

Notice

NOTICE is hereby given that the 19th Annual General Meeting of the Company will be held on **Tuesday, July 27, 2010 at 11.00 a.m. at M. C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai – 400 001** to transact the following business:

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2010 and Profit and Loss Account for the financial year April 1, 2009 to March 31, 2010 together with the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend for the Financial Year April 1, 2009 to March 31, 2010.
3. To appoint a Director in place of Mr. Nilesh B. Mehta, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Ms. M. R. Jyothy, who retires by rotation and being eligible offers herself for re-appointment.
5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT M/s. S. R. Batliboi & Associates, Chartered Accountants (Registration No. 101049W), Mumbai, ('the Auditors') be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and that they may be paid such remuneration as may be mutually agreed by and between the Board of Directors and the Auditors plus reimbursement of out of pocket/travelling expenses plus Service Tax as may be applicable."

Special Business:

6. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions contained in Section 163 of the Companies Act, 1956, ('the Act'), the register and index of members of the Company and copies of all the annual returns prepared by the Company under Section 159 of the Act together with copies of all certificates and documents required to be annexed or attached thereto under Section 161 or any one or more of them be kept at the office of Link Intime India Private Limited, the Registrars and Share Transfer Agents of the Company at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078."
7. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions contained in Section 314 (1B) of the Companies Act, 1956, and Notification No. G. S. R. 89(E) dated February 5, 2003 issued by Ministry of Finance and Company Affairs (Department of Company Affairs) read with Director's Relatives (Office or Place of Profit) Rules, 2003 and subject to approval of the Central Government, wherever required, Ms. M. R. Deepthi, a relative of Mr. M. P. Ramachandran, Managing Director and Ms. M. R. Jyothy, Whole-Time Director of the Company be and is hereby re-appointed as 'Manager – Finance' for a period of 5 (five) years commencing from August 1, 2010 as under:

Salary: Rs.1,00,000/- per month with an increase of Rs.25,000 per month every year and first such increase to be effective from April 1, 2011 and thereafter April 1, every year.

Perquisites: Company's contribution towards provident fund and superannuation fund, gratuity, personal accident insurance coverage and reimbursement of medical expenses as per policy framed by the Company from time to time for similar category of staff.

Tenure: 5 Years with effect from August 1, 2010 to July 31, 2015."

8. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions contained in Section 314 (1B) of the Companies Act, 1956, and Notification No. G. S. R. 89(E) dated February 5, 2003 issued by Ministry of Finance and Company Affairs (Department of Company Affairs) read with Director's Relatives (Office or Place of Profit) Rules, 2003 and subject to approval of the Central Government, wherever required, Mr. Ravi Razdan, a relative of Mr. M. P. Ramachandran, Managing Director and Ms. M. R. Jyothy, Whole-Time Director of the Company be and is hereby appointed as 'Head – I.T.' for a period of 5 (five) years with effect from April 1, 2010 at a total remuneration of Rs.50,000 per month on cost to Company basis.

FURTHER RESOLVED THAT pursuant to the provisions contained in Section 314 (1B) of the Companies Act, 1956, and Notification No. G. S. R. 89(E) dated February 5, 2003 issued by Ministry of Finance and Company Affairs (Department of Company Affairs) read with Director's Relatives (Office or Place of Profit) Rules, 2003 and subject to approval of the Central Government, wherever required, remuneration payable to Mr. Ravi Razdan be and is hereby increased with effect from August 1, 2010 as under.

Salary: Rs.1,00,000/- per month with an increase of Rs.25,000 per month every year and first such increase to be effective from April 1, 2011 and thereafter April 1, every year.

Perquisites: Company's contribution towards provident fund and superannuation fund, gratuity, personal accident insurance

coverage and reimbursement of medical expenses as per policy framed by the Company from time to time for similar category of staff."

9. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution: "RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, including any amendments thereto or re-enactment thereof, the provisions of the Foreign Exchange Management Act, 2000 ("FEMA") as amended, including the Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended and subject to any required approval, consent, permission and/or sanction of the Ministry of Finance (Department of Economic Affairs) and of Ministry of Industry (Foreign Investment Promotion Board/ Secretariat for Industrial Assistance), the Securities and Exchange Board of India ("SEBI") Regulations and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India ("GoI"), the Reserve Bank of India ("RBI"), SEBI and/or any other competent authorities, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations") (and including any amendment thereto or re-enactment thereof for the time being in force) and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the stock exchanges on which the Company's shares are listed and subject to necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities ("Requisite Approvals") and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company or any Committee of the Board (hereinafter referred to as the "Board"), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot with or without an over allotment option, either in India or in the course of international offering(s) in one or more foreign markets such number of equity shares of the Company ("Equity Shares"), in one or more tranches to public and/or private offerings and/or qualified institutional placement and/or on preferential allotment basis or any combination thereof through issue of prospectus and /or placement document and/ or other permissible/requisite offer document, to any eligible person, including but not limited to Domestic/Foreign Investors/Foreign

Institutional Investors, Non Resident Indians, Companies, Bodies Corporate, Trusts, Mutual Funds, Banks, Financial Institutions, Insurance Companies, Pension Funds, Individuals, Employees of the Company and any other categories of investors ("Investors") as may be decided by the Board in its discretion and permitted under applicable laws and regulations by offering the Equity Shares in one or more countries at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories and combination of investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, financial advisors and legal advisors up to an amount not exceeding Rs.300,00,00,000 (Rupees Three Hundred Crore) (including any over allotment option) and inclusive of such premium as may be determined by the Board.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolution:

- (a) The Equity Shares to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- (b) The relevant date for the purposes of determining the floor price of the Equity Shares in accordance with the SEBI ICDR Regulations would be the date in which the Board decides to open the proposed issue.
- (c) The Equity Shares proposed to be issued shall rank *pari-passu* in all respects including entitlement to dividend with the existing equity shares of the Company.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approvals, consents, permissions, if any, from any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Equity Shares may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Equity Shares.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any other, issue and allotment of Equity Shares, the Board be and is hereby authorized to take all such actions, give directions and to do all such acts, deeds

and things as may be necessary, desirable or incidental thereto and matters connected therewith including without limitation, determining the form and manner of the issue, including the class of investors to whom the Equity Shares are to be issued and allotted, number of Equity Shares to be allotted, issue price, face value, premium amount on issue of the Equity Shares, if any, in respect of any Equity Shares as may be required either on *pari-passu* basis or otherwise as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Equity Shares and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, enter into arrangements including arrangements for the Lead Managers, Registrars, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of Equity Shares and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Equity Shares on one or more stock exchange(s) (national or international) and to do all requisite filings with SEBI, the Government of India, the RBI, if required and any other concerned authority in India or outside, and to give such directions that may be necessary or arise in regard to or in connection with any such offer, issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board shall be binding on all shareholders.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted or as may be necessary in accordance with the terms of the offering of such Equity Shares ranking *pari-passu* with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offer documents."

By Order of the Board of Directors
For Jyothy Laboratories Limited

M. L. Bansal
Company Secretary

Mumbai, June 21, 2010

Registered Office:

'Ujala House', Ram Krishna Mandir Road,
Kondivita, Andheri (East), Mumbai - 400 059

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND, AND, ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER.** Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of Annual General Meeting.
2. The documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days, except Saturdays and holidays, up to the date of the Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 17, 2010 to Tuesday, July 27, 2010 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.
4. Dividend, if approved by the Members at the ensuing Annual General Meeting, will be paid to eligible members after July 27, 2010.
5. Reserve Bank of India (RBI) vide its circular 376-DPSS.(CO).EPPD No.191-04.01.01-2009-2010 dated July 29, 2009 has instructed banks to move to the NECS platform w.e.f. October 1, 2009. In this regard, you may note that in case you have not provided to your Depository Participant (DP) the new account number as allotted to you after implementation of Core Banking System (CBS) by your Bank, ECS credit of future dividends to your old account number may be rejected or returned by the banking system. In the above circumstances, you are advised to forthwith provide your new bank account number allotted to you, after your Bank has implemented CBS, along with the name of your Bank, Branch, 9 digit MICR Bank/ Branch code and account type to your DP, so that the future dividends can be credited to your new account number.
6. In case of remittance in electronic form, an intimation of the dividend payment would be sent to the shareholders. Shareholders who are not covered by ECS facility, the dividend amount will be remitted by means of dividend warrants which will be posted to their addresses.
7. Members holding shares in electronic form may note that as per the regulations of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Company is obliged to print the details on the dividend warrants as furnished by these Depositories to the Company. The Company cannot entertain any direct request from Members in this regard.

8. Members may note that their addresses/ Mandates/ Bank details like name of the bank/ branch, account number are provided to the Company by DP in case of shares held in electronic form. Members are requested to notify immediately any change in their address/ Mandates/ Bank details to their respective DP for shares held in electronic form and to the Company's Registrars and Share Transfer Agents for shares held in physical form.
9. Members are also requested to notify their email address/ phone numbers/ mobile numbers to their respective DP for shares held in electronic form.
10. Shareholders who have not encashed their dividend warrants for the dividends declared for the financial years 2007-08 and for 2008-09, are requested to send a letter along with unclaimed dividend warrant, if any or letter of undertaking for issue of duplicate dividend warrant/ Demand draft.
In terms of Section 205A and 205C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the "Investor Education & Protection Fund" (IEPF). Members are requested to encash their Dividend Warrants promptly. It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie with the Company in respect of such amount.
11. Members holding shares in physical form and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 109A of the Companies Act, 1956 may fill Form 2B (in duplicate) and send the same to the office of the Registrars and Share Transfer Agents of the Company. In case of shares held in dematerialized form, the nomination should be lodged with their DPs.
12. Members are requested to correspond with Registrars and Share Transfer Agents of the Company for all matters relating to shareholding in the Company.
13. Members attending the Annual General Meeting (AGM) of the Company are requested to bring their copy of this Annual Report and duly filled in Attendance Slip to the Meeting.
14. Corporate Members are requested to send to the Company's Registrars and Share Transfer Agents, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
15. Members are requested to hand over the enclosed Attendance Slip, duly filled in and signed in accordance with their specimen

signature(s) registered with the Company for admission to the AGM hall. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID Numbers for identification.

16. Members desiring any information on the accounts are requested to write to the Company at least seven days in advance of the AGM.
17. As required under Clause 49 of the Listing Agreement executed with the stock exchanges, the details of Directors retiring by rotation and seeking re-appointment at the ensuing AGM are provided in the Corporate Governance Report forming part of the Annual Report.
18. Prevention of Frauds: You are advised to exercise due diligence and notify your DP of any change in address, stay abroad or demise of any shareholder as soon as possible. Do not leave your Demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
19. Confidentiality of Security Details: Do not disclose your Folio Nos./ DP ID/Client ID to unknown persons. Do not hand over signed blank transfer deeds, delivery instruction slips to any unknown persons.
20. Dealing of Securities with Registered Intermediaries: Members must ensure that they deal with only SEBI registered intermediaries and must obtain a valid contract note/ confirmation memo from the broker/sub-broker, within 24 hours of execution of the trade and it should be ensured that the Contract Note/ Confirmation Memo contains order no., trade no., trade time, quantity, price and brokerage.
21. The shareholders can get more information about the Company on Company's website, i.e., www.jyothylaboratories.com or on Stock Exchange websites, which are www.bseindia.com and www.nseindia.com.

By Order of the Board of Directors
For Jyothy Laboratories Limited

M. L. Bansal
Company Secretary

Mumbai, June 21, 2010

Registered Office:
'Ujala House', Ram Krishna Mandir Road,
Kondivita, Andheri (East), Mumbai - 400 059

Explanatory Statement

Pursuant to Section 173 of the Companies Act, 1956

Item No. 6

As per Section 163(1) of the Companies Act, 1956, ('the Act'), certain Registers and documents which are normally required to be kept at the Registered Office of the Company could be kept at a place other than the Registered Office of the Company, provided such other place has been approved by the members by way of a Special Resolution.

M/s. Link Intime India Private Limited is the Registrars and Share Transfer Agents of the Company and the Company intends to keep the above mentioned registers and documents with them. So, for the above matter the approval of members is required and it is sought by passing the above resolution. A copy of the proposed Special Resolution will be sent in advance to the office of the Registrar of Companies at Mumbai, Maharashtra.

Directors recommended the resolution as proposed in the notice for members' approval.

None of the Directors of the Company is interested in the resolution.

Item No.7

Ms. M. R. Deepthi was appointed as 'Manager – New Projects' w.e.f. July 1, 2007 to June 30, 2012 at a remuneration not exceeding Rs.50,000/- per month on cost to Company basis. By qualification she has completed her 'B.M.S.' from Chinai College affiliated with Mumbai University and 'M.M.S.' from S.I.E.S. College, Nerul.

She has done good work in the area of project evaluation, performance evaluation and budget formulations for the Company. She has been working for last three years at the same salary as fixed in July 2007 without any increase. The Board therefore considered and decided at its meeting held on May 25, 2010, to revise her salary and re-appoint her as 'Manager – Finance' at the following terms.

Salary: Rs.1,00,000/- per month with an increase of Rs.25,000 per month every year and first such increase to be effective from April 1, 2011 and thereafter April 1, every year.

Perquisites: Company's contribution towards provident fund and superannuation fund, gratuity, personal accident insurance coverage and reimbursement of medical expenses as per policy framed by the Company from time to time for similar category of staff.

Tenure: 5 Years with effect from August 1, 2010 to July 31, 2015.

The Board recommends the resolution for approval by the members.

None of the Directors except Mr. M. P. Ramachandran and Ms. M. R. Jyothy is in any way concerned or interested in the above resolution.

Item No.8

Mr. Ravi Razdan was appointed as 'Head-I.T' of the Company w.e.f. April 1, 2010. By qualification he has completed B.E. in Information Technology from Nanded and M.M.S. in Systems from the renowned institute, i.e., S.I.E.S. College of Management Studies, Navi Mumbai, affiliated to Mumbai University. He was working with Kotak Mahindra Bank Ltd. as Senior Manager in the Department of Information Technology for the duration of about 4 years and had handled various projects. He has computer proficiency in the following:

Computer Proficiency	
Operating System	Win Xp,Vista,Windows Server 2008
Programming Languages	Pl/Sql, Java
Database	Oracle 9i, Oracle 10g, Sql server 2008
Platforms	Oracle portal,.Net 3.5
App Servers Worked on	Apache Tomcat, Oracle 10g, IIS 7.0
Project Tools	Ms Projects
Graphical Tools	Macromedia flash

Mr. Ravi Razdan is now 'Head – I.T. and Communication functions' in the Company. His responsibilities include administration, supervision and maintenance of I.T. and Communication Infrastructure including its updates, various software packages and programmes in use including ERP under implementation, reporting packages etc. and their regular upgrades for the Company and its subsidiaries.

Subject to approval of the Members in the General Meeting, the Board Members have appointed Mr. Ravi Razdan as 'Head-I.T.' for a period of 5 years with effect from April 1, 2010 to March 31, 2015 at a consolidated total remuneration of Rs.50,000/- per month by giving their consent/approval to the resolution dated March 29, 2010 passed by circulation. The Board at its meeting held on May 25, 2010 also approved to revise his remuneration with effect from August 1, 2010 as under:

Salary: Rs.1,00,000/- per month with an increase of Rs.25,000 per month every year and first such increase to be effective from April 1, 2011 and thereafter April 1, every year.

Perquisites: Company's contribution towards provident fund and superannuation fund, gratuity, personal accident insurance coverage and reimbursement of medical expenses as per policy framed by the Company from time to time for similar category of staff.

The Board recommends the resolution for approval by the members.

None of the Directors except Mr. M. P. Ramachandran and Ms. M. R. Jyothy is in any way concerned or interested in the above resolution.

Item No.9

The Equity Shares of our Company were listed on 19th December 2007 on National Stock Exchange of India Limited and Bombay Stock Exchange Limited. Since then your Company has grown considerably both in terms of Sales and Profits. The Company continues to strive for organic growth at accelerated pace through market expansion, brand extension and new products with advance technology. However, to achieve still higher growth at faster rate and to keep pace with the competition, the Company is continuously looking for inorganic growth through acquisition opportunities. Only a limited time window is generally available for conclusion of such transactions. The Company, therefore, proposes to raise up to Rs.300 crore by further issue of capital through private placement with Qualified Institutional Buyers. This will augment the financial resources of the Company to enable it to avail the opportunities of inorganic growth.

The Company is proposing to issue Equity Shares to the Qualified Institutional Buyers to augment the resources of the Company and for this purpose seeks your approval to the resolution proposed.

The Company proposes to make a further issue of Equity Shares by way of qualified institutional placement ("QIP") in terms of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. These Equity Shares will be allotted only to Qualified Institutional Buyers in accordance with the SEBI Regulations.

As per Chapter VIII of the said SEBI ICDR Regulations, issue of Equity Shares, on QIP basis, can be made at a price not less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on a stock exchange during the two weeks preceding the Relevant Date.

The "Relevant Date" means the date of the meeting in which the Board decides to open the proposed issue.

The exact price, proportion, timing and terms of the issue of Equity Shares under the QIP will be decided by the Board based on the analysis of specific requirements in consultation with the merchant bankers to the QIP in accordance with the SEBI ICDR Regulations other applicable guidelines issued by any statutory authority(ies).

In accordance with the SEBI ICDR Regulations, special resolution of the shareholders in accordance with Section 81(1A) of the Companies Act, 1956, is required for a QIP issue. The allotment of Equity Shares will be made within a period of one year from the date of passing of the aforesaid Special Resolution in the present AGM excluding the time taken in obtaining the necessary approvals, if any, or within such further period as may be prescribed or allowed by the SEBI, stock exchange(s) or other concerned authorities.

Accordingly, the consent of the shareholders is being sought, pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956, and SEBI ICDR Regulations and in terms of the provisions of the listing agreements, to issue and allot Equity Shares as stated in the Special Resolution.

The proposed QIP issue is in the interest of the Company and the shareholders and the Directors recommend the passing of the resolution under this item as a special resolution.

None of the Directors of the Company is interested or concerned in any manner in the proposal contained in this resolution under this item.

**By Order of the Board of Directors
For Jyothy Laboratories Limited**

**M. L. Bansal
Company Secretary**

Mumbai, June 21, 2010

Registered Office:
'Ujala House', Ram Krishna Mandir Road,
Kondivita, Andheri (East), Mumbai - 400 059

Directors' report

To,

The Members,

Your Board of Directors is pleased to present the Nineteenth Annual Report together with the Audited Financial Statements for the year ended March 31, 2010 compared with previous period (July 1, 2008 to March 31, 2009) as follows:

Financial results	(Rs. in lacs)	
	Financial year ended March 31, 2010 (12 Months)	Financial period ended March 31, 2009 (9 Months)
Sales (net of trade discount)	62,622.66	38,416.86
Other Income	1,818.78	774.60
Profit before depreciation and interest	11,212.93	5,775.28
Interest & Finance Charges	61.16	36.63
Depreciation, Amortization & Impairment	1,046.30	681.24
Profit before tax	10,105.47	5,057.41
Provision for tax		
- Current tax	1,860.00	707.76
- Deferred tax charge	259.59	189.84
- Fringe benefit tax	0.00	72.00
- (Excess)/Short provision for current tax of earlier year	(18.82)	77.29
Profit after tax	8,004.70	4,010.52
Balance as per the last Balance Sheet		
– Brought forward	904.46	591.98
Balance available for appropriations	8,909.16	4,602.50
Appropriations:		
Final Dividend on Equity Shares	2,902.75	1,451.38
Corp. Dividend Tax	482.11	246.66
Transfer to General Reserve	4,000.00	2,000.00
Balance Carried Forward (Profit & Loss A/c)	1,524.30	904.46
* Earning Per Share (for 12 months in the current financial year and for 9 months for the previous financial period)	11.03	5.53
* Dividend Per Share (for 12 months in the current financial year and for 9 months for the previous financial period)	4.00	2.00

*(Based on Face Value of Re.1/- per Equity Share)

Change in the financial year

As you are aware, the Company had changed its financial year to end on March 31 to coincide the accounting year of the Company with the conventional financial year to enhance comparability with other companies. Accordingly, the previous accounting period was for nine months period from July 1, 2008 to March 31, 2009. Therefore, the attached financials which have been prepared for twelve month period/accounting year (April 1, 2009 to March 31, 2010), are not comparable with the previous period reporting which had been for nine month period i.e. July 1, 2008 to March 31, 2009.

Performance

During the financial year ended March 31, 2010, the Company recorded Sales (net of trade discount) at Rs. 62,622.66 lacs compared to Rs. 38,416.86 lacs in the previous 9-month financial period. In the financial year under review, Profit before Tax stood at Rs. 10,105.47 lacs compared to Rs. 5,057.41 lacs in previous 9-month financial period.

On a like to like basis the Sales (net of trade discount) in Financial Year under review had grown by 27.5% compared to corresponding previous twelve-months. The Sales (net of trade discount) and Profit before tax of the two periods compare as follows:

Particulars	April' 09-March' 10 (Audited)	08-March' 09 (Audited)	Growth %
Sales (net of trade discount)	62,622.66	49,119.68	27.5%
Profit before tax	10,105.47	7,297.22	38.5%

The Company has performed very well both in terms of growth in sales and profitability.

With signs of receding food inflation and hope of better weather conditions, launch of new products, leveraging and extension of existing brands both in product range and pan-India launches and acquisition of new technology in mosquito repellents should see your Company achieve still better growth in the coming years.

Dividend

For the financial year under review, the Board is pleased to recommend a dividend @ Rs. 4 per equity share of face value of Re.1/- each, (i.e. 400% of face Value of Equity Shares), aggregating to Rs. 2,902.75 lacs. In the previous financial period (9 Months), July 2008-March 2009, the Board had recommended and paid a dividend @ Rs. 2.00 per equity share of face value of Re. 1/- each, (i.e. 200% of face Value of Equity Share), aggregating to Rs. 1,451.38 lacs.

The dividend will be paid to eligible members after its approval by the Members in Annual General Meeting.

Finance

The Company continues to remain debt-free. The cash and bank balances as on March 31, 2010 amount to Rs.12,117.47 lacs.

New developments

Fabric care:

- The Company has planned Brand extension to take Ujala detergent to other states in a phased manner. We are in Kerala since 2003 and achieved a significant market share in mid-segment.
- Signed up with Sachin Tendulkar as Brand Ambassador for UJALA brand.

Household Insecticide:

- The Company is expanding its reach through new products. In November, 2009, the Company bought technology DEPA, a repellent formulation for protection from all blood sucking insects and mosquitoes from "DRDO" (Defence Research and Development Organisation), Ministry of Defence, Government of India which allows the Company to manufacture and market the products in India including to armed forces, and to many countries abroad. The repellent cream and wipers are in the process of being launched.
- To promote the products in this category, the Company launched a new media campaign and packaging for the brand "MAXO" – "Raat Achhi To Din Achha" which caught fancy of the viewers and has been very successful.
- The mosquito repellent coil manufacturing unit in fiscal incentive area of Jammu went into full scale production during this fiscal year. This manufacturing unit is equipped with the most updated technology in coil manufacturing.

Surface Cleaning:

- The Company achieved 24% market share in southern India and has launched the product at all India level in the last quarter of the financial year. The products in this category namely dish-wash bar, liquid and scrubbers have penetrated into all major cities in India.

Management Discussion & Analysis Report:

Management Discussion & Analysis Report is attached and forms part of this Directors' Report.

Corporate Governance

As per Clause 49 of the Listing Agreement with the stock exchanges, a Section on Corporate Governance is presented separately and forms part of this Report.

Subsidiary Companies

The Central Government has vide its letter No. 47/4/2010 – Cl. III dated 26.03.2010 exempted the Company from attaching Annual Accounts and other documents in respect of its four subsidiaries to the Annual Report of the Company for the year ended March 31, 2010. As required vide above letter, statement in respect of each of the subsidiary, giving the details of capital, reserves, total assets and liabilities, details of investments, turnover, profit before taxation and proposed dividend is attached to the Consolidated Balance Sheet. Annual Accounts of the subsidiary companies and the related detailed information will be made available to the shareholders of the Company, seeking such information and will also be available for inspection at the Registered Office of the Company.

Jyothy Fabricare Services Limited

Members are aware that the Company had started a new Value Added Service in fabric care segment to provide “World-class laundry at affordable price at your door step” and other related services through its subsidiary company namely ‘Jyothy Fabricare Services Limited (JFSL)’. JFSL is providing fabric care services under various brands namely JFSL Corporate, Fabric Spa, JFSL rentals, Fabric Spa busy easy and Snoways.

A world-class facility equipped with world-class machinery and equipments, most updated technology, supported by a robust IT structure and housed in an area of 70,000 square feet built on 2 acres of land at Doddaballapur, near Bangalore, Karnataka, became operational in November 2009.

The Company had earlier launched “Snoways” chain of laundry through acquisition of 8 retail outlets which have now grown to 30. “Fabric Spa” a premium brand was launched on November 9, 2009 in Bangalore. Response so far from consumers is very encouraging.

During the year under report, Snoways Launderers & Drycleaners Private Limited (Snoways) became an associate company of Jyothy Fabricare Services Limited.

Amalgamation

Your Directors have proposed amalgamation of Sri Sai Homecare Products Private Limited, a wholly-owned subsidiary company with the Company with effect from April 1, 2010.

Employee Relations

Employee relations remained cordial during the year under review.

Fixed Deposits

The Company did not take any fixed deposits from the public and no fixed deposits were outstanding or unclaimed as on March 31, 2010.

Directors

In accordance with the requirements of the Companies Act, 1956, and the Articles of Association of the Company, Mr. Nilesch B. Mehta and Ms. M. R. Jyothy, Directors of the Company are due to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible have offered themselves for re-appointment. The Board recommends their re-appointment.

Auditors

M/s. S. R. Batliboi & Associates, Chartered Accountants, Mumbai, Statutory Auditors of the Company, continue to hold office until conclusion of the Nineteenth Annual General Meeting and being eligible offer themselves for re-appointment.

A certificate has been received from the Auditors to the effect that their appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. The Auditors have advised that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

Directors’ Responsibility Statement:

Pursuant to requirements of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

1. in the preparation of the annual accounts for the financial year ended March 31, 2010, the applicable accounting standards have been followed;
2. 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, 2010 and of the Profit of the Company for the financial year ended on that date;
3. the Directors have taken proper and sufficient care in the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. the Directors have prepared the annual accounts for the financial year ended March 31, 2010 on a 'going concern' basis.

Consolidated Financial Statements

In accordance with Accounting Standard 21, issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements have been provided in the Annual Report. These Consolidated Financial Reports provide financial information about your Company and its subsidiaries as a single economic entity. The Consolidated Financial Statements form part of this Annual Report.

Conservation of Energy & Technology Absorption

With regard to the requirements of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the Company has nothing specific to report.

Foreign Exchange Earnings and Outgo

Particulars	2009-10 (12 Months)	2008-09 (9 Months)
Foreign exchange earnings	732.42	465.45
Foreign exchange outgo	590.89	193.81

(Rs. in lacs)

Particulars of Employees

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended and forming part of the Directors' Report for the year ended March 31, 2010 are not attached to this report as permitted under the provisions of Section 219(1)(b) (iv) of the Companies Act, 1956. Members interested in obtaining the said information may write to the Company Secretary at the registered office of the Company.

Risk and Concerns

Indian Economy has been on growth track again. The growth is expected to accelerate during the current year. However, excess liquidity and inflation induced by supply constraints and anxiety about the eventual and timing of withdrawal of stimulus continue to cause concern. The Company had reported good growth in 2008-09 as well as in 2009-10.

We believe that the Company operates in certain segments of FMCG space where demand for the Company's products is driven more by needs and may be impacted more by weather conditions and colour trends in wearing apparels. To some extent, the Company

is protected from pressures like slow down of economy due to small unit values of consumer packs of its products. The Company continues to promote usage of white apparels, widen its products range, introducing new variants of its products, brand extensions, create awareness and communicate utility value of its products to consumers through mass media advertisements and increasing geographical reach of its products.

The Company had been able to hold the price line during the year under review. However, any increase in prices of crude oil especially like those experienced in 2008-09 may impact the performance as your Company is a large consumer of HDPE and Labsa which are used for manufacture of containers and detergents, as their prices are closely linked to international prices of crude oil. Such cost increases could impact the profitability of the Company to the extent that it fails to neutralize the increased cost by matching increase in prices. The Company would continue to try to protect profitability by containing cost increases through greater efficiency in operation and judicious increase in prices.

The Company is perceived to depend for Turnover and Profits on a few products and that any adverse movement in sale or profitability of such products may compromise its performance. The Company is alive to the matter and has been continuously extending its products range and geographical reach within India and squeezing cost through greater operational efficiency without any compromise in quality.

The Management continues to monitor the risks concerning the Company and take actions as appropriate to the situation.

Internal Control Systems and its Adequacy

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.

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

Mumbai, May 25, 2010

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 the other stakeholders.

The Company is in compliance with all the regulations stipulated by the Companies Act, 1956, and Securities and Exchange Board of India (SEBI) with regard to Corporate Governance. The following together with information contained in Management Discussion and Analysis and other parts of Annual Report constitutes the Company's compliance with the Corporate Governance.

Board of Directors

Composition:

The Board comprises of 6 (Six) Directors of whom 3 (Three) are Executive Directors and 3 (Three) are Non-Executive/Independent Directors. Mr. M. P. Ramachandran is Promoter and the Chairman & Managing Director of the Company. In accordance with the provisions of Clause 49 of the Listing Agreement, not less than 50% of the Board consists of Non-Executive and Independent Directors.

Board Members and their Directorship in other Public Limited Companies:

Name of Director	Executive/Non-Executive/ Independent	Directorships in other Public Limited Companies	Committee positions in other public limited companies (as Chairman)
Mr. M. P. Ramachandran	Executive	2	Nil
Mr. K. Ullas Kamath	Executive	1	Nil
Ms. M. R. Jyothy	Executive	2	Nil
Mr. Niles B. Mehta	Non-Executive/Independent	4	2(1)
Mr. K. P. Padmakumar	Non-Executive/Independent	3	1(Nil)
Mr. Bipin R. Shah	Non-Executive/Independent	3	3(1)

The composition of the Board of Directors is as under:

Name of the Member of the Board	Relationship with other Directors
Mr. M. P. Ramachandran	Father of Ms. M. R. Jyothy
Mr. K. Ullas Kamath	None
Ms. M. R. Jyothy	Daughter of Mr. M. P. Ramachandran
Mr. Niles B. Mehta	None
Mr. K. P. Padmakumar	None
Mr. Bipin R. Shah	None

Attendance of Directors at Board Meetings and Annual General Meeting:

There were five Board meetings held during the financial year under review:

On May 20, 2009, on June 5, 2009, on July 30, 2009, on October 27, 2009 and on January 27, 2010. Details of attendance of Directors are 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
Ms. M. R. Jyothy	2	Yes
Mr. Niles B. Mehta	5	Yes
Mr. K. P. Padmakumar	3	Yes
Mr. Bipin R. Shah	5	Yes

Remuneration of Executive Directors:

Details of Remuneration of Executive Directors of the Company are as under:

Sr. No.	Particulars	M. P. Ramachandran	K. Ullas Kamath	M. R. Jyothy
1.	Salary & Perquisites	2,19,12,695	1,00,08,000	19,20,000
2.	Provident Fund	4,32,000	12,00,960	2,30,400
3.	Superannuation Fund	Nil	10,00,800	1,92,000
4.	Commission	2,16,63,080	1,08,31,540	Nil

Non-Executive Directors' Compensation and Shareholding:

At the Annual General Meeting held on September 25, 2007, the members had approved compensation payable to Non-Executive and Independent Directors on the Board of the Company.

Independent Directors are paid sitting fees and commission during the year under review. The Company does not have any stock option scheme provided to Directors or Officers 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 (Rs.)	Commission (Rs.)	No. of Shares held
1.	Mr. Nilesh B. Mehta	1,45,000	7,00,000	Nil
2.	Mr. K. P. Padmakumar	75,000	7,00,000	Nil
3.	Mr. Bipin R. Shah	1,45,000	7,00,000	100

Audit Committee

The Audit Committee is duly constituted in accordance with Clause 49(II) of the Listing Agreement. Members of the Committee are: Mr. Nilesh B. Mehta (Chairman), Mr. K. P. Padmakumar, Mr. Bipin R. Shah and Mr. K. Ullas Kamath. Mr. Nilesh B. Mehta, Mr. K. P. Padmakumar and Mr. Bipin R. Shah are Independent / Non-Executive Directors and Mr. K. Ullas Kamath is Deputy Managing Director of the Company.

Members of the Audit Committee possess expert knowledge of Accounts, Audit and Finance. The Company Secretary is acting as Secretary to the Audit Committee. The Audit Committee meetings were held on May 20, 2009, June 5, 2009, July 30, 2009, October 27, 2009 and January 27, 2010.

The attendance at these meetings was as under:

Sr. No.	Name of the Directors	No. of Meetings Attended
1.	Mr. Nilesh B. Mehta	5
2.	Mr. K. P. Padmakumar	3
3.	Mr. Bipin R. Shah	5
4.	Mr. K. Ullas Kamath	5

The powers and role of the Audit Committee is in accordance with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 and includes oversight of the Company's financial process, reviewing the financial statements and the adequacy of internal audit. 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.

Remuneration Committee

The Board of Directors of the Company have not constituted a Remuneration Committee.

Shareholders & Investors Grievance Committee

Shareholders & Investors Grievance Committee of the Company inter-alia reviews and considers the report of Link Intime India Private Limited regarding number of various types of complaints/ requests received, handled and balances, if any. Members of the Committee are: Mr. Nilesh B. Mehta (Chairman), Mr. Bipin R. Shah and Mr. M. P. Ramachandran. The Committee meetings were held on June 5, 2009, July 30, 2009, October 27, 2009 and January 27, 2010 and were attended by all members.

Mr. M. L. Bansal, Company Secretary is the Compliance Officer.

During the financial year, the Company received 21 complaints and the same were disposed off. All complaints/ queries were disposed of within one week of receipt of the complaint/query. The Company does not have any complaints, not attended at the closure of the year under review.

Depository Escrow Account

As on March 31, 2010, 1200 Equity Shares belonging to 24 shareholders were lying in Depository Escrow Account.

The Company officials have made several efforts for communicating with investors in the IPO of the Company held in November 2007 and were able to reduce such cases from 111 in November 2008 to 24 as on March 31, 2010.

General Body Meeting

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	Number of Special Resolutions passed	Venue
2006-07	September 25, 2007	10.00 a.m.	3	43 Shiv Shakti Industrial Estate, Andheri - Kurla Road, Marol, Mumbai - 400 059.
2007-08	November 11, 2008	10.30 a.m.	3	Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020.
2008-09	July, 30, 2009	11.00 a.m.	1	Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020.

All special resolutions at the above Annual General Meetings were passed by show of hands. No resolution was passed by postal ballot during the year under review.

Details of Directors Seeking Appointment/Reappointment

Mr. Nilesh B. Mehta

Mr. Nilesh B. Mehta has rich experience in the field of financial services like investment banking, venture capital/private equity and corporate strategy. He currently runs Aureos Capital's India business as co head and Managing Partner. Aureos/raised US \$ 100 M India Opportunities Fund to invest in mid market opportunities in India. The Investors in the fund include some Development Financial Institutions of Europe, Insurance companies, commercial banks and family offices. The Fund has already made 5 investments of expansion capital nature.

Since 2000, he has been General Partner of elindia Venture Fund/Infinity II, where he led four IT-related investments in India/US. Prior to this, he spent 16 years in investment banking, private equity and fund-related activities, occupying positions as managing director of Meghraj Financial Services (India) Ltd (MFSI) and executive director of Anagram Finance Ltd. At MFSI, he led several private equity transactions and mergers and acquisitions of mid cap Indian companies.

He is a Member of the Institute of Chartered Accountants of India, and holds a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad, where he also taught Finance and Control Systems as a visiting faculty for few years. He is also a member of the Board of few public and private companies, and is one of the founder trustees of Aavishkaar Micro venture Fund.

Details of other companies in which directorships are held:

Name of Companies	Nature of Interest
Panchmahal Steel Limited	Director
Accutest Research Laboratories (India) Pvt. Ltd.	Director
Vikapa Financial & Management Services Pvt. Ltd.	Director
Infinity India Advisors Pvt. Ltd.	Director
Elindia Venture Fund Ltd.	Director
Elindia Venture Fund Management Ltd.	Director
Elindia Venture Holding Company Ltd.	Director
Aureos India Advisers Pvt. Ltd.	Director
Aureos India Trustees Pvt. Ltd.	Director
Venture India Advisors Pvt. Ltd.	Director

Ms. M. R. Jyothy

Ms. M. R. Jyothy is a Whole-Time Director of Jyothy Laboratories Limited. She holds a bachelor's degree in Commerce from the University of Mumbai and MBA from Wellinger's Management Institute, Mumbai. She has undertaken a course in Family Managed Business Administration from S. P. Jain Institute of Management, Mumbai. At present, she is pursuing 'Owner/President Management Programme' from Harvard University. She has been on the Board of the Company since October 2005 and handles sales administration, marketing and brand communication.

Details of other companies in which directorships are held:

Name of the Companies	Nature of Interest
Jyothy Fabricare Services Limited	Director
Sahyadri Agencies Limited	Director

Disclosures

(i) No transaction of material nature has been entered into by the Company with its Directors or Management and their relatives, etc., that may have potential conflict with the interests of the Company. The Register of Contracts/Statement of Related Party transactions are placed before the Audit Committee/ Board regularly for their review/approval, with a confirmation that those contracts were in the ordinary course of business and on arm's length basis. Transactions with related parties are disclosed in Note No. 7 of Schedule 19 to the Accounts in the Annual Report.

(ii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets from December 19, 2007 (date of Listing of the Company's equity shares) to March 31, 2010.

(iii) Company has fully complied with Mandatory requirements of the revised Clause 49 of the Listing Agreement. As regards, non-mandatory requirements, the Company has adopted Whistle Blower Policy and the same is posted on the website of the Company. No personnel has been denied access to the Ombudsperson.

Risk Management

The Company has laid down procedures and appraised the Board of Directors regarding key risk assessment and risk mitigation mechanisms.

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.jyothylaboratories.com.

Means of Communication

The Company publishes its Quarterly and Annual results in requisite newspapers. The said results are also available at the website of the Company. During the year, the Company has released official news of the Company as well as presentation was also made to institutional investor/analysts and the same are available on website of the Company.

CEO/CFO Certificate

A certificate was obtained from the Managing Director (CEO), Deputy Managing Director (COO) and Chief Financial Officer (CFO) in terms of Clause 49(V) of the Listing Agreement.

General Shareholder Information

- a) **Annual General Meeting** of the Company will be held on Tuesday, July 27, 2010 at 11.00 a.m. at M. C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai - 400 001
- b) **The Financial year covered by this Annual Report:** April 1, 2009 to March 31, 2010.
- c) **Date of Book Closure:** Saturday, July 17, 2010 to Tuesday, July 27, 2010 (Both days inclusive)
- d) **Dividend Payment:** After July 27, 2010.
- e) **Listing on Stock Exchanges and Stock Codes:**
 - Bombay Stock Exchange Limited - 532926
 - National Stock Exchange of India Limited - JYOTHYLAB
- 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 400 078,
Phone: 0091 022 25946970, Fax: 0091 022 25946969
E-mail: mt.helpdesk@linkintime.co.in

h) **Share Transfer System:**

Transfers are registered and returned within a period of 30 days from the date of receipt. The requests for dematerialization of shares are confirmed within 15 days from the date of receipt.

i) **Stock Market Price for the year:**

Month	BSE Market Price (Rs.)		NSE Market Price (Rs.)	
	High	Low	High	Low
April 2009	84.90	56.00	85.00	56.00
May 2009	86.25	61.00	86.50	61.50
June 2009	122.00	81.30	122.40	81.70
July 2009	109.00	85.50	109.45	85.10
August 2009	145.00	102.00	146.70	102.15
September 2009	142.95	125.05	143.80	124.05
October 2009	151.80	129.10	152.10	128.00
November 2009	168.65	142.00	168.70	140.05
December 2009	192.00	149.90	191.00	160.10
January 2010	178.40	151.00	180.00	153.00
February 2010	188.90	153.05	184.40	156.35
March 2010	204.60	164.55	204.90	164.75

j) **Shareholding Pattern as on March 31, 2010:**

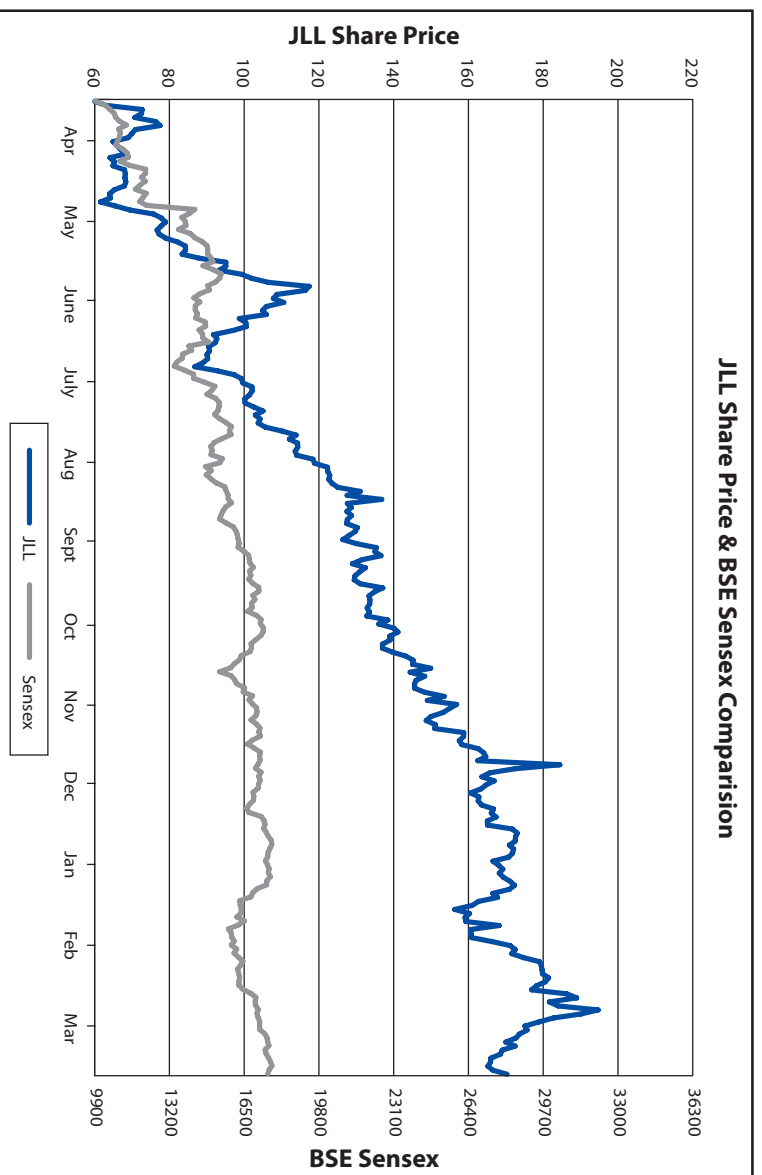
Category	No. of Shares	Percent
1 Promoter and Promoter Group	5,08,92,440	70.1299
2 Institutions		
Mutual Funds	58,11,049	8.0076
Financial Institutions/Banks	3,37,829	0.4655
Insurance Companies	64,73,155	8.9200
Foreign Institutional Investors	30,24,887	4.1683
3 Non-Institutions		
Bodies Corporate	13,84,724	1.9082
Individuals	43,64,809	6.0147
Clearing Member	80,880	0.1115
Foreign Holding/Nationals	1,97,727	0.2725
Independent Directors/Relatives	100	0.0001
Trusts	1,200	0.0017
Total	7,25,68,800	100.00



k) Distribution of Shareholding as on March 31, 2010:

Sr. No.	Slab of shareholding No. of Equity shares held		Numbers	Shareholders	In %	Shares Value	
	From	To				Face Value (Rs.)	in %
1.	1	5000	46,515	99.6850	37,18,419	5.1240	5.1240
2.	5001	10000	66	0.1414	4,66,257	0.6425	0.6425
3.	10001	20000	30	0.0643	4,65,340	0.6413	0.6413
4.	20001	30000	8	0.0172	1,93,840	0.2671	0.2671
5.	30001	40000	3	0.0064	1,14,250	0.1574	0.1574
6.	40001	50000	3	0.0064	1,31,010	0.1805	0.1805
7.	50001	100000	4	0.0086	2,57,835	0.3553	0.3553
8.	100001	Above	33	0.0707	6,72,21,849	92.6319	92.6319
Total			46,662	100.0000	7,25,68,800	100.0000	100.0000

l) Share Price (Rs.) in comparison with BSE Sensex:



<p>m) Dematerialization:</p> <p>As on March 31, 2010, out of total of 7,25,68,800 Shares, 7,25,68,785 (99.9999%) shares, are held in dematerialized form and the balance 15 shares are held in Physical Form.</p> <p>n) Outstanding GDRs/ADRs/Warrants or any convertible instruments: There has been no issue of GDRs/ADRs/Warrants or any convertible instruments.</p> <p>o) Plant Locations: Manufacturing Plants of the Company are situated at following places:</p> <ul style="list-style-type: none"> • Village Katha, P.O. Baddi, Dist. Solan, H.P. - 173 205. • Bishnupur, Bankura, West Bengal - 722 122. • No. 43a T. H. Road, KKD Nagar, Kodungayur, Chennai - 600 118. • 13, CNI Complex, Patia, Bhubaneswar, Orissa - 751 024. • Plot No. 203, Block B-4, 2nd Floor, Sorousajai, Games Village, NH-37, Guwahati - 781 029. • Lane No. 2, Phase No. 2, SIDCO Indl. Complex, Bari Brahmina, Jammu - 180 001. • Kandanaserry, Ariyannur Via Trichur District, Kerala - 690 102. • Shed No. 25/26, IDA Kothur, Mehboob Nagar, Hyderabad, A. P. - 509 228. • Plot No. 201, Sector-1, Industrial Area, Pitampur, Dist. Dhar, M. P. - 454 775. • Thethampakkam, Suthukeny Post, Via Vazhudavoor, Pondicherry - 605 502. • 2/295 Sankari Road, Nethimedu, Salem, Tamil Nadu - 636 002. • Survey No. 910/7/1, Dokmardi, Amli Silvassa, Dadra & Nager Haveli, Silvassa - 396 230. 	<ul style="list-style-type: none"> • Kie Ind. Estate, Opp. Utam Sugar Mill, Mundayaki Village, Roorkee, Uttarakhand - 247 667. • IV 101-B, Kolokappara Road, Wayanad District, Kerala-673 591. <p>p) Shareholders & Investors Correspondence:</p> <p>Shareholders should address their correspondence to Company's Registrars and Share Transfer Agents at the following address:</p> <p>Link Intime India Private Limited Unit: Jyothy Laboratories Limited C-13 Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078, Phone: 0091 022 25946970, Fax: 0091 022 25946969 E-mail: mt.helpdesk@linkintime.co.in Contact Person: N. Mahadevan Iyer / Mr. Raghunath Poojary</p> <p>Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding compliance with the Code of Conduct</p> <p>In accordance with Clause 49 (D) 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, 2010.</p> <p style="text-align: right;">For Jyothy Laboratories Limited M. P. Ramachandran Chairman & Managing Director</p> <p>Mumbai, May 25, 2010</p>
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Auditors' Certificate on Corporate Governance

To,

The Members of Jyothy Laboratories Limited

We have examined the compliance of conditions of corporate governance by Jyothy Laboratories Limited ('the Company'), for the year ended on March 31, 2010, 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. Batilboi & Associates

Firm Registration Number: 101049W

Chartered Accountants

per Sudhir Soni

Partner

Membership No.: 41870

Mumbai

Date: May 25, 2010

Auditors' Report

The Members of Jyothy Laboratories Limited

1. We have audited the attached Balance Sheet of **Jyothy Laboratories Limited** ('the Company') as at March 31, 2010 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **S.R. Batliboi & Associates**
Firm Registration Number: 101049W
Chartered Accountants
per Sudhir Soni
Partner
Membership No.: 41870
Mumbai
Date: May 25, 2010

Annexure to the Auditors' Report

Annexure referred to in paragraph 3 of 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.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (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 and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted unsecured loan and advances to a subsidiary company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,216.55 lacs and the year end balance of loans granted to such parties was Rs. 1,216.55 lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) The loan granted along with the interest is repayable on demand. As informed, the Company has not demanded repayment of any amount during the year, thus, there has been no default on the part of the party to whom the money has been lent.
- (d) There is no overdue amount of loan granted to the subsidiary company listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties

covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of paragraphs 4(iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

- (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. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) 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 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, wealth-tax, customs duty, excise duty and there are a few instances of insignificant delays in deposit of service tax and employees' state insurance. The provision of investor education and protection fund is currently not applicable to the Company.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- (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 and other undisputed 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, there are no dues of income-tax, wealth tax, customs duty, employees' state insurance and cess which have not been deposited on account of any dispute. According to the records of the Company, the dues outstanding of sales tax, service tax, excise duty, provident fund and cess on account of any dispute, are as follows:

Name of Statute (Nature of Dues)	Forum where the dispute is pending				
	Period to which the amount relates	Commissionerate	Appellate Authorities & Tribunal	High Court	Total Amount
Sales Tax (Tax/Penalty/Interest)	2002-03 to 2003-04	58	39	-	97
	2004-05 to 2005-06	53	158	-	211
	2006-07 to 2007-08	-	77	169	246
	2008-09 to 2009-10	-	483	-	483
	1999-00 to 2001-02	-	12	-	12
The Central Excise Act, 1944 (Tax/Penalty)	2004-05 to 2005-06	6	8	-	14
	2006-07	1	-	-	1
	2002-08	10	-	-	10
	2007-08	5	-	-	5
	2007-08	3	-	-	3
Total		136	777	169	1,082

- (x) 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.
- (xi) 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 bank. The Company has not taken any loan from the financial institutions. The Company has not issued any debentures.

- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

<p>(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.</p>	<p>(xix) The Company did not have any outstanding debentures during the year.</p> <p>(xx) The Company has not raised money through public issues during the year.</p>
<p>(xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.</p>	<p>(xxi) 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 course of our audit.</p>
<p>(xvi) The Company did not have any term loans outstanding during the year.</p>	<p>For S.R. Batliboi & Associates Firm Registration Number: 101049W Chartered Accountants per Sudhir Soni Partner Membership No.: 41870 Mumbai Date: May 25, 2010</p>
<p>(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.</p>	
<p>(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.</p>	

Balance Sheet As at March 31, 2010

	Schedule	As at March 31, 2010	As at March 31, 2009
<i>Rs. In lacs</i>			
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	725.69	725.69
Reserves and Surplus	2	39,165.77	34,506.32
		39,891.46	35,232.01
Loan Funds			
Unsecured loans	3	17.45	17.45
Deferred Tax Liability, Net	4	1,331.83	1,072.24
		41,240.74	36,321.70
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		25,154.56	22,826.91
Less: Accumulated Depreciation, amortisation and impairment		(5,345.36)	(4,315.67)
Net Block		19,809.20	18,511.24
Capital Work in Progress (Including Capital Advances)		346.47	610.60
		20,155.67	19,121.84
Investments	6	1,798.35	1,725.65
Current Assets, Loans and Advances			
Inventories	7	6,645.65	4,286.86
Sundry debtors	8	6,964.83	4,238.70
Cash and bank balances	9	12,117.47	10,017.29
Other current assets - Sales promotion items		110.23	28.85
Loans and advances	10	5,056.65	3,284.76
		30,894.83	21,856.46
Less: Current Liabilities and Provisions			
Current liabilities	11	7,034.12	3,881.65
Provisions	12	4,573.99	2,500.60
		11,608.11	6,382.25
Net Current Assets		19,286.72	15,474.21
		41,240.74	36,321.70
Notes to Accounts	19		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For **S. R. Batilboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

per **Sudhir Soni**
Partner
Membership No.: 41870

Place: Mumbai
Date: May 25, 2010

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

M.P. Ramachandran
Chairman and Managing Director

K. Ullas Kamath
Deputy Managing Director

M.L. Bansal
Company Secretary

Place: Mumbai
Date: May 25, 2010

Profit and Loss Account For the year ended March 31, 2010

		Rs. In Lacs	
	Schedule	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
INCOME			
Sales (net of trade discount)		62,622.66	38,416.86
Less: Sales tax		(4,161.95)	(2,318.14)
Less: Excise duty		(984.55)	(944.89)
Net sales		57,476.16	35,153.83
Other income	13	1,818.78	774.60
		59,294.94	35,928.43
EXPENDITURE			
Material costs	14	31,542.12	19,494.67
(Increase)/decrease in inventories	15	(438.78)	174.93
Excise duty		173.25	152.60
Employee costs	16	6,830.97	4,320.08
Other expenses	17	9,974.45	6,010.87
Depreciation, amortisation and impairment	5	1,046.30	681.24
Interest and finance charges	18	61.16	36.63
		49,189.47	30,871.02
Profit Before Tax		10,105.47	5,057.41
Provision for tax			
- Current tax		1,860.00	707.76
- Deferred tax charge		259.59	189.84
- Fringe benefit tax		-	72.00
- (Excess)/Short provision for current tax of earlier years		(18.82)	77.29
Profit After Tax		8,004.70	4,010.52
Profit and Loss Account, beginning of the year/period		904.46	591.98
Profit available for Appropriation		8,909.16	4,602.50
APPROPRIATIONS:			
Proposed dividend		2,902.75	1,451.38
Dividend tax on proposed dividend		482.11	246.66
Transfer to general reserves		4,000.00	2,000.00
Profit and Loss Account, end of the year/period		1,524.30	904.46
EARNINGS PER SHARE (EPS)			
Basic and Diluted (Rs.)		11.03	5.53
(Previous period for nine months)			
Nominal value per share (Rs)		1	1
Weighted average number of shares outstanding for calculation of Basic and Diluted EPS	19	72,568,800	72,568,800
Notes to accounts			

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For S. R. Batilboi & Associates
Firm Registration No. 101049W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: May 25, 2010

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

M.P. Ramachandran **K. Ulas Kamath**
Chairman and Managing Director Deputy Managing Director

M.L. Bansal Place: Mumbai
Company Secretary Date: May 25, 2010

Cash Flow Statement For the year ended March 31, 2010

Rs. In Lacs

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before Tax	10,105.47	5,057.41
Adjustments for:		
Depreciation, amortisation and impairment	1,046.30	681.24
Loss on discarded/sale of fixed assets, net	27.73	1.04
Provision for Diminution in Value of Investments written back	(19.96)	30.00
Dividend income	(0.79)	(0.79)
Interest and finance charges	61.16	36.63
Interest income	(914.36)	(616.57)
Interest earned on Loans - Subsidiaries	(83.08)	(2.91)
Excess provision written back	(64.98)	-
Excise duty provision written back (refer Note 11 of Schedule 19)	(475.26)	-
Provision for doubtful debts	2.19	21.80
Provision for doubtful advances	-	36.96
Operating profit before working capital changes	9,684.42	5,244.81
(Increase)/Decrease in current assets, loans and advances	(2,440.17)	(47.36)
Inventories (including sales promotion items)	(2,728.32)	(1,864.36)
Trade receivables	(1,150.00)	479.66
Loans and advances	3,284.06	750.65
Increase in current liabilities/provisions	6,649.99	4,563.40
Cash generated from operations	(1,548.49)	(793.38)
Taxes paid (net)	5,101.50	3,770.02
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress and capital advances	(1,827.54)	(669.99)
Proceeds from sale of fixed assets	202.29	4.31
Subsidy received against purchase of fixed assets	19.95	-
Receipt of investment subsidy	39.61	-
Purchase of investments in subsidiary company	-	(1,525.00)
Proceeds from Sale of investment in Joint venture companies	3.00	-
Proceeds from Sale of long term investment	40.26	-
Advances recovered/(given) from/to subsidiary company	(771.43)	7.31
Rapayment of loan given to subsidiary company	53.50	-
Investment in fixed deposits (net)	(1,220.58)	404.23
Interest received	894.87	744.25
Interest earned on Loans to subsidiaries	83.08	2.91
Dividend received	0.79	0.79
Net cash used in investing activities	(2,482.20)	(1,031.19)

Cash Flow Statement (Contd.) For the year ended March 31, 2010

	Rs. In Lacs	
	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:		
Interest and finance charges paid	(61.16)	(36.63)
Dividend paid	(1,451.38)	(1,451.38)
Dividend tax paid	(246.66)	(246.66)
Net cash used in financing activities	(1,759.20)	(1,734.67)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	860.10	1,004.16
Cash and cash equivalents at the beginning of the period/year	2,063.76	1,059.60
Cash and cash equivalents at the end of the period/year	2,923.86	2,063.76
Cash and bank balances as per Balance Sheet	12,117.47	10,017.29
Less, Long term deposits considered in investing activities	9,193.61	7,953.53
Cash and cash equivalents considered for cash flows *	2,923.86	2,063.76
* Includes unclaimed dividend of Rs. 2.85 (2009 - Rs. 1.51)		

As per our report of even date

For S. R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: May 25, 2010

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

M.P. Ramachandran
Chairman and Managing Director

K. Ullas Kamath
Deputy Managing Director

M.L. Bansal
Company Secretary

Place: Mumbai
Date: May 25, 2010

Schedules Forming Part of the Balance Sheet

As at March 31, 2010

		Rs. In Lacs	
		As at March 31, 2010	As at March 31, 2009
1	SHARE CAPITAL		
Authorised Capital			
100,000,000 (2009 - 100,000,000) equity shares of Re. 1 (2009 - Re. 1) each		1,000.00	1,000.00
		1,000.00	1,000.00
Issued, Subscribed and Paid up Capital			
72,568,800 (2009 - 72,568,800) equity shares of Re. 1 (2009 - Re. 1) each fully paid		725.69	725.69
		725.69	725.69
2	RESERVES AND SURPLUS		
Securities premium			
Investment subsidy		10,653.13	10,653.13
Add: Subsidy received during the year		67.29	67.29
Balance, end of the year		39.61	–
General reserves		106.90	67.29
Balance, beginning of the year/period			
Add: Transferred from Profit and Loss Account		22,881.44	20,881.44
Balance, end of the year/period		4,000.00	2,000.00
Balance in Profit and Loss Account		26,881.44	22,881.44
		1,524.30	904.46
		39,165.77	34,506.32
3	UNSECURED LOANS		
Deferred sales tax loan			
(Repayable within 1 year Rs. Nil, 2009 - Rs. Nil)		17.45	17.45
		17.45	17.45

Schedules Forming Part of the Balance Sheet As at March 31, 2010

Rs. In Lacs

		As at April 1, 2009	Charge/(Credit) for the year	As at March 31, 2010
4	DEFERRED TAX LIABILITY, Net			
a)	Deferred tax liability			
	Depreciation	1,474.63	263.20	1,737.83
		1,474.63	263.20	1,737.83
b)	Deferred tax assets			
	Technical royalty	7.00	1.75	5.25
	Gratuity	107.83	(0.80)	108.63
	Provision for doubtful debts	11.74	(0.74)	12.48
	Provision for doubtful advances	17.66	12.01	5.65
	Provision for leave encashment	66.48	(17.87)	84.35
	Provision for impairment losses	146.16	(15.73)	161.89
	Disallowance u/s 40 a (ia) of the Income Tax Act	20.30	12.20	8.10
		25.22	5.57	19.65
	Disallowance u/s 43B of the Income Tax Act	402.39	(3.61)	406.00
		1,072.24	259.59	1,331.83

5 FIXED ASSETS

		GROSS BLOCK			DEPRECIATION AND AMORTISATION				IMPAIRMENT		NET BLOCK		
Particulars	As at April 1, 2009	Additions @	Deletions/ Adjustment *	As at March 31, 2010	As at April 1, 2009	For the year	Deletions	As at March 31, 2010	As at April 1, 2009	For the year	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Intangible assets													
Goodwill	301.60	-	-	301.60	-	-	-	-	-	-	301.60	301.60	
Trademarks and Copyrights\$	580.31	0.50	-	580.81	157.93	61.59	-	219.52	-	-	361.29	422.38	
Knowhow	47.12	600.00	-	647.12	11.96	64.03	-	75.99	-	-	571.13	35.16	
Tangible assets													
Freehold land	1,832.27	10.07	-	1,842.34	-	-	-	-	-	-	1,842.34	1,832.27	
Leasehold land	279.24	-	-	279.24	14.80	3.68	-	18.48	10.37	-	10.37	250.39	254.07
Building#	10,492.77	649.10	-	11,141.87	1,120.70	267.41	-	1,388.11	143.35	-	143.35	9,610.41	9,728.72
Plant and machinery	7,059.47	1,085.68	30.75	8,114.40	1,719.22	449.51	4.77	2,163.96	255.02	42.94	297.96	5,652.48	5,085.23
Dies and moulds	305.90	49.93	0.73	355.10	277.95	18.05	-	296.00	-	-	-	59.10	27.95
Furniture and fixture	481.76	25.21	0.21	506.76	139.58	36.62	0.21	175.99	5.20	1.07	6.27	324.50	336.98
Office equipments	650.18	50.98	0.82	700.34	293.02	50.97	0.61	343.38	12.55	2.27	14.83	342.13	344.61
Vehicle	438.14	122.77	23.23	537.68	150.51	48.16	11.03	187.64	3.51	-	3.51	346.53	284.12
Assets held for disposal													
Freehold land	147.30	-	-	147.30	-	-	-	-	-	-	-	147.30	147.30
Building	210.85	-	210.85	-	-	-	-	-	-	-	-	210.85	
Total	22,826.91	2,594.24	266.59	25,154.56	3,885.67	1,000.02	16.62	4,869.07	430.00	46.28	476.29	19,809.20	18,511.24
Previous period	21,790.52	1,057.05	20.66	22,826.91	3,219.73	681.24	15.30	3,885.67	430.00	-	430.00	18,511.24	

\$ Includes trademarks and copyrights of Rs. 315.63 (2009 - 315.63) pending for registration in the name of the Company.

Includes Rs. 452.19 (2009 Rs. 452.19) represented by unquoted fully paid shares at cost in various co-operative societies.

* Adjustment in plant and machinery includes Rs. 19.95 for the government grant received for the installation of fixed assets in the previous year.

@ Includes Rs. 15.63 pertaining to pre operative expenses capitalised (Building Rs. 6.90, Plant and machinery Rs. 8.66, Dies and moulds Rs. 0.04, Office equipment Rs. 0.04)

Schedules Forming Part of the Balance Sheet

As at March 31, 2010

		Rs. in Lacs	
		As at March 31, 2010	As at March 31, 2009
6	INVESTMENTS (Long term, at cost)		
Trade Investments (Unquoted)			
Investment in subsidiaries -			
Sri Sai Home Care Products Private Limited,		175.06	79.01
2,000,000 (2009 - 1,039,550) equity shares of Rs. 10 (2009 - Rs. 10) each fully paid up			
Associated Industries Consumer Products Private Limited,		497.00	497.00
4,970,000 (2009 - 4,970,000) equity shares of Rs. 10 (2009 - Rs. 10) each fully paid up			
Jyothy Fabricare Services Limited		375.00	375.00
3,750,000 (2009 - 3,750,000) equity shares of Rs. 10 (2009 - Rs. 10) each fully paid up		750.00	750.00
7,500,000 (2009 - 7,500,000) Convertible preference shares of Rs. 10 (2009 - Rs. 10) each fully paid up			
Investment in Joint venture company -			
Balaji Teleproducts Limited		-	2.50
Nil (2009 - 25,000) equity shares of Rs. Nil (2009 - Rs. 10) each fully paid up			
Continental Speciale (India) Private Limited		-	0.50
Nil (2009 - 5,000) equity shares of Rs. Nil (2009 - Rs. 10) each fully paid up		1,797.06	1,704.01
Total			
Non Trade Investments			
Investment in Shares (Quoted)			
Contech Soft Limited		-	11.78
Nil (2009 - 27,500) equity shares of Rs. Nil (2009 - Rs. 10) each fully paid up			
Shri Adhikari Brothers Ltd.		-	708.52
Nil (2009 - 131,638) equity shares of Rs. Nil (2009 - Rs. 10) each fully paid up		-	720.30
Sub Total		-	(700.00)
Less: Provision for diminution in the value of investments		-	20.30
Total			
Investment in Government Securities (Unquoted)			
Indira Vikas Patra		0.02	0.02
National Saving Certificates		1.27	1.32
(Pledged with Government authorities)		1.29	1.34
Aggregate amount of unquoted investments		1,798.35	1,725.65
Aggregate amount of quoted investments		1,798.35	1,705.35
Market Value of quoted investments		-	720.30
There are no investments which were purchased and sold during the year/period		-	19.62
7	INVENTORIES		
Raw and packing materials (including goods in transit Rs. 53.97 (2009 - Rs. Nil))		2,032.61	1,558.95
Work in Progress		176.52	124.24
Finished goods (including goods in-transit Rs. 473.64 (2009 - Rs. 128.21))		4,194.56	2,420.80
Stores and spare parts		241.96	182.87
		6,645.65	4,286.86

Schedules Forming Part of the Balance Sheet As at March 31, 2010

		Rs. In Lacs	
		As at	As at
		March 31, 2010	March 31, 2009
8	SUNDRY DEBTORS		
Unsecured			
a)	Debt outstanding for period exceeding six months		
	Considered doubtful	36.73	34.54
	Less: Provision for doubtful debts	(36.73)	(34.54)
		—	—
b)	Other debts, considered good	6,964.83	4,238.70
		6,964.83	4,238.70

9	CASH AND BANK BALANCES		
	Cash in hand	16.10	29.93
	Balance with scheduled banks - Current account	2,904.91	2,032.32
	- Deposit account*	9,193.61	7,953.53
	- Unclaimed dividend accounts	2.85	1.51
		12,117.47	10,017.29

* Includes deposits provided as securities against bank guarantees/Bank Overdraft - Rs. 1,738.12, (2009 - Rs. 1,300.00).

10	LOANS AND ADVANCES		
Unsecured, considered good			
	Advances and loans to subsidiaries (refer Note 14 of Schedule 19)	2,144.12	1,522.23
	Deposits	253.57	208.22
	Advances recoverable in cash or in kind or for value to be received	1,639.94	625.01
	Quantity discount receivable	39.90	22.00
	Advance to suppliers	577.52	582.70
	Balance with excise authorities	297.15	224.65
	Staff loans	104.45	99.95
		5,056.65	3,284.76
Unsecured and considered doubtful			
	Advance to joint venture company	-	34.33
	Advance to suppliers	16.63	16.63
	Less: Provision for doubtful advances	(16.63)	(50.96)
		5,056.65	3,284.76

Schedules Forming Part of the Balance Sheet As at March 31, 2010

		<i>Rs. In Lacs</i>	
		As at March 31, 2010	As at March 31, 2009
11	CURRENT LIABILITIES		
Sundry creditors			
- Micro and Small Enterprises (refer Note 5 (E) of Schedule 19)		446.74	236.42
- Others		1,925.34	590.78
Other current liabilities		4,306.89	2,859.89
Unclaimed dividend (refer Note 15 of Schedule 19)		2.85	1.55
Security deposits		43.11	97.51
Advances from customers		309.19	95.50
		7,034.12	3,881.65

12	PROVISIONS		
Provision for income tax (net of advance tax)			
Provision for wealth tax		482.09	189.46
Provision for gratuity		3.79	3.00
Provision for leave encashment		455.08	414.52
Proposed dividend		2,902.75	1,451.38
Dividend tax on proposed dividend		482.11	246.66
		4,573.99	2,500.60

Schedules Forming Part of the Profit and Loss Account For the year ended March 31, 2010

		<i>Rs In Lacs</i>	
		April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
13	OTHER INCOME		
Dividend income on long term non-trade investments			
Interest on fixed deposit (tax deducted at source - Rs. 127.38, 2009 - Rs. 178.70)		0.79	0.79
Export incentives		914.36	616.57
Lease rent income		6.64	16.38
Power subsidy		110.08	64.24
Foreign exchange fluctuation gain (net)		5.00	-
Interest earned on loans to subsidiaries		-	11.71
Excess provision written back		83.08	2.91
		64.98	-

Schedules Forming Part of the Profit and Loss Account For the year ended March 31, 2010

Rs. In Lacs

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
13 OTHER INCOME (Contd.)		
Differential Excise duty benefit (refer Note 11 of Schedule 19)	475.26	-
Provision for diminution in value of investments written back	19.96	-
(net of loss on sale of long term investments of Rs. 680.04)		
Miscellaneous income	138.63	62.00
	1,818.78	774.60

14 MATERIAL COSTS		
Raw and packing materials consumed		
Opening stock	1,558.95	1,453.16
Add: Cost of purchases (net)	12,091.81	7,954.49
	13,650.76	9,407.65
Less: Closing stock	2,032.61	1,558.95
	11,618.15	7,848.70
Cost of trading goods		
Opening stock	1,394.93	1,329.81
Add: Cost of purchases	21,316.28	11,711.09
	22,711.21	13,040.90
Less: Closing stock	2,787.24	1,394.93
	Sub-total (B)	11,645.97
	Total (A+B)	19,494.67

15 (INCREASE)/DECREASE IN INVENTORIES		
(Increase)/decrease in inventories		
Closing stock		
Finished goods	1,407.32	1,025.87
Work in Progress	176.52	124.24
	1,583.84	1,150.11
Opening stock		
Finished goods	1,025.87	1,241.53
Work in Progress	124.24	67.36
	1,150.11	1,308.89
	Sub-total (A)	158.78

Schedules Forming Part of the Profit and Loss Account

For the year ended March 31, 2010

Rs. In Lacs

		April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
15	(INCREASE)/DECREASE IN INVENTORIES (Contd.)		
(Increase)/decrease in excise duty			
Excise duty on closing stock		24.92	29.97
Excise duty on opening stock		29.97	13.82
Sub-total (B)		5.05	(16.15)
Total (A-B)		(438.78)	174.93

16	EMPLOYEE COSTS	
Salaries, wages and bonus	4,861.84	2,911.50
Contribution to provident and other funds (refer Note 4 of Schedule 19)	408.47	283.98
Gratuity (refer Note 4 of Schedule 19)	135.50	195.80
Staff welfare expenses	359.64	226.33
Directors' remuneration (refer Note 5A of Schedule 19)	338.41	168.66
Commission to directors (refer Note 5A of Schedule 19)	324.95	137.58
Field staff incentives	402.16	396.23
	6,830.97	4,320.08

17	OTHER EXPENSES	
Conversion charges	35.65	44.48
Power and fuel expenses	1,175.79	814.00
Rent	311.09	188.64
Insurance	12.97	12.47
Repairs and maintenance		
- Building	58.03	18.41
- Plant and machinery	12.78	21.77
- Others	102.14	72.27
Consumption of stores and spares	299.53	144.75
Research and development	16.95	8.05
Printing and stationery	43.94	30.39
Communication costs	126.81	97.51
Legal and professional fees	491.10	341.85
Rates and taxes	293.58	355.21
Directors' sitting fees	3.65	2.85
Vehicle maintenance	104.96	68.61

Schedules Forming Part of the Profit and Loss Account For the year ended March 31, 2010

Rs. In Lacs

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
17 OTHER EXPENSES (Contd.)		
Donation (refer Note 5(G) of Schedule 19)	12.13	2.73
Loss on discarded/sale of fixed assets, net	27.73	1.04
Provision for doubtful debts	2.19	21.80
Provision for doubtful advances	-	36.96
Provision for diminution in value of investments	-	30.00
Exchange loss, net	2.43	-
Advertisement and publicity	2,620.25	1,491.51
Sales promotion and schemes	1,066.09	296.54
Carriage outwards	1,365.40	807.67
Field staff expenses	849.72	547.83
Travelling and conveyance	264.75	138.78
Brokerage on sales	200.70	110.14
Miscellaneous expenses	474.09	304.61
	9,974.45	6,010.87

18 INTEREST AND FINANCE CHARGES		
Interest expense		
- on banks	4.33	5.94
- others	44.21	21.28
Bank charges and commission	12.62	9.41
	61.16	36.63

Schedules Forming Part of the Financial Statements For the year ended March 31, 2010

19

NOTES TO ACCOUNTS

1. Background

Jyothy Laboratories Limited ('the Company') was incorporated on January 15, 1992. The Company is principally engaged in manufacturing and marketing of fabric whiteners, soaps, detergents, mosquito coils and incense sticks.

2. Basis of preparation of Financial Statements

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company are consistent with those used in the previous year.

3. Summary of Accounting Policies

The significant accounting policies are as follows:

a) Fixed assets

Fixed assets are stated at cost, less accumulated depreciation, amortisation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Cost of shares of Co-operative society has been added to the cost of office building. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

b) Depreciation and amortisation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher.

The estimated useful life of the assets is as follows:

Category	Estimated useful life (in years)
Factory Buildings	30
Building (Other than Factory Building)	60
Plant and machinery	21
Furniture and fixtures	16
Dies and moulds	3
Computers	6
Office equipments	21
Vehicles	8-10
Knowhow	3-5
Trademarks and Copyrights	9-10

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. The Goodwill purchased is tested for impairment purposes every year.

c) Impairment

i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized whenever 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 weighted average cost of capital.

19 NOTES TO ACCOUNTS (Contd.)

- 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 increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

d) Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Lease payments on operating leases are recognized as expense in the Profit and Loss Account on a straight-line basis, over the lease term.

e) 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 an expense 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.

f) Investment

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. 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.

g) 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 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. 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.

h) 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.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. 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. 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 the rate applicable.

Schedules Forming Part of the Financial Statements For the year ended March 31, 2010

19 NOTES TO ACCOUNTS (Contd.)

i) 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 closing rate. 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; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were 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.

j) Retirement and other employee benefits

(i) Retirement benefits in the form of Provident Fund and Superannuation Fund are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective fund.

(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) Short-term compensated absences are provided for based on estimates at the year end. Long-term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

(iv) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

k) Sales promotion items

Sales promotion items are valued at cost or net realizable value, whichever is lower. 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.

l) 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 tax 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 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.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised 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

19 NOTES TO ACCOUNTS (Contd.)

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.

m) Provisions

A provision is recognised when an enterprise 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 balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

n) 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 Profit and Loss account.

o) Segment Reporting Policies

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.

Segment 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.

p) 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 share split.

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.

q) Use of estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

r) 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.

Schedules Forming Part of the Financial Statements

For the year ended March 31, 2010

Rs. In lacs

19 NOTES TO ACCOUNTS (Contd.)

4. 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 an insurance company. The Company has provided for gratuity and leave encashment based on actuarial valuation done as per Projected Unit Credit Method. The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
	Gratuity Funded	Gratuity Funded
(A) Summary of the Actuarial Assumptions		
Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult
Discount rate	7.75%	7.25%
Rate of increase in compensation	8.00%	8.00%
Withdrawal rates	10.00%	10.00%
Rate of return (expected) on plan assets	9.25%	6.50%
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
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	710.67	511.79
Interest cost	50.82	30.04
Current Service Cost	102.30	96.94
Benefits Paid	(19.48)	(22.15)
Actuarial (gain) / loss on obligation	17.27	94.05
PVO at end of period	861.58	710.67
(C) Changes in fair value of plan assets		
Fair value of plan assets at the beginning of period	296.15	254.04
Expected return on plan assets	30.88	12.80
Contributions	94.94	39.03
Benefit paid	(19.48)	(22.15)
Actuarial gain/(loss) on plan assets	4.01	12.43
Fair value of plan assets at end of period	406.50	296.15

Schedules Forming Part of the Financial Statements

For the year ended March 31, 2010

Rs. In lacs

19 NOTES TO ACCOUNTS (Contd.)

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
(D) Net Assets/(Liabilities) recognised in the balance sheet		
PVO at end of period	(861.58)	(710.67)
Fair value of plan assets at end of period	406.50	296.15
Funded status (deficit in plan assets over fair value of PVO)	(455.08)	(414.52)
Unrecognised Actuarial Gain/(Loss)	-	-
Net assets/(Liability) recognised in the balance sheet	(455.08)	(414.52)
(E) Expenses recognised in the statement of profit and loss account		
Current service cost	102.30	96.94
Interest cost	50.82	30.04
Expected return on plan assets	(30.88)	(12.80)
Net Actuarial (Gain)/Loss recognised for the period	13.26	81.62
Expense recognised in the statement of profit and loss account	135.50	195.80
(F) Experience adjustments		
On plan liabilities	17.27	57.26
On plan assets	4.01	12.43
(G) 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%

(ii) Defined Contribution Plans -

Amount of Rs. 408.47 (2009 - Rs. 283.98) is recognised as an expense and included in schedule 16 - "Contribution to provident and other funds" in the Profit and Loss account.

(iii) The Company expects to contribute Rs. 213.57 to gratuity fund in 2010-11 and Rs. 28.06 to Superannuation fund in 2010-11.

5. SUPPLEMENTARY INFORMATION

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
A) Directors' remuneration		
Salaries	338.41	168.66
Commission	345.95	158.58
Contribution to Provident fund	18.63	20.24
Contribution to Superannuation fund	13.13	8.77
	716.12	356.25

Schedules Forming Part of the Financial Statements For the year ended March 31, 2010

Rs. In lacs

19 NOTES TO ACCOUNTS (Contd.)

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
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Note: As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore is not included above.

Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 for calculation of commission payable to directors

Profit before tax as per profit and loss account	10,105.47	5,057.41
Add: Loss on discarded/sale of fixed assets, net	27.73	1.04
Add: Provision for diminution in value of long-term investments	-	30.00
Less: Provision for diminution in value of long-term investments written back (net)	(19.96)	-
Add: Provision for Doubtful Debts and advances	2.19	58.76
	10,115.43	5,147.21
Add: Directors' remuneration	716.12	356.25
Net profit as per Section 349 of the Companies Act, 1956	10,831.55	5,503.46

Commission to Managing and Whole-time directors

Maximum commission u/s 309 of Companies Act, 1956 at 10% of net profits	712.99	352.68
Commission actually approved for payment	324.95	137.58

Commission to Other directors

Maximum commission u/s 309 of Companies Act, 1956 at 1% of net profits	71.30	35.27
Commission actually approved for payment	21.00	21.00

B) Earnings in foreign currency (accrual basis):

FOB value of exports	732.42	465.45
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C) Expenditure in foreign currency (cash basis):

a) CIF value of imports		
(i) Raw material	561.40	75.04
(ii) Capital goods	0.14	-
b) Sales promotion expenses	-	12.00
c) Other expenses	29.35	30.04

Schedules Forming Part of the Financial Statements

For the year ended March 31, 2010

Rs. In Lacs

19 NOTES TO ACCOUNTS (Contd.)

D) Unhedged foreign currency exposure:

Particulars	Foreign Currency	2009-10		2008-09	
		Rs. in Lacs	Amount in Foreign Currency	Rs. in Lacs	Amount in Foreign Currency
Export debtors	US \$	70.09	155,282	9.28	18,246
Advance for import of Raw Material	US \$	-	-	48.75	95,839.98
Advance from export debtors	US \$	-	-	23.82	46,816
Advance for expenses	US \$	-	-	27.98	55,000

E) There are no delays in payments to Micro, Small and Medium Enterprises as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006.

The above information and the details given in Schedule 11 - "Current liabilities" as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

F) Payment to auditors (including service tax)

		April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
i) As Auditors		40.81	36.81
ii) In other capacity			
- Tax audit fees		8.82	8.55
- Certification		0.72	0.56
iii) Reimbursement of expenses		0.78	1.05
		51.13	46.97

G) Donations to political parties

Name of the Party	
Communist Party of India	0.10
Congress Party	0.01
Vduthalai	-
Bharatiy Janata Party	0.03
Shiv Sena	-
Ambedkar Republic Party	0.01
Schedule Caste Party	0.01
	0.16
	0.22

Schedules Forming Part of the Financial Statements

For the year ended March 31, 2010

Rs. In lacs

19 NOTES TO ACCOUNTS (Contd.)

H) Licensed Capacity, Installed Capacity and Actual Production

	Unit	Licensed Capacity*	Installed Capacity*	Actual Production			
		April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)		
Detergents & Soaps	Tons	NA	NA	187,550	135,983	25,817	15,299
	Ltrs. (1000's)	NA	NA	65,449	49,087	17,871	12,047
Home Care	No. (1000's)	NA	NA	900,000	675,000	654,846	403,000

* As certified by the management

I) Consumption of Raw and Packing material

Consumption of raw materials		Consumption			
Particulars	Units	Quantity		Value	
		April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
Synthetic Dye	Tons	970	688	617.47	542.56
Soap Noodles	Tons	933	-	376.01	-
Dyes & Chemicals	Tons	16,908	7,394	2,904.00	1,581.77
Fatty Oils & Perfumes	Tons	15,218	12,330	2,935.50	1,947.66
Plastic	Tons	3,122	2,237	2,175.76	1,621.88
Others (refer Note 1)	Tons	747	1,042	491.55	734.97
Packing materials	Tons	300	145	274.73	189.90
	Rolls (1000s)	69	49	19.79	14.57
	No. (1000s)	271,723	207,358	1,823.34	1,215.39
Total				11,618.15	7,848.70

1. It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

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

Particulars	Raw Materials				Stores and Spare Parts			
	April 1, 2009 to March 31, 2010 (12 Months)		July 1, 2008 to March 31, 2009 (9 Months)		April 1, 2009 to March 31, 2010 (12 Months)		July 1, 2008 to March 31, 2009 (9 Months)	
	Value	%	Value	%	Value	%	Value	%
Imported	376.01	3.24%	32.67	0.42%	-	-	-	-
Indigenous	11,242.14	96.76%	7,816.03	99.58%	299.53	100.00%	144.75	100.00%
Total	11,618.15		7,848.70		299.53		144.75	

Schedules Forming Part of the Financial Statements

For the year ended March 31, 2010

Rs In Lacs

19 NOTES TO ACCOUNTS (Contd.)

K) OPENING AND CLOSING INVENTORIES, PRODUCTION, PURCHASES AND SALES IN RESPECT OF EACH CLASS OF GOODS MANUFACTURED AND TRADED

Item	Traded/Mfg.	Units	Opening Inventory		Production	Purchases		Sales		Closing Inventory	
			Quantity	Amount		Quantity	Amount	Quantity	Amount	Quantity	Amount
Home Care	Traded	Dozen	5.61	218.90	-	67.41	2,128.25	66.09	2,311.97	6.93	246.83
			5.78	184.13	-	51.31	1,728.95	51.48	1,875.38	5.61	218.90
	Traded	Nos	647.15	949.24	-	11,377.74	13,396.44	10,813.67	17,531.42	1,211.22	1,530.95
			1,217.65	1,221.15	-	6,492.89	8,024.70	7,063.39	13,156.78	647.15	949.24
	Manufactured	Nos	167.33	140.02	6,592.26	-	-	6,392.92	3,617.20	366.67	282.37
			290.40	225.35	4,092.97	-	-	4,216.04	183.19	167.33	140.02
Soaps & Detergents	Traded	Kgs	7.13	205.69	-	242.89	5,845.35	212.17	7,198.29	37.85	944.94
			3.90	111.61	-	64.45	1,877.48	61.22	3,208.82	7.13	205.69
	Manufactured	Kgs	20.26	717.16	533.98	-	-	516.39	26,805.93	37.85	1,124.95
			17.11	646.49	275.73	-	-	272.58	16,712.36	20.26	717.16
Others		Kgs	0.57	175.35	-	-	(53.75)	(0.56)	24.12	1.13	64.42
			0.43	103.52	-	0.01	79.96	(0.13)	8.34	0.57	175.35
		Nos	0.07	14.44	-	-	-	0.06	(12.77)	0.01	0.10
			0.43	79.09	-	-	-	0.36	8.96	0.07	14.44
Total			848.12	2,420.80	7,126.24	11,688.04	21,316.29	18,000.74	57,476.16	1,661.66	4,194.56
			1,535.70	2,571.34	4,368.70	6,608.66	11,711.09	11,664.94	35,153.83	848.12	2,420.80

1. Figures in italics are in respect of the previous year.

2. Sales quantities are netted off for sales promotion items and other adjustments.

3. All quantities are in lacs.

6. SEGMENT REPORTING

Business segments:

The primary segment of the Company has been determined on the basis of business segment. The Company is organized into two business segments - Soaps and Detergents and Home Care. 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 include fabric whiteners, fabric detergents, dishwash bar and soaps including ayurvedic soaps. Home Care products include incense sticks, dhooop and mosquito coils, scrubber. Others include 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.

Schedules Forming Part of the Financial Statements

For the year ended March 31, 2010

Rs. In lacs

19 NOTES TO ACCOUNTS (Contd.)

Information about Business Segments

	Soaps and Detergents	Home care	Others	Eliminations	Total
	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)	April 1, 2009 to March 31, 2010 (12 Months)
Revenue					
External Revenue	33,982.65	19,850.88	23,450.54	15,267.18	42.97
Inter Segment Revenue	19.58	41.86	658.40	165.13	-
Net Revenue	34,002.23	19,892.74	24,108.94	15,432.31	42.97
Results	9,360.29	5,148.57	1,365.31	354.43	(30.41)
Unallocated expenditure					
Unallocated income					
Interest and finance expenses					
Profit before tax					
Provision for tax					
Profit after tax					
Other information					
Segment assets	20,659.08	15,917.60	9,459.80	6,798.80	68.43
Unallocated assets					
Total assets	3,770.49	2,120.10	3,532.20	1,726.26	0.88
Segment liabilities					
Unallocated liabilities					
Total liabilities					
Segment capital expenditure (including capital work-in-progress)	1,407.49	509.61	743.93	21.04	-
Unallocated capital expenditure (including capital work-in-progress)					
Total capital expenditure (including capital work-in-progress)	637.59	421.73	183.85	101.06	-
Segment depreciation and amortisation					
Unallocated depreciation and amortisation					
Total depreciation and amortisation					
Segment impairment loss	46.28	-	-	-	-
Unallocated impairment loss					
Total impairment loss					
Segment non-cash expenses other than depreciation	3.96	19.31	0.92	13.35	0.00
Unallocated non-cash expenses other than depreciation					
Total non-cash expenses other than depreciation					

Schedules Forming Part of the Financial Statements For the year ended March 31, 2010

19 NOTES TO ACCOUNTS (Contd.)

7. 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

Sri Sai Home Care Products (P) Limited
Associated Industries Consumer Products Pvt. Ltd.

Other Subsidiary

Jyothy Fabricare Services Limited (w.e.f. September 10, 2008)

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

Joint venture companies

Balaji Teleproducts Limited (upto February 24, 2010)
Continental Speciale (India) Private Limited (upto March 18, 2010)

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

Beena Agencies
Quilon Trading Co.
Travancore Trading Corp.
Sree Guruvayurappan Agencies
M.P. Agencies
Tamil Nadu Distributors
Deepthy Agencies
Sahyadri Agencies
Sreehari Stock Suppliers
Sujaatha 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.
M. G. Santhakumari
M.P. Divakaran

Enterprises significantly influenced by key management personnel or their relatives
Sahyadri Agencies Ltd.

Jyothy Fabricare Services Limited (upto September 9, 2008)

Key management personnel (includes directors of the Company)

K. Ullas Kamath Deputy Managing Director

Schedules Forming Part of the Financial Statements For the year ended March 31, 2010

Rs. In lacs

19 NOTES TO ACCOUNTS (Contd.)

c) Transactions with related parties during the year

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
Individual having control		
Remuneration*	223.45	90.72
Commission	216.63	82.55
Dividend	688.81	688.60
Purchase of equity shares of Jyothy Fabricare Services Limited	-	1.00
Wholly-owned subsidiary		
Sri Sai Home Care Products (P) Limited		
Purchase of finished goods	2,369.09	1,784.28
Purchase of raw and packing material	11.61	10.28
Purchase of fixed assets	6.38	-
Purchase return	5.83	9.06
Conversion of advance given into equity shares	96.05	-
Associated Industries Consumer Products Pvt. Ltd.		
Investment in equity shares	-	400.00
Sale of Raw material, Packing material and stores & spares	110.62	90.65
Sale of Fixed assets	0.76	-
Purchase of Fixed assets	0.02	33.03
Sale of Finished goods	271.53	193.18
Royalty Income	17.00	10.24
Rent received	2.58	1.91
Purchase of raw and packing material	0.25	5.89
Purchase of Finished goods	1,203.57	116.29
Freight Reimbursed	2.50	-
Joint venture companies		
Balaji Teleproducts Limited		
Provision made for doubtful advances	-	34.33
Advance written-off	34.33	-
Enterprises in which relatives are interested		
Sale/(sales return) of finished goods		
Beena Agencies	1,258.15	830.60
Sahyadri Agencies	1,493.75	1,029.53
Deepti Agencies	1,151.80	737.91
Travancore Trading Corporation	2,385.75	1,207.75
M.P. Agencies	818.72	544.44
Sreehari Stock Suppliers	(3.80)	332.33
Sujatha Agencies	(4.66)	263.51
Others	(3.14)	111.63

Schedules Forming Part of the Financial Statements

For the year ended March 31, 2010

Rs In Lacs

19 NOTES TO ACCOUNTS (Contd.)

c) Transactions with related parties during the year (Contd.)

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
Claims for reimbursement for sales promotion expenses/discounts given		
Sreehari Stock Suppliers	0.33	19.15
Sujatha Agencies	-	10.28
Travancore Trading Corporation	23.83	8.97
Sahyadri Agencies	50.87	8.24
Deepthy Agencies	12.10	5.54
M.P. Agencies	11.44	3.08
Others	12.52	11.28
Commission paid		
Sreehari Stock Suppliers	22.90	9.76
Sujatha Agencies	20.16	9.03
Tamil Nadu Distributors	6.05	3.06
Rent Paid		
Quilon Trading Company	0.95	-
Dividend	32.24	32.24
Jyothy Fabricare Services Limited		
Loan given	993.95	32.10
Repayment of loan given	53.50	-
Sales of DEPB Licence	-	5.10
Investment in convertible preference shares	-	750.00
Interest received	83.08	2.91
Investment in equity shares	-	370.00
Sales of Finished goods	0.03	-
Guarantees given to Bank on behalf of the Company	1,800.00	-
(outstanding balance of term loan as on March 31, 2010 is Rs. 1,287.46)		
Relatives of individuals having control		
Remuneration*		
M. R. Jyothy	21.50	14.11
M. P. Sidharthan	12.00	9.00
M. R. Deepthy	5.99	3.50
Ananth Rao T.	13.44	7.56
Dividend	275.94	275.94

Schedules Forming Part of the Financial Statements

For the year ended March 31, 2010

Rs. In lacs

19 NOTES TO ACCOUNTS (Contd.)

c) Transactions with related parties during the year (Contd.)

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
Contribution to Superannuation fund		
M. R. Jyothy	1.92	1.26
Ananth Rao T.	1.20	0.68
Purchase of equity shares of Jyothy Fabricare Services Limited		
M.G. Santhakumari	-	1.00
M.R. Jyothy	-	1.00
M.R. Deepthy	-	1.00
Ananth Rao T.	-	1.00
Key management personnel		
Remuneration*	112.09	84.07
Commission	108.32	55.03
Dividend	14.51	14.51
Contribution to Superannuation fund	10.01	7.51

* As the future liabilities for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual basis is not ascertainable and therefore not included above.

d) Related party balances

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
Amounts receivable		
Subsidiary companies	2,144.12	1,522.23
Joint venture company	-	34.33
	2,144.12	1,556.56
Amounts payable		
Individual having control	216.63	82.55
Key management personnel	108.32	55.03
Relatives of individual having control	-	0.50
Deposit received from subsidiary company	0.51	0.51

Schedules Forming Part of the Financial Statements

For the year ended March 31, 2010

Rs. In Lacs

19 NOTES TO ACCOUNTS (Contd.)

d) Related party balances (Contd.)

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
Enterprises in which relatives of individual having control are interested		
Beena Agencies	30.74	10.70
Deepty Agencies	40.97	0.63
Travancore Trading Corporation	112.88	1.43
M.P. Agencies	32.66	2.33
Tamil Nadu Distributors	8.57	3.57
Others	19.27	4.25
Enterprises significantly influenced by key management personnel or their relatives		
Sahyadri Agencies Ltd.	6.20	6.20
	576.75	167.70
Provision for advance to joint venture company	-	34.33

8. 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, 2010 was Rs. 311.09 (2009 - Rs. 188.64)

	As at March 31, 2010	As at March 31, 2009
Future lease payment under non-cancellable operating leases are as follows:		
Payable not later than one year	28.95	25.88
Payable later than one year and not later than five years	25.29	24.86
Payable later than five years	-	-
	54.24	50.74

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, 2010 is Rs. 84.51 and Rs. 10.98 (2009 - Rs. 494.71 and Rs. 40.49) respectively. Lease rent income for the year ended March 31, 2010 was Rs. 110.08 (2009 - Rs. 64.24). There is no escalation clause in the lease agreement and the lease is cancellable in nature. There are no restrictions imposed by lease arrangements.

Schedules Forming Part of the Financial Statements

For the year ended March 31, 2010

Rs. In Lacs

19 NOTES TO ACCOUNTS (Contd.)

9. Contingent Liabilities

	As at March 31, 2010	As at March 31, 2009
Contingent liabilities not provided for in respect of:		
(i) Amount outstanding in respect of guarantees given by the Company to banks	1,389.90	69.68
(ii) Tax matters		
(a) Disputed sales tax demands – matters under appeal	1,443.20	356.43
(b) Disputed excise duty and service tax demand - matter under appeal	1,050.57	31.56
(iii) Others	15.83	-
(iv) Claims against the Company not acknowledged as debt	120.00	120.00

10. Capital Commitments (Net of Advances)

	As at March 31, 2010	As at March 31, 2009
Estimated amount of contracts remaining to be executed on capital account and not provided for	140.88	147.10
	140.88	147.10

11. As per the Notification No. 32/99-CE dated July 8, 1999, the Company is 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 has 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. During the year, the Guwahati High Court has given a favourable order in case of a similar matter against which the Department has filed an appeal in the Supreme Court. Based on the orders of High Court, the Company has accrued Rs. 475.26 lacs as excise duty receivable pertaining to the previous year and an additional benefit of Rs. 478.58 lacs for the current year.

12. Interest in Joint Ventures

The Company's interest, as a venturer, in jointly controlled entities (Incorporated Joint Venture) is:

Name	Country of Incorporation	Percentage of ownership interest	
		As at March 31, 2010	As at March 31, 2009
Balaji Teleproducts Limited	India	0%	50%
Continental Speciale (India) Private Limited	India	0%	50%

The Company's interest in the Joint Ventures is reported as long-term investment (Schedule 6) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses, etc. (each without elimination of the effect of transaction between the company and joint venture) related to its interests in these joint ventures are:

Schedules Forming Part of the Financial Statements

For the year ended March 31, 2010

Rs. In Lacs

19 NOTES TO ACCOUNTS (Contd.)

	As at March 31, 2010	As at March 31, 2009 #
I ASSETS	-	2.67
II LIABILITIES	-	41.72
III Miscellaneous Expenditure (To the extent not written-off or adjusted)	-	7.22
IV INCOME	-	-
V EXPENSES	-	0.16

There are no contingent liabilities and capital expenditure commitment of the joint venture companies.

Previous year amounts are based on unaudited financial statements.

The Company has sold investment in joint venture companies during the year.

- During the earlier years, depreciation/impairment on assets include impairment losses representing the amount by which the carrying amount of the asset exceeds its recoverable amount. Such impairment losses were due to adverse market conditions for one of its Cash Generating Unit pertaining to the Soaps and Detergents segment. The pre-discount rate used for evaluation of the present value was 8% per annum. During the year, the Company has made an additional impairment provision of Rs. 46.28 for the cash generating unit.

14. Details of loan/advances given to subsidiary companies

Particulars	As at March 31, 2010	Maximum balance during the year	As at March 31, 2009	Maximum balance during the period
Sri Sai Home Care Products (P) Limited	519.18	830.15	578.07	855.96
Associated Industries Consumer Products Pvt. Ltd.	408.38	883.01	733.76	1,199.60
Jyothy Fabricare Services Limited	1,216.56	1,216.56	210.40	375.00

- There are no amounts payable/due to Investor Education and Protection Fund.
- During the previous year, the Company has changed its accounting year from July-June to April-March. Accordingly, the previous period financials are for a period of 9 months from July 01, 2008 to March 31, 2009 and the figures for the current year ended March 31, 2010 are therefore not comparable.
- The prior period figures have been reclassified where necessary to conform with current year's presentation.

Signatures to Schedules 1 to 19

As per our report of even date

For **S.R. Batilboi & Associates**
Firm Registration No.: 101049W
Chartered Accountants

per **Sudhir Soni**

Partner

Membership No.: 41870

Place: Mumbai

Date: May 25, 2010

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

M.P. Ramachandran
Chairman and Managing Director

K. Ullas Kamath
Deputy Managing Director

M.L. Bansal
Company Secretary

Place: Mumbai
Date: May 25, 2010

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

1

2

8

6

5

1

State Code

1

1

Balance Sheet Date

3

1

0

3

2

0

1

0

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

N

I

I

L

Bonus Issue

N

I

I

L

Private Placement

N

I

I

L

III. Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities

4

1

2

4

0

7

4

Sources of Funds

Paid-up Capital

4

1

2

4

0

7

4

Reserves and Surplus

3

9

1

6

5

7

7

Share application pending allotment

N

I

I

L

Application of Funds

Net Fixed Assets

2

0

1

5

5

6

7

Net Current Assets

1

9

2

8

6

7

2

Accumulated Losses

N

I

I

L

IV. Performance of Company (Amount in Rs. Thousands)

Turnover/Gross Receipt (including other incomes)

5

9

2

9

4

9

4

Profit/Loss before Tax

1

0

1

0

5

4

7

Basic earnign per share (Rs.)

1

1

.

0

3

Total Assets

4

1

2

4

0

7

4

Secured Loans

N

I

I

L

Unsecured Loans

1

7

4

5

Deferred Tax Liability

1

3

3

1

8

3

Investment

1

7

9

8

3

5

Miscellaneous Expenditure

N

I

I

L

Total Expenditure

4

9

1

8

9

4

7

Profit/Loss after Tax

8

0

0

4

7

0

Dividend Rate (%)

4

0

0

0

%

V. Generic Names of Principal Products/Services of the Company

Product Description

: Fabric Whitener

Item Code No. (ITC Code)

: N A

Product Description

: Mosquito Repellent

Item Code No. (ITC Code)

: 3 8 0 8 9 0 . 0 1

Product Description

: Washing Preparations

Item Code No. (ITC Code)

: 3 4 0 2 2 0 . 0 0 1 0

Statement Pursuant to Section 212 of Companies Act, 1956

Rs. In Lacs

Sr. No.	Name of the Subsidiary Compa ny	Sri Sai Homecare Products Private Limited	Associated Industries Consumer Products Private Lim ited	*Snoways Laundrers and Drycleaners Pvt. Ltd.	Jyothy Fabricare Services Limited
1.	Financial Year of the Subsidiary Company ended on	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010
2.	Numbers of shares in the subsidiary company held by Jyothy Laboratories Ltd. at above date.				
	a) Equity Shares	2,000,000	4,970,000		3,750,000
	Extent of the holdings	100%	100%		75%
	b) 0.1% Convertible Preference Shares	-	-	-	7,500,000
	Extent of the holdings	-	-	-	100%
3.	Net aggregate amount of profits/(losses) of subsidiary companies so far it concerns the members of Jyothy Laboratories Limited				
	a) Not dealt with in the accounts of Jyothy Laboratories Limited	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
	i) For the subsidiary's financial year ended March 31,2010	(6.31)	96.71	0.51	(454.77)
	ii) For the previous financial years of subsidiary since it became subsidiary of Jyothy Laboratories Limited	(4.54)	(121.86)	Nil	(296.62)
	b) Dealt with in the accounts of Jyothy Laboratories Limited				
	i) For the subsidiary's financial year ended March 31,2010	Nil	Nil	Nil	Nil
	ii) For the previous financial years of subsidiary since it became subsidiary of Jyothy Laboratories Limited	Nil	Nil	Nil	Nil
	* Subsidiary of Jyothy Fabricare Services Limited				

Statement pursuant to exemption received under section 212 (8) of the Companies Act, 1956, relating to subsidiary companies.

Sr. No.	Name of the Subsidiary Company	Sri Sai Homecare Products Private Limited	Associated Industries Consumer Products Private Limited	Snoways Laundrers and Drycleaners Pvt. Ltd.	Jyothy Fabricare Services Limited
	Financial Year ended on	31st March 2010	31st March 2010	31st March 2010	31st March 2010
1	Capital	200.00	497.00	100.00	1,250.00
2	Reserves	(128.55)	(25.16)	(2.57)	(1,001.85)
3	Total Assets	830.16	1,407.95	97.78	2,909.96
4	Total Liabilities	758.71	936.11	0.35	2,661.81
5	Details of Investment (except investment in subsidiaries)	-	-	-	-
6	Turnover (Net)	2,000.96	3,319.74	-	415.89
7	Profit/(Loss) before taxation	(9.34)	146.50	(1.05)	(606.36)
8	Provision for taxation	(3.03)	49.79	-	-
9	Profit after taxation	(6.31)	96.71	(1.05)	(606.36)
10	Proposed/Interim Dividend	Nil	Nil	Nil	Nil

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

Mumbai, May 25, 2010

M. P. Ramachandran
Chairman & Managing Director

K. Ullas Kamath
Deputy Managing Director

M. L. Bansal
Company Secretary

Auditors' Report on Consolidated Financial Statements

The Board of Directors

Jyothy Laboratories Limited

1. We have audited the attached consolidated balance sheet of **Jyothy Laboratories Limited** ('the Company') and its subsidiaries (together referred to as 'the Group'), as at March 31, 2010 and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto (together referred to as the 'consolidated financial statements'). These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs 2,335.89 lacs as at March 31, 2010, the total revenue of Rs 5,320.70 lacs, and the cash inflows amounting to Rs 8.15 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 – 'Consolidated Financial Statements' and Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures' notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2010;
 - b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For **S.R. Batliboi & Associates**

Firm Registration Number: 101049W

Chartered Accountants

per Sudhir Soni

Partner

Membership No.: 41870

Mumbai

Date: May 25, 2010

Consolidated Balance Sheet As at March 31, 2010

		Rs. In lacs	
	SCHEDULE	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	725.69	725.69
Reserves and Surplus	2	38,050.29	33,961.43
		38,775.98	34,687.12
Minority Interest		49.69	26.13
Loan Funds			
Secured Loans	3	1,287.46	-
Unsecured loans	4	17.45	51.74
		1,304.91	51.74
Deferred Tax Liability, Net	5	1,328.18	1,048.14
		41,458.76	35,813.13
APPLICATION OF FUNDS			
Fixed Assets	6		
Gross Block		29,303.81	24,760.59
Less: Accumulated depreciation, amortisation and impairment		(5,942.44)	(4,723.13)
Net Block		23,361.37	20,037.46
Capital work-in-progress (including capital advances)		413.10	1,103.60
		23,774.47	21,141.06
INVESTMENTS	7	1.29	23.28
Current Assets, Loans and Advances			
Inventories	8	7,303.56	4,702.41
Sundry debtors	9	7,072.95	4,289.82
Cash and bank balances	10	12,271.60	10,193.30
Other current assets - Sales promotion items		114.48	30.84
Loans and advances	11	3,397.73	2,181.55
		30,160.32	21,397.92
Less: Current Liabilities and Provisions			
Current liabilities	12	7,860.80	4,222.84
Provisions	13	4,616.52	2,533.51
		12,477.32	6,756.35
Net Current Assets			
Miscellaneous expenses to the extent not written off	14	17,683.00	14,641.57
		-	7.22
Notes to accounts	21	41,458.76	35,813.13

The schedules referred to above and notes to accounts form an integral part of Balance Sheet.

As per our report of even date

For **S. R. Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

per **Sudhir Soni**
Partner
Membership No.: 41870

Place: Mumbai
Date: May 25, 2010

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

M.P. Ramachandran
Chairman and Managing Director

K. Ullas Kamath
Deputy Managing Director

M.L. Bansal
Company Secretary

Place: Mumbai
Date: May 25, 2010
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Consolidated Statement of Profit and Loss Account For the year ended March 31, 2010

	SCHEDULE	Rs. In lacs	
	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)	
INCOME			
Sales (Net of trade discount)	64,579.10	39,527.87	
Less: Sales tax	(4,167.52)	(2,317.92)	
Less: Excise duty	(1,017.26)	(987.15)	
Net sales	59,394.32	36,222.80	
Income from Services	415.89	125.95	
Other income	1,780.23	761.01	
	61,590.44	37,109.76	
EXPENDITURE			
Material costs	16	32,254.40	19,596.17
(Increase)/decrease in inventories	17	(534.78)	269.97
Excise duty		178.53	158.25
Employee costs	18	7,538.40	4,729.96
Other expenses	19	11,192.83	6,718.70
Depreciation, amortisation and impairment	6	1,236.55	748.31
Interest and finance charges	20	169.54	70.93
		52,035.47	32,292.29
Profit before Tax		9,554.97	4,817.47
Provision for tax			
- Current tax		1,886.60	709.61
- Deferred tax charge		280.04	216.33
- Fringe benefit tax		-	77.14
- (Excess)/Short provision for current tax and deferred tax of earlier year		(19.11)	77.29
Profit After Tax and Before Minority Interest		7,407.44	3,737.10
Minority Interest (Share in loss)		26.67	98.87
Net Profit for the Year/Period		7,434.11	3,835.97
Profit and Loss Account, beginning of the year/period		401.93	264.00
Profit available for Appropriation		7,836.04	4,099.97
APPROPRIATIONS:			
Proposed dividend		2,902.75	1,451.38
Dividend tax on proposed dividend		482.11	246.66
Transfer to general reserves		4,000.00	2,000.00
Profit and Loss account, end of the year/period		451.18	401.93
Earnings per share (EPS)			
Basic and Diluted (Rs)		10.24	5.29
(Previous period for nine months)			
Nominal value per share (Rs)		1	1
Weighted average number of shares outstanding for calculation of Basic and Diluted EPS	21	72,568,800	72,568,800
Notes to accounts			

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For **S. R. Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

per **Sudhir Soni**
Partner
Membership No.: 41870

Place: Mumbai
Date: May 25, 2010

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

M.P. Ramachandran
Chairman and Managing Director

K. Ullas Kamath
Deputy Managing Director

M.L. Bansal
Company Secretary

Place: Mumbai
Date: May 25, 2010

Consolidated Cash Flows Statement For the year ended March 31, 2010

	Rs. In lacs	
	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before Tax	9,554.97	4,817.47
Adjustments for:		
Depreciation, amortisation and impairment	1,236.55	748.31
Loss on discarded/sale of fixed assets, net	27.73	9.63
Provision for diminution in the value of investments	(19.96)	30.00
Dividend Income	(0.79)	(0.79)
Interest and finance charges	169.54	70.93
Interest income	(917.39)	(620.61)
Excess provision written back	(64.98)	-
Excise duty provision written back (refer note 13 of schedule 21)	(475.26)	-
Miscellaneous expenses written off	0.59	-
Profit on sale of share in Joint Venture Companies	(17.68)	-
Provision for doubtful debts	5.51	22.96
Provision for doubtful advances	-	19.80
Operating profit before working capital changes	9,498.83	5,097.70
(Increase)/Decrease in current assets, loans and advances		
Inventories (including sales promotion items)	(2,684.79)	74.93
Trade receivables	(2,788.64)	(1,909.92)
Loans and advances	(1,218.21)	(313.15)
Increase in current liabilities/provisions	3,775.07	836.26
Cash generated from operations	6,582.26	3,785.82
Taxes paid (net)	(1,567.17)	(796.71)
Net cash generated from operating activities	5,015.09	2,989.11
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress and capital advances	(3,478.13)	(1,381.43)
Proceeds from sale of fixed assets	208.44	9.55
Subsidy received against purchase of fixed assets	19.95	-
Receipt of investment subsidy	39.61	-
Purchase of investments in Subsidiary Company	(94.73)	(1.64)
Proceeds from Sale of investment in Joint venture companies	3.00	-
Proceeds from Sale of long term investment	40.31	-
Investment in fixed deposits (net)	(1,271.07)	404.23
Interest received	897.89	748.30
Dividend received	0.79	0.79
Net cash used in investing activities	(3,633.94)	(220.20)

Consolidated Cash Flows Statement (Contd.) For the year ended March 31, 2010

	Rs. In lacs	
	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:		
Proceeds from equity share capital issued in subsidiary company to minority shareholders	-	125.00
Proceeds of loan fund	1,287.46	-
Repayment of Deferred sales tax loan	(13.88)	-
Interest and finance charges paid	(169.54)	(70.93)
Dividend paid	(1,451.38)	(1,451.38)
Dividend tax paid	(246.66)	(246.66)
Net cash used in financing activities	(594.00)	(1,643.97)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	787.15	1,124.94
Cash and cash equivalents of Subsidiary Company acquired during the year	1.22	-
Cash and cash equivalents of Joint venture Company sold during the year	(0.64)	-
Cash and cash equivalents at the beginning of the year/period	2,239.77	1,114.83
Cash and cash equivalents at the end of the year/period *	3,027.50	2,239.77
Cash and bank balances as per Balance Sheet	12,271.60	10,193.30
Less, Long term deposits considered in investing activities	9,244.10	7,953.53
Cash and cash equivalents considered for cash flows	3,027.50	2,239.77
* Includes deposits provided as securities against bank guarantees / letter of credit - Rs. Nil, (2009 - Rs. 70.11) and balance in unclaimed dividend of Rs 2.85 (2009 - Rs. 1.51)		

As per our report of even date

For **S. R. Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

per **Sudhir Soni**

Partner

Membership No.: 41870

Place: Mumbai

Date: May 25, 2010

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

M. P. Ramachandran
Chairman and Managing Director

K. Ullas Kamath
Deputy Managing Director

M. L. Bansal
Company Secretary

Place: Mumbai
Date: May 25, 2010

Schedules Forming Part of the Consolidated Balance Sheet As at March 31, 2010

		<i>Rs. In lacs</i>	
		As at March 31, 2010	As at March 31, 2009
1 SHARE CAPITAL			
Authorised Capital			
100,000,000 (2009 - 100,000,000) equity shares of Re. 1 (2009 - Re. 1) each		1,000.00	1,000.00
		1,000.00	1,000.00
Issued, Subscribed and Paid Up Capital			
72,568,800 (2009 - 72,568,800) equity shares of Re. 1 (2009 - Re. 1) each fully paid		725.69	725.69
		725.69	725.69
2 RESERVES AND SURPLUS			
Securities premium		10,653.13	10,653.13
Investment subsidy		67.29	67.29
Add: Subsidy received during the year		39.61	-
Balance, end of the year		106.90	67.29
General reserves			
Balance, beginning of the year/period		22,839.08	20,839.08
Add: Transferred from Profit and Loss Account		4,000.00	2,000.00
Balance, end of the year/period		26,839.08	22,839.08
Balance in Profit and Loss Account		451.18	436.76
Share of Joint Ventures		-	(34.83)
		451.18	401.93
		38,050.29	33,961.43
3 SECURED LOANS			
Term loan from Bank		1,287.46	-
(Secured against mortgage of land and building and hypothecation of plant & machineries and other assets.)			
(Payable within one year Rs. 225 (2009 Rs. Nil))			
		1,287.46	-
4 UNSECURED LOANS			
Deferred sales tax loan		17.45	34.62
(Repayable within 1 year Rs. Nil, 2009 - Rs. Nil)		17.45	34.62
Share of Joint Ventures		-	17.12
		17.45	51.74

Schedules Forming Part of the Consolidated Balance Sheet As at March 31, 2010

Rs. In lacs

						As at April 1, 2009	Charge / (Credit) for the Year	As at March 31, 2010
5	DEFERRED TAX LIABILITY, Net							
a)	Depreciation					1,560.53	315.75	1,876.28
						1,560.53	315.75	1,876.28
b)	Deferred tax assets							
	Technical royalty					7.00	1.75	5.25
	Gratuity					112.62	(0.20)	112.82
	Provision for doubtful debts					11.74	(1.82)	13.56
	Provision for doubtful advances					17.66	12.01	5.65
	Provision for leave encashment					67.35	(18.78)	86.13
	Provision for impairment losses					146.16	(15.73)	161.89
	Disallowance u/s 40 (a)(i) of the Income tax Act					20.30	12.20	8.10
	Disallowance u/s 43B of the Income tax Act					25.22	5.57	19.65
	Business Loss					104.34	(30.71)	135.05
						512.39	(35.71)	548.10
						1,048.14	280.04	1,328.18

6 FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION			IMPAIRMENT		NET BLOCK	
	As at April 1, 2009	Additions @	Deletions/ Adjustment**	As at March 31, 2010	As at April 1, 2009	For the Year	Deletions	As at March 31, 2010	As at April 1, 2009	For the Year
Intangible assets										
Goodwill	429.76	-	-	429.76	-	-	-	-	-	429.76
Goodwill arising on consolidation	101.43	48.11	-	149.54	101.43	48.11	-	149.54	-	-
Software	-	50.00	-	50.00	-	3.89	-	3.89	-	-
Trademarks and Copyrights\$	580.31	0.50	-	580.81	157.93	61.59	-	219.52	-	-
Knowhow	47.12	600.00	-	647.12	11.96	64.03	-	75.99	-	-
Tangible assets										
Freehold land & Leasehold land*	1,865.50	10.07	-	1,875.57	-	-	-	-	-	-
Building #&^	279.24	97.26	-	376.50	14.81	3.68	-	18.49	10.37	10.37
Plant and machinery	11,235.52	1,781.74	-	13,017.26	1,162.84	306.96	-	1,469.80	143.35	11,404.11
Dies and moulds	7,861.58	1,720.64	37.01	9,545.21	1,959.32	512.96	5.21	2,467.07	255.02	2,997.96
Furniture and fixture	326.76	57.51	1.24	383.03	290.42	23.64	0.18	313.88	-	-
Office equipments	510.18	166.38	0.21	676.35	143.46	48.20	0.21	191.45	5.20	1.07
Vehicle	668.76	108.85	0.82	776.79	297.29	61.27	0.61	357.95	12.55	2.27
Assets held for disposal	496.28	175.52	23.23	648.57	153.67	55.94	11.03	198.58	3.51	-
Freehold land	147.30	-	-	147.30	-	-	-	-	-	-
Building	210.85	-	-	210.85	-	-	-	-	-	-
Total	24,760.59	4,816.58	273.36	29,303.81	4,293.13	1,190.27	17.24	5,466.16	430.00	46.28
Previous year	23,501.61	1,310.26	51.28	24,760.59	3,576.92	748.31	32.10	4,293.13	430.00	-

\$ Includes trademarks and copyrights of Rs. 315.63 (2009 - Rs. 315.63) pending for registration in the name of the Company.

Addition to Leasehold land consists of asset of subsidiary company acquired during the year.

^ Includes Rs.452.19 (2009 Rs.452.19) represented by unquoted fully paid shares at cost in various co-operative societies.

> Includes Land Rs.33.22 (2009 Rs.33.22) and Building Rs.183.01 (2009 Rs.183.01) of subsidiary company for which legal formalities relating to registration are pending completion.

** Addition to Building includes interest of Rs.38.55 capitalised as borrowing cost.

** Adjustment in plant and machinery includes Rs.19.95 for the government grant received for the installation of fixed assets in the previous period.

@ Includes Rs.15.63 pertaining to pre-operative expenses capitalised (Building Rs.6.90, Plant and machinery Rs.8.66, Dies and moulds Rs.0.04, Office equipment Rs.0.04).

Schedules Forming Part of the Consolidated Balance Sheet

As at March 31, 2010

Rs. In lacs

	As at March 31, 2010	As at March 31, 2009
7 INVESTMENTS (Long term, at cost)		
Trade Investments (Unquoted)		
Investment in subsidiaries -		
Snowways Launderers and Drycleaners Pvt. Ltd., (2009 - 16,373) equity shares of (2009 - Rs 10) (refer Note 2(e) of Schedule 21)	-	1.64
Total	-	1.64
Non Trade Investments		
Investment in Shares (Quoted)		
Contech Soft Limited		
Nil (2009 - 27,500) equity shares of Rs. Nil (2009 - Rs. 10) each fully paid up	-	11.78
Shri Adhikari Brothers Ltd.		
Nil (2009 - 131,638) equity shares of Rs. Nil (2009 - Rs. 10) each fully paid up	-	708.52
	-	720.30
Less: Provision for diminution in the value of investments	-	(700.00)
Total	-	20.30
Investment in Government Securities (Unquoted)		
Indira Vikas Patra	0.02	0.02
National Saving Certificates	1.27	1.32
(Pledged with government authorities)	1.29	1.34
	1.29	23.28
Aggregate amount of unquoted investments	1.29	2.98
Aggregate amount of quoted investments	-	720.30
Market Value of quoted investments	-	19.62
There are no investments which were purchased and sold during the year/period.		

8 INVENTORIES

Raw and packing materials (including goods in transit Rs. 52.41 (2009 - Rs Nil))	2,388.54	1,849.83
Work-in-progress	186.65	139.66
Finished goods (including goods in transit Rs. 424.63 (2009 - Rs. 128.21))	4,471.22	2,527.89
Stores and spare parts	257.15	185.03
	7,303.56	4,702.41

Schedules Forming Part of the Consolidated Balance Sheet

As at March 31, 2010

Rs. In lacs

	As at March 31, 2010	As at March 31, 2009
9 SUNDRY DEBTORS		
Unsecured		
a) Outstanding for more than six months		
Considered good	13.70	-
Considered doubtful	40.15	34.64
Less: Provision for doubtful debts	(40.15)	(34.64)
	13.70	-
b) Other debts, considered good	7,059.25	4,289.82
	7,072.95	4,289.82

10 CASH AND BANK BALANCES		
Cash in hand	29.52	33.64
Balance with scheduled banks - Current account	2,995.13	2,133.87
- Deposit account*	9,244.10	8,023.64
- Unclaimed dividend accounts	2.85	1.51
	12,271.60	10,192.66
Share of Joint Ventures	-	0.64
	12,271.60	10,193.30

* Includes deposits provided as securities against bank guarantees/Bank Overdraft - Rs. 1742.38, (2009 - Rs. 1370.00).

11 LOANS AND ADVANCES		
Unsecured, considered good		
Deposits	523.18	410.13
Advances recoverable in cash or in kind or for value to be received	1,818.99	758.47
Quantity discount receivable	39.90	22.00
Advance to suppliers	597.49	650.34
Balance with excise authorities	312.44	237.40
Staff loans	105.73	101.18
	3,397.73	2,179.52
Unsecured and considered doubtful		
Advance to joint venture company	-	17.17
Advance to suppliers	16.63	16.63
Less: Provision for doubtful advances	(16.63)	(33.80)
	3,397.73	2,179.52
Share of Joint Ventures	-	2.03
	3,397.73	2,181.55

Schedules Forming Part of the Consolidated Balance Sheet

As at March 31, 2010

Rs. In lacs

	As at March 31, 2010	As at March 31, 2009
12 CURRENT LIABILITIES		
Sundry creditors		
- Micro and Small Enterprises (refer note 8 of schedule 21)	536.57	274.66
- Others	2,502.82	795.08
Other current liabilities	4,466.77	2,951.61
Unclaimed dividend (refer Note 14 of Schedule 21)	2.85	1.55
Security deposits	43.11	97.00
Advances from customers	308.68	95.50
	7,860.80	4,215.40
Share of Joint Ventures	-	7.44
	7,860.80	4,222.84

13 PROVISIONS		
Provision for income tax (net of advance tax)	493.36	193.04
Provision for wealth tax	3.79	3.00
Provision for gratuity	473.72	433.15
Provision for leave encashment	260.79	206.28
Proposed dividend	2,902.75	1,451.38
Dividend tax on proposed dividend	482.11	246.66
	4,616.52	2,533.51

14 MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenses		
Share of Joint Ventures	-	7.22
	-	7.22

Schedules Forming Part of the Consolidated Profit & Loss Account For the year ended March 31, 2010

Rs. In lacs

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
15 OTHER INCOME		
Dividend received on long-term non-trade investments	0.79	0.79
Interest on fixed deposit (tax deducted at source - Rs. 127.38, 2009 - Rs. 178.70)	917.39	620.61
Export incentives	6.64	11.28
Power Subsidy	5.00	-
Lease Rent Income	107.50	62.33
Excess provision written back	64.98	-
Foreign exchange fluctuation gain (net)	1.70	12.66
Profit on sale of investment in Joint Ventures	17.68	-
Differential Excise duty benefit (refer Note 13 of Schedule 21)	475.26	-
Provision for Diminution in Value of Investments written back	19.96	-
(net of loss on sale of long-term investments of Rs. 680.04)		
Miscellaneous income	163.33	53.34
	1,780.23	761.01

16 MATERIAL COSTS		
Raw and packing materials consumed		
Opening stock	1,849.83	1,773.17
Add: Cost of purchases (net)	14,527.87	9,450.70
	16,377.70	11,223.87
Less: Closing stock	2,388.54	1,849.83
	Sub-total (A)	9,374.04
Cost of trading goods		
Opening stock	1,426.73	1,341.42
Add: Cost of purchases (net)	19,706.73	10,307.44
	21,133.46	11,648.86
Less: Closing stock	2,868.22	1,426.73
	Sub-total (B)	10,222.13
	Total (A+B)	19,596.17

Schedules Forming Part of the Consolidated Profit & Loss Account

For the year ended March 31, 2010

Rs. In lacs

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
17 (INCREASE)/DECREASE IN INVENTORIES		
(Increase)/decrease in inventories		
Closing stock		
Finished goods	1,603.00	1,101.16
Work-in-progress	186.65	139.66
	1,789.65	1,240.82
Opening stock		
Finished goods	1,101.16	1,428.72
Work-in-progress	139.66	87.82
	1,240.82	1,516.54
	Sub-total (A)	275.72
(Increase)/decrease in excise duty		
Excise duty on closing stock	52.12	38.07
Excise duty on opening stock	38.07	43.82
	Sub-total (B)	5.75
	Total (A-B)	269.97
18 EMPLOYEE COSTS		
Salaries, wages and bonus	5,425.21	3,213.15
Contribution to provident and other funds (refer Note 5 of Schedule 21)	437.44	298.02
Gratuity (refer Note 5 of Schedule 21)	135.61	208.58
Staff welfare expenses	474.62	307.74
Directors' remuneration	338.41	168.66
Commission to directors	324.95	137.58
Field staff incentives	402.16	396.23
	7,538.40	4,729.96

Schedules Forming Part of the Consolidated Profit & Loss Account For the year ended March 31, 2010

Rs. In lacs

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
19 OTHER EXPENSES		
Conversion charges	35.65	44.48
Power and fuel expenses	1,599.45	1,042.88
Rent	500.51	303.60
Insurance	15.15	14.22
Repairs and maintenance		
- Building	66.28	21.36
- Plant and machinery	53.97	44.38
- Others	127.83	84.31
Consumption of stores and spares	299.53	147.22
Research and development	16.95	8.05
Printing and stationery	70.06	37.03
Communication costs	142.23	102.43
Legal and professional fees	577.48	458.49
Rates and taxes	326.48	387.46
Directors' sitting fees	3.65	2.85
Vehicle maintenance	133.68	76.19
Donation	12.15	2.81
Loss on discarded/sale of fixed assets, net	27.73	9.63
Provision for doubtful debts	5.51	22.96
Provision for doubtful advances	-	19.80
Provision for diminution in value of investments	-	30.00
Advertisement and publicity	2,661.84	1,506.00
Sales promotion and schemes	1,133.18	339.41
Carriage outwards	1,486.92	867.24
Field staff expenses	849.72	547.83
Travelling and conveyance	284.13	151.48
Brokerage on sales	200.70	116.84
Miscellaneous expenses	562.05	329.59
	11,192.83	6,718.54
Share of Joint Ventures	-	0.16
	11,192.83	6,718.70
20 INTEREST AND FINANCE CHARGES		
Interest expense		
- on banks	60.72	5.94
- others	44.21	21.28
Finance charges and commission	64.61	43.71
	169.54	70.93

Schedules Forming Part of the Consolidated Financial Statements For the year ended March 31, 2010

21 NOTES TO CONSOLIDATED ACCOUNTS

1. Background

The Consolidated financial statement comprise the financial statements of Jyothy Laboratories Limited ('the Company') and its subsidiaries and joint venture companies hereinafter referred to as a 'Group'. The Group is principally engaged in manufacturing and marketing of fabric whiteners, soaps, detergents, mosquito coils and incense sticks.

2. Basis of Preparation of Financial Statements

- a) The financial statements have been prepared to comply in all material respects with the notified accounting standards by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of 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/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 Company of its investments in the subsidiary companies is recognised in the financial statement as goodwill/capital reserves, as the case may be. The goodwill amount so arisen is written off in the same year.
- c) Minority interest in net asset of consolidated subsidiaries 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) Investment in Joint venture is dealt with in accordance with Accounting Standard 27 (AS 27) "Financial Reporting of interests in Joint Ventures" and the Group's interest in Joint Venture is accounted for using the proportionate consolidation method.
- e) The Consolidated Financial Statements for the year ended March 31, 2010 include the financial statements of the following subsidiary companies and Joint venture Companies:

Name of the Company	Country of incorporation	Percentage of voting power as on	
		March 31, 2010	March 31, 2009
(a) Subsidiaries			
1. Sri Sai Homecare Products (P) Limited	India	100	100
2. Associated Industries Consumer Products Pvt. Ltd.	India	100	100
3. Jyothy Fabricare Services Ltd.	India	75	75
4. Snowways Laundries and Drycleaners Pvt. Ltd. #	India	49	–
(b) Joint Venture Companies (refer Note (f) below)*			
1. Balaji Teleproducts Limited	India	–	50
2. Continental Speciale (India) Private Limited	India	–	50

The Jyothy Fabricare Services Ltd. has acquired 49% Share in Snowways Laundries & Drycleaners Pvt. Ltd and has entered in to agreement which enables it to control the Management of the Company, making it subsidiary company of Jyothy Fabricare Services Ltd.

* During the current year, the Company has sold its interest in both the Joint venture companies, Balaji Teleproducts Limited and Continental Speciale (India) Private Limited.

21 NOTES TO CONSOLIDATED ACCOUNTS (Contd.)

f) In the previous period audited financial statements of the joint venture companies, Balaji Teleproducts Limited and Continental Special (India) Private Limited for the nine months period ended March 31, 2009, were not available and thus, have been consolidated on the basis of unaudited accounts drawn upto their respective dates.

During the year, there were no material transactions in the joint venture companies upto the date of sale of interest in them, and these joint venture companies were individually and collectively, not material to the Group's activity and are consolidated based on accounts prepared by the management.

3. Summary of Accounting Policies

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

a) Fixed assets

Fixed assets are stated at cost, less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Cost of shares of Co-operative society has been added to the cost of office building. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

b) Depreciation and amortisation

Depreciation is provided using the Straight-Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher. The estimated useful life of the assets is as follows:

Category	Estimated useful life (in years)
Factory Buildings	30
Building (Other than Factory Building)	60
Software	5
Plant and machinery	21
Electrical installations	20
Furniture and fixtures	16
Dies and moulds	3
Computers	6
Office equipments	21
Vehicles	8-10
Knowhow	3-5
Trademarks and Copyrights	9-10

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. The Goodwill purchased is tested for impairment purposes every year.

21 NOTES TO CONSOLIDATED ACCOUNTS (contd.)

c) Impairment

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. 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 weighted average cost of capital.
- 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 increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

d) Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Lease payments on operating leases are recognized as expense in the Profit and Loss account on a straight-line basis, over the lease term.

e) 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 an expense 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.

f) Investment

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. 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.

g) 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 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. 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.

h) 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.

21 NOTES TO CONSOLIDATED ACCOUNTS (Contd.)

Sale of Goods:

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. 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. 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. Service revenue includes income from washing and dry cleaning of garments. Revenue is recognised on completion of the significant part of act involved in rendering of service and when no significant uncertainty exists regarding realisation of consideration.

Interest:

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

i) **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 closing rate. 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; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were 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.

j) **Retirement and other employee benefits**

(i) Retirement benefits in the form of Provident Fund and Superannuation Fund are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective fund.

(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) Short-term compensated absences are provided for based on estimates at the year end. Long-term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

(iv) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

21 NOTES TO CONSOLIDATED ACCOUNTS (Contd.)

k) Sales promotion items

Sales promotion items are valued at cost or net realizable value, whichever is lower. 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.

l) 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 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.

At each balance sheet date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised 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.

m) Provisions

A provision is recognised when an enterprise 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 balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

n) 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 Profit and Loss account.

o) Segment Reporting Policies

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.

Segment 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.

Schedules Forming Part of the Consolidated Financial Statements For the year ended March 31, 2010

Rs. In lacs

21 NOTES TO CONSOLIDATED ACCOUNTS (contd.)

Intersegment transfer:

The Company generally accounts for inter segment sales and transfers as if the sales or transfers 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.

p) **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 share split.

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.

q) **Use of estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

r) **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.

s) **Borrowing Costs**

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

4. **Unhedged foreign currency exposure**

Particulars	Foreign Currency	2009-10		2008-09	
		Rs. in Lacs	Amount in Foreign Currency	Rs. in Lacs	Amount in Foreign Currency
Export debtors	US \$	70.09	155,282	9.28	18,246.18
Advance for import of Raw Material	US \$			48.75	95,839.98
Advance from export debtors	US \$			23.82	46,816.05
Advance for capital goods	Euro			11.56	17,083.00
Advance for expenses	US \$			27.98	55,000.00

Schedules Forming Part of the Consolidated Financial Statements

For the year ended March 31, 2010

Rs. In lacs

21 NOTES TO CONSOLIDATED ACCOUNTS (contd.)

5. 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 an insurance company. The Group has provided for gratuity and leave encashment based on actuarial valuation done as per Projected Unit Credit Method.

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

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
	Gratuity Funded	Gratuity Funded
(A) Summary of the Actuarial Assumptions		
Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult
Discount rate	7.75%	7-7.25%
Rate of increase in compensation	8-10%	8-10%
Withdrawal rates	1-10%	1-10%
Rate of return (expected) on plan assets	9.25%	6.50%
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
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	729.30	517.64
Interest cost	52.24	30.35
Current Service Cost	111.23	100.81
Benefits Paid	(19.57)	(22.15)
Actuarial (gain)/loss on obligation	7.03	102.65
PVO at end of period	880.23	729.30
(C) Changes in fair value of plan assets		
Fair value of plan assets at the beginning of period	296.15	254.04
Expected return on plan assets	30.88	12.80
Contributions	94.94	39.03
Benefit paid	(19.57)	(22.15)
Actuarial gain/(loss) on plan assets	4.01	12.43
Fair value of plan assets at end of period	406.41	296.15

Schedules Forming Part of the Consolidated Financial Statements

For the year ended March 31, 2010

Rs. In lacs

21 NOTES TO CONSOLIDATED ACCOUNTS (contd.)

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
(D) Net Assets/(Liabilities) recognised in the balance sheet		
PVO at end of period	(880.23)	(729.30)
Fair value of plan assets at end of period	406.50	296.15
Funded status (deficit in plan assets over fair value of PVO)	(473.73)	(433.15)
Unrecognised Actuarial Gain/(Loss)	-	-
Net assets/(liability) recognised in the balance sheet	(473.73)	(433.15)
(E) Expenses recognised in the statement of profit and loss account		
Current service cost	111.23	100.81
Interest cost	52.24	30.35
Expected return on plan assets	(30.88)	(12.80)
Net Actuarial (Gain)/Loss recognised for the period	3.02	90.22
Expense recognised in the statement of profit and loss account	135.61	208.58
(F) Experience adjustments		
On plan liabilities	17.27	57.26
On plan assets	4.01	12.43
(G) 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%

(ii) Defined Contribution Plans -

Amount of Rs. 437.44 (2009 - Rs. 298.02) is recognised as an expense and included in Schedule 18 - "Contribution to provident and other funds" in the Profit and Loss account.

(iii) The Company expects to contribute Rs. 213.57 to gratuity fund in 2010-11 and Rs. 28.06 to Superannuation fund in 2010-11.

6. Segment Reporting

Business segments:

The primary segment of the Group has been determined on the basis of business segment. The Group is organized into two business segments - Soaps and Detergents and Home Care. 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 include fabric whiteners, fabric detergents, dishwash bar and soaps including ayurvedic soaps. Home Care products include incense sticks, dhooop and mosquito coils and scrubber. Others include 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. 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.

Schedules Forming Part of the Consolidated Financial Statements For the year ended March 31, 2010

Rs. In lacs

21 NOTES TO CONSOLIDATED ACCOUNTS (contd.)

Information about Business Segments

	Soaps and Detergents	Home care	Others	Eliminations	Total	
	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)	April 1, 2009 to March 31, 2 010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
Revenue						
External Revenue	35,491.04	20,927.84	23,860.32	15,259.19	458.85	59,810.21
Inter Segment Revenue	19.58	41.86	658.40	165.13	-	-
Net Revenue	35,510.62	20,969.70	24,518.72	15,424.32	458.85	59,810.21
Results	9,493.67	5,214.03	1,345.14	378.65	(488.21)	10,350.60
Unallocated expenditure					(260.13)	(1,694.80)
Income						1,068.71
Interest & finance expenses						(169.54)
Profit before tax						9,554.97
Provision for tax						(2,147.53)
Profit after tax before Minority Interest						7,407.44
Minority Interest						26.67
Net Profit for the year						7,434.11
Other Information						
Segment assets	21,861.56	17,055.98	9,801.02	6,968.50	2,965.70	34,628.28
Unallocated assets					1,336.50	25,360.98
Total assets						19,307.80
Segment liabilities	3,925.28	2,201.36	4,022.83	1,905.91	154.60	53,936.08
Unallocated liabilities					204.39	42,569.48
Total liabilities						8,102.71
Segment Capital expenditure (including capital work-in-progress)	1,424.72	488.01	770.20	31.98	1,752.47	5,720.24
Unallocated capital expenditure (including capital work-in-progress)					725.64	13,822.95
Total capital expenditure (including capital work-in-progress)						3,947.39
Segment depreciation and amortisation	678.66	452.76	226.05	133.20	106.98	4,126.08
Unallocated depreciation and amortisation					3.90	1,011.69
Total depreciation and amortisation						178.58
Segment impairment loss	46.28	-	-	-	-	1,190.27
Unallocated impairment loss					-	748.31
Total impairment loss					-	46.28
Segment non cash expenses other than depreciation	4.09	20.47	0.92	21.94	-	-
Unallocated non cash expenses other than depreciation					-	46.28
Total non cash expenses other than depreciation					-	5.01
						68.48
						-
						5.01
						110.92

21

NOTES TO CONSOLIDATED ACCOUNTS (contd.)

7. 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/period.
Joint venture companies

Balaji Teleproducts Limited (upto February 24, 2010)
Continental Speciale (India) Private Limited (upto March 18, 2010)

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

Beena Agencies
Quilon Trading Co.
Travancore Trading Corp.
Sree Guruvayurappan Agencies
M.P. Agencies
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.
M.G. Santhakumari
M.P. Divakaran

Enterprises significantly influenced by key management personnel or their relatives
Sahyadri Agencies Ltd.

Key management personnel (includes directors of the Company)

K. Ullas Kamath	Deputy Managing Director
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Relative of key management personnel

Gayatri Kamath

Schedules Forming Part of the Consolidated Financial Statements For the year ended March 31, 2010

Rs. In lacs

21 NOTES TO CONSOLIDATED ACCOUNTS (contd.)

c) Transactions with related parties during the year:

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
Individual having control		
Remuneration*	223.45	90.72
Commission	216.63	82.55
Dividend	688.81	688.60
Purchase of equity shares of Jyothy Fabricare Services Limited	–	1.00
Joint venture companies		
Balaji Teleproducts Limited		
Provision made for doubtful advances	–	17.17
Advance written off	17.17	–
Enterprises in which relatives are interested		
Sale/(sales return) of finished goods		
Beena Agencies	1,258.15	830.60
Sahyadri Agencies Ltd.	1,493.75	1,029.53
Deepthy Agencies	1,151.80	737.91
Travancore Trading Corporation	2,385.75	1,207.75
M.P. Agencies	818.72	544.44
Sree hari stock suppliers	(3.80)	332.33
Sujatha Agencies	(4.66)	263.51
Others	(3.14)	111.63
Claims for reimbursement for sales promotion expenses/discounts given		
Sreehari Stock Suppliers	0.33	19.15
Sujatha Agencies	–	10.28
Travancore Trading Corporation	23.83	8.97
Sahyadri Agencies	50.87	8.24
Deepthy Agencies	12.10	5.54
M.P. Agencies	11.44	3.08
Others	12.52	11.28
Commission paid		
Sreehari Stock Suppliers	22.90	9.76
Sujatha Agencies	20.16	9.03
Tamil Nadu Distributors	6.05	3.06
Rent Paid		
Quilon Trading Company	0.95	–

Schedules Forming Part of the Consolidated Financial Statements For the year ended March 31, 2010

Rs. In lacs

21 NOTES TO CONSOLIDATED ACCOUNTS (contd.)

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
Dividend	32.24	32.24
Relative of key management personnel		
Allotment of Equity shares in Jyothy Fabricare Services Ltd		
Gayatri Kamath	–	1.00
Relatives of individuals having control		
Remuneration*		
M. R. Jyothy	21.50	14.11
M. P. Sidharthan	12.00	5.94
M. R. Deepthy	5.99	3.50
Ananth Rao T.	13.44	7.56
Allotment of Equity shares in Jyothy Fabricare Services Ltd.		
M.G. Santhakumari	–	1.00
M.R. Jyothy	–	1.00
M.R. Deepthy	–	1.00
Ananth Rao T.	–	1.00
Sale of Services	0.06	–
Dividend	275.94	275.94
Contribution to Superannuation fund		
M. R. Jyothy	1.92	1.26
Ananth Rao T.	1.20	0.68
Purchase of equity shares of Jyothy Fabricare Services Limited		
M.G. Santhakumari	–	1.00
M. R. Jyothy	–	1.00
M. R. Deepthy	–	1.00
Ananth Rao T.	–	1.00
Key management personnel		
Remuneration*	112.09	84.07
Commission	108.32	55.03
Dividend	14.51	14.51
Contribution to Superannuation fund	10.01	7.51
Allotment of Equity shares in Jyothy Fabricare Services Ltd	–	124.00
Sale of Services	0.33	–

* As the future liabilities for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual basis is not ascertainable and therefore not included above.

Schedules Forming Part of the Consolidated Financial Statements For the year ended March 31, 2010

Rs. In lacs

21 NOTES TO CONSOLIDATED ACCOUNTS (contd.)

d) Related party balances

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
Amounts receivable		
Joint venture company	–	17.77
Amounts payable		
Individual having control	216.63	82.55
Key management personnel	108.32	55.03
Relatives of individual having control	0.06	0.50
Amount receivable from key management personnel	0.13	–
Enterprises in which relatives of individual having control are interested		
Beena Agencies	30.74	10.70
Deepthy Agencies	40.97	0.63
Travancore Trading Corporation	112.88	1.43
M.P. Agencies	32.66	2.33
Tamil Nadu Distributors	8.57	3.57
Others	19.27	4.25
Enterprises significantly influenced by key management personnel or their relatives		
Sahyadri Agencies Ltd.	6.20	6.20
	576.43	167.19
Provision for advance to Joint venture company	–	17.17

Schedules Forming Part of the Consolidated Financial Statements For the year ended March 31, 2010

Rs. In lacs

21 NOTES TO CONSOLIDATED ACCOUNTS (contd.)

8. There are no delays in payments to Micro, Small and Medium Enterprises as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006.

The above information and the details given in Schedule 12 - "Current liabilities" as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

9. 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 to six years. Certain agreements provide for increase in rent. Lease rental expense for the year ended March 31, 2010 was Rs 500.51 (nine months period ended 2009 - Rs. 293.20).

	As at March 31, 2010	As at March 31, 2009
Future lease payment under non-cancellable operating leases are as follows:		
Payable not later than one year	28.95	63.71
Payable later than one year and not later than five years	25.29	26.28
Payable later than five years	–	–
	54.24	89.99

In case of assets given on lease

The Group has leased out few of its premises on operating lease during the year which have been terminated at the year end. Lease rent income for the year ended March 31, 2010 was Rs 107.50 (2009 – Rs. 62.33). There is no escalation clause in the lease agreement and the lease is cancellable in nature. There are no restrictions imposed by lease arrangements.

10. Contingent Liabilities

	As at March 31, 2010	As at March 31, 2009
Contingent liabilities not provided for in respect of:		
(i) Amount outstanding in respect of guarantees given by the Company to banks	1,389.90	69.68
(ii) Tax matters		
(a) Disputed liability in respect of income-tax demands matters under appeal	154.82	154.82
(b) Disputed sales tax demands–matters under appeal	1,443.20	356.43
(c) Disputed excise duty and service tax demand-matter under appeal	1,058.02	31.56
(iii) Others	15.82	–
(iv) Claims against the Company not acknowledged as debt	120.00	120.00

Schedules Forming Part of the Consolidated Financial Statements

For the year ended March 31, 2010

Rs. In lacs

21 NOTES TO CONSOLIDATED ACCOUNTS (contd.)

11. Capital Commitments (Net of Advances)

	As at March 31, 2010	As at March 31, 2009
Estimated amount of contracts remaining to be executed on capital account and not provided for	210.77	658.88
	210.77	658.88

- During the earlier years, depreciation/impairment on assets included impairment losses representing the amount by which the carrying amount of the asset exceeded its recoverable amount. Such impairment losses were due to adverse market conditions for one of its Cash Generating Unit pertaining to the 'Soaps and Detergents' segment. The pre-discount rate used for evaluation of the present value was 8% per annum. During the year, the Company has made an additional impairment provision of Rs 46.28 for the cash generating unit.
- As per the Notification No. 32/99-CE dated July 8, 1999, the Company is 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 has 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. During the year, the Guwahati High Court has given a favourable order in case of a similar matter against which the Department has filed an appeal in the Supreme Court. Based on the orders of High Court, the Company has accrued Rs. 475.26 lacs as excise duty receivable pertaining to the previous year and an additional benefit of Rs. 478.58 lacs for the current year.
- There are no amounts payable/due to Investor Education and Protection Fund.
- In the Previous Year, Company has changed its accounting year from July-June to April-March. Accordingly, the previous period consolidated financials are for a period of 9 months from July 01, 2008 to March 31, 2009 and the figures for the current year ended March 31, 2010 are therefore not comparable.
- Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group financial statements.
- The prior period figures have been reclassified where necessary to conform with current year's presentation.

Signatures to Schedules 1 to 21

As per our report of even date		
For S.R. Batliboi & Associates	For and on behalf of the Board of Director of	
Firm Registration No. 101049W	Jyothy Laboratories Limited	
Chartered Accountants		
per Sudhir Soni	M.P. Ramachandran	K. Ullas Kamath
Partner	Chairman and Managing Director	Deputy Managing Director
Membership No.: 41870		
Place: Mumbai	M.L. Bansal	Place: Mumbai
Date: May 25, 2010	Company Secretary	Date: May 25, 2010

"I slept and dreamt that life
was joy. I awoke and saw that
life was service. I acted and
behold, service was joy."

– By Rabindranath Tagore

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