			
Sales (net of trade discount)		148,113.63	130,107.76
Less: Excise duty		(5,286.81)	(4,597.19)
Net sales		142,826.82	125,510.57
Other operating income	20	955.13	507.36
Revenue from operations		143,781.95	126,017.93
Other income	21	670.16	447.02
TOTAL REVENUE (I)		144,452.11	126,464.95
EXPENSES			
Cost of raw material and components consumed	22	45,635.68	36,560.92
Purchase of traded goods		31,789.97	30,549.63
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	23	(1,361.56)	549.83
Employee benefits expense	24	12,711.04	11,865.73
Employee stock option expenses	24	2,871.13	-
Share of (profit) / loss from investment in partnership firm		(27.17)	30.87
Other expenses	25	35,608.03	29,752.36
TOTAL EXPENSE (II)		127,227.12	109,309.34
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION, AMORTIZATION AND IMPAIRMENT (EBITDA) (I) - (II)		17,224.99	17,155.61
Depreciation, amortisation and impairment	12	7,037.07	6,160.41
Finance Costs	26	1,202.98	5,311.34
Interest Income	27	5,915.82	5,176.41
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		14,900.76	10,860.27
Exceptional item	42	209.18	230.07
PROFIT BEFORE TAX		14,691.58	10,630.20
Current tax (MAT)		3,075.00	2,260.00
Less MAT credit entitlement		(3,075.00)	(2,260.00)
- Net current tax		-	-
- Deferred tax charge/(reversal)		-	-
- Excess tax provision/MAT credit reversal of earlier years		412.63	18.79
PROFIT AFTER TAX		14,278.95	10,611.41
EARNINGS PER SHARE (EPS)			
Basic (₹)	39	7.89	6.21
Diluted (₹)		7.83	6.21
Nominal value per share (₹)		1	1
Summary of significant accounting policies	3		

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

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E

per Vikram Mehta
Partner
Membership No.: 105938

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited

M.P. Ramachandran
Chairman and Managing Director

M.L. Bansal
Company Secretary

K. Ullas Kamath
Joint Managing Director and Chief Financial Officer

S.Raghunandan
Director and Chief Executive Officer

Place: Mumbai
Date: May 25, 2015

Place: Mumbai
Date: May 25, 2015

STATEMENT OF CASH FLOWS for the year ended March 31, 2015

₹ In Lacs

	2014-15	2013-14
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before Tax	14,691.58	10,630.20
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation, amortisation and impairment	7,037.07	6,160.41
Loss on fixed assets discarded	91.42	2.87
Profit on sale of fixed assets	(17.16)	(0.66)
Profit on sale of investment in subsidiary	(82.55)	-
Interest and finance charges	1,202.98	5,311.34
Interest Income	(5,915.82)	(5,176.41)
Share of (profit) / loss from investment in partnership firm	(27.17)	30.87
Liabilities no longer required written back (net)	(389.17)	(336.25)
Differential tariff towards power and fuel expenses of earlier years	(400.31)	-
Foreign exchange fluctuation gain (net)	(4.66)	(9.55)
Profit on sale of current investments	(476.98)	(345.46)
Provision for doubtful debts	-	150.00
Provision for doubtful advances	-	58.45
Employee stock option expenses	2,871.13	-
Operating profit before working capital changes	18,580.36	16,475.81
Movements in working capital :		
Increase/ (decrease) in trade payables	2,421.13	(1,035.83)
Increase / (decrease) in provisions	872.12	377.02
Increase / (decrease) in other liabilities	(761.95)	1,085.74
Decrease / (increase) in trade receivables	476.24	456.26
Decrease / (increase) in inventories	(1,982.62)	625.44
Decrease / (increase) in loans and advances	187.91	(1,344.84)
Decrease / (increase) in other current assets	66.14	19.39
Cash generated from operations	19,859.33	16,658.99
Taxes paid (net)	(4,102.12)	(1,931.86)
Net cash generated from operating activities (A)	15,757.21	14,727.13
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress and capital advances	(631.11)	(2,004.40)
Proceeds from sale of fixed assets	145.98	35.62
Investment in fixed deposit (having original maturity of more than three months)	(1,369.90)	(579.33)
Investment in shares of subsidiaries	(15,000.00)	(6,937.03)
Share application money paid	-	(78.82)
Profit on sale of current investments	476.98	345.46
Proceed from sale of investment in subsidiary	82.55	-
(Investment)/Refund in partnership firm	43.00	(15.00)
Loan given to subsidiary company	-	(3,374.60)
Proceeds of loan given to subsidiary company	15,835.13	202.00
Interest Income received	367.75	363.56
Net cash used in investing activities (B)	(49.62)	(12,042.54)

STATEMENT OF CASH FLOWS for the year ended March 31, 2015

₹ In Lacs

	2014-15	2013-14
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:		
Interest and finance charges paid	(1,202.98)	(5,548.63)
Proceeds from issue of equity shares	-	26,272.50
Proceeds from short-term borrowings	-	2,000.00
Repayment of short-term borrowings	-	(14,600.28)
Repayment of long-term borrowings	-	(43,017.45)
Issue of Debentures	-	46,500.00
Expenditure incurred on issue of Debentures	-	(166.50)
Dividend paid	(3,620.47)	(5,960.82)
Dividend tax paid	(615.30)	(1,013.04)
Net cash (used in) /generated from financing activities (C)	(5,438.75)	4,465.78
Net increase / (decrease) in cash and cash equivalents (A+B+C)	10,268.84	7,150.37
Cash and cash equivalents at the beginning of the year	8,335.84	1,185.47
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	18,604.68	8,335.84
Components of cash and cash equivalents		
Cash in hand	16.31	15.87
Balance with scheduled banks - Current account	2,085.03	2,334.47
Unclaimed dividend accounts *	53.34	40.04
Cash and cash equivalents (Note 19)	2,154.68	2,390.38
Mutual fund Investments	16,450.00	5,945.46
CASH AND CASH EQUIVALENTS CONSIDERED FOR CASH FLOWS STATEMENT	18,604.68	8,335.84
* Not available for use by the management for any other purpose		
Summary of significant accounting policies	Note 3	

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited

per Vikram Mehta
Partner
Membership No.: 105938

M.P. Ramachandran
Chairman and Managing Director

K. Ullas Kamath
Joint Managing Director and Chief Financial Officer

M.L. Bansal
Company Secretary

S.Raghunandan
Director and Chief Executive Officer

Place: Mumbai
Date: May 25, 2015

Place: Mumbai
Date: May 25, 2015

NOTES to the financial statements for the year ended March 31, 2015

NOTE 1 - BACKGROUND

Jyothy Laboratories Limited ("the Company") is a public company domiciled in India. Its shares are listed on two stock exchanges in India. The Company is principally engaged in manufacturing and marketing of fabric whiteners, soaps, detergents, mosquito repellents, scrubber, bodycare and incense sticks.

Note 2 - BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets which has been recorded on fair value and assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are as follows:

a) Use of estimate

The preparation of financial statements, in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets

Fixed assets are initially recorded at cost. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. The cost of the tangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, tangible assets are carried at cost less accumulated depreciation and impairment losses, if any.

Gains or losses arising from derecognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of the intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d) Depreciation and amortisation

Depreciation on fixed assets is calculated on Straight Line basis using the rates arrived at based on useful lives estimated by the management. Intangible assets are amortised on straight line basis on the estimated useful economic life.

The estimated useful life of the assets is as follows:

Category	Estimated useful life (in years)
Factory Buildings	10-30
Building (Other than Factory Building)	30-60
Building (Fences and temporary structure)	3-6
Plant and machinery	13-15
Furniture and fixtures	5-10
Dies and moulds	3
Computers	3-6
Office equipments	5
Vehicles	6-10
Know-how	3-5
Trademarks and Copyrights	9-10
Brands	10
Softwares and Licences	10

NOTES to the financial statements for the year ended March 31, 2015

Goodwill purchased is not amortized but tested for impairment every year. The goodwill arising on amalgamation is amortized to the statement of profit and loss over 10 years.

Assets costing less than ₹ 5,000 are depreciated at the rate of 100%. Leasehold land is amortized over the period of the lease on a straight-line basis which ranges between 60-90 years.

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets, which are lower than those indicated in Schedule II.

Category	Estimated useful life (in years)
Factory Buildings	10
Building (Other than Factory Building)	30
Plant and machinery	13
Furniture and fixtures	5
Vehicles	6

The amortization/depreciation period and the amortization/depreciation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization/depreciation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization/depreciation method is changed to reflect the changed pattern.

e) Impairment

- The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. 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. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The

recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the pre-tax discount rate. In determining net selling price, recent market transaction are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used.

- After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

f) Borrowing Costs

Borrowing costs consist of interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the respective asset. All other borrowing costs are expensed in the period they occur.

g) Operating Leases

- Where the Company is a lessee;**
Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Lease payments on operating leases are recognized as an expense in the statement of profit and loss on a straight-line basis, over the lease term.
- Where the Company is a lessor;**
Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.

NOTES to the financial statements for the year ended March 31, 2015

Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

h) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to revenue item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value in arriving at the carrying amount of the related asset. Government grant in the nature of promoters' contribution is credited to the investment subsidy reserve.

i) Investment

Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties and other costs that arise on acquisition of investment.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

An investment in land or building, which is not intended to be occupied substantially for use by, or in the operations of the Company is classified as investment

property. Investment properties are stated at cost, net of accumulated depreciation and impairment losses, if any.

j) Inventories

Inventories of raw materials, packing materials, work-in-progress, finished goods, stores and consumables items are valued at cost or net realizable value, whichever is lower. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost is ascertained on First-in-First out ('FIFO') basis and includes all applicable costs incurred in bringing goods to their present location and condition. Cost of work in progress, manufactured packing material and finished goods includes materials and all applicable manufacturing overheads. The Company accrues for excise duty liability in respect of manufactured finished goods/intermediary inventories lying in the factory.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised;

Sale of Goods

Revenue is recognised when all the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Excise Duty, Sales Tax and VAT deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year. The Company collects sales taxes and

NOTES to the financial statements for the year ended March 31, 2015

value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue includes the amount of excise duty refund received / due in accordance with incentive scheme. Revenue is net of trade discount given.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and at the applicable interest rate.

l) Foreign currency translation

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

m) Retirement and other employee benefits

- i. Retirement benefit in the form of provident fund and super annuation fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the respective fund. The company recognizes contribution payable to the provident fund/ super annuation scheme as

an expenditure, when an employee renders the related service.

- ii. Gratuity benefit is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
- iv. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional legal and contractual right to defer its settlement for 12 months after the reporting date.
- v. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

n) Sales promotion items

Sales promotion items are valued at cost. Cost is ascertained on First-in-First out ('FIFO') basis and includes all applicable costs incurred in bringing goods to their present location and condition.

o) Income-tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates for deductible timing differences and the tax laws enacted

NOTES to the financial statements for the year ended March 31, 2015

or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the Guidance Note on Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the MAT credit entitlement at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

p) Provisions

A provision is recognised when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

q) Excise duty

Excise duty on turnover is reduced from turnover. Excise duty relating to the difference between the opening stock and closing stock is recognized as income/expense as the case may be, separately in the statement of profit and loss.

r) Segment Reporting

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

NOTES to the financial statements for the year ended March 31, 2015

Segment accounting policies :

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

Intersegment transfer :

The Company generally accounts for inter segment sales and transfers as if the sales or transfer were to third parties at market price.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

It includes general corporate income and expense items which are not allocated to any business segment.

s) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for event of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split 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 or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized

because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

u) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

v) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the company does not include depreciation and amortization expense, finance costs, interest income and tax expense.

w) Employee stock compensation cost

Employees in senior management of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

	As at March 31, 2015	As at March 31, 2014
NOTE 4		
SHARE CAPITAL		
Authorised Capital		
2,570,000,000 (2014 - 2,570,000,000) equity shares of ₹ 1 (2014 - ₹ 1) each	25,700.00	25,700.00
	25,700.00	25,700.00
Issued, Subscribed and Paid Up Capital		
181,023,496 (2014 - 181,023,496) equity shares of ₹ 1 (2014 - ₹ 1) each fully paid	1,810.23	1,810.23
	1,810.23	1,810.23

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2015		As at March 31, 2014	
	No.	Amount	No.	Amount
At the beginning of the period	181,023,496	1,810.23	161,264,000	1,612.64
Issued / Subscribed during the year	-	-	19,759,496	197.59
Outstanding at the end of the period	181,023,496	1,810.23	181,023,496	1,810.23

b. Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2015		As at March 31, 2014	
	No.	% Holding in the class	No.	% Holding in the class
Equity shares of ₹ 1 each fully paid				
M. P. Ramachandran	72,112,060	39.84%	72,112,060	39.84%
Sahyadri Agencies Limited	15,000,000	8.29%	15,000,000	8.29%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

c. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of 1 ₹ per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2015, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 4 (2014: ₹ 3)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 4

SHARE CAPITAL (Contd.)

- d. Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	As at March 31, 2015	As at March 31, 2014
	No.	No.
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	2,379,748	2,379,748
Equity shares issued for consideration other than cash, pursuant to scheme of amalgamation with erstwhile Jyothy Consumer Products Limited (JCPL)	2,379,748	2,379,748
	4,759,496	4,759,496

e. Share reserve for issue under option

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 36

	As at March 31, 2015	As at March 31, 2014
NOTE 5		
RESERVES AND SURPLUS		
Surplus in the statement of profit and loss :		
Balance, beginning of the year	2,228.39	4,543.14
Profit for the year	14,278.95	10,611.41
	16,507.34	15,154.55
Less: Appropriations		
Proposed dividend (amount per share ₹ 4 (2014 : ₹ 2))	(7,240.94)	(3,620.47)
Tax on proposed dividend	(1,474.08)	(615.30)
Interim dividend (amount per share ₹ Nil (2014 : ₹ 1))	-	(1,810.23)
Tax on Interim dividend	-	(307.65)
Depreciation as per Schedule II of Companies Act, 2013*	(310.64)	-
Transfer to general reserves	-	(1,200.00)
Transfer to Debenture Redemption Reserve	(5,372.51)	(5,372.51)
Net surplus in the statement of profit and loss	2,109.17	2,228.39
Capital Reserve		
Balance, beginning of the year	5,505.27	24.95
Add: Addition on allotment of equity shares pursuant to scheme of amalgamation with erstwhile JCPL	-	5,480.32
Balance, end of the year	5,505.27	5,505.27
Securities premium		
Balance, beginning of the year	39,191.21	27,955.30
Add : Premium received on issue of equity shares on preferential allotment basis	-	26,122.50
Less: Expenses incurred on issue of Debentures	-	(166.50)
Less: Premium payable on redemption of non convertible debentures issued*	-	(14,720.09)
Balance, end of the year	39,191.21	39,191.21
Debenture Redemption Reserve		
Balance, beginning of the year	6,622.51	1,250.00
Add: Amount transferred from surplus in the statement of profit and loss	5,372.51	5,372.51
Balance, end of the year	11,995.02	6,622.51
Investment subsidy	106.90	106.90
General reserves		
Balance, beginning of the year	32,581.44	31,381.44
Add: Amount transferred from surplus balance in the statement of profit and loss	-	1,200.00
Balance, end of the year	32,581.44	32,581.44

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

	As at March 31, 2015	As at March 31, 2014
NOTE 5		
RESERVES AND SURPLUS (Contd.)		
Employee stock option outstanding		
Balance, beginning of the year	-	-
Add: Compensation option granted during the year	2,871.13	-
	2,871.13	-
	94,360.14	86,235.72

* The Company has not recognised deferred tax assets on the same in the absence of virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

	NON CURRENT		CURRENT	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
NOTE 6				
LONG-TERM BORROWINGS				
Secured Redeemable Zero Coupon Non Convertible Debentures				
4,000 (2014 - 4,000) Debentures of ₹ 10,00,000 (2014 - ₹ 10,00,000) each	40,000.00	40,000.00	-	-
9.65% Secured Redeemable Non Convertible Debentures				
650 (2014 - 650) Debentures of ₹ 10,00,000 (2014 - ₹ 10,00,000) each	-	6,500.00	6,500.00	-
10.25% Secured Redeemable Non Convertible Debentures				
500 (2014 - 500) Debentures of ₹ 10,00,000 (2014 - ₹ 10,00,000) each	-	5,000.00	5,000.00	-
Deferred Payment Liability (Unsecured)	-	90.00	360.00	270.00
Amount disclosed under 'Other Current Liabilities' (Note 11)	-	-	(11,860.00)	(270.00)
	40,000.00	51,590.00	-	-

Details of loan :

- All the Debentures are secured by first charge on all fixed assets and select Brands (Maxo and Exo).
- 4,000 Zero coupon non convertible redeemable debentures of ₹ 10,00,000 each is redeemable at premium of ₹ 368,022 per debenture after 3 years from the date of allotment i.e. November 14, 2013.
- 650, 9.65% Secured Redeemable Non Convertible Debentures of ₹10,00,000 each are redeemable at par after 2 years from the date of allotment i.e. June 21,2013.
- 500, 10.25% Secured Redeemable Non Convertible Debentures of ₹ 10,00,000 each are redeemable at par at the end of 3 years and 7 days from the date of allotment i.e. November 7, 2012.
- Deferred payment liabilities is repayable over a period of 3 years in equal instalments.

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

	As at March 31, 2015	As at March 31, 2014
NOTE 7		
DEFERRED TAX LIABILITY (NET)		
a) Deferred tax liability		
Depreciation	4,209.68	4,404.58
Gross Deferred Tax Liability	4,209.68	4,404.58
b) Deferred tax assets		
Technical royalty	1.58	2.08
Provision for gratuity	439.45	323.73
Provision for doubtful debts	113.44	111.41
Provision for doubtful advances	503.03	479.43
Provision for leave encashment	242.47	182.73
Provision for impairment losses	60.27	164.57
Disallowance u/s 40 a (ia) of the Income Tax Act	12.11	8.84
Disallowance u/s 43B of the Income Tax Act	20.76	19.65
Carry forward losses and unabsorbed depreciation	2,816.57	3,112.14
Gross Deferred Tax Assets	4,209.68	4,404.58
Net Deferred Tax Liabilities	-	-

	As at March 31, 2015	As at March 31, 2014
NOTE 8		
OTHER LONG-TERM LIABILITIES		
Premium payable on redemption of Debentures	14,720.09	14,720.09
Creditors for capital goods	75.81	-
	14,795.90	14,720.09

	NON CURRENT		CURRENT	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
NOTE 9				
PROVISIONS				
Provision for employee benefits				
Provision for leave encashment	-	-	700.60	537.60
Provision for gratuity (Note 28)	1,269.79	952.42	-	-
	1,269.79	952.42	700.60	537.60
Other provisions				
Provision for wealth tax	-	-	8.73	6.16
Provision for income tax (net of advance tax of ₹ 2,700.12 (2014 ₹ 1,933.96))	-	-	374.88	326.04
Provision for contingencies	-	-	1,641.92	1,641.92
Proposed dividend	-	-	7,240.94	3,620.47
Tax on proposed dividend	-	-	1,474.08	615.30
	-	-	10,740.55	6,209.89
	1,269.79	952.42	11,441.15	6,747.49

Provision for contingencies relates to certain indirect tax cases pending at various levels. There is no movement in the provision amount during the year.

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

	As at March 31, 2015	As at March 31, 2014
NOTE 10		
TRADE PAYABLES		
Micro and Small Enterprises (Note 35)	3,728.17	3,136.98
Other trade payables	4,016.85	2,653.52
Accrual for expenses	5,070.80	4,604.19
	12,815.82	10,394.69

	As at March 31, 2015	As at March 31, 2014
NOTE 11		
OTHER CURRENT LIABILITIES		
Statutory Dues	1,519.03	1,432.29
Unclaimed dividend *	53.34	40.04
Interest accrued but not due on loans	377.16	377.16
Security deposits	32.08	332.46
Advances from customers	201.86	1,103.65
Advances towards fixed assets held for sale	95.83	-
Creditors for capital goods	90.97	-
Current maturities of long term borrowings (Note 6)	11,860.00	270.00
Accrual for sales promotion schemes	919.71	675.36
	15,149.98	4,230.96

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

NOTES to the financial statements for the year ended March 31, 2015

NOTE 12 (a) TANGIBLE ASSETS

Particulars	Gross Block			Depreciation and Amortisation					Impairment			Net Block	
	As at April 1, 2014	Addition	Deletions	As at March 31, 2015	As at April 1, 2014	For the year adjusted to reserve as per Schedule II of the Companies Act 2013 *	Deletions	As at March 31, 2015	As at April 1, 2014	Charge/ Reversal for the year	Deletion	As at March 31, 2015	As at March 31, 2014
Freehold land	5,615.34	33.33	-	5,648.67	-	-	-	-	-	-	-	5,648.67	5,615.34
	5,615.34	-	-	5,615.34	-	-	-	-	-	-	-	-	-
Leasehold land	274.83	-	-	274.83	33.84	-	-	37.59	-	-	-	237.24	240.99
	274.83	-	-	274.83	30.09	-	-	33.84	-	-	-	-	-
Building # %	13,474.77	196.69	14.78	13,656.68	2,857.99	-	472.69	3,325.26	-	-	-	10,331.42	10,616.78
	12,725.36	749.41	-	13,474.77	2,430.07	-	427.92	2,857.99	-	-	-	-	-
Plant and machinery	14,126.57	701.99	868.38	13,960.18	4,867.91	89.22	1,486.12	6,070.63	392.92	-	308.68	7805.31	8865.74
	13,154.67	1,005.53	336.3	14,126.57	4,058.55	-	821.91	4,867.91	397.63	-	4.71	392.92	-
Dies and moulds	666.87	175.86	171.04	671.69	546.91	4.59	121.00	503.70	-	-	-	167.99	119.96
	559.31	108.60	1.04	666.87	471.83	-	76.12	546.91	-	-	-	-	-
Furniture and fixture	781.28	15.33	61.25	735.36	349.00	24.10	114.12	427.05	1.07	-	-	307.24	431.21
	745.74	39.30	3.76	781.28	301.02	-	50.47	349.00	1.07	-	-	1.07	-
Office equipments	901.00	152.63	60.57	993.06	491.99	185.58	121.77	741.46	14.09	-	1.33	238.84	394.92
	838.75	75.43	13.18	901.00	438.40	-	63.85	491.99	14.09	-	-	14.09	-
Vehicle	679.24	232.76	94.80	817.20	370.02	7.15	107.61	409.10	0.91	-	-	407.19	308.31
	718.71	-	39.47	679.24	328.15	-	64.06	370.02	0.91	-	-	0.91	-
Total tangible assets	36,519.90	1,508.59	1,270.82	36,757.67	9,517.66	310.64	2,427.06	740.57	408.99	-	310.01	25,143.90	26,593.25
	34,632.71	1,978.27	91.08	36,519.90	8,058.11	-	1,508.08	9,517.66	413.70	-	4.71	408.99	-

Includes ₹ 452.19 (2014 - ₹ 452.19) represented by unquoted fully paid shares at cost in various co-operative societies. Further, also refer Note 32.

% Includes assets held for sale - gross block of ₹ 66.23 and written down value of ₹ 44.30 as on March 31, 2015.

* Effective April 1, 2014, the Company has revised the useful life of certain fixed assets based on Schedule II to the Companies Act, 2013 for the purposes of providing depreciation on fixed assets. Accordingly, the carrying amount of the assets as on April 1, 2014 has been depreciated over the remaining revised useful life of the fixed assets. Further, an amount of ₹ 310.64 (Net of tax ₹ Nil) representing the carrying amount of the assets with revised useful life as Nil has been charged to the opening reserves as on April 1, 2014.

Figures in italics are in respect of the previous year.

NOTES to the financial statements for the year ended March 31, 2015

NOTE 12 (b) INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation and Amortisation			Impairment		Net Block	
	As at April 1, 2014	Addition	Deletions	As at April 1, 2014	For the year	Deletions	As at March 31, 2015	As at April 1, 2014	Charge/ Reversal for the year	Deletion
Goodwill on Amalgamation	14,339.41	-	-	2,867.88	1,433.94	-	4,301.82	-	-	-
	14,339.41	-	-	1,433.94	1,433.94	-	2,867.88	-	-	-
Goodwill	301.60	-	-	-	-	-	-	51.50	-	-
	301.60	-	-	-	-	-	-	51.50	-	-
Brands	30,366.00	-	-	6,073.20	3,036.60	-	9,109.80	-	-	-
	30,366.00	-	-	3,036.60	3,036.60	-	6,073.20	-	-	-
Trademarks and Copyrights \$	580.81	-	-	430.23	41.42	-	471.65	23.68	-	-
	580.81	-	-	388.81	41.42	-	430.23	23.68	-	-
Know-how	647.12	-	-	575.45	71.67	-	647.12	-	-	-
	647.12	-	-	455.45	120.00	-	575.45	-	-	-
Softwares and Licences	228.20	97.57	-	40.17	26.38	-	66.55	-	-	-
	163.29	64.91	-	19.80	20.37	-	40.17	-	-	-
Total intangible assets	46,463.14	97.57	-	9,986.93	4,610.01	-	14,596.94	75.18	-	-
	46,398.23	64.91	-	5,334.60	4,652.33	-	9,986.93	75.18	-	-

\$ Includes trademarks and copyrights of ₹ 315.63 (2014 - ₹ 315.63) pending for registration in the name of the Company.
Figures in italics are in respect of the previous year.

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

	As at March 31, 2015	As at March 31, 2014
NOTE 13		
NON CURRENT INVESTMENTS (AT COST)		
Investment property (Freehold land) #	147.30	147.30
Trade Investments (Unquoted)		
Investment in subsidiaries -		
Associated Industries Consumer Products Private Limited		
4,970,000 (2014 - 4,970,000) equity shares of ₹ 10 (2014 - ₹ 10) each fully paid up	497.00	497.00
Jyothy Fabricare Services Limited		
9,800,000 (2014 - 9,800,000) equity shares of ₹ 10 (2014 - ₹ 10) each fully paid up	1,343.73	1,343.73
3,300,000 (2014 - 3,300,000) compulsory convertible preference shares of ₹ 100 (2014 - ₹ 100) each fully paid up	6,804.24	6,804.24
7,500,000 (2014- Nil) 2% optionally convertible preference share of ₹ 10 (2014 - ₹ Nil) each fully paid up	15,000.00	-
Jyothy Kallol Bangladesh Limited		
7,494,696 (2014 - 7,494,696) equity shares of BDT 10 (2014 - BDT 10) each fully paid up	501.65	501.65
Jyothy Consumer Products Marketing Ltd *		
Nil (2014 - 825,540) equity shares of ₹ Nil (2014- ₹ 10) each fully paid up	-	-
Investment in others -		
Henkel SPIC Employees Co-operative Thrift and Credit Society Limited		
2,000 (2014 - 2,000) equity shares of ₹ 100 (2014 - ₹ 100) each fully paid up	2.00	2.00
Capexil (Agencies) Ltd*		
5 (2014 -5) equity shares of ₹ 10,000 (2014- ₹ 10,000) each fully paid up	-	-
Madras Industrial Cooperative Analytical Laboratory Limited*		
2 (2014-2) equity shares of ₹ 500 (2014- ₹ 500) each fully paid up	-	-
Ambattur Industrial Estate Manufacturers Service Industrial Cooperative Society Ltd*		
1 (2014- 1) equity shares of ₹ 100 (2014- ₹ 100) each fully paid up	-	-
	24,148.62	9,148.62
Investments in Partnership Firm		
M/s JFSL - JLL (Note 38)	79.55	95.38
Non-Trade Investment (Unquoted)		
Investment in Government Securities		
Indira Vikas Patra	0.02	0.02
National Saving Certificates (Pledged with Government authorities)	0.57	0.57
	0.59	0.59
Share application money pending allotment	78.82	78.82
	24,454.88	9,470.71
Aggregate amount of unquoted investments	24,454.88	9,470.71

Since this is a freehold land, no depreciation is charged on the same.

* Investment has been fair valued on amalgamation with Jyothy Consumer Products Limited at a nominal value of ₹ 1/-

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

	NON CURRENT		CURRENT	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
NOTE 14				
LOANS AND ADVANCES				
Unsecured, considered good unless otherwise stated				
Capital Advances	82.31	1,078.60	-	-
Advances and loans to subsidiaries (Note 37)	43,349.83	53,371.06	-	264.14
Inter corporate deposit to third parties	-	-	-	513.32
Advance to suppliers *	58.45	58.45	1,454.92	2,145.52
Balance with excise and VAT authorities *	-	-	1,919.20	1,829.50
MAT Credit entitlement	6,334.39	3,844.11	-	-
Deposits*	574.35	606.62	-	-
Balance with government authorities*	7,112.30	5,594.10	-	-
Prepaid Expenses	-	-	172.66	134.55
Advance income tax (net of provisions of ₹ 1,915.70 (2014 ₹ 4,792.2))	1,916.24	668.19	-	-
Other receivables *	964.00	1,089.50	454.86	483.78
Less: Provisions for doubtful advances	(256.60)	(189.95)	(1,196.91)	(1,220.54)
	60,135.27	66,120.68	2,804.73	4,150.27

Note:

* Advances to suppliers, Balance with excise and VAT authorities, Balance with government authorities, Deposits and Other receivables include ₹ 352.79 (2014 - ₹ 368.17), ₹ 881.50 (2014 - ₹ 881.50), ₹ 167.00 (2014 - ₹ 72.76), ₹ 31.15 (2014 - ₹ 58.74) and ₹ 21.07 (2014 - ₹ 29.32) respectively, considered doubtful and fully provided for.

	NON CURRENT		CURRENT	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
NOTE 15				
OTHER ASSETS				
Unsecured, considered good				
Inventory-Sales Promotions Items	-	-	288.90	355.04
Interest accrued but not due	-	-	2.01	3.69
Fixed deposit with Banks having original maturity of more than 12 months (Note 19)	219.28	53.04	-	-
	219.28	53.04	290.91	358.73

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

	As at March 31, 2015	As at March 31, 2014
NOTE 16		
CURRENT INVESTMENT (Quoted -Cost or Fair value whichever is lower)		
Axis Banking Debt Fund - Growth		
133,859.97 (2014 - 129,638.41) units of ₹ 1,000 (2014 - ₹ 1,000) each	1,700.00	1,500.00
Axis Liquid Fund - Growth		
Nil (2014 - 161,572.36) units of ₹ Nil (2014 - ₹ 1,000) each	-	2,272.79
Axis Short Term Fund		
3,298,544.68(2014 - Nil) units of ₹ 10 (2014 - ₹ Nil) each	500.00	-
Axis Treasury Advantage Fund - Growth		
265,018.71(2014 - 102,268.76) units of ₹ 1,000 (2014 - ₹ 1,000) each	4,050.00	1,453.81
ICICI Prudential Flexible Income - Growth		
Nil (2014 - 306,515.33) units of ₹ Nil (2014 - ₹ 10) each	-	718.86
HDFC Gilt Fund Long Term Plan -Direct Plan -Growth		
5,672,438.54 (2014 - Nil) units of ₹ 10 (2014 - ₹ Nil) each	1,600.00	-
HDFC High Interest Fund - Dynamic Plan		
815,281.64 (2014 - Nil) units of ₹ 10 (2014 - ₹ Nil) each	400.00	-
ICICI Prudential Stp - Growth		
1,785,912.01 (2014 - Nil) units of ₹ 10 (2014 - ₹ Nil) each	500.00	-
ICICI Prudential Ultra Short Term Plan - Dir - Gr		
11,475,961.45 (2014 - Nil) units of ₹ 10 (2014 - ₹ Nil) each	1,600.00	-
Indiabulls Ultra Short Term Fund		
115,556.48 (2014 - Nil) units of ₹ 1,000 (2014 - ₹ Nil) each	1,550.00	-
Reliance Short Term Fund		
5,143,139.64 (2014 - Nil) units of ₹ 10 (2014 - ₹ Nil) each	1,350.00	-
Religare Invesco Short Term Fund		
53,149.72(2014 - Nil) units of ₹ 1,000 (2014 - ₹ Nil) each	1,000.00	-
Religare Invesco Ultra Short Term Fund - Direct PI		
51,584.63 (2014 - Nil) units of ₹ 1,000 (2014 - ₹ Nil) each	1,000.00	-
Taurus Short Term Income Fund		
20,401.56 (2014 - Nil) units of ₹ 1,000 (2014 - ₹ Nil) each	500.00	-
Taurus Ultra Short Term Bond Fund Super Institution		
41,593.42 (2014 - Nil) units of ₹ 1,000 (2014 - ₹ Nil) each	700.00	-
	16,450.00	5,945.46
Aggregate amount of quoted investments	16,450.00	5,945.46
Market Value of quoted investments	16,700.32	6,024.15

	As at March 31, 2015	As at March 31, 2014
NOTE 17		
INVENTORIES (Valued at lower of cost or net realisable value)		
Raw and packing materials (including goods in transit ₹ Nil (2014- ₹ Nil))	4,960.17	4,196.23
Work in progress	1,369.07	1,405.00
Finished goods manufactured	7,320.06	6,098.90
Traded Goods (including goods in transit ₹ 322.89 (2014- ₹ 277.56))	4,106.74	4,019.24
Stores and spare parts	345.78	399.83
	18,101.82	16,119.20

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

	As at March 31, 2015	As at March 31, 2014
NOTE 18		
TRADE RECEIVABLES		
Unsecured		
a) Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	761.84	1,346.22
Considered doubtful	327.78	327.78
Less: Provision for doubtful receivables	(327.78)	(327.78)
	761.84	1,346.22
b) Other receivable, considered good	4,329.62	4,216.82
	5,091.46	5,563.04

Refer Note 31 for dues receivable from related parties

	NON CURRENT		CURRENT	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
NOTE 19				
CASH AND BANK BALANCES				
Cash and cash equivalents				
Cash in hand	-	-	16.31	15.87
Balance with banks - Current account	-	-	2,085.03	2,334.47
Unclaimed dividend accounts	-	-	53.34	40.04
	-	-	2,154.68	2,390.38
Other bank balances				
Deposits with original maturity for more than 12 months*	219.28	53.04	4,371.13	3,167.46
Amount disclosed under 'other assets' (Note 15)	(219.28)	(53.04)	-	-
	-	-	4,371.13	3,167.46
	-	-	6,525.81	5,557.84

* Includes deposits provided as securities against bank guarantees and debenture redemption reserves - ₹ 2,215.71 (2014 - ₹ 978.52)

	2014-15	2013-14
NOTE 20		
OTHER OPERATING INCOME		
Export incentives	25.92	0.26
Royalty income	4.35	5.19
Sales of scrap	13.30	91.34
Agricultural income	4.28	12.47
Liabilities no longer required written back (net)	389.17	336.25
Differential tariff towards power and fuel expenses of earlier years	400.31	-
Others	117.80	61.85
	955.13	507.36

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

	2014-15	2013-14
NOTE 21		
OTHER INCOME		
Lease rent income	75.84	74.00
Foreign exchange fluctuation gain (net)	4.66	9.55
Profit on sale of current investments	476.98	345.46
Profit on sale of investment in subsidiary	82.55	-
Profit on sale of fixed assets	17.16	0.66
Miscellaneous income	12.97	17.35
	670.16	447.02

	2014-15	2013-14
NOTE 22		
COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Opening stock	4,196.23	4,322.54
Add: Cost of purchases	46,399.62	36,434.61
	50,595.85	40,757.15
Less: Closing stock	4,960.17	4,196.23
	45,635.68	36,560.92

	2014-15	2013-14
NOTE 23		
(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND TRADED GOODS		
Closing stock		
Finished goods	7,320.06	6,098.90
Traded goods	4,106.74	4,019.24
Work in progress	1,369.07	1,405.00
	12,795.87	11,523.14
Opening stock		
Finished goods	6,098.90	5,027.25
Traded goods	4,019.24	6,049.50
Work in progress	1,405.00	946.66
	11,523.14	12,023.41
SUB-TOTAL (A)	(1,272.73)	500.27
(Increase)/ decrease in excise duty		
Excise duty on closing stock	146.87	235.70
Excise duty on opening stock	235.70	186.14
SUB-TOTAL (B)	88.83	(49.56)
TOTAL (A-B)	(1,361.56)	549.83

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

	2014-15	2013-14
NOTE 24		
EMPLOYEE BENEFITS EXPENSES		
Salaries, wages and bonus	9,392.61	8,703.15
Contribution to provident and other funds (Note 28)	634.52	608.65
Gratuity (Note 28)	417.97	262.92
Staff welfare expenses	658.69	417.90
Directors' remuneration	801.94	980.99
Commission to directors	594.10	638.42
Field staff incentives	211.21	253.70
SUB-TOTAL (A)	12,711.04	11,865.73
Employee stock option expenses (Note 36)	2,871.13	-
SUB-TOTAL (B)	2,871.13	-
TOTAL (A+B)	15,582.17	11,865.73

	2014-15	2013-14
NOTE 25		
OTHER EXPENSES		
Power and fuel expenses	2,105.92	1,943.51
Rent	1,160.19	1,086.78
Insurance	67.19	64.60
Repairs and maintenance		
- Building	78.62	77.45
- Plant and machinery	232.74	136.79
- Others	210.30	149.15
Consumption of stores and spares	626.31	357.56
Research and development	52.50	48.81
Excise duty on captive consumption	613.91	492.14
Printing and stationery	57.85	67.62
Communication costs	255.12	205.05
Legal and professional fees (Note 29(E))	1,069.30	990.72
Rates and taxes	477.05	519.99
Directors' sitting fees	3.50	3.65
Vehicle maintenance	159.04	157.38
Donation (Note 29(F))	15.36	5.21
Provision for doubtful advances	43.02	
Doubtful advances balance written off	(43.02)	58.45
Loss on fixed assets discarded	91.42	2.87
Provision for doubtful debts	-	150.00
Advertisement and Sales promotion expense	17,071.71	13,535.83
Freight, handling and forwarding charges	8,486.81	6,982.38
Field staff expenses	1,225.71	1,225.03
Travelling and conveyance	292.03	279.90
Brokerage on sales	11.47	82.76
Royalty	244.78	270.82
Corporate social responsibility expenses(Note 29(K))	121.33	-
Miscellaneous expenses	877.87	857.91
	35,608.03	29,752.36

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

	2014-15	2013-14
NOTE 26		
FINANCE COST		
Interest expense - term loan and bank overdraft	9.32	4,018.11
Interest on debentures	1,139.75	1,000.55
Other borrowing cost	53.91	292.68
	1,202.98	5,311.34

	2014-15	2013-14
NOTE 27		
INTEREST INCOME		
Interest on fixed deposit	310.45	274.88
Interest on loans to subsidiaries	5,549.76	4,839.83
Interest on partners capital in M/S JFSL -JLL	8.68	-
Interest on intercorporate deposit	42.45	61.70
Interest others	4.48	-
	5,915.82	5,176.41

NOTE 28 EMPLOYEE BENEFIT:

(i) Defined Benefit Plans -

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

	2014-15 Gratuity Funded	2013-14 Gratuity Funded
(A) Summary of the Actuarial Assumptions		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Discount rate	7.80%	9.20%
Rate of increase in compensation	8.00%	8.00%
Withdrawal rates	10.00%	10.00%
Rate of return (expected) on plan assets	8.75%	8.75%
The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.		

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 28 EMPLOYEE BENEFIT (Contd.)

	2014-15 Gratuity Funded	2013-14 Gratuity Funded
(B) Changes in present value of obligations (PVO)		
PVO at beginning of period	1,570.97	1,533.12
Interest cost	144.53	109.91
Current Service Cost	184.02	114.33
Benefits Paid	(113.67)	(245.89)
Actuarial (gain) / loss on obligation	106.36	59.50
PVO at end of period	1,892.21	1,570.97
(C) Changes in fair value of plan assets		
Fair value of plan assets at the beginning of period	618.55	615.44
Adjustment to opening fair value of plan assets	(18.78)	-
Expected return on plan assets	52.74	51.55
Contributions	119.39	195.01
Benefit paid	(113.67)	(245.89)
Actuarial gain / (loss) on plan assets	(35.80)	2.44
Fair value of plan assets at end of period	622.43	618.55
(D) Net Assets/(Liabilities) recognised in the balance sheet		
PVO at end of period	(1,892.21)	(1,570.97)
Fair value of plan assets at end of period	622.43	618.55
Funded status (deficit in plan assets over fair value of PVO)	(1,269.78)	(952.42)
Net assets / (Liability) recognised in the balance sheet	(1,269.78)	(952.42)
(E) Expenses recognised in the statement of profit and loss		
Current service cost	184.02	114.33
Interest cost	144.53	109.91
Expected return on plan assets	(52.74)	(51.55)
Net Actuarial (Gain)/Loss recognised for the period	142.16	57.06
Gratuity borne by the Company	-	33.16
Expense recognised in the statement of profit and loss	417.97	262.92
(F) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investment with insurer	100.00%	100.00%

(G) Amounts for the current and previous four periods are as follows:

	April to March 15	April to March 14	April to March 13	April to March 12	April to March 11
Defined benefit obligation	1,892.21	1,570.97	1,533.12	1,287.56	1,107.91
Plan assets	622.43	618.55	615.44	655.80	642.40
Surplus/ (Deficit)	1,269.78	952.42	917.68	631.76	465.51
Experience adjustment on plan liabilities	106.36	59.50	20.16	1.09	129.73
Experience adjustment on plan assets	(35.80)	2.44	1.28	0.74	8.49

(H) The Company expects to contribute ₹ Nil (2014- ₹ Nil) to gratuity fund and ₹ 34.63 (2014 - ₹ 83.25) to Superannuation fund in the next year.

(ii) Defined Contribution Plans -

Amount of ₹ 739.46 (2014 - ₹ 745.93) is recognised as an expense and included in Note 24 in the Statement of profit and loss.

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 29 - SUPPLEMENTARY INFORMATION

	2014-15	2013-14
A) Earnings in foreign currency (accrual basis):		
FOB value of exports	1,439.17	1,191.40
B) Expenditure in foreign currency (accrual basis):		
i) Royalty	223.52	222.84
ii) Travelling and Conveyance	9.50	7.71
iii) Professional Consulting Fees	5.19	44.83
iv) Others	21.76	6.56
C) CIF value of imports		
(i) Raw material and Packing Material	926.30	454.07
(ii) Capital goods	-	344.95

D) Unhedged foreign currency exposure:

Particulars	Foreign Currency	2014-15		2013-14	
		₹ In Lacs	Amount in Foreign Currency	₹ In Lacs	Amount in Foreign Currency
Export trade receivables	USD	100.39	160,385	128.49	213,789
Trade Payables	USD	57.60	92,020	11.73	19,520
Trade Payables	Euro	71.70	106,200	-	-

E) Payment to auditors (excluding service tax)

	2014-15	2013-14
As Auditors		
Audit fee	41.50	56.49
Tax audit fees	8.00	8.00
Limited review	24.75	13.75
In other capacity		
Transfer pricing fee	1.00	1.00
Certification fee	0.25	0.50
Reimbursement of expenses	4.07	3.19
	79.57	82.93

F) Donations to political parties

	2014-15	2013-14
Name of the Party		
Bharatiya Janata Party	-	0.00
	-	0.00

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 29 - SUPPLEMENTARY INFORMATION (Contd.)

G) Details of Raw and packing material consumed:

Particulars	Consumption Value	
	2014-15	2013-14
Synthetic Dye	722.58	672.77
Soap Noodles	34.91	33.77
Dyes & Chemicals	13,391.75	9,740.19
Fatty Oils, Powder & Perfumes	13,298.93	12,641.31
Plastic	2,874.47	2,403.39
Others	2,834.91	2,123.23
Packing materials	12,478.13	8,946.26
TOTAL	45,635.68	36,560.92

H) Value of Imported and Indigenous Raw Materials, Packing Materials, Stores and Spare Parts Consumed

Particulars	Raw Materials / Packing Materials				Stores and Spare parts			
	2014-15 Value	%	2014-15 Value	%	2014-15 Value	%	2014-15 Value	%
Imported	679.96	1.49%	338.32	0.93%	0.05	0.01%	-	0.00%
Indigenous	44,955.72	98.51%	36,222.60	99.07%	626.26	99.99%	357.56	100.00%
TOTAL	45,635.68		36,560.92		626.31		357.56	

I) Value of opening stock, purchases, sales and closing stock

Item	Type	Opening Inventory	Purchases	Sales	Closing Inventory
			Amount		
Home Care	Traded	1,236.39	9,853.98	12,538.66	1,310.44
			8,638.93	10,867.92	
	Manufactured	1,493.65	-	19,392.28	2,651.67
			-	16,923.99	
Soaps & Detergents	Traded	2,405.17	20,609.40	31,518.66	2,350.09
			20,648.62	36,205.14	
	Manufactured	4,605.26	-	77,516.97	4,668.38
			-	59,336.47	
Others	Traded	377.67	1,326.59	1,860.26	446.22
			1,262.08	2,177.05	
TOTAL		10,118.14	31,789.97	142,826.83	11,426.80
			30,549.63	125,510.57	

Figures in italics are in respect of the previous year

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 29 - SUPPLEMENTARY INFORMATION (Contd.)

J) Value of closing stock of work in progress

Particulars	2015	2014
Home Care	359.87	267.68
Soaps & Detergents	1,009.20	1,137.32
TOTAL	1,369.07	1,405.00

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

Particulars	2014-15	2013-14
Promoting preventing health care and sanitation	91.44	-
Contribution to Prime Ministers National Relief Fund	19.86	-
Rural/slum area development	10.03	-
TOTAL	121.33	-

NOTE 30 - SEGMENT REPORTING

Information about Business Segments

Business segments:

The primary segment of the Company has been determined on the basis of business segment. The Company is organized into following business segments - Soaps and Detergents, Home Care and others. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organization structure and the internal reporting system.

Soaps and Detergents includes fabric whiteners, fabric detergents, dish wash bar and soaps including ayurvedic soaps. Home Care products include incense sticks, scrubber, dhoop and mosquito repellents. Others includes bodycare, tea and coffee.

Secondary segment:

The Company mainly caters to the needs of the domestic market. The export turnover is not significant in the context of total turnover. As such, there is only one reportable geographical segment.

Segment revenue and result:

The income/ expense that are not directly attributable to the business segments are shown as unallocated corporate costs.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and fixed assets. Assets at corporate level are not allocable to segments on a reasonable basis and thus the same have not been allocated. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liability.

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 30 - SEGMENT REPORTING (Contd.)

	Soaps and Detergents		Home care		Others		Eliminations		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Revenue										
External Revenue	109,191.66	95,302.78	31,836.60	27,942.85	1,798.56	2,264.94	-	-	142,826.82	125,510.57
Inter Segment Revenue	-	20.87	517.69	1,189.12	-	-	(517.69)	(1,209.99)	-	-
Net Revenue	109,191.66	95,323.65	32,354.29	29,131.97	1,798.56	2,264.94	(517.69)	(1,209.99)	142,826.82	125,510.57
Segment Result	11,520.80	12,693.18	955.37	833.76	14.79	(283.14)	-	-	12,490.96	13,243.80
Unallocated expenditure									(2,937.74)	(2,662.88)
Unallocated Income									6,550.52	5,590.69
Interest and finance expenses									(1,202.98)	(5,311.34)
Profit before exceptional items and tax									14,900.76	10,860.27
Exceptional Item									(209.18)	(230.07)
Profit before tax									14,691.58	10,630.20
Provision for tax									-	-
Excess tax provision / MAT credit reversal of earlier years									412.63	18.79
Profit after tax									14,278.95	10,611.41
Other Information										
Segment assets	58,112.58	61,677.26	13,466.17	11,310.49	2,250.46	2,477.58	-	-	73,829.21	75,465.33
Unallocated assets									117,813.80	101,216.27
Total assets									191,643.01	176,681.60
Segment liabilities	12,313.11	11,149.21	4,912.56	3,975.18	95.50	130.95	-	-	17,321.17	15,255.34
Unallocated liabilities									78,151.47	73,380.31
Total liabilities									95,472.64	88,635.65
Segment capital expenditure (including capital work in progress)	1,016.85	993.63	425.78	60.58	-	-	-	-	1,442.63	1,054.21
Unallocated capital expenditure (including capital work in progress)									351.55	1,010.60
Total capital expenditure (including capital work in progress)									1,794.18	2,064.81
Segment depreciation and amortisation	4,815.72	3,837.48	459.55	401.20	244.70	244.70	-	-	5,519.97	4,483.38
Unallocated depreciation and amortisation									1,827.11	1,681.74
Total depreciation and amortisation									7,347.08	6,165.12
Segment impairment loss/ (Reversal)	(310.01)	(4.71)	-	-	-	-	-	-	(310.01)	(4.71)
Total impairment loss/ (Reversal)									(310.01)	(4.71)
Segment non cash expenses other than depreciation	78.45	113.89	12.30	60.57	-	2.71	-	-	90.75	177.17
Unallocated non cash expenses other than depreciation									(26.50)	65.02
Total non cash expenses other than depreciation									64.25	242.19

Information about geographical segment :

Particulars	2014-15		2013-14	
	India	Outside India	India	Outside India
Revenue	139,510.13	3,316.69	122,809.76	2,700.81

All assets of the Company are located in India.

NOTES to the financial statements for the year ended March 31, 2015

NOTE 31 - RELATED PARTY DISCLOSURES

a) Parties where control exists

Individual having control

M.P. Ramachandran

Chairman and Managing Director

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

Wholly Owned Subsidiaries

Associated Industries Consumer Products Pvt Ltd

Other Subsidiaries

Jyothy Kallol Bangladesh Limited

Four Seasons Drycleaning Company Private Limited

Snoways Launderers & Drycleaners Private Limited

Jyothy Consumer Products Marketing Ltd

Jyothy Fabricare Services Limited

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

Partnership firm

M/S JFSL-JLL (JV)

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

Beena Agencies

Quilon Trading Co.

Travancore Trading Corp.

Tamil Nadu Distributors

Deepthy Agencies

Sahyadri Agencies

Sreehari Stock Suppliers

Sujatha Agencies

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

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

Relative of individual having control

M.P. Sidharthan

M.R. Jyothy (Director)

M.R. Deepthi

Ananth Rao T

Ravi Razdan

M. G. Santhakumari

M.P. Divakaran

Enterprises significantly influenced by key management personnel or their relatives

Sahyadri Agencies Ltd.

Key management personnel

K. Ullas Kamath

S.Raghunandan

M.L. Bansal

Joint Managing Director & CFO
Whole Time Director & CEO
Company Secretary
(As per Companies Act, 2013)

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 31 - RELATED PARTY DISCLOSURES (Contd.)

	2014-15	2013-14
c) Transactions with related parties during the year		
Individual having control		
Remuneration*	-	216.00
Commission	312.69	429.18
Dividend	1,442.24	2,519.12
Associated Industries Consumer Products Pvt Ltd		
Sale of Finished goods (net of sales return) Raw material,		
Packing material and stores & spares	41.07	111.61
Sale of Fixed assets	89.42	-
Royalty Income (including service tax)	4.88	5.83
Rent Income	1.68	2.52
Purchase of Finished goods (Net of purchase return), raw and packing material	459.97	184.46
Purchase of Fixed assets	14.57	-
Conversion Charges and excise net of cenvat / (refund)	70.30	14.53
Interest Income	27.58	-
Reimbursement of Expenses	3.59	-
Sale of shares held in Jyothy Consumer Products Marketing Limited	82.55	-
Sahyadri Agencies Limited		
Commission paid	-	82.86
Dividend	300.00	150.00
Assignment of receivables	1,478.00	-
Rent Paid		
Quilon Trading Company	1.20	1.20
Dividend (M.P. Divakaran - H.U.F. and M.P. Sidharthan - H.U.F.)	64.48	112.84
Jyothy Fabricare Services Limited		
Loan given	-	2,226.75
Repayment of loan given	13,500.00	202.00
Reimbursement of expenses	26.14	-
Other reimbursements	-	16.62
Interest Income	710.86	1,389.36
Sale of Finished goods (net of sales return)	6.78	13.05
Purchases of services	0.08	0.22
Subscription to 75,00,000 2% Optionally Convertible Preference Shares	15,000.00	-
Corporate Guarantees given for borrowings taken		
Balance outstanding as at year end is:	4,000.00	179.65
Jyothy Consumer Products Marketing Ltd		
Loan given (Net)#	-	6,210.60
Interest Income	4,811.32	3,450.47
Other reimbursement	-	421.76
Rent Income	74.21	98.02
Purchase of Finished goods (Net of purchase return)	1,405.61	201.41
Sale of Finished goods (net of sales return)	3,012.86	7,255.09
# Previous year includes receivables of ₹ 9,198.77 converted into loan		
M/S JFSL-JLL (JV)		
Profit/(loss) in partnership	27.17	(30.87)
Interest on partner capital	8.68	-
Withdrawal of capital	43.00	-
Corporate Guarantees given for borrowings taken		
Balance outstanding as at year end is:	1,077.44	1,157.44

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 31 - RELATED PARTY DISCLOSURES (Contd.)

	2014-15	2013-14
Jyothy Kallol Bangladesh Limited		
Investment in share capital	-	64.06
Sales of finished goods	145.09	81.75
Advance paid towards share application money	-	78.82
Relatives of individuals having control		
Remuneration*		
M.R. Jyothy (Director)	96.32	53.76
M P Sidharthan	24.00	24.00
M R Deepthi	27.60	23.52
Ananth Rao T	34.74	28.98
Ravi Razdan	27.60	23.52
M.P. Divakaran	24.00	24.00
Dividend	581.97	1,018.45
Contribution to Superannuation fund		
M R Jyothy	0.90	4.80
Ananth Rao T	-	2.52
M R Deepthi	2.40	2.10
Ravi Razdan	2.40	2.10
Key management personnel		
Remuneration*#	721.09	648.83
Commission	281.42	360.84
Dividend	32.94	55.89
Contribution to Superannuation fund	28.20	57.60
* As the future liabilities for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.		
# The Company has accrued ₹ 2,542.15 in respect of employee stock options granted to whole time director and CEO. The same has not been considered as managerial remuneration of the current year as defined under Section 2(78) of the Companies Act, 2013 as the options have not vested / exercised.		
d) Related party balances		
Amounts receivable		
Loans and advances :		
Associated Industries Consumer Products Pvt Ltd	349.83	172.29
Jyothy Fabricare Services Limited	-	13,500.00
Jyothy Consumer Products Marketing Ltd	43,000.00	39,962.91
Trade receivables :		
Jyothy Consumer Products Marketing Ltd	415.39	-
Jyothy Kallol Bangladesh Limited	-	16.79
Amounts payable		
Trade payables :		
Individual having control	312.69	335.99
Key management personnel	281.42	302.39
Deposit received from subsidiary company	-	0.51
Enterprises in which relatives of individual having control are interested (Security deposits)		
Quilon Trading Company	-	0.20
Advance from customer		
Jyothy Consumer Products Marketing Ltd	-	500.00
Enterprises significantly influenced by key management personnel or their relatives - Security Deposits		
Sahyadri Agencies Ltd.	-	289.06

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 32 - OPERATING LEASES

In case of assets taken on lease

The Company has entered into Lease agreements for premises, which expire at various dates over the next five years. Certain agreements provide for increase in rent. Lease rental expense for the year ended March 31, 2015 was ₹ 1,160.19 (2014 - ₹ 1,086.78). There are no restrictions imposed by lease arrangements.

	2014-15	2013-14
Future lease payment under non - cancellable operating leases are as follows:		
Payable not later than one year	45.82	123.39
Payable later than one year and not later than five years	0.64	92.76
	46.46	216.15

In case of assets given on lease

The Company has leased out few of its premises on operating lease. The Gross carrying amount and accumulated depreciation as at March 31, 2015 is ₹ 97.46 and ₹ 23.47 (2014 - ₹ 97.46 and ₹ 21.03) respectively. Lease rent income for the year ended March 31, 2015 was ₹ 75.84 (2014 - ₹ 74.00). There is no escalation clause in the lease agreement and the lease is cancellable in nature. There are no restrictions imposed by lease arrangements.

NOTE 33 - CONTINGENT LIABILITIES

	2015	2014
Based on management's evaluation following contingent liabilities is not probable and hence not provided by the Company in respect of:		
(i) Amount outstanding in respect of corporate guarantees	5,527.14	1,596.09
(ii) Tax matters		
(a) Disputed sales tax demands - matters under appeal	1,843.20	5,685.16
(b) Disputed excise duty and service tax demand - matter under appeal	2,963.75	3,121.96
(c) Disputed income tax demand - matter under appeal*	3,741.60	1,282.39
(iii) Other statutory dues	7.72	7.72

* The amount shown above does not include contingent liability for the assessments re-opened / pending assessments.

NOTE 34 - CAPITAL COMMITMENTS (NET OF ADVANCES)

	2015	2014
Estimated amount of contracts remaining to be executed on capital account and not provided for	441.50	1,196.71
	441.50	1,196.71

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 35 : MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSMED')

The disclosure pursuant to the said Act is as under :

	2015	2014
Principal amount due to suppliers under MSMED Act	3,728.17	3,136.98
Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount, unpaid	4.05	4.98
Interest paid to suppliers under the MSMED Act	-	-
Interest due and payable towards suppliers under MSMED Act towards payment already made	-	-
Interest accrued and remaining unpaid at the end of accounting year	4.05	4.98

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

NOTE 36 - EMPLOYEE STOCK OPTION PLANS ('ESOP')

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

Particulars	("ESOS -2014")	("ESOS -2014")	("ESOS -2014 - A")
	Grant - I	Grant - II	
Date of grant	August 16, 2014	January 27, 2015	August 16, 2014
Number of options granted	503,445	34,507	2,715,352
Vesting period	33% - Year 1 33% - Year 2 34% - Year 3	33% - Year 1 33% - Year 2 34% - Year 3	66.67% - Year 1 16.67% - Year 2 16.66% - Year 3
Exercise period	5 years from the respective dates of vesting		
Exercise price - per share	₹ 1	₹ 1	₹ 1
Market price at grant date - per share	₹ 188.70	₹ 289.80	₹ 188.70

The details of the activity under the above schemes are summarised as below:

Particulars	("ESOS -2014")	("ESOS -2014")	("ESOS -2014 - A")
	Grant - I	Grant - II	
Outstanding at the beginning of the year - April 1,2014	-	-	-
Granted during the year	503,445	34,507	2,715,352
Cancelled during the year	52,994	-	-
Exercised during the year	-	-	-
Outstanding at the end of the year	450,451	34,507	2,715,352
Exercisable at the end of the year	450,451	34,507	2,715,352

Previous year figures have not been disclosed as the ESOP's were granted during the current year.

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 36 - EMPLOYEE STOCK OPTION PLANS ('ESOP') (Contd.)

The Black Scholes valuation model has been used for computing the weighted average fair value of the stock granted considering the following inputs:

Variables	("ESOS-2014") - Grant - I		
	Vest 1	Vest 2	Vest 3
	August 16, 2015	August 16, 2016	August 16, 2017
Volatility	36.19%	37.32%	40.33%
Risk free rate	8.73%	8.72%	8.72%
Exercise price (₹)	1.00	1.00	1.00
Time to maturity (in years)	3.50	4.50	5.50
Dividend yield	1.59%	1.59%	1.59%
Weighted average fair value of per stock option granted during the year (₹)	174.98		

Variables	("ESOS-2014") - Grant - II		
	Vest 1	Vest 2	Vest 3
	January 27, 2016	January 27, 2017	January 27, 2018
Volatility	35.94%	37.66%	37.76%
Risk free rate	7.76%	7.75%	7.75%
Exercise price (₹)	1.00	1.00	1.00
Time to maturity (in years)	3.50	4.50	5.50
Dividend yield	1.07%	1.07%	1.07%
Weighted average fair value of per stock option granted during the year (₹)	265.94		

Variables	("ESOS - 2014 - A")		
	Vest 1	Vest 2	Vest 3
	August 16, 2015	August 16, 2016	August 16, 2017
Volatility	36.19%	37.32%	40.33%
Risk free rate	8.73%	8.72%	8.72%
Exercise price (₹)	1.00	1.00	1.00
Time to maturity (in years)	3.50	4.50	5.50
Dividend yield	1.59%	1.59%	1.59%
Weighted average fair value of per stock option granted during the year (₹)	176.38		

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

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 36 - EMPLOYEE STOCK OPTION PLANS ('ESOP') (Contd.)

The Company measures the cost of ESOP using the intrinsic value method. Had the company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts as indicated below:

	As at March 31, 2015
Profit after tax as reported	14,278.95
Add: ESOP cost using the intrinsic value method	2,871.13
Less: ESOP cost using the fair value method	(2,661.17)
Proforma profit after tax	14,488.92
Earnings Per Share	₹
Basic	
- As reported	7.89
- Proforma	8.00
Diluted	
- As reported	7.83
- Proforma	7.95

NOTE - 37 - DETAILS OF LOAN / ADVANCES GIVEN TO SUBSIDIARY COMPANIES -

Particulars	Secured/ Unsecured	2015	Maximum balance during the year	2014	Maximum balance during the year
Associated Industries Consumer Products Pvt Ltd (Wholly owned subsidiary)	Unsecured	349.83	378.04	172.29	456.44
Jyothy Fabricare Services Limited	Unsecured	-	13,500.00	13,500.00	13,500.00
Jyothy Consumer Products Marketing Ltd*	Unsecured	43,000.00	43,195.71	39,962.91	39,962.91

The above loan are repayable on demand and utilised by the subsidiaries towards their working capital requirements.

* No additional loan has been given during the year. The increase is on account of unpaid interest added to the loan given.

NOTE - 38 - DETAILS OF INVESTMENTS IN PARTNERSHIP FIRM

	(% Share of partner in profits)	
	2015	2014
Name of Partner		
Share of partner in profits (%)		
Jyothy Fabricare Services Limited	75.00%	75.00%
Jyothy Laboratories Limited	25.00%	25.00%
TOTAL CAPITAL OF THE FIRM	318.20	381.52

NOTES to the financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 39 - EARNINGS PER SHARE

	2015	2014
Net Profit for calculation of basic and diluted EPS	14,278.95	10,611.41
Weighted average number of shares for calculation of basic EPS	181,023,496	170,872,811
Effect of dilution :		
Stock option granted under ESOP	1,224,545	-
Weighted average number of shares for calculation of diluted EPS	182,248,041	170,872,811
Basic EPS (₹)	7.89	6.21
Diluted EPS (₹)	7.83	6.21

NOTE - 40

As per the Notification no. 32/99-CE dated July 8, 1999, the Company was entitled to refund of excise duty in Guwahati and Jammu units equivalent to the amount of the duty paid through Personal Ledger Account ('PLA'). During an earlier year, the Government issued notifications no. 17/2008-CE and 19/2008-CE dated March 27, 2008 restricting the refund amount to a maximum percentage specified in the notification. The Company had filed a writ petition in the Guwahati High Court and the Jammu and Kashmir High Court against the respective notifications and obtained stay orders from both the High Courts. The Jammu High Court has given a favourable order in an earlier year and the Guwahati High Court has passed a favourable order in the current year. The company has accrued an additional benefit of ₹ 907.06 (2014 ₹ 683.95) in the current year and the benefit receivable as at the year end is ₹ 2,709.57 (2014 ₹ 1,802.51)

NOTE 41

The Company has entered into an option agreement dated May 5, 2011 with Henkel AG & Co. KGaA (Henkel AG) whereby the Company has granted Henkel AG a firm and irrevocable option, at its sole discretion at any time after the beginning of the fifth year and ending upon the expiry of the sixth year of the said agreement or such other mutually extended period, to acquire a maximum of 26% of the issued equity share capital of the Company at a price which will be mutually determined by the parties at a later date.

NOTE 42 - EXCEPTIONAL ITEM

Exceptional item relates to additional payment towards retrenchment of employees on closure of the Bhubaneswar and Chennai manufacturing unit for the previous year and for the Kandanassey unit in the current year.

NOTE 43 - PREVIOUS YEAR FIGURES

Previous year figures have been regrouped / reclassified , where necessary, to conform to this year classification.

Signatures to Notes 1 to 43

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E

per Vikram Mehta
Partner
Membership No.: 105938

Place: Mumbai
Date: May 25, 2015

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited

M.P. Ramachandran
Chairman and Managing Director

M.L. Bansal
Company Secretary

Place: Mumbai
Date: May 25, 2015

K. Ullas Kamath
Joint Managing Director and Chief Financial Officer

S.Raghunandan
Director and Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Jyothy Laboratories Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Jyothy Laboratories Limited (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective 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 of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the 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 March 31, 2015, their consolidated profit, and their consolidated cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company and its subsidiaries incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,

2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 34 to the consolidated financial statements;
- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

OTHER MATTER

- (a) The accompanying consolidated financial statements include total assets of ₹ 3,451.31 lacs as at March 31, 2015, and total revenues and net cash outflows of ₹ 1,780.18 lacs and ₹ 11.52 lacs respectively for the year ended on that date, in respect of four subsidiaries, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E

per Vikram Mehta
Partner
Membership Number: 105938

Place : Mumbai
Date : May 25, 2015

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE

With respect to Jyothy Laboratories Limited ('Holding Company') and its subsidiaries incorporated in India and to whom the provisions of the Order apply ('Covered Entities'), we report as follows:

- (i) (a) The Holding Company and the Covered Entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management of the Holding Company and Covered Entities of the Group during the year but there is a regular programme of verification which, in our opinion and as reported by the other auditors who audited the financial statements / financial information of the Covered Entities of the Group, is reasonable having regard to the size of the of the Holding Company and the Covered Entities of the Group and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management of the Holding Company and the Covered Entities of the Group have conducted physical verification of inventory at reasonable intervals during the year. In case of the Holding Company, inventories lying with outside parties have been confirmed by them as at year end.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and the Covered Entities of the Group and the nature of their businesses.
- (c) The Holding Company and the Covered Entities of the Group are maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account of the Holding Company and respective Covered Entities of the Group.
- (iii) (a) The Holding Company has granted loans that are repayable on demand to two subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013. In case of one subsidiary, the Company has demanded repayment of the loan and interest and the same has been repaid by the subsidiary. In case of the other subsidiary, we are informed that the Holding Company has not demanded repayment of any loan or interest during the year, and thus, there has been no default on the part of the subsidiary to whom the money has been lent. Further, according to the information and explanations given to us and as reported by the other auditors who audited the financial statements / financial information of Covered Entities of the Group, the Covered entities of the Group have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (b) In respect of the Holding Company, there is no overdue amount of loans granted by the Holding Company to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013. The provisions of clause 3(iii)(b) of the Order are not applicable to the Covered entities of the Group.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements / financial information of the Covered Entities of the Group, there are adequate internal control systems commensurate with the size of the Holding Company and the Covered Entities of the Group and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the Holding Company and the Covered Entities of the Group. During the course of our audit and as reported by the other auditors who audited the financial statements / financial information of the Covered Entities of the Group, no major weakness or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered Entities of the Group was observed in respect of these areas.
- (v) The Holding Company and the Covered Entities of the Group have not accepted any deposits from the public.

(vi) We and other auditors of the Covered Entities of the Group have broadly reviewed the books of account maintained by the Holding Company and Covered Entities of the Group respectively, to the extent applicable and relevant, pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. The detailed examination of the same has not been made by us or such other auditors.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-

tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in respect of certain Covered Entities of the Group.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and the Covered Entities of the Group.

(b) According to the records of the Holding Company and the Covered Entities of the Group and as reported by other auditors who audited the financial statements / financial information of certain Covered Entities in the Group, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Matter	Year	Forum where dispute is pending (Amounts in Lacs)				
		Commissioner and Appellate	Tribunal	High Court	Supreme court	Grand Total
Excise	1998-00	10	-	-	-	10
	2004-05	-	8	-	-	8
	2005-06	-	3	-	-	3
	2007-14	153	1	-	-	154
Sales tax	1998-02	80	-	-	-	80
	2000-05	18	-	440	-	458
	2001-04	-	200	-	-	200
	2002-05	865	11	-	-	876
	2005-06	322	213	-	44	579
	2005-08	102	-	-	-	102
	2006-07	539	168	65	112	883
	2006-11	37	-	-	-	37
	2007-08	340	23	-	-	364
	2007-09	10	-	-	-	10
	2008-09	430	39	-	165	634
	2008-11	321	-	-	-	321
	2009-11	854	-	-	355	1,209
	2011-14	75	-	-	371	447
Income Tax	AY 2009-13	2,722	-	-	-	2,722
	FY 2011-12	1	-	-	-	1
Service Tax	2005-10	7	-	-	-	7
	2010-12	91	-	-	-	91
Customs Duty	2008-09	1	-	-	-	1
TOTAL		6,977	666	505	1,047	9,195

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and the Covered Entities of the Group in accordance with the relevant provisions of the

Companies Act, 1956 (1 of 1956) and rules made thereunder.

- (viii) The Holding Company and one Covered Entity of the Group have no accumulated losses at the end of the financial year and they have not incurred cash losses in the current and immediately preceding financial year. In respect of certain other Covered Entities of the Group, the accumulated losses at the end of the financial year are more than fifty percent of its net worth and they have incurred cash losses in the current and immediately preceding financial year. Further, in respect of one Covered Entity of the Group, accumulated losses at the end of the financial year is not more than fifty percent of its networth but it has incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditor who audited the financial statements / financial information of the Covered Entities of the Group, we are of the opinion that the Holding Company and Covered Entities of the Group have not defaulted in their repayment of dues to financial institutions, banks or debenture holders.
- (x) According to the information and explanations given to us, the Holding Company has given guarantee for loans taken by certain Covered Entities from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Holding Company. Further, based on the reports of the other auditors who audited the financial statements / financial information of the Covered Entities of the Group, in our opinion, Covered entities of the Group have not given any guarantee for loans

taken by others from bank or financial institutions.

- (xi) Based on the information and explanations given to us by the management and the report of other auditors who audited the financial statements / financial information of certain Covered Entities of the Group, the Holding Company and certain Covered Entities of the Group did not have any terms loans outstanding during the year. Further, in respect of one Covered Entity of the Group, terms loans were applied for the purpose for which loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of other auditors who audited the financial statements / financial information of other Covered Entities of the Group, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered Entities of the Group have been noticed or reported during the year.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E

per Vikram Mehta
Partner
Membership Number: 105938

Place : Mumbai
Date : May 25, 2015

CONSOLIDATED BALANCE SHEET

as at March 31, 2015

₹ In Lacs

	Note	2015	2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	1,810.23	1,810.23
Reserves and surplus	5	76,155.74	71,627.71
		77,965.97	73,437.94
Minority Interest		143.74	157.70
Non-current liabilities			
Long-term borrowings	6	44,902.44	52,681.94
Deferred tax liabilities (Net)	7	54.24	114.74
Other long term liabilities	8	16,157.72	14,720.09
Provisions	9	1,370.42	1,054.78
		62,484.82	68,571.55
Current liabilities			
Trade payables	10	13,227.71	11,218.23
Other current liabilities	11	15,767.84	4,605.26
Provisions	9	12,082.41	7,359.99
		41,077.96	23,183.48
TOTAL		181,672.49	165,350.67
ASSETS			
Non-current assets			
Fixed assets			
(i) Tangible assets	12 (a)	28,371.21	30,330.57
(ii) Intangible assets	12 (b)	79,031.01	79,078.15
(iii) Capital work-in-progress		1,619.49	423.94
Non-current investments	13	149.89	149.89
Loans and advances	14	17,645.64	13,500.54
Other assets	15	250.93	78.98
		127,068.17	123,562.07
Current assets			
Current investments	16	19,201.64	5,945.46
Inventories	17	18,520.36	17,380.03
Trade receivables	18	5,741.90	6,682.96
Cash and Bank balances	19	7,669.73	6,983.68
Loans and advances	14	3,174.07	4,308.21
Other assets	15	296.62	488.26
		54,604.32	41,788.60
TOTAL		181,672.49	165,350.67
Summary of significant accounting policies	3		

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

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E

per Vikram Mehta
Partner
Membership No.: 105938

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited

M.P. Ramachandran
Chairman and Managing Director

M.L. Bansal
Company Secretary

K. Ullas Kamath
Joint Managing Director and Chief Financial Officer

S.Raghunandan
Director and Chief Executive Officer

Place: Mumbai
Date : May 25, 2015

Place: Mumbai
Date : May 25, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2015

₹ In Lacs

	Note	2014-15	2013-14
REVENUE			
Sales (net of trade discount)		151,596.75	132,622.52
Less: Excise duty		(5,272.30)	(4,630.87)
Net sales		146,324.45	127,991.65
Sale of services		4,205.02	3,847.72
Other operating income	20	954.03	547.26
Revenue from operations		151,483.50	132,386.63
Other income	21	562.45	416.14
TOTAL REVENUE (I)		152,045.95	132,802.77
EXPENSES			
Cost of raw material and components consumed	22	46,776.34	37,852.46
Purchase of traded goods		31,485.68	31,759.26
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	23	(515.95)	(174.02)
Employee benefits expense	24	15,026.14	13,815.46
Employee stock option expenses	24	2,871.13	-
Other expenses	25	39,539.10	33,412.03
TOTAL EXPENSE (II)		135,182.44	116,665.19
Earnings Before Interest, Tax, Depreciation, Amortization and Impairment (EBITDA) (I) - (II)		16,863.51	16,137.58
Depreciation, amortisation and impairment	12	3,254.55	2,432.24
Finance Costs	26	1,376.76	5,526.66
Interest Income	27	429.66	401.45
Profit before Prior Period, Exceptional Items and Tax		12,661.86	8,580.13
Prior Period items	40	-	165.02
Exceptional Item	43	209.18	230.07
Profit Before Tax		12,452.68	8,185.04
Current tax (MAT)		3,087.06	2,280.83
Less MAT credit entitlement		(3,084.75)	(2,260.00)
- Net Current Tax		2.31	20.83
- Deferred tax charge/(reversal)		(60.51)	23.40
- Excess tax provision / MAT credit reversal of earlier years		412.45	19.47
Profit After Tax		12,098.43	8,121.34
Minority Share (share in loss)		(13.96)	(21.85)
Profit After Tax and Minority Share		12,112.39	8,143.19
EARNINGS PER SHARE (EPS)			
Basic (₹)	42	6.69	4.77
Diluted (₹)	42	6.65	4.77
Nominal value per share (₹)		1.00	1.00
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E

per Vikram Mehta
Partner
Membership No.: 105938

Place: Mumbai
Date : May 25, 2015

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited

M.P. Ramachandran
Chairman and Managing Director

M.L. Bansal
Company Secretary

Place: Mumbai
Date : May 25, 2015

K. Ullas Kamath
Joint Managing Director and Chief Financial Officer

S.Raghunandan
Director and Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

₹ In Lacs

for the year ended March 31, 2015

	2014-15	2013-14
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before Tax	12,452.68	8,185.04
Adjustment to reconcile profit before tax to net cash flow:		
Depreciation, amortisation and impairment (net)	3,254.55	2,432.24
Prior Period Items	-	165.02
Loss on fixed assets discarded	134.14	6.93
Profit on sale of fixed assets	(16.17)	(0.66)
Profit on sale of current investments	(500.93)	(345.46)
Interest and finance charges	1,376.76	5,526.66
Interest income	(429.66)	(339.75)
Liabilities no longer required written back (net)	(389.17)	(381.22)
Differential Tariff towards power and fuel expenses of earlier years	(400.31)	-
Foreign exchange fluctuation gain (net)	(13.51)	(26.22)
Provision for doubtful debts / bad debt written off	130.21	211.06
Provision for doubtful advances	14.43	66.24
Employee stock option expenses	2,871.13	-
Operating profit before working capital changes	18,484.15	15,499.88
Movements in working capital :		
Increase/ (decrease) in trade payables	2,398.67	(843.89)
Increase / (decrease) in provisions	509.97	49.77
Increase/ (decrease) in other liabilities	(623.27)	799.28
Decrease / (increase) in trade receivables	824.37	1,168.73
Decrease / (increase) in inventories	(950.37)	(186.26)
Decrease / (increase) in loans and advances	157.09	(1,546.18)
Cash generated from operations	20,800.61	14,941.32
Taxes paid (net)	(4,170.86)	(1,945.18)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES (A)	16,629.75	12,996.14
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress and Capital Advances	(1,707.04)	(2,369.41)
Proceeds from sale of fixed assets	66.65	45.62
Investment in fixed deposit (having original maturity of more than three months)	(1,288.28)	(641.43)
Purchase of investment in subsidiary from minority	-	(6,871.99)
Profit on sale of current investments	500.93	345.46
Interest Income received	431.34	378.53
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES (B)	(1,996.40)	(9,113.22)

CONSOLIDATED STATEMENT OF CASH FLOWS

₹ In Lacs

for the year ended March 31, 2015

	2014-15	2013-14
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:		
Interest and finance charges paid	(1,367.18)	(5,762.64)
Proceed from issue of equity shares	-	26,272.50
Proceeds from short-term borrowings	-	2,000.00
Repayment of short-term borrowings	-	(14,678.47)
Repayment of long-term borrowings	(189.50)	(43,505.46)
Issue of Debentures	4,000.00	46,500.00
Proceed from issue of shares by subsidiary	-	21.44
Expenditure incurred on issue of Debentures	(15.00)	(166.50)
Dividend paid	(3,620.47)	(5,960.82)
Dividend tax paid	(615.30)	(1,013.04)
NET CASH (USED IN) /GENERATED FROM FINANCING ACTIVITIES (C)	(1,807.45)	3,707.01
Net increase / (decrease) in cash and cash equivalents (A+B+C)	12,825.90	7,589.93
Cash and cash equivalents at the beginning of the year	9,521.77	1,931.84
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22,347.67	9,521.77
Components of cash and cash equivalents		
Cash in hand	42.69	45.46
Balance with scheduled banks - Current account	2,477.97	3,041.46
- Deposit account	572.03	449.35
Unclaimed dividend accounts *	53.34	40.04
CASH AND CASH EQUIVALENTS (NOTE 19)	3,146.03	3,576.31
Mutual Fund Investments	19,201.64	5,945.46
CASH AND CASH EQUIVALENTS CONSIDERED FOR CASH FLOWS STATEMENT	22,347.67	9,521.77
* Not available for use by the management for any other purpose		
Summary of significant accounting policies	Note 3	

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E

per Vikram Mehta
Partner
Membership No.: 105938

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited

M.P. Ramachandran
Chairman and Managing Director

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Company Secretary

K. Ullas Kamath
Joint Managing Director and Chief Financial Officer

S.Raghunandan
Director and Chief Executive Officer

Place: Mumbai
Date : May 25, 2015

Place: Mumbai
Date : May 25, 2015

NOTES to the consolidated financial statements for the year ended March 31, 2015

NOTE 1 - BACKGROUND

The Consolidated financials statement comprise the financial statements of Jyothy Laboratories Limited ('the Company') and its subsidiaries hereinafter referred to as 'the Group'. The Group is principally engaged in manufacturing and marketing of fabric whiteners, soaps, detergents, mosquito coils and incense sticks and also provides laundry and dry cleaning services.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets which has been recorded on fair value and assets for which provision for impairment is made. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

- b) The consolidated financial statements of the Group have been consolidated on a line-by-line basis by adding together the book values of subsidiary companies like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits / unrealised losses on intra-group transactions as per Accounting Standard 21(AS 21) " Consolidated Financial Statements". The results of subsidiaries are included from the date of acquisition of a controlling interest. The excess/shortfall of cost to the Group of its investments in the subsidiary companies is recognised in the financial statements as goodwill/capital reserves, as the case may be. Goodwill on consolidation is tested for impairment at every reporting date.
- c) Minority interest in net asset of consolidated subsidiary consist of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in subsidiary companies and further movement in their share in equity, subsequent to the dates of investment.
- d) The Consolidated Financial Statements for the year ended March 31, 2015 includes the financial statements of the following subsidiaries:

		Percentage of ownership either directly or indirectly through subsidiaries as at	
Name of the Company	Country of incorporation	March 31, 2015	March 31, 2014
(a) Direct Subsidiaries			
1. Associated Industries Consumer Products Pvt Ltd	India	100.00	100.00
2. Jyothy Fabricare Services Limited	India	75.10	75.10
3. Jyothy Consumer Products Ltd	India	(Note II)	(Note II)
4. Jyothy Kallol Bangladesh Limited	Bangladesh	75.00	75.00
5. Jyothy Consumer Products Marketing Ltd	India	Refer (b)	95.99
(b) Indirect Subsidiaries *			
6. Jyothy Consumer Products Marketing Ltd	India	100.00	Refer (a)
7. Snoways Laundrers and Drycleaners Pvt.Ltd (Note I)	India	36.80	36.80
8. Diamond Fabcare Private Limited	India	(Note II)	(Note II)
9. Akash Cleaners Private Limited	India	(Note II)	(Note II)
10. Fab Clean & Care Private Limited	India	(Note II)	(Note II)
11. Four Seasons Dry Cleaning Co. Private Limited	India	75.10	75.10
(c) 12. IFSL-JLL(IV)	India	81.32	81.32

* Effective holding % of Company directly and indirectly through its subsidiaries.

NOTES to the consolidated financial statements for the year ended March 31, 2015

Note :

- I Jyothy Fabricare Services Limited has 49% share in Snoways Launderers & Drycleaners Pvt. Ltd and has entered into agreement which enable it to control the composition of the Board of Directors of the latter, making it a subsidiary company of Jyothy Fabricare Services Limited.
- II These entities have been merged with the Company or its subsidiaries under an approved scheme of amalgamation of High Court in earlier years. There is no impact of this merger on the consolidated financial statements of the Group, since the business was already included in the consolidated financial statements of earlier years.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Group, in respect of the consolidated financial statements are as follows:

a) Use of estimates

The preparation of financial statements, in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues , expenses ,assets, liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets

Fixed assets are initially recorded at cost . Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. The cost of the tangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, tangible assets are carried at cost less accumulated depreciation and impairment losses, if any.

Gains or losses arising from derecognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset

and are recognized in the statement of profit and loss when the asset is derecognized.

c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d) Depreciation and amortisation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management. The estimated useful life of the assets is as follows:

Category	Estimated useful life (in years)
Factory Buildings	10-30
Building (Other than Factory Building)	30-60
Building (Fences and temporary structure)	3-6
Plant and machinery	13-15
Furniture and fixtures	5-10
Leasehold Improvements	
- Outlets on lease	3
- Others	9
Dies and moulds	3
Computers	3-6
Office equipments	5
Vehicles	6-10
Know-how	3-5
Trademarks and Copyrights	9-10
Brands	10
Softwares and Licences	10

The goodwill purchased is not amortised but tested for impairment purposes for every year. The goodwill

NOTES to the consolidated financial statements for the year ended March 31, 2015

arising on amalgamation is amortized to the statement of profit and loss over 10 years. Assets costing less than Rs 5,000 are depreciated at the rate of 100 %. Leasehold land is amortised over the period of the lease on a straight-line basis which ranges between 60-90 years.

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets, which are lower than those indicated in Schedule II.

Category	Estimated useful life (in years)
Factory Buildings	10
Building (Other than Factory Building)	30
Plant and machinery	13
Furniture and fixtures	5
Vehicles	6

The amortization/depreciation period and the amortization/depreciation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization / depreciation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization/depreciation method is changed to reflect the changed pattern.

e) Impairment

- i) The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. 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. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at

the pre-tax discount rate. In determining net selling price, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used.

- ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- iii) A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

f) Operating Leases

- i. **Where the company is a lessee;**
Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Lease payments on operating leases are recognized as an expense in the statement of profit and loss on a straight-line basis, over the lease term.
- ii. **Where the company is a lessor;**
Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

g) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with. When the grant or

NOTES to the consolidated financial statements for the year ended March 31, 2015

subsidy relates to revenue item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value in arriving at the carrying amount of the related asset. Government grant in the nature of promoters' contribution is credited to the investment subsidy reserve.

h) Investment

Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties and other costs that arise on acquisition of investment. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

An investment in land or building, which is not intended to be occupied substantially for use by, or in the operations of the Group is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and impairment losses, if any.

i) Inventories

Inventories of raw materials, packing materials, work-in-progress, finished goods, operating supplies, stores and consumables items are valued at cost or net realizable value, whichever is lower. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost is ascertained on First-in-First out ('FIFO') basis and includes all applicable costs incurred in bringing

goods to their present location and condition. Cost of work in progress, manufactured packing material and finished goods includes materials and all applicable manufacturing overheads. The Group accrues for excise duty liability in respect of manufactured finished goods/intermediary inventories lying in the factory.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.

Operating supplies are items in circulation. Cost is ascertained on First-in-First out ('FIFO') basis and includes all applicable costs incurred in bringing goods to their present location and condition and then written off over their estimated period of usage.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised;

Sale of Goods :

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Excise Duty, Sales Tax and VAT deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year. The Group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue. Revenue includes the amount of excise duty refund received / due in accordance with incentive scheme. Revenue is net of trade discount given.

Sale of Services :

Service revenue is recognised on completion of services and where no significant uncertainty exists regarding

NOTES to the consolidated financial statements for the year ended March 31, 2015

the amount of the consideration that will be derived from rendering the service. Service revenue are net of service tax.

Interest :

Revenue is recognised on a time proportion basis taking into account the amount outstanding and at the applicable interest rate.

k) Foreign currency translation

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

l) Retirement and other employee benefits

i) Retirement benefit in the form of provident fund and super annuation fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the respective fund. The Group recognizes contribution payable to the provident fund/ super annuation scheme as an expenditure, when an employee renders the related service.

ii) Gratuity liability is defined benefit obligation and is

provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

iii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

iv) The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

v) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

m) Sales promotion items

Sales promotion items are valued at cost. Cost is ascertained on First-in-First out ('FIFO') basis and includes all applicable costs incurred in bringing goods to their present location and condition.

n) Income-tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations of unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by

NOTES to the consolidated financial statements for the year ended March 31, 2015

convincing evidence that they can be realised against future taxable profits.

In the situations where an entity in the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the entity restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each balance sheet date unrecognised deferred tax assets are re-assessed. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. Write-down of the carrying amount of a deferred tax asset is done to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the Guidance Note on Accounting for credit Available in respect of Minimum

Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. MAT credit entitlement is reviewed at each balance sheet date and is written down to the extent there is no longer convincing evidence to the effect that normal Income Tax will be paid during the specified period.

o) Provisions

A provision is recognised when there is a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

p) Excise duty

Excise duty on turnover is reduced from turnover. Excise duty relating to the difference between the opening stock and closing stock is recognised as income/expense as the case may be, separately in the statement of profit and loss.

q) Segment Reporting

Identification of segments:

The Group's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Segment accounting policies :

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

Intersegment transfer :

The Group generally accounts for inter segment sales and transfers as if the sales or transfer were to third parties at market price.

NOTES to the consolidated financial statements for the year ended March 31, 2015

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

It includes general corporate income and expense items which are not allocated to any business segment.

r) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for event of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split 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 or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

s) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

t) Borrowing Costs

Borrowing costs consist of interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the respective asset. All other borrowing costs are expensed in the period they occur.

u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

v) Measurement of EBITDA

The company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the company does not include depreciation and amortization expense, finance costs, interest income and tax expense.

w) Employee stock compensation cost

Employees in senior management of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

	As at March 31, 2015	As at March 31, 2014
NOTE 4		
SHARE CAPITAL		
Authorised Capital		
2,570,000,000 (2014 - 2,570,000,000) equity shares of ₹ 1 (2014 - ₹ 1) each	25,700.00	25,700.00
	25,700.00	25,700.00
Issued, Subscribed and Paid up Capital		
181,023,496 (2014 - 181,023,496) equity shares of ₹ 1 (2014 - ₹ 1) each fully paid	1,810.23	1,810.23
	1,810.23	1,810.23

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2015		As at March 31, 2014	
	No.	Amount	No.	Amount
At the beginning of the period	181,023,496	1,810.23	161,264,000	1,612.64
Issued / Subscribed during the year	-	-	19,759,496	197.59
Outstanding at the end of the period	181,023,496	1,810.23	181,023,496	1,810.23

b. Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2015		As at March 31, 2014	
	No.	Holding % in the class	No.	% Holding in the class
Equity shares of ₹ 1 each fully paid				
M. P. Ramachandran	72,112,060	39.84%	72,112,060	39.84%
Sahyadri Agencies Limited	15,000,000	8.29%	15,000,000	8.29%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

c. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of 1 ₹ per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2015 the amount of per share dividend recognized as distributions to equity shareholders was ₹ 4 (2014: ₹ 3).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 4

SHARE CAPITAL (Contd.)

- d. Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	As at March 31, 2015	As at March 31, 2014
	No.	No.
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	2,379,748	2,379,748
Equity shares issued for consideration other than cash pursuant to scheme of amalgamation with erstwhile Jyothy Consumer Products Limited (JCPL)	2,379,748	2,379,748
	4,759,496	4,759,496

e. Share received for issue under option

For details of shares reserved for issue under the employee stock option plan (ESOP) of the company, please refer Note 36

	As at March 31, 2015	As at March 31, 2014
NOTE 5		
RESERVES AND SURPLUS		
Surplus in the statement of profit and loss :		
Balance, beginning of the year	(12,312.30)	(7,529.33)
Profit for the year	12,112.41	8,143.19
	(199.89)	613.86
Less : Appropriations		
Proposed dividend (amount per share ₹ 4 (2014 : ₹ 2))	(7,240.94)	(3,620.47)
Tax on proposed dividend	(1,474.08)	(615.30)
Interim dividend (amount per share ₹ Nil (2014 : ₹ 1))	-	(1,810.23)
Tax on Interim dividend	-	(307.65)
Transfer to Debenture Redemption Reserve	(5,372.51)	(5,372.51)
Transfer to general reserves	-	(1,200.00)
Depreciation as per Schedule II of Companies Act, 2013*	(363.67)	-
Net (deficit) in the statement of profit and loss	(14,651.09)	(12,312.30)
Capital Reserve		
Balance, beginning of the year	5,480.32	-
Add: Addition on allotment of equity shares pursuant to scheme of amalgamation with erstwhile JCPL	-	5,480.32
Balance, end of the year	5,480.32	5,480.32
Securities premium		
Balance, beginning of the year	39,191.20	27,955.29
Add : Premium received on issue of equity shares on preferential allotment basis	-	26,122.50
Less: Expenses incurred on issue of Debentures (Note 39)	(15.00)	(166.50)
Less: Premium payable on redemption of non convertible debentures issued (Note 39)*	(1,361.82)	(14,720.09)
Less: Expenses incurred on issue of Preference shares	-	-
Balance, end of the year	37,814.38	39,191.20
Investment subsidy	106.90	106.90
Debenture Redemption Reserve		
Balance, beginning of the year	6,622.51	1,250.00
Add: Amount transferred from surplus balance in the statement of profit and loss	5,372.51	5,372.51
Balance, end of the year	11,995.02	6,622.51

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

	As at March 31, 2015	As at March 31, 2014
NOTE 5		
RESERVES AND SURPLUS (Contd.)		
General reserves		
Balance, beginning of the year	32,539.08	31,339.08
Add: Amount transferred from surplus balance in the statement of profit and loss	-	1,200.00
Balance, end of the year	32,539.08	32,539.08
Employee Stock Option Outstanding		
Balance, beginning of the year	-	-
Add: Compensation option granted during the year	2,871.13	-
	2,871.13	-
	76,155.74	71,627.71

* The Group has not recognised deferred tax assets on the same in the absence of virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

	NON CURRENT		CURRENT	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
NOTE 6				
LONG-TERM BORROWINGS				
Term loans from Bank (secured)	902.44	1,091.94	175.00	407.61
Secured Redeemable Zero Coupon Non Convertible Debentures				
4,000 (2014-4,000) Debentures of ₹ 10,00,000 (2014-₹ 10,00,000) each	40,000.00	40,000.00	-	-
9.65% Secured Redeemable Non Convertible Debentures				
650 (2014-650) Debentures of ₹ 10,00,000 (2014-₹ 10,00,000) each	-	6,500.00	6,500.00	-
10.25% Secured Redeemable Non Convertible Debentures				
500 (2014-500) Debentures of ₹ 10,00,000 (2014-₹ 10,00,000) each	-	5,000.00	5,000.00	-
Unlisted, Redeemable, Non Convertible Debentures				
400 (2014-Nil) Debentures of ₹ 10,00,000 (2014-₹ Nil) each	4,000.00	-	-	-
Deferred Payment Liability (Unsecured)	-	90.00	360.00	270.00
Amount disclosed under 'Other Current Liabilities' (Note 11)	-	-	(12,035.00)	(677.61)
	44,902.44	52,681.94	-	-

Details of loan:

- Term loan of ₹ 1,077.44 (2014 : 1,157.44) from bank has been taken in financial year 2012-13. The loan is repayable in 32 quarterly instalments beginning from August 2013. The loan is secured by exclusive first charge on the entire fixed assets and current assets of the JFSL-JLL (JV) and further secured by corporate guarantee given by the company. Term loan of ₹ 342.11 outstanding as at March 31, 2014 has been repaid in the current year.

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 6

LONG-TERM BORROWINGS (Contd.)

- b) Following debentures are secured by first charge on all fixed assets and select Brands (Maxo and Exo) :-
- i) 4,000 Zero Coupon Non Convertible Redeemable Debentures of ₹10,00,000 each - Redeemable at premium of ₹ 368,022 per debenture after 3 years from the date of allotment i.e. November 14, 2013.
 - ii) 650, 9.65% Secured Redeemable Non Convertible Debentures of ₹ 10,00,000 each - Redeemable at par after 2 years from the date of allotment i.e. June 21, 2013.
 - iii) 500, 10.25% Secured Redeemable Non Convertible Debenture of ₹ 10,00,000 each - Redeemable at par at the end of 3 years and 7 days from the date of allotment i.e. November 7, 2012.
- c) 400 Unlisted, Redeemable, Non Convertible Debentures of ₹ 10,00,000 each - Redeemable at a premium of ₹ 340,455 per debenture after 3 years from the date of allotment i.e. January 12, 2015. The Debentures are unsecured and covered by corporate guarantee given by the Company.
- d) Deferred payment liability are repayable over a period of 3 years in equal instalments.

	As at March 31, 2015	As at March 31, 2014
NOTE 7		
DEFERRED TAX LIABILITIES, (NET)		
a) Deferred tax liability		
Depreciation	4,463.88	4,710.94
Gross Deferred tax liability	4,463.88	4,710.94
b) Deferred tax assets		
Technical royalty	1.58	2.08
Provision for gratuity	468.56	353.35
Provision for doubtful debts	159.75	144.53
Provision for doubtful advances	521.28	493.22
Provision for leave encashment	269.72	203.57
Provision for impairment losses	60.27	164.57
Provision for bonus	6.58	7.73
Disallowance u/s 40 a (ia) of the Income Tax Act	12.11	8.84
Disallowance u/s 43B of the Income Tax Act	20.76	19.65
On carry forward loss and unabsorbed depreciation	2,889.03	3,198.66
Gross Deferred tax assets	4,409.64	4,596.20
Net deferred tax liabilities	54.24	114.74

	As at March 31, 2015	As at March 31, 2014
NOTE 8		
OTHER LONG-TERM LIABILITIES		
Premium payable on redemption of Debentures	16,081.91	14,720.09
Creditors for Capital Goods	75.81	-
	16,157.72	14,720.09

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

	NON CURRENT		CURRENT	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
NOTE 9				
PROVISIONS				
Provision for employee benefits				
Provision for leave encashment	-	2.23	797.74	605.78
Provision for gratuity (Note 28)	1,370.42	1,052.55	10.45	10.65
	1,370.42	1,054.78	808.19	616.43
Other provisions				
Provision for wealth tax	-	-	8.73	6.16
Provision for income tax (net of advance tax ₹ 2,700.12 (2014 - ₹ 1,933.96))	-	-	374.88	326.04
Provision for contingencies	-	-	2,175.59	2,175.59
Proposed dividend	-	-	7,240.94	3,620.47
Tax on proposed dividend	-	-	1,474.08	615.30
	-	-	11,274.22	6,743.56
	1,370.42	1,054.78	12,082.41	7,359.99

Provision for contingencies relates to certain indirect tax cases pending at various levels. There is no movement in the provision in current year.

	As at March 31, 2015	As at March 31, 2014
NOTE 10		
TRADE PAYABLES		
Micro and Small Enterprises (Note 44)	3,741.78	3,261.11
Other trade payable	4,257.19	2,957.28
Accrual for expenses	5,228.74	4,999.84
	13,227.71	11,218.23

	As at March 31, 2015	As at March 31, 2014
NOTE 11		
OTHER CURRENT LIABILITIES		
Interest accrued but not due on debentures	377.16	378.47
Interest accrued and due on Long Term Borrowings	10.89	-
Statutory Dues	1,686.04	1,529.50
Unclaimed dividend *	53.34	40.04
Security deposits	63.09	374.97
Advances from customers	212.43	845.16
Advances towards fixed assets held for sale	95.84	-
Creditors for capital goods	186.27	-
Accrual for sales promotion schemes	1,047.78	759.51
Current maturities of long term borrowing (Note 6)	12,035.00	677.61
	15,767.84	4,605.26

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

NOTES to the consolidated financial statements for the year ended March 31, 2015

NOTE 12 (a) TANGIBLE ASSETS

Particulars	Gross Block			Depreciation and Amortisation						Impairment			Net Block	
	As at April 1, 2014	Addition	Deletions	As at March 31, 2015	As at April 1, 2014	For the year adjusted to reserve as per Schedule II of the Companies Act 2013 *	For the year taken to statement of profit & loss	Deletions	As at March 31, 2015	As at April 1, 2014	Charge For the year*	Deletion	As at March 31, 2015	As at March 31, 2014
Freehold land ^	3,693.97	33.33	-	3,727.30	-	-	-	-	-	-	-	-	3,727.30	3,693.97
Leasehold land	3,693.97	-	-	3,693.97	-	-	-	-	-	-	-	-	-	-
	390.74	-	-	390.74	34.56	-	3.99	-	38.55	-	-	-	352.19	356.18
	390.74	-	-	390.74	30.57	-	3.99	-	34.56	-	-	-	-	-
Building # %	15,793.24	197.00	14.78	15,975.46	3,390.58	-	540.48	5.42	3,925.64	-	-	-	12,049.82	12,402.66
	15,026.15	767.09	-	15,793.24	2,949.93	-	440.65	-	3,390.58	-	-	-	-	-
Plant and machinery @	24,424.02	742.99	883.43	24,283.58	9,952.90	95.18	1,846.23	426.80	11,467.51	2,407.16	-	308.68	2,098.48	12,063.96
	22,921.18	1,550.03	47.19	24,424.02	8,647.95	-	1,321.47	16.52	9,952.90	2,411.87	-	4.71	2,407.16	-
Dies and moulds	681.39	176.93	172.67	685.65	555.51	4.58	123.71	171.91	511.89	-	-	-	173.76	125.88
	567.74	114.70	1.05	681.39	479.81	-	76.74	1.04	555.51	-	-	-	-	-
Furniture and fixture	1,072.01	18.13	72.48	1,017.66	456.90	25.98	151.96	69.19	565.65	1.07	-	-	450.94	614.04
	1,032.09	43.67	3.75	1,072.01	394.63	-	64.76	2.49	456.90	1.07	-	-	1.07	-
Leasehold Improvements	531.54	96.32	225.85	402.01	463.17	-	80.03	225.85	317.35	-	-	-	84.66	68.37
	506.30	26.01	0.77	531.54	355.13	-	108.55	0.51	463.17	-	-	-	-	-
Office equipments	1,417.50	174.08	124.70	1,466.88	802.62	230.78	204.75	121.64	1,116.51	14.08	-	1.33	337.62	600.80
	1,302.09	134.11	18.70	1,417.50	701.55	-	112.59	11.52	802.62	14.08	-	-	14.08	-
Vehicle	888.75	236.39	118.34	1,006.80	483.13	7.15	135.11	96.83	528.56	0.91	-	-	477.33	404.71
	932.79	2.18	46.22	888.75	425.83	-	86.30	29.00	483.13	0.91	-	-	0.91	-
Total tangible assets	48,893.16	1,675.17	1,612.25	48,956.08	16,139.37	363.67	3,086.26	1,117.64	18,471.66	2,423.22	-	310.01	2,113.21	30,330.57
	46,373.05	2,637.79	117.68	48,893.16	13,985.40	-	2,215.05	61.08	16,139.37	2,427.93	-	4.71	2,423.22	-

Includes ₹ 452.19 (2014 ₹ 452.19) represented by unquoted fully paid shares at cost in various co-operative societies. Further, also refer Note 33.

^ Land title deed relating to freehold land of ₹ 536.41 (2014: ₹ 536.41) are pending for registration in the name of Jyothy Fabricare Services Limited.

% Include asset held for sale with gross block of ₹ 66.23 and written down value of ₹ 44.30 as on March 31, 2015.

* Effective April 1, 2014, the Company has revised the useful life of certain fixed assets based on Schedule II to the Companies Act, 2013 for the purposes of providing depreciation on fixed assets. Accordingly, the carrying amount of the assets as on April 1, 2014 has been depreciated over the remaining useful life of the fixed assets. Further, an amount of ₹ 363.67 (Net of tax ₹ Nil) representing the carrying amount of the assets with revised useful life as Nil has been charged to the opening reserves as on April 1, 2014.

Figures in italics are in respect of the previous year

NOTES to the consolidated financial statements for the year ended March 31, 2015

NOTE 12 (b) INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation and Amortisation				Impairment			Net Block		
	As at April 1, 2014	Addition	Deletions	As at March 31, 2015	As at April 1, 2014	For the year	Deletions	As at March 31, 2015	As at April 1, 2014	Charge For the year	Deletion	As at March 31, 2015	As at March 31, 2014
Goodwill	79,054.78	3.45	-	79,058.23	373.54	-	-	373.54	51.50	-	-	51.50	78,629.74
	76,105.29	2,949.49	-	79,054.78	373.54	-	-	373.54	51.50	-	-	51.50	-
Trademarks and Copyrights\$	618.44	-	-	618.44	444.43	45.56	-	489.99	23.68	-	-	23.68	150.33
	618.44	-	-	618.44	398.87	45.56	-	444.43	23.68	-	-	23.68	-
Know-how	647.12	-	-	647.12	575.45	71.67	-	647.12	-	-	-	-	71.67
	647.12	-	-	647.12	455.45	120.00	-	575.45	-	-	-	-	-
Softwares and Licences	389.82	117.72	26.39	481.15	163.41	51.06	26.37	188.10	-	-	-	293.05	226.41
	321.30	68.52	-	389.82	111.78	51.63	-	163.41	-	-	-	-	-
Total intangible assets	80,710.16	121.17	26.39	80,804.94	1,556.83	168.29	26.37	1,698.75	75.18	-	-	75.18	79,078.15
	77,692.15	3,018.01	-	80,710.16	1,339.64	217.19	-	1,556.83	75.18	-	-	75.18	-

\$ Includes trademarks and copyrights of ₹ 315.63 (2014 - ₹ 315.63) pending for registration in the name of the Company and ₹ 37.63 (2014 - ₹ 37.63) pending for registration in the name of the Jyothy Fabricare Services Limited.

Figures in italics are in respect of the previous year

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

	As at March 31, 2015	As at March 31, 2014
NOTE 13		
NON CURRENT INVESTMENTS (AT COST, UNLESS STATED OTHERWISE)		
Investment property (Freehold land)#	147.30	147.30
Trade Investments (Unquoted)		
Henkel SPIC Employees Co-operative Thrift and Credit Society Limited		
2,000 (2014 - 2,000) equity shares of ₹ 100 (2014 - ₹ 100) each fully paid up	2.00	2.00
Capexil (Agencies) Ltd		
5 (2014 - 5) equity shares of ₹ 1,000 (2014 - ₹ 1,000) each fully paid up	0.05	0.05
Madras Industrial Cooperative Analytical Laboratory Limited		
2 (2014 - 2) equity shares of ₹ 500 (2014 - ₹ 500) each fully paid up	0.01	0.01
	2.06	2.06
Less: Provision for diminution in the value of investments	(0.06)	(0.06)
	2.00	2.00
Non-Trade Investment (Unquoted)		
Investment in Government Securities		
Indira Vikas Patra	0.02	0.02
National Saving Certificates (Pledged with Government authorities)	0.57	0.57
	0.59	0.59
	149.89	149.89
Aggregate amount of unquoted investments	149.89	149.89

Since this is freehold land no depreciation is charged on same.

	NON CURRENT		CURRENT	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
NOTE 14				
LOANS AND ADVANCES				
Unsecured, considered good unless otherwise stated				
Capital Advances	152.89	1,169.97	-	5.69
Inter corporate deposit to third parties	-	-	-	513.32
Advance to suppliers*	65.85	65.85	1,500.97	2,259.33
Balance with excise and VAT authorities*	-	-	1,949.96	1,871.49
MAT Credit entitlement	6,344.14	3,844.11	-	-
Deposits*	965.73	970.65	163.70	87.71
Balance with government authorities*	7,346.82	5,780.82	95.59	96.32
Prepaid Expenses	1.18	0.65	192.44	205.20
Advance income tax (net of provision ₹ 1,939.99 (2014 - ₹ 4,825.20))	2,089.59	796.55	39.25	27.38
Other receivables*	979.41	1,105.25	461.80	491.18
Less: Provisions for doubtful advances	(299.97)	(233.31)	(1,229.64)	(1,249.41)
	17,645.64	13,500.54	3,174.07	4,308.21

* Advances to suppliers, Balance with excise and VAT authorities, Balance with government authorities, Deposits, Capital Advances and Other receivables include ₹ 385.52 (2014 - ₹ 397.04), ₹ 881.50 (2014 - ₹ 881.50), ₹ 167.00 (2014 - ₹ 76.84), ₹ 49.26 (2014 - ₹ 107.33), ₹ 20.01 (2014-Nil) and ₹ 26.32 (2014- ₹ 20.01) respectively, considered doubtful and fully provided for.

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

	NON CURRENT		CURRENT	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
NOTE 15				
OTHER ASSETS				
Unsecured, considered good				
Inventory-Sales Promotions Items	-	-	294.61	484.57
Interest accrued but not due	-	-	2.01	3.69
Fixed deposit with Banks having maturity of more than 12 months (Note 19)	250.93	78.98	-	-
	250.93	78.98	296.62	488.26

	As at March 31, 2015	As at March 31, 2014
NOTE 16		
CURRENT INVESTMENTS QUOTED (Cost or Fair value whichever is lower)		
Axis Banking Debt Fund - Growth		
133,859.97 (2014 - 129,638.41) units of ₹ 1,000 (2014 - ₹ 1,000) each	1,700.00	1,500.00
Axis Liquid Fund - Growth		
Nil (2014 - 161,572.36) units of ₹ Nil (2014 - ₹ 1,000) each	-	2,272.79
Axis Short Term Fund		
3,298,544.68 (2014 - Nil) units of ₹ 10 (2014 - ₹ Nil) each	500.00	-
Axis Treasury Advantage Fund - Growth		
265,018.71 (2014 - 102,268.76) units of ₹ 1,000 (2014 - ₹ 1,000) each	4,050.00	1,453.81
ICICI Prudential Flexible Income - Growth		
Nil (2014 - 3,697,423.37) units of ₹ Nil (2014 - ₹ 10) each	-	718.86
HDFC Gilt Fund Long Term Plan - Direct Plan - Growth		
5,672,438.54 (2014 - Nil) units of ₹ 10 (2014 - ₹ Nil) each	1,600.00	-
HDFC High Interest Fund - Dynamic Plan		
815,281.64 (2014 - Nil) units of ₹ 10 (2014 - ₹ Nil) each	400.00	-
ICICI Prudential STP - Growth		
1,785,912.01 (2014 - Nil) units of ₹ 10 (2014 - ₹ Nil) each	500.00	-
ICICI Prudential Ultra Short Term Plan - Direct Plan - Growth		
11,475,961.45 (2014 - Nil) units of ₹ 10 (2014 - ₹ Nil) each	1,600.00	-
Indiabulls Ultra Short Term Fund		
115,556.48 (2014 - Nil) units of ₹ 1,000 (2014 - ₹ Nil) each	1,550.00	-
Reliance Short Term Fund		
5,143,139.64 (2014 - Nil) units of ₹ 10 (2014 - ₹ Nil) each	1,350.00	-
Religare Invesco Short Term Fund		
53,149.72 (2014 - Nil) units of ₹ 1,000 (2014 - ₹ Nil) each	1,000.00	-
Reliance Invesco Ultra Short Term Fund - Direct Plan		
51,584.63 (2014 - Nil) units of ₹ 1,000 (2014 - ₹ Nil) each	1,000.00	-
Taurus Short Term Income Fund		
20,401.56 (2014 - Nil) units of ₹ 1,000 (2014 - ₹ Nil) each	500.00	-
Taurus Ultra Short Term Bond Fund Super Institution		
41,593.42 (2014 - Nil) units of ₹ 1,000 (2014 - ₹ Nil) each	700.00	-
Axis Treasury Advantage Fund - Direct Growth		
1,465.714 (2014 : Nil) units of ₹ 1,498.8914 (2014 : Nil) each	21.97	-
Religare Invesco Credit Opportunities Fund - Growth(CO-IG)		
46,678.225 (2014 : Nil) units of ₹ 1,563.1972 (2014 : Nil) each	729.67	-

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

	As at March 31, 2015	As at March 31, 2014
NOTE 16		
CURRENT INVESTMENTS QUOTED (Cost or Fair value whichever is lower) (Contd.)		
TSTG Tata Short Term Bond Fund Plan A - Growth		
1,953,407.328 (2014 : Nil) units of ₹ 25.5963 (2014 : ₹ Nil) each	500.00	-
HDFC High Interest Fund - Dynamic Plan - Growth		
1,037,150.739 (2014 : Nil) units of ₹ 48.2090 (2014 : ₹ Nil) each	500.00	-
Franklin India Low Duration Fund - Growth		
6,645,622.196 (2014 : Nil) units of ₹ 15.0475 (2014 : ₹ Nil) each	1,000.00	-
	19,201.64	5,945.46
Aggregate amount of quoted investments	19,201.64	5,945.46
Market value of quoted investments	19,497.57	6,024.15
	As at March 31, 2015	As at March 31, 2014
NOTE 17		
INVENTORIES (Valued at lower of cost or net realisable value)		
Raw and packing materials (including goods in transit ₹ Nil (2014- ₹ Nil))	5,238.99	4,437.77
Work in progress	1,371.28	1,407.19
Finished goods manufactured	7,395.12	6,158.76
Traded Goods (including goods in transit ₹ 322.89 (2014- ₹ 277.56))	4,113.09	4,889.20
Stores, Operating supplies and spare parts	401.88	487.11
	18,520.36	17,380.03
NOTE 18		
TRADE RECEIVABLES		
Unsecured		
a) Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	872.49	1,508.04
Considered doubtful	1,397.11	1,263.28
Less: Provision for doubtful receivables	(1,397.11)	(1,263.28)
	872.49	1,508.04
b) Other receivable, considered good	4,869.41	5,174.92
	5,741.90	6,682.96

Refer Note 30 for dues receivable from related parties

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

	NON CURRENT		CURRENT	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
NOTE 19				
CASH AND BANK BALANCES				
Cash in hand	-	-	42.69	45.46
Balance with banks - Current account	-	-	2,477.97	3,041.46
- Deposit account (Original maturity of less than three months)	-	-	-	364.68
- Deposit account (Original maturity of less than twelve months)	-	-	572.03	84.67
Unclaimed dividend accounts	-	-	53.34	40.04
	-	-	3,146.03	3,576.31
Other bank balances				
Deposits with original maturity for more than 12 months*	250.93	78.98	4,523.70	3,407.37
Amount disclosed under 'other assets' (Note 15)	(250.93)	(78.98)	-	-
-	-	-	4,523.70	3,407.37
-	-	-	7,669.73	6,983.68

* Includes deposits provided as securities against bank guarantees, debenture redemption reserves, performance guarantee, PNG connection, margin money and earnest money deposits in relation to tenders from railway authorities ₹ 2,847.17 (2014 - ₹ 1,583.98)

	2014-15	2013-14
NOTE 20		
OTHER OPERATING INCOME		
Export incentives	25.92	0.26
Agricultural Income	4.28	12.47
Sale of scrap	13.30	91.34
Liabilities no longer required written back (net)	389.17	381.22
Differential Tariff towards power and fuel expenses of earlier years	400.31	-
Others	121.05	61.97
	954.03	547.26
NOTE 21		
OTHER INCOME		
Lease rent income	8.29	4.98
Profit on sale of current investments	500.93	345.46
Profit on sale of fixed assets	16.17	0.66
Foreign exchange fluctuation gain (net)	13.51	26.22
Miscellaneous income	23.55	38.82
	562.45	416.14
NOTE 22		
COST OF RAW MATERIALS AND COMPONENTS CONSUMED		
Opening stock	4,437.77	4,501.61
Add: Cost of purchases	47,577.56	37,788.62
	52,015.33	42,290.23
Less: Closing stock	5,238.99	4,437.77
	46,776.34	37,852.46

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

	2014-15	2013-14
NOTE 23		
(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND TRADED GOODS		
Closing stock		
Finished goods	7,395.12	6,158.76
Traded Goods	4,113.09	4,889.20
Work in progress	1,371.28	1,407.19
	12,879.49	12,455.15
Opening stock		
Finished goods	6,158.76	5,038.43
Traded Goods	4,889.20	6,243.28
Work in progress	1,407.19	946.72
	12,455.15	12,228.43
SUB-TOTAL (A)	(424.34)	(226.72)
(Increase)/ decrease in excise duty		
Excise duty on closing stock	148.50	240.11
Excise duty on opening stock	240.11	187.41
SUB-TOTAL (B)	91.61	(52.70)
TOTAL (A-B)	(515.95)	(174.02)
NOTE 24		
EMPLOYEE BENEFITS EXPENSES		
Salaries, wages and bonus	11,487.74	10,427.40
Contribution to provident and other funds (Note 28)	765.70	729.27
Gratuity (Note 28)	434.42	286.62
Staff welfare expenses	731.03	499.05
Directors' remuneration	801.94	980.99
Commission to directors	594.10	638.42
Field staff incentives	211.21	253.71
SUB-TOTAL (A)	15,026.14	13,815.46
Employee stock option expenses (Note 36)	2,871.13	-
SUB-TOTAL (B)	2,871.13	-
TOTAL (A+B)	17,897.27	13,815.46

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

	2014-15	2013-14
NOTE 25		
OTHER EXPENSES		
Power and fuel expenses	2,922.45	2,686.08
Rent	1,886.77	1,764.88
Insurance	68.98	66.39
Repairs and maintenance		
- Building	188.08	128.70
- Plant and machinery	326.99	247.62
- Others	228.82	161.37
Consumption of stores and spares	626.31	357.56
Research and development	52.50	48.81
Excise duty on captive consumption	617.29	496.64
Printing and stationery	77.72	89.40
Communication costs	322.40	276.85
Legal and professional fees	1,141.16	1,107.32
Rates and taxes	542.95	595.82
Directors' sitting fees	5.60	3.65
Vehicle maintenance	368.78	377.61
Donation	15.39	5.22
Loss on fixed assets discarded	134.14	6.93
Bad debt written off	6.96	9.08
Provision for doubtful debts	123.25	201.98
Provision for doubtful advances	14.43	66.24
Advertisement and Sales Promotion expense	18,096.58	14,420.56
Freight, handling and forwarding charges	8,693.25	7,238.08
Field staff expenses	1,225.71	1,225.03
Travelling and conveyance	389.09	387.92
Brokerage on sales	21.74	86.75
Royalty	245.31	271.46
Corporate social responsibility expenses (Note 31)	121.33	-
Miscellaneous expenses	1,075.12	1,084.08
	39,539.10	33,412.03
NOTE 26		
FINANCE COST		
Interest expense - term loan and bank overdraft	164.91	4,233.43
Interest on debentures	1,139.75	1,000.55
Other borrowing cost	72.10	292.68
	1,376.76	5,526.66
NOTE 27		
INTEREST INCOME		
Interest on fixed deposit	382.38	333.67
Interest on inter-corporate deposit	42.45	61.70
Interest on other deposit	4.83	6.08
	429.66	401.45

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 28 - EMPLOYEE BENEFIT

(i) Defined Benefit Plans -

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

The following tables summarise the components of net benefit expense recognised in the Statement profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

	2014-15 Gratuity	2013-14 Gratuity
	Funded, except for certain subsidiaries where it is non funded	
(A) Summary of the Actuarial Assumptions		
Mortality	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Discount rate	7.80%	9.20%
Rate of increase in compensation	8.00%	8.00%
Withdrawal rates	1%-10%	1%-10%
Rate of return (expected) on plan assets	8.75%-9.00%	6%-10%
The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.		
(B) Changes in present value of obligations (PVO)		
PVO at beginning of period	1,701.82	1,642.97
Interest cost	154.94	120.01
Current Service Cost	209.24	145.52
Benefits Paid	(129.81)	(249.89)
Actuarial (gain) / loss on obligation	85.67	43.21
PVO at end of period	2,021.86	1,701.82
(C) Changes in fair value of plan assets		
Fair value of plan assets at the beginning of period	638.62	636.02
Adjustment to Opening Fair Value of plan assets	(18.78)	-
Expected return on plan assets	54.55	52.84
Contributions	119.39	195.01
Benefit paid	(116.99)	(247.69)
Actuarial gain / (loss) on plan assets	(35.80)	2.44
Fair value of plan assets at end of period	640.99	638.62
(D) Net Assets/(Liabilities) recognised in the balance sheet		
PVO at end of period	(2,021.86)	(1,701.82)
Fair value of plan assets at end of period	640.99	638.62
Funded status (deficit in fair value of plan assets over PVO)	(1,380.87)	(1,063.20)
Net assets / (Liability) recognised in the balance sheet	(1,380.87)	(1,063.20)

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 28 - EMPLOYEE BENEFIT (Contd.)

	2014-15 Gratuity	2013-14 Gratuity
	Funded, except for certain subsidiaries where it is non funded	
(E) Expenses recognised in the statement of profit and loss		
Current service cost	209.24	145.52
Interest cost	154.94	120.01
Expected return on plan assets	(54.55)	(52.84)
Net actuarial (gain)/loss recognised for the period	121.47	40.77
Gratuity borne by the Company	3.32	33.16
Expense recognised in the statement of profit and loss	434.42	286.62
(F) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :		
Investment with insurer	100.00%	100.00%

(G) Amounts for the current and previous four periods are as follows:

	April to March 15	April to March 14	April to March 13	April to March 12	April to March 11
Defined benefit obligation	2,021.86	1,701.82	1,642.97	1,500.66	1,117.93
Plan assets	640.99	638.62	636.02	677.25	642.40
Surplus/ (Deficit)	1,380.87	1,063.20	1,006.95	823.41	475.53
Experience adjustments on plan liabilities	85.67	43.21	14.44	58.92	77.99
Experience adjustments on plan assets	(35.80)	2.44	1.28	(39.70)	8.49

(H) The Group expects to contribute ₹ Nil (2014 - ₹ Nil) to gratuity fund and ₹ 34.63 (2014 - ₹ 83.25) to Superannuation fund in the next year.

(ii) Defined contribution plans -

Amount of ₹ 870.64 (2014 - ₹ 866.55) is recognised as an expense and included in Note 24 in the Statement of Profit and Loss.

NOTE - 29 SEGMENT REPORTING

Business segments:

The primary segment of the Group has been determined on the basis of business segment. The Group is organized into four business segments - Soaps and Detergents, Home Care, Laundry services and Others. Segments have been identified taking into account the nature of the products and services, the differing risks and returns, the organization structure and the internal reporting system.

Soaps and Detergents includes fabric whiteners, fabric detergents, dishwash bar and soaps including ayurvedic soaps. Home Care products include incense sticks, dhoop, mosquito repellents and scrubber. Laundry services include dry-cleaning & providing linen on rental. Others includes Body care, Tea and coffee.

Secondary segment:

The Group mainly caters to the needs of the domestic market. The export turnover is not significant in the context of total turnover.

Segment revenue and result:

The income/ expense that are not directly attributable to the business segments are shown as unallocated corporate costs.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of debtors, inventories, advances and fixed assets. Assets at corporate level are not allocable to segments on a reasonable basis and thus the same have not been allocated.

Segment liabilities include all operating liabilities and consist principally of creditors and accrued liability.

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE - 29 SEGMENT REPORTING (Contd.)

Information about Business Segments

	Soaps and Detergents		Home care		Laundry Services		Others		Eliminations		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Revenue												
External Revenue	111,793.87	96,954.10	32,712.00	28,782.28	4,205.02	3,847.72	1,818.58	2,255.27	-	-	150,529.47	131,839.37
Inter Segment Revenue	-	20.87	517.69	1,189.12	-	-	-	-	(517.69)	(1,209.99)	-	-
Net Revenue	111,793.87	96,974.97	33,229.69	29,971.40	4,205.02	3,847.72	1,818.58	2,255.27	(517.69)	(1,209.99)	150,529.47	131,839.37
Segment results	14,771.34	14,872.73	822.48	767.66	(1,307.03)	(1,136.83)	264.89	(43.65)	-	-	14,551.68	14,459.91
Unallocated expenditure											(1,531.81)	(1,224.14)
Unallocated income											1,018.75	871.02
Interest & finance expenses											(1,376.76)	(5,526.66)
Profit before exceptional items, prior period items and tax											12,661.86	8,580.13
Exceptional Items											209.18	230.07
Profit before prior period items and tax											12,452.68	8,350.06
Prior Period items											-	165.02
Profit before tax											12,452.68	8,185.04
Provision for tax											(354.25)	(63.70)
Profit after tax before Minority Interest											12,098.43	8,121.34
Minority Interest (share of loss)											13.96	21.85
Profit after tax after Minority Interest											12,112.39	8,143.19
Other Information												
Segment assets	38,119.24	39,403.55	13,562.87	11,906.68	7,679.47	7,581.80	537.41	526.48	-	-	59,898.99	59,418.51
Unallocated assets											121,773.50	105,932.16
Total assets											181,672.49	165,350.67
Segment liabilities	13,085.86	11,715.65	5,088.34	4,266.56	797.88	1,088.13	97.64	130.64	-	-	19,069.72	17,200.98
Unallocated liabilities											84,493.06	74,554.05
Total liabilities (excluding minority interest)											103,562.78	91,755.03
Segment Capital expenditure (including capital work in progress)	1,060.45	1,064.28	425.78	60.58	1,150.64	264.65	-	-	-	-	2,636.87	1,389.51
Unallocated capital expenditure (including capital work in progress)											351.57	1,010.80
Total capital expenditure (including capital work in progress and excluding the Goodwill on consolidation)											2,988.44	2,400.31
Segment depreciation and amortisation	2,088.94	1,365.00	459.55	281.20	622.92	542.94	-	-	-	-	3,171.42	2,189.15
Unallocated depreciation and amortisation											393.14	247.80
Total depreciation and amortisation											3,564.56	2,436.95
Segment impairment loss / (Reversal)	-	-	-	-	-	-	-	-	-	-	-	-
Total impairment loss/ (Reversal)											-	-
Segment non cash expenses other than depreciation	151.16	126.59	29.29	65.21	97.19	55.44	0.47	2.85	-	-	278.11	250.08
Unallocated non cash expenses other than depreciation											0.67	34.15
Total Non Cash Expenses Other than Depreciation											278.78	284.23

Information about geographical segment :

	2014-15		2013-14	
Particulars	India	Outside India	India	Outside India
1. Segment Revenue	147,212.78	3,316.69	129,138.56	2,700.81
2. Segment Assets	180,969.31	703.18	164,583.13	767.54
3. Capital Expenditure	2,983.87	4.57	2,363.56	36.75

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 30 - RELATED PARTY DISCLOSURES

a) Parties where control exists

Individual having control

M.P. Ramachandran

Chairman and Managing Director

As the Managing Director of the Company is an individual having control and hence not separately disclosed as a key management personnel

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

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

Beena Agencies

Quilon Trading Co.

Travancore Trading Corp.

Tamil Nadu Distributors

Deepthy Agencies

Sahyadri Agencies

Sreehari Stock Suppliers

Sujatha Agencies

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

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

Relative of individual having control

M.P. Sidharthan

M.R. Jyothy (Director)

M.R. Deepthy

Ananth Rao T

Ravi Razdan

M. G. Santhakumari

M.P. Divakaran

Enterprises significantly influenced by key management personnel or their relatives

Sahyadri Agencies Ltd.

Key management personnel

K. Ullas Kamath

Joint Managing Director & CFO

S.Raghunandan

Whole Time Director & CEO

M.L. Bansal

Company Secretary (As per Companies Act, 2013)

	2014-15	2013-14
c) Transactions with related parties during the year		
Individual having control		
Remuneration*	-	216.00
Commission	312.69	429.18
Dividend	1,442.24	2,519.12
Commission paid		
Sahyadri Agencies Limited	-	82.86
Rent Paid		
Quilon Trading Company	1.20	1.20
Dividend (M.P. Divakaran - H.U.F. and M.P. Sidharthan - H.U.F.)	64.48	112.84
Dividend (Sahyadri Agencies Ltd.)	300.00	150.00
Assignment of receivables (Sahyadri Agencies Ltd.)	1,478.00	-

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 30 - RELATED PARTY DISCLOSURES (Contd.)

	2014-15	2013-14
Relatives of individuals having control		
Remuneration*		
M R Jyothy (Director)	96.32	53.76
M P Sidharthan	24.00	24.00
M R Deepthy	27.60	23.52
Ananth Rao T	34.74	28.98
Ravi Razdan	27.60	23.52
M. P. Divakaran	24.00	24.00
Dividend	581.97	1,018.45
Contribution to superannuation fund		
M R Jyothy	0.90	4.80
Ananth Rao T	-	2.52
M R Deepthy	2.40	2.10
Ravi Razdan	2.40	2.10
Key management personnel		
Remuneration*#	721.09	648.83
Commission	281.42	360.84
Dividend	32.94	55.89
Contribution to superannuation fund	28.20	57.60
* As the future liabilities for gratuity is provided on an actural basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.		
# The Company has accrued ₹ 2,542.15 in respect of employee stock options granted to whole time director and CEO. The same has not been considered as managerial remuneration of the current year as defined under Section 2(78) of the Companies Act, 2013 as the options have not vested / exercised		
d) Related party balances		
Amounts payable		
Trade payables :		
Individual having control	312.69	335.99
Key management personnel	281.42	302.39
Enterprises in which relatives of individual having control are interested (Security deposits)		
Quilon Trading Company	-	0.20
Enterprises significantly influenced by key management personnel or their relatives - Security deposits		
Sahyadri Agencies Ltd.	-	289.06

NOTE 31 - EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII IS AS GIVEN BELOW:

Particulars	2014-15	2013-14
Promoting preventing health care and sanitation	91.44	-
Contribution to Prime Ministers National Relief Fund	19.86	-
Rural/slum area development	10.03	-
TOTAL	121.33	-

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 32 - UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	Foreign Currency	2014-15		2013-14	
		₹ In Lacs	Amount in Foreign Currency	₹ In Lacs	Amount in Foreign Currency
Export trade receivable	US \$	100.39	160,385	128.49	213,789
Trade payable	US \$	57.60	92,020	11.73	19,520
Trade payables	Euro	71.70	106,200	-	-

NOTE 33 - OPERATING LEASES

In case of assets taken on lease

The Group has entered into Lease agreements for premises, which expire at various dates over the next five years. Certain agreements provide for increase in rent. All lease agreements are cancellable except in case of few agreements wherein there is a lock in period in the range of 11 months to 3 years. Lease rental expense for the year ended March 31, 2015 was ₹ 1,886.77 (2014 - ₹ 1,764.88). There are no restrictions imposed by lease arrangements. There are no subleases.

	2014-15	2013-14
Future lease payment under non - cancellable operating leases are as follows:		
Payable not later than one year	167.93	228.79
Payable later than one year and not later than five years	57.54	257.15
Payable later than five years	-	-
	225.47	485.94

In case of assets given on lease

The Company has leased out few of its premises on operating lease. The gross carrying amount and accumulated depreciation as at March 31, 2015 is ₹ 54.95 and ₹ 7.86 (2014 - ₹ 54.95 and ₹ 6.94) respectively. Lease rent income for the year ended March 31, 2015 was ₹ 8.29 (2014 - ₹ 4.98). There is no escalation clause in the lease agreement and the lease is cancellable in nature. There are no restrictions imposed by lease arrangements.

NOTE 34 - CONTINGENT LIABILITIES

	2015	2014
Based on management's evaluation following contingent liabilities is not probable and hence not provided by the Group in respect of:		
(i) Amount outstanding in respect of corporate and other bank guarantees	5,527.14	1,596.09
(ii) Tax matters		
(a) Disputed sales tax demands - matters under appeal	2,329.45	5,694.93
(b) Disputed excise duty and service tax demand - matter under appeal	3,103.15	3,228.50
(c) Disputed income tax demand - matter under appeal*	3,741.60	1,282.39
(iii) Other statutory dues	8.88	8.88

*The amount shown above does not include contingent liability for the assessments reopened / pending assessments.

NOTE - 35 - CAPITAL COMMITMENTS (NET OF ADVANCES)

	2015	2014
Estimated amount of contracts remaining to be executed on capital account and not provided for	508.89	1,572.99
	508.89	1,572.99

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 36 - EMPLOYEE STOCK OPTION PLANS ('ESOP')

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

Particulars	("ESOS -2014")	("ESOS -2014")	("ESOS -2014 - A")
	Grant - I	Grant - II	
Date of Grant	August 16, 2014	January 27, 2015	August 16, 2014
Number of options granted	503,445	34,507	2,715,352
Vesting period	33% - Year 1 33% - Year 2 34% - Year 3	33% - Year 1 33% - Year 2 34% - Year 3	66.67% - Year 1 16.67% - Year 2 16.66% - Year 3
Exercise period	5 years from the respective dates of vesting		
Exercise Price - Per share	Re. 1	Re. 1	Re. 1
Market price at grant date - Per share	Rs. 188.70	Rs. 289.80	Rs. 188.70

The details of the activity under the above schemes are summarised as below:

Particulars	("ESOS -2014")	("ESOS -2014")	("ESOS -2014 - A")
	Grant - I	Grant - II	
Outstanding at the beginning of the year - April 1,2014	-	-	-
Granted during the year	503,445	34,507	2,715,352
Cancelled during the year	52,994	-	-
Exercised during the year	-	-	-
Outstanding at the end of the year	450,451	34,507	2,715,352
Exercisable at the end of the year	450,451	34,507	2,715,352

Previous year figures have not been disclosed as the ESOP's were granted during the current year.

The Black Scholes valuation model has been used for computing the weighted average fair value of the stock granted considering the following inputs:

Variables	("ESOS - 2014") - Grant - I		
	Vest 1	Vest 2	Vest 3
	August 16, 2015	August 16, 2016	August 16, 2017
Volatility	36.19%	37.32%	40.33%
Risk free Rate	8.73%	8.72%	8.72%
Exercise Price (₹)	1.00	1.00	1.00
Time to maturity (in years)	3.50	4.50	5.50
Dividend yield	1.59%	1.59%	1.59%
Weighted average fair value of per stock option granted during the year (₹)	174.98		

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 36 - EMPLOYEE STOCK OPTION PLANS ('ESOP') (Contd.)

Variables	("ESOS - 2014") - Grant - II		
	Vest 1	Vest 2	Vest 3
	January 27, 2016	January 27, 2017	January 27, 2018
Volatility	35.94%	37.66%	37.76%
Risk free Rate	7.76%	7.75%	7.75%
Exercise Price (₹)	1.00	1.00	1.00
Time to maturity (in years)	3.50	4.50	5.50
Dividend yield	1.07%	1.07%	1.07%
Weighted average fair value of per stock option granted during the year (₹)	265.94		

Variables	("ESOS -2014 - A")		
	Vest 1	Vest 2	Vest 3
	August 16, 2015	August 16, 2016	August 16, 2017
Volatility	36.19%	37.32%	40.33%
Risk free Rate	8.73%	8.72%	8.72%
Exercise Price (₹)	1.00	1.00	1.00
Time to maturity (in years)	3.50	4.50	5.50
Dividend yield	1.59%	1.59%	1.59%
Weighted average fair value of per stock option granted during the year (₹)	176.38		

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

The Company measures the cost of ESOP using the intrinsic value method. Had the company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts as indicated below:

	As at March 31, 2015
Profit after tax as reported	12,112.39
Add: ESOP cost using the intrinsic value method	2,871.13
Less: ESOP cost using the fair value method	(2,661.17)
Proforma profit after tax	12,322.36
Earnings Per Share	₹
Basic	
- As reported	6.69
- Proforma	6.81
Diluted	
- As reported	6.65
- Proforma	6.76

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 37: INFORMATION REQUIRED FOR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013

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

Particulars	31-Mar-15				31-Mar-14			
	Net Assets as a % of consolidated		% of Share in profit and loss		Net Assets as a % of consolidated		% of Share in profit and loss	
	%	Amount	%	Amount	%	Amount	%	Amount
Parent								
Jyothy Laboratories Limited	163.91%	96,170.37	186.14%	14,278.95	201.34%	88,045.95	293.93%	10,611.41
Subsidiaries								
Indian								
Jyothy Consumer Products Marketing Limited	-73.03%	(42,846.96)	-58.74%	(4,506.32)	-87.67%	(38,340.64)	-115.91%	(4,184.55)
Jyothy Fabricare Services Limited	6.64%	3,897.88	-26.94%	(2,066.56)	-17.41%	(7,613.54)	-73.74%	(2,662.03)
Associated Industries Consumer Products Private Ltd	1.16%	681.15	-0.29%	(22.34)	1.61%	705.89	1.91%	68.94
Snoways Launderers & Drycleaners Private Limited	0.16%	91.10	0.00%	(0.01)	0.21%	91.10	0.00%	0.00
Four Seasons Drycleaning Company Private Limited	-0.31%	(182.88)	-0.67%	(51.31)	-0.29%	(126.13)	-1.27%	(45.69)
M/s. JFSL JLL JV (Partnership Firm)	0.54%	318.20	1.42%	108.67	0.87%	381.52	-1.90%	(68.68)
Foreign								
Jyothy Kallol Bangladesh Limited	1.17%	688.54	-0.73%	(55.87)	1.70%	744.39	-2.42%	(87.40)
Minority interest	-0.24%	(143.74)	-0.18%	(13.96)	-0.36%	(157.70)	-0.61%	(21.85)
Subtotal		58,673.66		7,671.25		43,730.84		3,610.15
Inter Company Elimination & Consolidation Adjustments		19,292.31		4,427.18		29,707.10		4,511.19
GRAND TOTAL	100.00%	77,965.97	100.00%	12,098.43	100.00%	73,437.94	100.00%	8,121.34

Net assets and share of profits and losses reported in the above table have been considered from the respective audited financial statements after making necessary changes for consolidation adjustments having impact on the consolidated net assets and net profits.

NOTE - 38

As per the Notification no. 32/99-CE dated July 8, 1999, the Company was entitled to refund of excise duty in Guwahati and Jammu units equivalent to the amount of the duty paid through Personal Ledger Account ('PLA'). During an earlier year, the Government issued notifications no. 17/2008-CE and 19/2008-CE dated March 27, 2008 restricting the refund amount to a maximum percentage specified in the notification. The Company had filed a writ petition in the Guwahati High Court and the Jammu and Kashmir High Court against the respective notifications and obtained stay orders from both the High Courts. The Jammu High Court had given a favourable order in an earlier year and the Guwahati High Court has passed a favourable order in the current year. The Company has accrued an additional benefit of ₹ 907.06 (2014 ₹ 683.95) in the current year and the benefit receivable as at the year end is ₹ 2,709.57 (2014 ₹ 1,802.51).

NOTE - 39

Jyothy Fabricare Services Ltd, the subsidiary of the company, has during the year, raised ₹ 4,000 through private placement of unlisted redeemable, non - convertible debentures, redeemable at a premium after 3 years from the date of allotment i.e. January 12, 2015. The redemption premium payable of ₹ 1,361.82 have been adjusted to the 'Securities Premium Account', in accordance with section 52 of Companies Act, 2013.

NOTES to the consolidated financial statements for the year ended March 31, 2015

₹ In Lacs

NOTE 40 - PRIOR PERIOD ITEMS

	2014-15	2013-14
Sales promotion expenses	-	165.02
	-	165.02

NOTE - 41

The Company has entered into an option agreement dated May 5, 2011 with Henkel AG & Co. KGaA (Henkel AG) whereby the Company has granted Henkel AG a firm and irrevocable option, at its sole discretion at any time after the beginning of the fifth year and ending upon the expiry of the sixth year of the said agreement or such other mutually extended period, to acquire a maximum of 26% of the issued equity share capital of the Company at a price which will be mutually determined by the parties at a later date.

NOTE 42 - EARNINGS PER SHARE

	2015	2014
Net Profit for calculation of basic and diluted EPS	12,112.39	8,143.19
Weighted average number of shares for calculation of basic EPS	181,023,496	170,872,811
Effect of dilution :		
Stock option granted under ESOP	1,224,545	-
Weighted average number of shares for calculation of diluted EPS	182,248,041	170,872,811
Basic EPS (₹)	6.69	4.77
Diluted EPS (₹)	6.65	4.77

NOTE 43 - EXCEPTIONAL ITEM

Exceptional item relates to additional payment towards retrenchment of employees on closure of the Bhubaneshwar and Chennai manufacturing unit for the previous year and for the Kandanaserry unit in the current year.

NOTE 44 - MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSMED')

The disclosure pursuant to the said Act is as under :

	2015	2014
Principal amount due to suppliers under MSMED Act	3,741.78	3,261.11
Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount, unpaid	4.31	4.98
Interest paid to suppliers under the MSMED Act	-	-
Interest due and payable towards suppliers under MSMED Act towards payment already made	-	-
Interest accrued and remaining unpaid at the end of accounting year	4.31	4.98

NOTES to the consolidated financial statements for the year ended March 31, 2015

NOTE 45 - PREVIOUS YEAR FIGURES

Previous year figures have been regrouped / reclassified , where necessary, to conform to this year classification.

Signatures to Notes 1 to 45

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E

per Vikram Mehta
Partner
Membership No.: 105938

Place: Mumbai
Date : May 25, 2015

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited

M.P. Ramachandran
Chairman and Managing Director

M.L. Bansal
Company Secretary

Place: Mumbai
Date : May 25, 2015

K. Ullas Kamath
Joint Managing Director and Chief Financial Officer

S.Raghunandan
Director and Chief Executive Officer

NOTES

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NOTES

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