Annual Report 2009-10

Jyothy LABORATORIES LIMITED

The cultural and geographic diversity of India is best expressed by dance as an art form, both classical and folk, that is an expression of devotion, joy and celebration. Hence we have used the diverse dance forms of India as our theme for this Annual Report 2010. It is an ideal visual metaphor that showcases our devotion to consumer care; joy of servicing our consumers by developing new products; and the celebration of our growing success. Of course, the geographic diversity of the dances also serves to highlight the pan-Indian footprint acquired by our products and services.

PERFORMANCE PAR EXCELLENCE

The idea of creating value.

The idea of generating wealth.

The idea of sharing success.

The idea of growing together.

The idea of collective prosperity.

The idea of common wealth.

Ideas that are ideals for Jyothy Laboratories Limited.

Ours has been a pioneering journey of innovation and excellence since inception 27 years ago. With deep insights and a focus on customer satisfaction, we embarked on a mission to enhance and enrich the Indian household with quality products that addressed almost every aspect of daily life. Beginning with the anthemic "Char Boondon Wala" that launched our flagship brand Ujala, a liquid fabric whitener, we went on to replicate its success with several more products. These include dish wash cleaners branded EXO; Fragrance Incense sticks branded MAYA; personal care products branded JEEVA; and mosquito repellent MAXO. Our latest offering is the result of a collaborative effort with the Defence Research & Development Organisation (DRDO) Ministry of Defence, Govt. of India to formulate a multi-insect repellent especially for the armed forces. Branded MAXO Military targeting men working outdoors and MAXO Safe & Soft specially formulated for women and children, they speak volumes about our research and development skills. Besides, our marketing, sales and distribution network has a national footprint that helps us leverage our brand equity to post greater growth, as reflected in this Annual Report. We reiterate our commitment to create and deliver value to all our stakeholders.

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Kathakali: Literally meaning story-play, Kathakali from Kerala is an elaborate dance depicting the victory of truth over falsehood with the use of elaborate make-up and colourful costumes to emphasize that the characters are super beings from another world.

CORPORATE IDENTITY

Profile

- Founded in 1983
- Engaged across the complete FMCG product cycle - management: research, manufacture, marketing and branding
- Marketing a range of daily household and personal care products.
- Headquartered in Mumbai with a nationwide distribution network

Product segments

- Fabric care
- Household insecticides
- Surface cleaning preparations
- Air care (incense sticks/aroma sticks)
- Personal care products

Prominent brands

- Ujala (flagship): Liquid fabric whitener
- Maxo: Mosquito repellent
- Exo: Dishwashing soap and dishwashing scrubber
- Ujala Stiff & Shine: Fabric enhancer
- Jeeva: Personal care toilet soap
- Maya: Incense sticks
- Ujala Detergent: Detergent washing powder

Plants

- 28 manufacturing facilities across 15 locations, Trichur, Wynad, Roorkee, Pondicherry, Banglore, Chennai, Hyderabad, Bhubaneshwar, Bankura, Guwahati, Baddi,Silvassa, Salem, Jammu and Pithampur proximate to consumer locations
- Most plants are ISO 9001 and ISO 14000-certified

People

- Network of more than 3,500 distributors
- Motivated team of more than 1,500 marketing and sales members
- Employee strength of over 4,000
- 40 depots to service customer requirements

Presence

- Pan-India presence across large population clusters
- Products accessible across more than 750,000 Indian households
- Exports to 14 countries including Sri Lanka, Bangladesh, Mauritius, Malaysia, UAE, HongKong and Saudi Arabia.

CORPORATE INFORMATION

Board of Directors

Executive Directors	Non Executive Directors
M. P. Ramachandran Chairman & Managing Director	Nilesh B. Mehta Independent Director
K. Ullas Kamath Deputy Managing Director	K. P. Padmakumar Independent Director
M. R. Jyothy Whole-time Director	Bipin R. Shah Independent Director

Company Secretary
M.L. Bansal

Statutory Auditors
S.R.Batliboi & Associates

Solicitors & Advocates
Law & Prudence
V Lakshmikumaran
Vaish Associates

Bankers
The Federal Bank Ltd.
ICICI Bank Ltd.
Axis Bank Ltd.

Registered Office
UJALA HOUSE
Ramkrishna Mandir Road
Kondivita, Andheri (East)
Mumbai – 400 059.

Registrars & Share Transfer Agent
Link Intime India Private Limited
C-13 Pannalal Silk Mill Compound
L. B. S. Marg, Bhandup (West)
Mumbai – 400 078.

Bhangra: As a form of music and dance, Bhangra is a perfect reflection of the ebullient people of Punjab and began as a folk dance conducted by Punjabi farmers to celebrate the coming of Baisakhi, the harvest festival.

HIGHLIGHTS OF THE YEAR

- **April 2009** - Jammu Unit commenced full scale production of Mosquito Repellent Coils.
- **October 2009** - Expansion of Exo Dishwashing Line from South India to PAN India
- **November 2009** - Bought technology DEPA (a new repellent molecule against all Blood sucking insects and Mosquitoes) from "DRDO" (Defence Research & Development Organisation) Ministry of Defence, Government of India to manufacture and market across the globe
- **November 2009** - Launched Fabric Spa at Bangalore
- **January 2010** - New media campaign and packaging for the brand 'MAXO' – "Raat Achhi toh, Din Achha"
- **February 2010** – New advertisement campaign launched for Exo
- **February 2010** – Signed agreement with Sachin Tendulkar as Brand Ambassador for Ujala portfolio
- **March 2010** – Touched an average servicing of 25,000 pieces a day under the Institution category and 3000 pieces a day under the Retail category under the Fabric Spa initiative.

MILESTONES

1983
- Mr. M. P. Ramachandran starts Jyothy Laboratories as a proprietary concern in Kerala
- Ujala is launched

1984
- Ujala is sold house to house through a team of six sales people in the Trichur and Malappuram districts in Kerala

1986
- Jyothy Laboratories releases its first print advertisement in the Kerala- based Mathrubhoomi newspaper

1987
- Starts advertising on radio
- Graduates to a formal distribution system
- Ventures out to Kerala's neighbouring state Tamil Nadu

1992
- Chennai factory is commissioned to make Ujala
- Company is incorporated

1994
- Commissions the Pondicherry plant, our first in a backward area utilising government incentives

1995
- Launches Nebula, an oil based anti-bacterial washing soap in Kerala

1997
- Launches Ujala all over India

2000
- Launches Maxo (Mosquito repellent) in West Bengal
- Launches Exo (antibacterial dish wash bar) in Kerala, later launched across Karnataka, Tamil Nadu and Andhra Pradesh

2001
- Launches Maya incense sticks in selected states

2002
- Acquires Sri Sai Homecare Products Private Limited, a mosquito repellent coil manufacturing facility in Hyderabad
- Lauches Jeeva Ayurvedic Soap

2003
- Awarded the 'AAA Brand Performance Award' for Maxo by the All India Advertisers Association

2005
- Launches Exo Liquid in South India
- Launches Ujala Stiff & Shine in South India

2007
- Acquires trademark and copyright for the More Light and Ruby brands
- Got listed in NSE/BSE

2008
- Launches Ujala Stiff & Shine all over India
- Moves its registered office to its own building 'UJALA HOUSE' in Mumbai

2009
- Forays into service sector through new venture ' Jyothy Fabricare Services Limited' to provide world class laundry at affordable price at consumer doorstep

CMD'S VALUE STATEMENT

Dear Fellow Stakeholders,

What started as a small trickle of four drops with Ujala Fabric Whitener, has now turned into a reservoir for our Company, with an impressive array of products. This has been possible, as during the course of our journey, we have continued to launch products which touched the lives of the common man and became an integral part of his day to day life. It is with great pleasure today that I address each one of you who has been part of this journey.

During the financial year 2009-2010 when most economies continued to reel under the economic crisis thus affecting corporations across the globe, the Indian economy and our Company consolidated its position and grew.

The Tangibles

For the 12-month period (1st April, 2009- 31st March, 2010) , we registered Net Sales of Rs 57,476 lakhs, translating into a growth of 28% on a year-on-year (comparable 12-month) basis. The Operating Profits stood at Rs.11,213 lakhs, up 36 %, on account of overall efficiencies. This strong operating performance has translated into a bottomline of Rs. 8,005 lakhs, up by 38%, on a year-on-year (comparable 12-month) basis.

The Ujala Portfolio continues to grow and provide a stable growth base to the Company. Within this space too, while Ujala Fabric Whitener continues to ride smoothly on the back of its established brand equity Ujala Stiff and Shine and Ujala Detergent continue to provide the scalability. Together, the fabric care division has grown by 21% during the Financial Year 2009-10. I would like to highlight the fact that Ujala fabric whitener has achieved 99.99% market share in the state of Kerala.

In a significant development, we have signed with Sachin Tendulkar as our brand ambassador for our Ujala

M. P. Ramachandran
Founder,
Chairman and
Managing Director

portfolio. The cricketing maestro's image as a pure and clean icon and the best Test batsman alongside the legendary Sir Don Bradman, is reflective of our ethos too.

Our belief in the potential of the Household repellent industry has borne fruit and the Household Insecticide Division, Maxo, registered a growth of 29%. The new products i.e.Vapourizers and Aerosols were launched with attractive packaging and improved efficacy in the last quarter of the financial year and we intend focussing more on them to become an end to end solution provider for the Household Insecticide category. Now we have identified that the society very badly needs protection from mosquitoes and other blood sucking insects when they are out of homes and are exposed to mosquitoes. Our attention shall be focused on this social need which opens up vast opportunity.

Fabric Spa initiative is on track in terms of commencing the new world class plant and is gradually spreading its wings in a structured manner to cover the entire strata of society. We have opened 5 Fabric Spa premium outlets in Banglore and the initial response has been encouraging. Under the economy segment, Snoways – we have added 22 more outlets taking the total count to 30.

Our own laundry facility with 70,000 sq. feet of built up area commenced processing from November 2009 and is processing garments to the tune of 25,000 pieces a day under the Institution category and 3000 pieces a day under the Retail category.

We are satisfied with the progress made thus far and see immense growth potential hereon. Our focus for the coming quarters will remain on getting more and more households under the monthly commitments.

We feel happy to inform you that Jyothy Fabricare Services Limited has been selected as official launderers at Common Wealth Games 2010.

A Major Breakthrough

To top the good performance of insect repellent Maxo during this financial year, our Company was invited by the Government of India (GOI) through FICCI to manufacture and market the products both in India & internationally, based on the new molecule developed by DRDO for repelling insects.

Defence Research and Development Organisation (DRDO) has entered into an Agreement with our Company and

Mohini Attam: Another classical dance form from Kerala, the theme of Mohini Attam is love and devotion to god, most often either Vishnu or Krishna, through circular movements, delicate footwork and subtle expressions.

granted us exclusive rights to manufacture Diethyl Phenyl Acetamide, formulations based thereon and Multi-Insect Repellent . I believe that this event will go down as a landmark in the history of our Company. This would be primarily due to two reasons.

Firstly, that we were invited by the GOI through FICCI, which reinforces our strong presence in the rural areas and secondly, it opens up a huge market for us in terms of outdoor protection from not only mosquitoes but a variety of other blood sucking insects. We expect a commercial launch in September 2010 in India.

We are confident that we will be able to justify the confidence placed in us and that our stakeholders will benefit from the same.

Vote of Thanks

With a dedicated approach to providing value to all our stakeholders including our shareholders, employees, customers etc, we are now moving towards a higher growth phase as we look forward to consolidating the various initiatives we commenced in the last financial year.

This will be strengthened by focused marketing efforts across product categories with special emphasis on Maxo and Ujala brand extensions. This, we believe will form a strong foundation as we move into the next phase of value unlocking and growth.

I conclude here, thanking each one of you for your support and assure you that we will continue to strive hard to achieve the best for our Company.

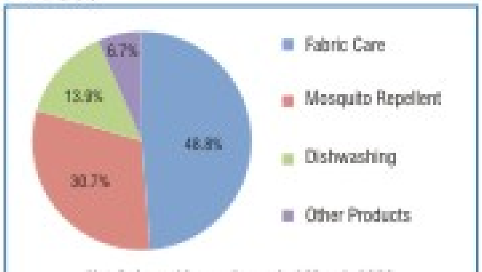
BUSINESS REVIEW

Jyothy Laboratories continues to grow across its segments. Hereunder is a snapshot of the performance across key product categories

Category	April – March (Rs. lakhs)		
	2009	2010	Growth %
Fabric Care (Ujala)	21955	26602	21%
Mosquito (Maxo)	13802	17831	29%
Dishwashing (Exo)	6243	9422	51%
Other Products	3001	3621	21%
Total	45001	57476	28%

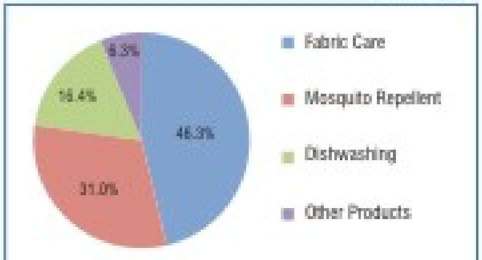
Category Wise Revenue Break-Up 2009 & 2010

FY 2009

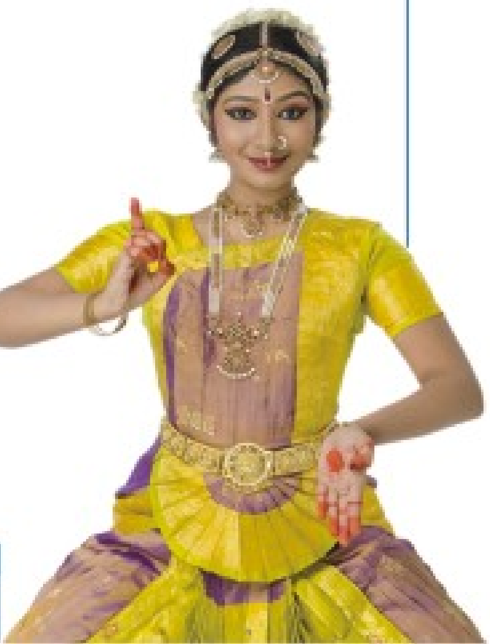


Net Sales - 12 months ended March 2009

FY 2010

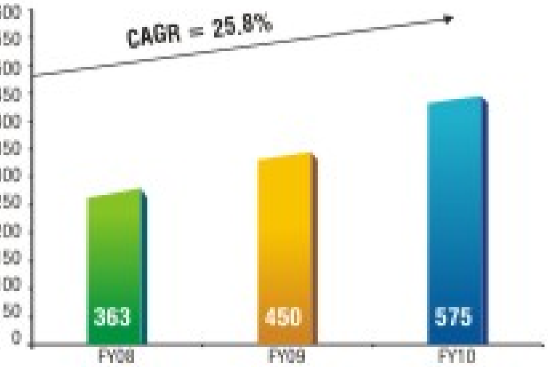


Net Sales - 12 months ended March 2010



Bharatanatyam: Said to have originated in Thanjavur of Tamil Nadu, Bharatanatyam is the purest form of classical dance based on the three concepts of bhava or mood, raga or melody, and tala or timing.

Turnover continues to grow at healthy rate across all product categories. Concrete actions were on for extension of brands to new geographies- Ujala detergent from Kerala to other states in south India and dishwashing products from south India to national level. While fabric whitener and other fabric care products recorded strong growth, the sales portfolio is becoming broad-based as other product categories report strong up-trend. The Company has robust distribution with presence both in rural and urban markets and direct reach to over one million retail outlets.

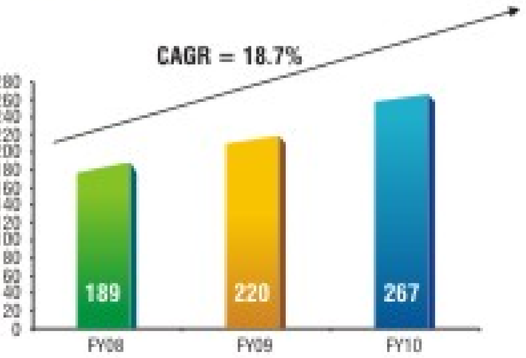


UJALA PORTFOLIO

The Growth Story continues

Ujala Brand Performance – Net Sales

Rs. crores



- **Ujala Fabric Whitener**

Market Share by Value	Market Share by Volumes	Retail Penetration
72%	58%	75%

** as on March, 2010 ,* ***Source:*** *A.C. Nielsen*

Rural thrust, continuous efforts at enhancing productivity and long standing brand equity have enabled the flagship product to grow at a stable rate and provide long term sustainability to the Company. IMRB's Household Purchase Panel suggests that Ujala was purchased by 33% households, which means that every 3rd house in India had UJALA, in 2010.

Odissi: The most ancient of all classical Indian dances that has found extensive representation in the ornamental temple structure of Orissa, Odissi is the most expressive and lyrical of all classical dances.

While there was no increase in prices for the year, the Company has seen appreciable volumes growth. With the Uttarakhand plant running at full steam, the tax benefits have started reflecting in the Company's margins for its Ujala portfolio. Further, the Company's standard practice of maintaining cost competitiveness has also resulted in remarkable savings for the Company.

• UJALA STIFF & SHINE

After a successful launch in Kerala, the product used to stiffen and brighten clothes has shown signs of favourable response during its national roll out. We will continue to focus on increasing our reach.

• UJALA DETERGENT

While the market is a crowded one in the premium and the lower income categories, Ujala Detergent has been positioned to target the middle income category.

At present, besides a 17% market share by volume in Kerala, Ujala Detergent has established a foothold in Tamil Nadu & Karnataka. Andhra Pradesh is its latest target market and based on our production capabilities we plan to do a state-wise roll out in a phased manner.

While Ujala Fabric Whitener continues to provide stability, incremental growth has been from brand extension products and this is expected to continue. The company plans to increase its advertising spend and take Ujala Detergent across the country in a phased manner.

New product categories in the Fabric Care segment are underway and the Company is awaiting the right opportunity to launch them.

The icing on the cake here is our signing with the cricketing legend, Sachin Tendulkar as our brand ambassador.

Notably, the Company has already incurred the capital expenditure for setting up production units across the country, which has been absorbed and hence there would not be any remarkable capital expenditure involved. On the contrary, any expansion in new territories should positively impact topline and the bottomline growth.

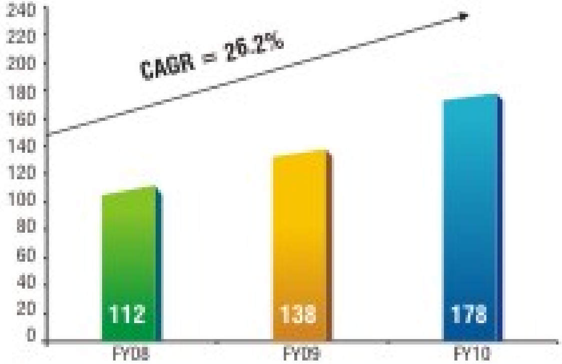
Manipuri: The world renowned Manipuri style of classical dance, very much distinct from other Indian dance forms, captivates beholders with exotic costumes and simple but graceful rhythm that generally have a spiritual and religious basis.

MAXO

ON A HIGH GROWTH CURVE

Maxo Brand performance – Gross Sales

Rs. crores



Market Share by Value	Market Share by Volumes	Retail Penetration
22%	24%	36%

** as on March 2010, Source: A.C. Nielsen*

• MOSQUITO REPELLENT

The Maxo brand which commenced as an indoor mosquito repellent brand has become one of the major growth drivers for the Company. While Maxo coils have already created strong brand equity in the markets, especially the rural segment, as part of a conscious effort, the company has undertaken heavy advertisements to promote Maxo Liquid Vapouriser, where it foresees better margins.

Overall, the repellent market is a highly competitive and the total pie is around Rs. 2000 crores of which Coils would represent about 50%. Within this 50%, the Company's brand size is Rs. 257 crores and has a 20% market share on an all India basis, by value as per A.C. Nielson estimates.

As of now 90% of Maxo's sales are from Coils and the Company is focusing on increasing the contribution of new products, which will result in better margins.

The new products i.e. Vapourisers and Aerosols were launched with attractive packaging in the last quarter of the financial year. They are available across the country in about 220,000 retail outlets as of 31st December, 2009 according to a AC Nielsen report. Our renewed marketing efforts should result in increasing the reach.

Given the competitive nature of the business, trade margins are expected to remain high. However, the Company undertakes continuous measures in terms of in-house production at tax-free zones. This helps it to avail of excise benefits granted by the Government and higher productivity by investing in imported machinery and advanced technologies.

A New Beginning in Brand Extension

Higher Efficacy & Long Lasting

Indian & International Marketing rights on Exclusive basis

Catering to the Masses & Military

Multi Insect Repellent

Outdoor Protection

Cost Effective on a Global Scale

Innovative Applications

Excerpts from a discussion between Mr. K. Ullas Kamath (Deputy MD) and Ms. Neetu Kashiramka (GM-Finance) to provide an insight into the Company's focus on the Insect Repellent Initiative and its prospects.

Q. After establishing the company as a market leader in the Fabric Care segment, can you explain the Company's thrust on the Insect Repellent Industry ? What is its potential ?

We see a lot of potential in the Insect Repellent Industry today with the rising cases of vector borne diseases. The economic dynamics of this industry are significantly different when it comes to rural and urban areas.

While deaths in rural areas are more due to insect bites, the same in urban areas are far less given the availability of better medical facilities and awareness amongst the people.

Further, the Rural masses would by and large be daily wage earners and loss of a work day due to illnesses would hurt their pockets far more than what it would to most people in an urban area.

Very clearly, Jyothy Laboratories has been selected by the GOI so that the insect repellent technology can reach the masses as a commercial product at affordable prices.

This honour bestowed upon the Company is not just a privilege but also a huge business opportunity to serve the common man. This will act as strong catalyst for our Maxo segment. Branded as Maxo Military which is targeted at the armed forces and men working outdoors and Maxo Safe and Soft for women and children, the scalability prospects are huge given our strong presence in the rural segment.

Q. Can you elaborate on the DRDO's Molecule and what role Jyothy Laboratories will play with the Government ?

Ans: The Defence Research & Development Establishment (DRDE), Gwalior, which is the premier research wing & laboratory of the Defence Research and Development Organisation (DRDO) has developed a Molecule - Diethyl Phenyl Acetamide (DEPA) after 15 years of research which is an effective insect repellent.

Given Jyothy Laboratories strong foothold in the rural markets, the Company has been invited by the Government of India through FICCI to market the products, both in India & international market. DRDO has entered into an agreement with the Company and granted exclusive rights to develop DEPA Multi-Insect Repellent in various formulations.

Q. How is this initiative different in terms of technology and application as compared to your existing business model?

An indigenous technology developed by the DRDE, it has been extensively used by the soldiers in north eastern India in Arunachal Pradesh and Nagaland over the last 8-10 years. While this

Kuchipudi: Combining speech, mime and pure dance, Kuchipudi derives its name from the village of Kuchelapuram, Andhra Pradesh, and as a dance form is ebullient, scintillating and yet has the capacity to be intensely lyrical.

molecule has been in use, the insect repellent formats available thus far like lotions, creams, sprays, coils & vapourisers, they have been predominantly for indoor use and restricted to acting as mosquito repellents. Intensive and extensive research has been conducted to test this product in terms of toxicology, bio-efficacy and safety on various matrices, and geographical & climatic conditions. It is effective for 8 hours after application which is its USP. Hence, the scope is tremendous.

DEPA based formulations developed by the Company will be in the form of lotions and sprays to begin with and Wipes are being developed as an innovative application methodology. Resultantly it will cater to the insect repellent needs for outdoor usage. The technology provides protection against multiple blood sucking and biting insects and resultantly protecting the masses from painful insect bites and vector borne diseases.

Q. What is the Revenue Model for this product ?

GOI will be one of the customers for the Company as they will buy for the Armed forces as well as for the masses in the Rural Areas as part of their developmental initiatives. In addition to this, the Company has the exclusive right to market the products and is confident of spreading it far and wide through its robust distribution network.

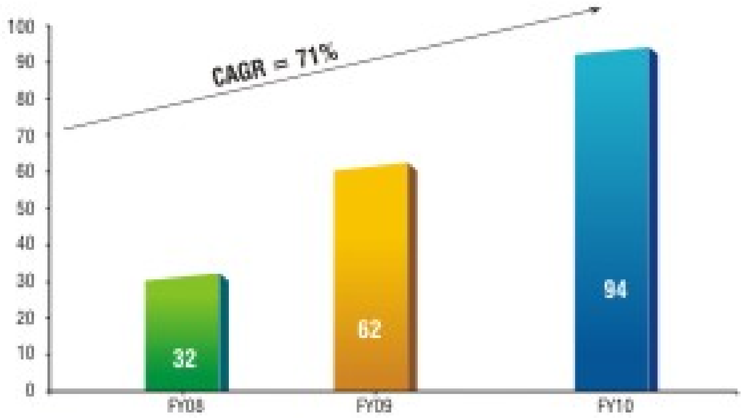
Q. What will be the Company's key target market

Armed forces (GOI) and the common masses will be the target markets for the Company. Like all our other products, the Company's focus remains on the common man. Further, Jyothy Laboratories intends spreading its wings not only in India but also to other neighbouring countries in a phased manner.

EXO SURFACE CLEANERS

GROWING STEADILY

Exo Brand performance – Net sales



• EXO DISHWASH & BARS

Market Share by Value	Market Share by Volumes	Retail Penetration
24%	22%	39%

• as on March 2010 (South India), Source: A.C. Nielsen

Dandiya: This simple yet energetic folk dance from Gujarat is performed by a group of men and women who move in rhythmic circles to measured steps marking time by sticks called dandia, symbolic of the sword of Goddess Durga.

Exo positioned as the first anti-bacterial dishwash bar in India, launched 10 year ago, is now a Rs.146 crore brand. Predominantly a south based brand till October 2009, Exo has since been launched in a phased manner across various states in India like Delhi, Uttar Pradesh, Maharashtra and West Bengal.

By March, 2010, the Company had penetrated into all major cities in India with a 6-8 lakh population and product is being distributed through 3.5 lakh retail outlets. This number is expected to go upto 10 lakh retail outlets by March 2011 backed by focused advertisement initiatives.

At present, the Company is outsourcing some of its manufacturing and gradually, it will try to transfer the production in-house which is expected to boost margins.

Chau: The only masked dance in India, the Chau dance is a genre of tribal martial dance form popular in Orissa and West Bengal that originated from a martial art form Pari-Khanda (Shield-Sword) in Bihar.

FABRIC SPA

COMES IN SOILED & WRINKLED...

JFSL Plant

Collection at Fabric Spa Outlet

Washing at Plant

Finishing at Plant

Packing at Plant

Delivery at Outlet

GOES OUT CLEANED & PRESSED

THE GROWTH STORY

The Company had initiated the setting up of a world class laundry at an affordable price at Bangalore. The Company's own laundry facility with 70,000 sq. feet of built-up area commenced operations from November 2009 and is processing 25000 pieces a day under the Institution category and 3000 pieces a day under the Retail category.

Based on the Company's experience in the last one year, the business has been structured to make it broad based to cater to various segments of the socio-economic strata. The Company does not foresee the need for immediate capital expenditure, as with an increase in demand, it intends to increase the number of shifts to two as compared to the single shift in operation now.

JFSL CORPORATE

World-class Fabric Care Services

Currently the company has established good credibility in the market place. It has 65 key clientele which includes Hotels, Airlines, Service Apartments, health clubs, etc e.g:- Royal Orchid, ITC – Fortune, Golden Residency, Bangalore Gate, Taj Sats, Lufthansa, Air France, Singapore Airlines, Oakwood Prestige, Fitness One, etc.

fabriCspa

The Art of Fabric Care. Perfected

The commercial production under the flagship brand Fabric Spa started from November 15th, 2009 in Bangalore. Catering to the Premium Retail segment, the Company has 3 retail outlets at the moment and 2 more will be operational shortly.

Bihu: A folk dance from Assam related to the festival of Bihu, this joyous dance is characterised by brisk dance steps, rapid hand movement, and a rhythmic swaying of the hips in order to represent youthful passion.

SNOWAYS
launderers drycleaners

Snoways chain of laundry had 8 retail outlets when the Company acquired it, this number has been increased to 30 as of now and has been positioned as the Retail Economy Segment which caters to the masses.

JFSL rentals
LINEN & UNIFORMS

A popular concept in the West, Jyothy Laboratories plans to own and rent uniforms to certain institutions like Security Agencies, Pharma Companies, Retail chains, etc and the possibilities are endless.While things are still at the planning stage, the Company is confident of good business from this segment.

fabriCspa
busy|easy
Wardrobe Care at Your Doorstep

This is a new service which the Company has started for Convenience seekers. 4000 customers have already become members under this category. Targeted at the upper middle class and specifically the working category, this service provides door step pick up and delivery of clothes with short turnaround time.

FINANCIAL REVIEW

GROWTH IN NUMBERS

PROFIT & LOSS ACCOUNT

(Rs. in lacs)

Particulars	12 months ended 31 March 2010	12 months ended 31 March 2009	9 months ended 31 March 2009
Gross Sales	75,046	57,511	45,194
Net sales	57,476	45,001	35,154
Other income	1,819	1,006	775
Total Income	**59,295**	**46,007**	**35,929**
Cost of Goods Sold	(31,277)	(24,256)	(19,822)
Employee Cost	(6,831)	(5,512)	(4,320)
Advertisement & Sales Promo Expenses	(3,686)	(2,487)	(1,788)
Other Expenses	(6,288)	(5,526)	(4,223)
EBITDA	**11,213**	**8,226**	**5,776**
Depreciation	(1,046)	(889)	(681)
Interest and Finance Charges	(61)	(40)	(37)
Profit before exceptional item and tax	**10,106**	**7,297**	**5,058**
Tax	(2,101)	(1,484)	(1,047)
Profit after tax	8,005	5,813	4,011
EPS	**11.03**	**8.01**	**5.53**
Book Value Per Share	**54.97**	**48.55**	**48.55**

Balance Sheet

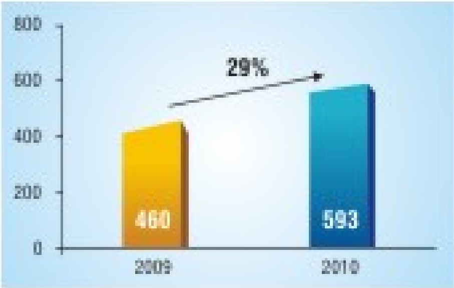
(Rs. in lacs)

Particulars	As on 31 March 2010	As on 31 March 2009
Share Capital	726	726
Reserves and Surplus	39,166	34,506
Net Worth	**39,892**	**35,232**
Total Loans (Sales Tax Deferral)	(17)	(17)
Net Block	19,809	18,511
Capital Work in Progress	346	611
Investments	1,798	1,726
Cash and Bank Balances	12,117	10,017
Net Current Assets (Excluding Cash) ^	5,838	4,385
	39,892	**35,233**

^ Net Current Assets (excl cash) defined as (Inventory+Sundry Debtors+Other current assets sales promotion items-Current Liabilities-Provisions - Deferred tax liability)

Cheraw: The most popular and colourful dance from Mizoram, Cheraw is performed by girls who dance in and out as long pairs of horizontal and cross bamboo staves open and close in rhythmic beats, accompanied by gongs and drums.

Total Income (Rs. Crores)



Net Sales (Rs. Crores)

Ebitda (Rs. Crores) & Ebitda Margin

PAT (Rs. Crores) & PAT Margins

EPS (Rs.)

Book Value (Rs.)

Fixed Assets (Rs. Crores)

Net Worth (Rs. Crores)

Cash & Bank Balance (Rs. Crores)

Dividend Per Share

Dividend Payout (%)

Yakshagana: Yakshagana is a repertoire of song, dance and drama from Karnataka State performed to entertain and educate the rural folks and is musically accompanied by drums and cymbals.

BOARD OF DIRECTORS
Strength in Unity

For a fast-growing company, it is imperative to be well-served by not just a proven team of Directors at the helm, but also a highly competent second line of Management.

Jyothy Laboratories fulfils this crucial criteria.

THE BOARD

M. P. Ramachandran

Chairman and Managing Director

The founder and driving force behind the company, he is a postgraduate in Financial Management. He set up Jyothy Laboratories in 1983 and has close to four decades of experience. With a hands-on managerial style, he is the guiding light for the company even as it keeps carving new niches for itself in the FMCG segment.

K.Ullas Kamath

Deputy Managing Director

A qualified Chartered Accountant and Company Secretary with a degree in Law, he has completed the Advanced Management Programme at Wharton Business School and Harvard Business School. Having played a key role in the growth of this company since its incorporation, he oversees business development, new projects, sales, financial management and supervision of day-to-day operations. Besides these pivotal functions, he also spearheads the company's latest initiative in organised laundry services. He won "CA Business Achiever Award – SME Category" in January 2009 given by The Institute of Chartered Accountants of India.

M. R. Jyothy, Whole time Director

A postgraduate in Management with an additional diploma in Family Managed Business Administration, her key responsibility areas include sales administration, marketing and brand communication. At present she is pursuing Owner / President Management Programme' from Harvard University. Her new ideas and initiatives blend well with the vast experience of the Board.

Non-Executive, Independent Directors

Bipin R. Shah

Bipin R. Shah is a Chartered Accountant with a postgraduate degree in Management. He has held eminent positions with the Unilever Group of companies and has been accredited with turnarounds and growth of many companies. He joined Indus Venture Management Ltd where he was the Vice Chairman until May, 2006 and is currently on the Board of several companies. He has attended Senior Executive Programme conducted by Sloan School of Business, Massachusetts Institute of Technology at Boston, USA.

K.P. Padmakumar

A banker with over four decades of association in India and abroad in Commercial Banking, Treasury Management, Capital Markets and Mutual Funds, Padmakumar is a Graduate in Agriculture and a Certified Associate of Indian Institute of Bankers – CAIIB. He has held eminent positions with

SBI and SBI Mutual Funds across the fields of Treasury Management and Fund Management. He has also been the Chairman of Federal Bank and was responsible for bringing about a sea change in its technological orientation.

Nilesh B. Mehta

Nilesh Mehta is a Chartered Accountant and a postgraduate from IIM. He has vast experience in the field of investment banking, private equity and fund-related activities and has spearheaded several private equity transactions and mergers and acquisitions of mid cap Indian companies. Nilesh Mehta joined Aureos Capital in January 2005 as Managing Partner, and raised USD 100 million to invest in mid market opportunities in India. The Fund has already made 5 investments of expansion capital nature.

PEEP INTO THE FUTURE

PERSPECTIVES FROM JYOTHY LABORATORIES

K. Ullas Kamath – Deputy Managing Director

" While Ujala continues to sustain its pace, Maxo is set to take a giant leap. While we are the top three players in the indoor protection space, with the exclusive agreement with DRDO, the Maxo Brand has received a big boost."

" The Laundry Business has picked up well and while it is still in the nascent stage, like any other investment which we have made, we are confident of its growth prospects".

M.R.Jyothy – Whole Time Director

"We believe that we are at a consolidation stage . One, from where our business initiatives will continue to grow even as we form a strong foundation, gradually pick up pace and create more successful brand stories."

" This year we propose to focus on advertising and undertake aggressive campaigns to create awareness about our new products and at the same time, sustain the growth in our existing business segments. As is the nature of the industry, there will be a time lag in the translation of efforts into financial performance. Notably, our capex has already been incurred and any increase in revenues will directly impact the topline and the bottomline positively"

M.L Bansal – CFO & CS

"We strive to reduce costs through better working capital and logistics management. We buy from source, avail cash discounts and enter into long term contracts for our raw material requirements.

Given the cash on our balance sheet, we could offer upfront payment and avail of cash discounts in a market where credit is the norm."

Kathak: This north Indian dance form, basically from Uttar Pradesh, is inextricably bound with classical Hindustani music, and the rhythmic nimbleness of the feet is accompanied by the tabla or pakhawaj.

MANAGEMENT DISCUSSION AND ANALYSIS

Macro Economic Scenario

India's GDP grew by 7.4 per cent in 2009-10 on the back of the strong performance of the manufacturing sector and positive agricultural growth. This good growth has come at a time of a challenging external economic environment and the worst drought that the country has seen in nearly four decades as per the finance ministry.

According to a study by the McKinsey Global Institute (MGI), 'Bird of Gold': The Rise of India's Consumer Market, Indian incomes are likely to grow three-fold over the next two decades and India is expected to become the world's fifth largest consumer market by 2025, moving up from its 2007 position as the world's 12th largest consumer market.

India ranks second in the Nielsen Global Consumer Confidence survey released on January 7, 2010—an indication that recovery from the economic downturn is faster in India with consumers willing to spend more.

The Fast Moving Consumer Goods (FMCG) Industry

According to a FICCI-Technopak report, despite the economic slowdown, India's fast moving consumer goods (FMCG) sector is estimated to clock USD 43 billion by 2013 and USD 74 billion by 2018.

The report states that implementation of the proposed Goods and Services Tax (GST) and the opening up of Foreign Direct Investment (FDI) are expected to fuel growth further and raise the industry's size to USD 47 billion by 2013 and USD 95 billion by 2018.

The Ministry of Food Processing Industries is also planning to double the market size of the food processing industry to USD 165.1 billion by 2009-10 and treble it to USD 271.8 billion by 2014-15.

Demand for personal care products such as shampoos, toothpastes and hair-oils has registered better growth rates in rural areas than urban areas during April-September 2009, a period that includes the peak monsoon months, as per the numbers released by market researcher AC Nielsen.

The Indian FMCG industry is divided into five primary segments – personal care products, household care products, packaged food products, branded spirit and tobacco products as well as health care products.

Key Industry Trends & Growth Drivers

1. **Relatively Insulated from the Slowdown**

   Despite the global economic downturn, the Indian economy continued to display resilience and this is evident in the growth numbers projected by the Finance Ministry. This augurs well for the FMCG sector and especially Jyothy Laboratories which has an India centric focus.

2. **Rural Demand – biggest growth driver**

   The rural market accounted for a 57 per cent share of the total FMCG market in India.

   Rural India, which accounts for more than 70 per cent of the country's one billion population (according to the Census of India 2001), is not just witnessing an increase in its income but also in consumption and production. Further the Union Budget for 2010-11 has hiked the allocation under the National Rural Employment Guarantee Act (NREGA) to USD 8.71 billion in 2010-11, giving a boost to the rural economy.

According to a study on the impact of the slowdown on rural markets commissioned by the Rural Marketing Association of India (RMAI) and conducted by MART, the rural economy has not been impacted by the global economic slowdown.

Moreover, the rural consumer market, which grew 25 per cent in 2008 when demand in urban areas slowed due to the global recession, is expected to reach USD 425 billion in 2010-11 with 720-790 million customers, according to a white paper prepared by CII-Technopak. That will be double the 2004-05 market size of USD 220 billion.

According to the study, the rural market is seeing a 15 per cent growth rate.

Ghoomar: This popular folk dance of Rajasthan, in which performers carry earthen pots and dance with slick movements of the hands and feet, gets its name from 'ghoomna', the graceful gyrating that displays the spectacular colours of the flowing 'ghaghra', the long skirt of the Rajasthani women.

3. Increase in promotional and advertisement expenditure

Promotional expenses continue to remain high for FMCG companies which is intensely competitive. Media reports even suggest that the amount spend by FMCG companies has been creating a big dent in the profitability. With the economy showing signs of having revived, the advertising industry in India is expecting advertising spend to show a growth of 10-13 per cent next financial year. Also some industry experts believe that advertisement expenses could go up in 2010 partly due to cost inflation and fragmentation of media.

4. Input Costs

Input costs play a key role in determining the margins of FMCG Companies. With decline in input costs and reduction in excise duty, the FMCG segment witnessed improved margins during the Financial Year 2009-10.

5. Volumes to be the Growth Driver

With intense competition leaving hardly any scope of price hikes, volumes especially those from the rural areas is expected to drive growth for the FMCG sector.

6. Branding:

Branding is an inherent aspect of the FMCG market, given the plethora of choices available for a consumer. FMCG Companies are increasingly spending on branding their products to highlight key differentiators and enhance brand loyalty.

7. Distribution network

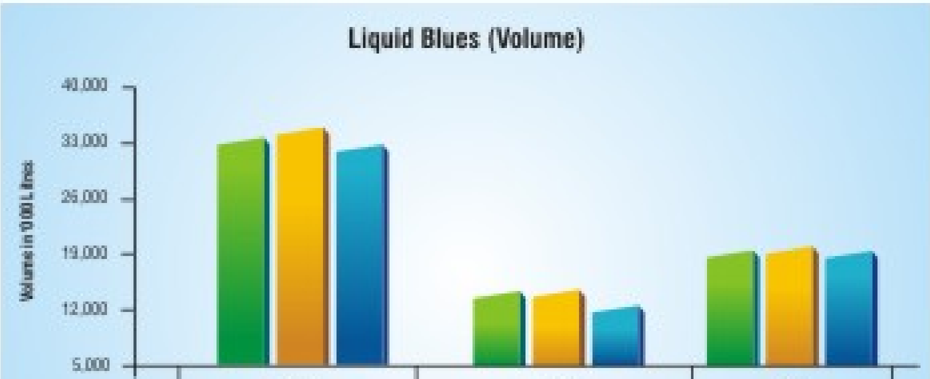
The success of FMCG companies is largely determined by the kind of distribution network it has built over the years. It is not only important to have good products at the right price but easy availability and proximity to the customer is essential.

Recent Segmental Trends & Outlook

Most FMCG companies continued to invest in brands to maintain topline growth and market share in a highly competitive environment. The FMCG industry is expected to register higher growth given the higher disposable income led by income tax cuts, while FMCG prices are expected to be hiked. Prices of daily use products such as soaps, talcum powder, shampoos etc are expected to increase. Most FMCG companies have large manufacturing plants in excise-free zones that are not affected by a hike or cut in excise duty, while higher cost of production will inevitably cause a price hike.

Volume growth, expansion of rural reach, low-priced packs and consumer-led promotions in categories like soaps, shampoo, biscuits and packaged tea helped the FMCG industry post a 14% sales growth year-on-year in April, according to the latest data from market researcher Nielsen.

Industry Size and Statistics



	Total	Urban	Rural
FY08	33,877	14,367	19,510
FY09	34,369	14,453	19,916
FY10	32,058	12,520	19,538

Liquid Blues (Value)

	Total	Urban	Rural
FY08	381	169	212
FY09	402	181	221
FY10	393	168	225

Coils (Volume)

	Total	Urban	Rural
FY08	51,282	30,682	20,600
FY09	53,937	30,909	23,028
FY10	53,313	30,028	23,285

Coils (Value)

	Total	Urban	Rural
FY08	885	542	344
FY09	994	588	407
FY10	1,081	626	455

Bars (Volume)

	Total	Urban	Rural
FY08	158,946	106,762	52,184
FY09	170,285	114,314	55,971
FY10	180,294	120,166	60,128

	1	2	3
FY08	595	398	197
FY09	766	512	254
FY10	892	592	300

Jyothy Laboratories' Competitive Positioning

- Focus on Rural as well as Urban Markets
- Proven Business Model in terms of growth prospects despite unfavourable economic scenario
- Established Brand Equity and ability to successfully launch products as brand extensions
- Engineering Focus backed by Research and Development Initiative to enhance quality of products and production efficiencies
- Strong Distribution network
- Strong Management Team
- Strong Balance Sheet

Risk Addressal

- Competition: The Company knows the pulse of the consumer and has a thorough understanding of the markets it caters too. The Company's market leadership in the segments it is present, underlines the brand loyalty and competitive edge it enjoys over its peers.
- Unorganised Markets: Consistency in the quality of products and the ability to make it available at a price which is affordable has resulted in strong brand equity for the Company among all consumer categories. It is a trusted name in households across the country and is available in ~ 2.7 million outlets in India as of March 31, 2010 (Source: A.C. Nielson) which enables Company grow despite unorganized markets.
- Raw Materials Management: The strategy of entering into long term contracts for sourcing raw materials coupled with a strong cash on its books has enabled the company to avail of substantial discounts thus enhancing its profitability.
- Logistics Management: Damages in transit continue to be low at Jyothy Laboratories and it is among the lowest in the Industry. A focused approach with clear cut processes has enabled the Company to lower its costs and enhance productivity through one of the key functions of logistics management in the FMCG industry.
- Recessionary Trend in the Global Economy: While most economies were passing through a recessionary phase across the globe, the Indian economy continues to grow at a rate which is higher than that of most economies. The Company's India centric approach coupled with strong know how of the markets it caters to has enabled it to post good growth numbers despite the grim global macro economic scenario.

FINANCIAL PERFORMANCE

Accounting policy

The Company follows the Generally Accepted Accounting Principles (GAAP) in India, applicable accounting standards and other necessary requirements of the Companies Act, 1956 for the preparation of its financial statements. The Company uses accrual basis of accounting except in cases of assets for which provision for impairment is made.

The Year 2009-10

Summarised Profit & Loss Statement (Rs. in lacs)

Particulars	12 months ended 31 March 2010	12 months ended 31 March 2009	9 months ended 31 March 2009
Gross Sales	75,046	57,511	45,194
Net sales	57,476	45,001	35,154
Other income	1,819	1,006	775
Total Income	**59,295**	**46,007**	**35,929**
Cost of Goods Sold	(31,277)	(24,256)	(19,822)
Employee Cost	(6,831)	(5,512)	(4,320)
Advertisement & Sales Promo Expenses	(3,686)	(2,487)	(1,788)
Other Expenses	(6,288)	(5,526)	(4,223)
EBITDA	**11,213**	**8,226**	**5,776**
Depreciation	(1,046)	(889)	(681)
Interest and Finance Charges	(61)	(40)	(37)
Profit before exceptional item and tax	**10,106**	**7,297**	**5,058**
Tax	(2,101)	(1,484)	(1,047)
Profit after tax	**8,005**	**5,813**	**4,011**
EPS	**11.03**	**8.01**	**5.53**
Book Value Per Share	**54.97**	**48.55**	**48.55**

Gross & Net Sales

During the financial year under review, Gross sales at Rs. 75,046 lacs recorded a growth of 30.5% over corresponding previous twelve month period. At Net Sales level the growth stood at 28%. The product wise Net Sales along with factors contributing to growth are analysed in the Business Review section of this report.

Cost analysis

Total cost (excluding interest and depreciation) at Rs. 48,082 lacs was higher by 27% compared to Rs. 37,781 lacs in the corresponding previous period. However the total cost as percentage of Net Sales decreased only marginally to 83.6% from 83.9% in the corresponding previous twelve month period.

The increase was primarily due to increase in operations and rise in promotional expenses resulting mainly from the focused advertisements for Maxo & Exo range of products, the benefits of which are expected to accrue in near future.

Cost of goods sold during the financial year increased by 28.9% to Rs. 31,277 lacs compared to Rs. 24,256 lacs in corresponding previous twelve month period. The increase was in line with the increase in Turnover.

Employee cost during the financial year at Rs 6,831 lacs showed an increase of 24% over corresponding previous twelve month period. The increase was on account of increments and incentives to sales staff. Employee cost as a proportion of total cost remained constant at 14 % for the period under review.

Other expenses during the financial year stood at Rs. 6,288 lacs i.e. an increase of 13.8% compared to Rs. 5,526 lacs in the corresponding previous twelve months largely due to increased operations resulting into increased absolute costs in logistics, sales and distribution. However, the cost declined from 12.3% of Net Sales in the previous period to 10.9% during the financial year under review.

Advertisement and Sales promotion expenses increased by 48% to Rs. 3,686 lacs in 2009-10 from Rs. 2,487 lacs in the corresponding previous twelve month period, due to focused marketing campaigns launched across product categories. Major increase was due to new campaign of "Raat Achhi, To Din Achha" in case of Maxo and national campaign for Exo brand.

Margins

EBIDTA margins increased by 123 basis points from 18.28% in 2008-09 to 19.51% in 2009-10. This was mainly on account of reduction in raw materials cost due to fall in crude prices and other cost control measures.

Profit after Tax increased to 13.9% in 2009-10 compared to 12.9% in the corresponding previous twelve month period.

Taxation

The effective tax rate increased marginally from 20.3% in 2008-09 to 20.8% in 2009-10.

Capital employed

Total capital employed stood at Rs. 39,909 lacs as on March 31, 2010. For the 12 month year March 31, 2009, it stood at Rs. 35,249 lacs. The increase was 13% compared to growth in business at 28%.

Own funds

The net worth grew by 13.2% from Rs. 35,232 lacs as on March 31st , 2009 to Rs. 39,892 lacs as on March 31st , 2010.The Book value per share stood at Rs. 54.97 as on March 31, 2010 compared to Rs. 48.55, a year ago.

Return on net worth for the financial year ended March 2010 stood at 20.07% compared to 16.5% for the corresponding previous period. Earning per share (EPS) increased to Rs. 11.03 per equity share of Re. 1/- each compared to Rs. 8.01 in the corresponding previous twelve months.

Equity

The equity share capital (issued and subscribed) of the Company consists of 7,25,68,800 equity shares of Re. 1. each. There was no change in the paid up share capital of the Company during the year.

Reserves and surplus

The reserves and surplus stood at to Rs. 39,166 lacs as on March 31st, 2010 compared to Rs. 34, 506 lacs as on March 31st, 2009. The increase was due to retained earnings.

Loan funds

The Company continues to remain debt free. The unsecured debt portfolio at Rs. 17 lacs comprises sales tax deferrals and remained constant during the financial year.

Gross block

The gross block including Capital Work in Progress as on March 31, 2010 stood at Rs. 25, 501 lacs compared to Rs. 23,438 lacs as on March 31, 2009. The increase in gross block is largely due to expansion at Uttrakhand for Ujala detergent and soap, Salem for Ujala detergent and Pondicherry for Maxo Liquid.

The Company follows Straight line method for charging depreciation as per the rate prescribed in Schedule XIV of the Companies Act, 1956. Accumulated Depreciation increased to Rs.5,345 lacs as on March 31, 2010 compared to Rs. 4,316 lacs as on March 31 , 2009.

Net Working capital

Net working capital stood at Rs. 19,287 lacs as on March 31, 2010 compared to Rs. 15,474 lacs as on March 31, 2009

Inventory

Inventory stood at Rs. 6,646 lacs as at March 31, 2010. As at March 31, 2009, it stood at Rs. 4,287 lacs. Inventory turnover stood at 78 days for 2009-10 against 65 days during the corresponding period of 2008-09.

Sundry debtors

Sundry debtors stood at Rs. 6,965 lacs as at March 31, 2010 compared to Rs. 4,239 lacs as on March 31, 2009.There are no outstanding debtors for over 6 months.

Debtor turnover stood at 41 days for the year ended March 31, 2010. For the corresponding period of the previous year, the same stood at 31 days.

Cash and bank balances

Cash and bank balances stood at Rs. 12,118 lacs as on March 31, 2010 against Rs. 10,017 lacs as on March 31, 2009.At the operating level, the Company generated Rs. 5,101 lacs of positive cashflows for the year ended March 31, 2010. Utilisation was mainly on account of advances to subsidiaries, purchase of fixed assets and payment of dividends during the year.

Loans and advances

Loans and advances stood at Rs. 5,057 lacs as on March 31, 2010 against Rs. 3,285 lacs as on March 31, 2009 due to advances offered to subsidiaries and amount receivable from Excise department on account of claim for differencial excise duty at Jammu and Guwahati.

Current liabilities and provisions

Current liabilities and provisions stood at Rs. 11,608 lacs as on March 2010 as against Rs. 6,382 lacs as on March 2009. This increase was primarily due to increase in operations resulting into increase in month end outstandings of creditors and statutory payments.

Sundry creditors stood at Rs. 2372 lacs as on March 31, 2010 as against Rs. 827 lacs as on March 31, 2009.

Dividend

The Board has recommended a dividend @ Rs.4/- (400%) per share for the financial year 2009-10 against the dividend of Rs. 2/- (200%) per share paid for the year 2008-09.

Glimpses of Defence Expo - February 15, 2010

A small body of determined spirits fired by an unquenchable faith in their mission can alter the course of history

- M.K.Gandhi

"JLL WHITE ARMY" - OUR PEOPLE OUR STRENGTH

Silver Jubilee Celebration, Thrissur, Kerala

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:

(Rs. in lacs)

Financial results	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:

(Rs. in lacs)

Particulars	April' 09-March' 10 (Audited)	April' 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 extention 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 mosquitos 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 Laundrers & 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. Nilesh 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

(Rs. in lacs)

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

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.

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. Nilesh 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. Nilesh B. Mehta	5	Yes
Mr. K. P. Padmakumar	3	Yes
Mr. Bipin R. Shah	5	Yes

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. Nilesh 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)

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 eIndia 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
Vikalpa Financial & Management Services Pvt. Ltd.	Director
Infinity India Advisors Pvt. Ltd.	Director
EIndia Venture Fund Ltd.	Director
EIndia Venture Fund Management Ltd.	Director
EIndia 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 Wellingker'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: rnt.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

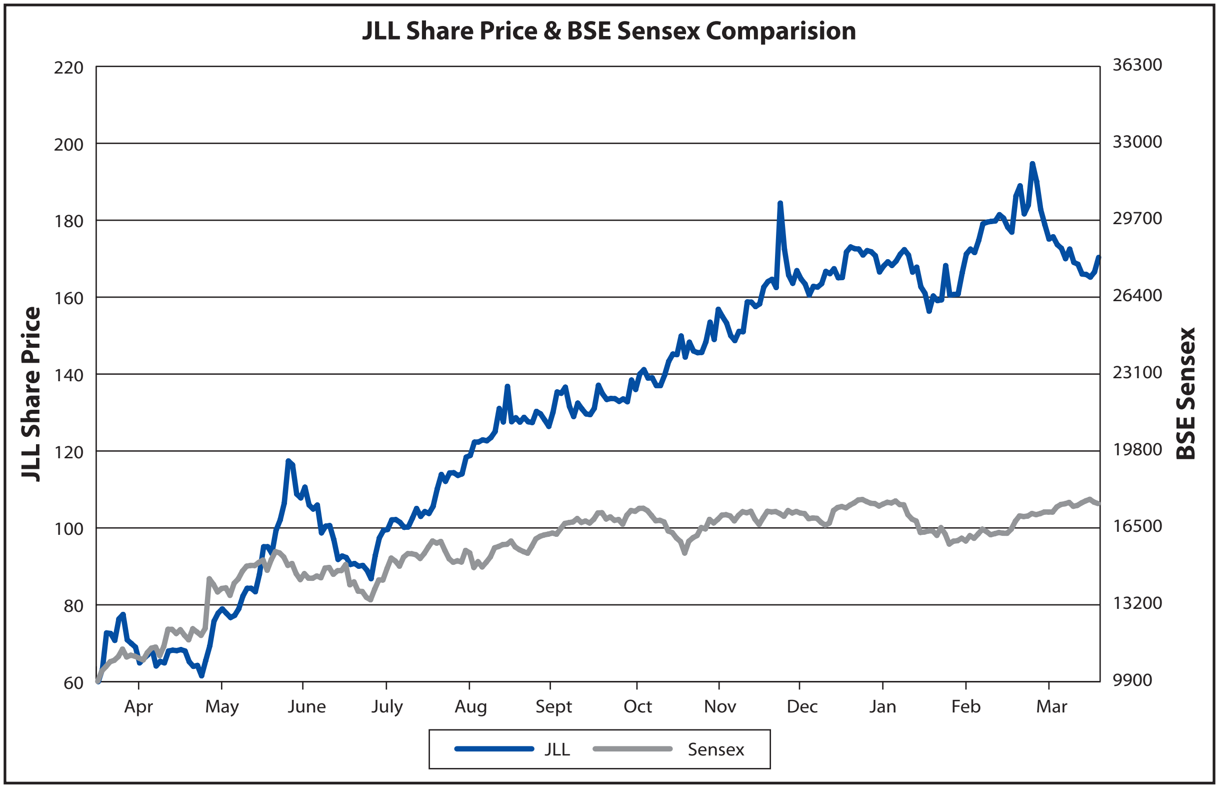
j) **Shareholding Pattern as on March 31, 2010:**

	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 From	To	Shareholders Numbers	In %	Shares Value Face Value (Rs.)	in %
1.	1	5000	46,515	99.6850	37,18,419	5.1240
2.	5001	10000	66	0.1414	4,66,257	0.6425
3.	10001	20000	30	0.0643	4,65,340	0.6413
4.	20001	30000	8	0.0172	1,93,840	0.2671
5.	30001	40000	3	0.0064	1,14,250	0.1574
6.	40001	50000	3	0.0064	1,31,010	0.1805
7.	50001	100000	4	0.0086	2,57,835	0.3553
8.	100001	Above	33	0.0707	6,72,21,849	92.6319
Total			46,662	100.0000	7,25,68,800	100.0000

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



m) **Dematerialization:**

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.

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

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

- 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, Bhubaneshwar, Orissa - 751 024.
- Plot No. 203, Block B-4, 2nd Floor, Sorusajai, Games Village, NH-37, Guwahati - 781 029.
- Lane No. 2, Phase No. 2, SIDCO Indl. Complex, Bari Brahmina, Jammu - 180 001.
- Kandanassery, 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.
- Kie Ind. Estate, Opp. Uttam Sugar Mill, Mundayaki Village, Roorkee, Uttarakhand - 247 667.
- IV 101-B, Kolokappara Road, Wayanad District, Kerala-673 591.

p) **Shareholders & Investors Correspondence:**

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

Link Intime India Private Limited
Unit: Jyothy Laboratories Limited
C-13 Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai - 400 078,
Phone: 0091 022 25946970, Fax: 0091 022 25946969
E-mail: rnt.helpdesk@linkintime.co.in
Contact Person: N. Mahadevan Iyer / Mr. Raghnath Poojary

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding compliance with the Code of Conduct

In accordance with Clause 49 I(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.

For Jyothy Laboratories Limited

M. P. Ramachandran
Chairman & Managing Director

Mumbai, May 25, 2010

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. Batliboi & 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 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:

Amount Rs in lacs

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
The Central Excise Act, 1944 (Tax/Penalty)	1999-00 to 2001-02	-	12	-	12
	2004-05 to 2005-06	6	8	-	14
	2006-07	1	-	-	1
Employee State Insurance (Tax/Penalty)	2002-08	10	-	-	10
Provident Fund (Tax)	2007-08	5	-	-	5
Service Tax (Tax)	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.

(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.

(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.

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

(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.

(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.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised money through public issues during the year.

(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.

For **S.R. Batliboi & Associates**
Firm Registration Number: 101049W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Mumbai
Date: May 25, 2010

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	39,165.77	34,506.32
		39,891.46	35,232.01
Loan Funds			
Unsecured loans	3	17.45	17.45
		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. 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

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		72,568,800	72,568,800
Notes to accounts	19		

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

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

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		
	Inventories (including sales promotion items)	(2,440.17)	(47.36)
	Trade receivables	(2,728.32)	(1,864.36)
	Loans and advances	(1,150.00)	479.66
	Increase in current liabilities/provisions	3,284.06	750.65
	Cash generated from operations	**6,649.99**	**4,563.40**
	Taxes paid (net)	(1,548.49)	(793.38)
	Net cash generated from operating activities	**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	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	22,881.44	20,881.44
Add: Transferred from Profit and Loss Account	4,000.00	2,000.00
Balance, end of the year/period	26,881.44	22,881.44
Balance in Profit and Loss Account	1,524.30	904.46
	39,165.77	**34,506.32**

3 UNSECURED LOANS		
Deferred sales tax loan	17.45	17.45
(Repayable within 1 year Rs. Nil, 2009 - Rs. Nil)		
	17.45	**17.45**

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
Disallowance u/s 43B of the Income Tax Act	25.22	5.57	19.65
	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	9,228.72
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,		
2,000,000 (2009 - 1,039,550) equity shares of Rs. 10 (2009 - Rs. 10) each fully paid up	175.06	79.01
Associated Industries Consumer Products Private Limited,		
4,970,000 (2009 - 4,970,000) equity shares of Rs. 10 (2009 - Rs. 10) each fully paid up	497.00	497.00
Jyothy Fabricare Services Limited		
3,750,000 (2009 - 3,750,000) equity shares of Rs. 10 (2009 - Rs. 10) each fully paid up	375.00	375.00
7,500,000 (2009 - 7,500,000) Convertible preference shares of Rs. 10 (2009 - Rs. 10) each fully paid up	750.00	750.00
Investment in Joint venture company -		
Balaji Teleproducts Limited		
Nil (2009 - 25,000) equity shares of Rs. Nil (2009 - Rs. 10) each fully paid up	-	2.50
Continental Speciale (India) Private Limited		
Nil (2009 - 5,000) equity shares of Rs. Nil (2009 - Rs. 10) each fully paid up	-	0.50
Total	**1,797.06**	**1,704.01**
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
Sub Total	-	**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**
	1,798.35	**1,725.65**
Aggregate amount of unquoted investments	1,798.35	1,705.35
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		

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 March 31, 2010	As at 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**

	As at March 31, 2010	As at March 31, 2009
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).

	As at March 31, 2010	As at March 31, 2009
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

Rs. In Lacs

	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

	As at March 31, 2010	As at March 31, 2009
12 PROVISIONS		
Provision for income tax (net of advance tax)	482.09	189.46
Provision for wealth tax	3.79	3.00
Provision for gratuity	455.08	414.52
Provision for leave encashment	248.17	195.58
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

Rs in Lacs

	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	0.79	0.79
Interest on fixed deposit (tax deducted at source - Rs. 127.38, 2009 - Rs. 178.70)	914.36	616.57
Export incentives	6.64	16.38
Lease rent income	110.08	64.24
Power subsidy	5.00	-
Foreign exchange fluctuation gain (net)	-	11.71
Interest earned on loans to subsidiaries	83.08	2.91
Excess provision written back	64.98	-

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**

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
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
Sub-total (A)	**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)	**19,923.97**	**11,645.97**
Total (A+B)	**31,542.12**	**19,494.67**

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
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)	**(433.73)**	**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

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
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

	April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months)
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

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

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 then 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 wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the 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 arised 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.

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 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.

Rs. In lacs

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	Gratuity
	Funded	Funded
(A) Summary of the Acturial 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

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

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)

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

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

Rs. In lacs

19 NOTES TO ACCOUNTS (Contd.)

D) Unhedged foreign currency exposure:

Particulars	Foreign Currency	2009-10 Rs. in Lacs	2009-10 Amount in Foreign Currency	2008-09 Rs. in Lacs	2008-09 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	0.10
Congress Party	0.01	0.02
Vduthalai	-	0.02
Bharatiy Janata Party	0.03	0.06
Shiv Sena	-	0.02
Ambedkar Republic Party	0.01	-
Schedule Caste Party	0.01	-
	0.16	**0.22**

Rs. In lacs

19 NOTES TO ACCOUNTS (Contd.)

H) Licensed Capacity, Installed Capacity and Actual Production

	Unit	Licenced 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)	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

Particulars	Units	Consumption			
		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**	

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	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, dhoop 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.

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)	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)	July 1, 2008 to March 31, 2009 (9 Months)
Revenue										
External Revenue	33,982.65	19,850.88	23,450.54	15,267.18	42.97	35.77	-	-	57,476.16	35,153.83
Inter Segment Revenue	19.58	41.86	658.40	165.13	-	-	(677.98)	(206.99)	-	-
Net Revenue	34,002.23	19,892.74	24,108.94	15,432.31	42.97	35.77	(677.98)	(206.99)	57,476.16	35,153.83
Results	9,360.29	5,148.57	1,365.31	354.43	(30.41)	13.64			10,695.19	5,516.64
Unallocated expenditure									(1,694.45)	(1,133.89)
Unallocated Income									1,165.89	711.29
Interest and finance expenses									(61.16)	(36.63)
Profit before tax									10,105.47	5,057.41
Provision for tax									(2,100.77)	(1,046.89)
Profit after tax									8,004.70	4,010.52
Other Information										
Segment assets	20,659.08	15,917.60	9,459.80	6,798.80	68.43	180.03			30,187.31	22,896.43
Unallocated assets									22,661.54	19,807.52
Total assets									52,848.85	42,703.95
Segment liabilities	3,770.49	2,120.10	3,532.20	1,726.26	0.88	113.33			7,303.57	3,959.69
Unallocated liabilities									5,653.82	3,512.25
Total liabilities									12,957.39	7,471.94
Segment capital expenditure (including capital work-in-progress)	1,407.49	509.61	743.93	21.04	-	-			2,151.42	530.65
Unallocated capital expenditure (including capital work-in- progress)									178.69	229.64
Total capital expenditure (including capital work-in-progress)									2,330.11	760.29
Segment depreciation and amortisation	637.59	421.73	183.85	101.06	-	-			821.44	522.79
Unallocated depreciation and amortisation									178.58	158.45
Total depreciation and amortisation									1,000.02	681.24
Segment impairment loss	46.28	-	-	-	-	-	-	-	46.28	-
Unallocated impairment loss									-	-
Total impairment loss									46.28	-
Segment non-cash expenses other than depreciation	3.96	19.31	0.92	13.35	0.00	0.03			4.88	32.69
Unallocated non-cash expenses other than depreciation									-	68.48
Total non-cash expenses other than depreciation									4.88	101.17

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
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.
Jyothy Fabricare Services Limited (upto September 9, 2008)

Key management personnel (includes directors of the Company)

K. Ullas Kamath Deputy Managing Director

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
Deepthy 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

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
Rapayment 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

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 acturial basis for the Company as a whole, the amount partaining 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

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
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
	576.75	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.

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:

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
		April 1, 2009 to March 31, 2010 (12 Months)	July 1, 2008 to March 31, 2009 (9 Months) #
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.

13. 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

15. There are no amounts payable/due to Investor Education and Protection Fund.

16. 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.

17. 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. 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

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. 128651 State Code 11

Balance Sheet Date 31 03 2010

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

Public Issue	Right Issue
NIL	NIL

Bonus Issue	Private Placement
NIL	NIL

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

Total Liabilities	Total Assets
4124074	4124074

Sources of Funds

Paid-up Capital	Secured Loans
72569	NIL
Reserves and Surplus	**Unsecured Loans**
3916577	1745
Share application pending allotment	**Deferred Tax Liability**
NIL	133183

Application of Funds

Net Fixed Assets	Investment
2015567	179835
Net Current Assets	**Miscellaneous Expenditure**
1928672	NIL
Accumulated Losses	
NIL	

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

Turnover/Gross Receipt (including other incomes)	Total Expenditure
5929494	4918947
Profit/Loss before Tax	**Profit/Loss after Tax**
1010547	800470
Basic earnign per share (Rs.)	**Dividend Rate (%)**
11.03	400%

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

Product Description : Fabric Whitener

Item Code No. (ITC Code) : NA

Product Description : Mosquito Repellent

Item Code No. (ITC Code) : 380890.01

Product Description : Washing Preparations

Item Code No. (ITC Code) : 340220.00.10

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	Nil	3,750,000
	Extent of the holdings	100%	100%	Nil	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**				
		Rs.Lacs	Rs.Lacs	Rs.Lacs	Rs.Lacs
	a) Not dealt with in the accounts of Jyothy Laboratories Limited				
	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 subsidiries)	-	-	-	-
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		17,683.00	14,641.57
Miscellaneous expenses to the extent not written off	14	-	7.22
		41,458.76	**35,813.13**
Notes to accounts	21		

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

Consolidated Statement of 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)		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	15	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		72,568,800	72,568,800
Notes to accounts	21		

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

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 aquired 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

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**

	As at March 31, 2010	As at March 31, 2009
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**

	As at March 31, 2010	As at March 31, 2009
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	–

	As at March 31, 2010	As at March 31, 2009
4 UNSECURED LOANS		
Deferred sales tax loan (Repayable within 1 year Rs. Nil, 2009 - Rs. Nil)	17.45	34.62
	17.45	**34.62**
Share of Joint Ventures	–	17.12
	17.45	**51.74**

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)(ia) 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

	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	429.76	-	-	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	-	-	-	46.11	-
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 £	1,865.50	10.07	-	1,875.57	-	-	-	-	-	-	-	1,875.57	1,865.50
Leasehold land*	279.24	97.26	-	376.50	14.81	3.68	-	18.49	10.37	-	10.37	347.64	254.06
Building #£^	11,235.52	1,781.74	-	13,017.26	1,162.84	306.96	-	1,469.80	143.35	-	143.35	11,404.11	9,929.33
Plant and machinery	7,861.58	1,720.64	37.01	9,545.21	1,959.32	512.96	5.21	2,467.07	255.02	42.94	297.96	6,780.18	5,647.24
Dies and moulds	326.76	57.51	1.24	383.03	290.42	23.64	0.18	313.88	-	-	-	69.15	36.34
Furniture and fixture	510.18	166.38	0.21	676.35	143.46	48.20	0.21	191.45	5.20	1.07	6.27	478.63	361.52
Office equipments	668.76	108.85	0.82	776.79	297.29	61.27	0.61	357.95	12.55	2.27	14.82	404.02	358.92
Vehicle	496.28	175.52	23.23	648.57	153.67	55.94	11.03	198.58	3.51	-	3.51	446.48	339.10
Assets held for disposal													
Freehold land	147.30	-	-	147.30	-	-	-	-	-	-	-	147.30	147.30
Building	210.85	-	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**	**476.28**	**23,361.37**	**20,037.46**
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	-	430.00	20,037.46	

$ 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 machinary 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 -		
[redacted]		
Snoways Laundrers and Drycleaners Pvt. Ltd.,		
(2009 - 16,373) equity shares of (2009 - Rs 10)	-	1.64
(refer Note 2(e) of Schedule 21)		
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**

	As at March 31, 2010	As at March 31, 2009
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).

	As at March 31, 2010	As at March 31, 2009
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)		[redacted]
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)	**13,989.16**	**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)	**18,265.24**	**10,222.13**
Total (A+B)	**32,254.40**	**19,596.17**

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)	(548.83)	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)	(14.05)	5.75
Total (A-B)	(534.78)	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

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 arised 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. Snoways Laundrers 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 aquired 49% Share in Snoways Laundrers & 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 Speciale (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 manangement.

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 then 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 arised 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.

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

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	Gratuity
	Funded	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

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, dhoop 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.

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, 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	161.72	–	–	59,810.21	36,348.75
Inter Segment Revenue	19.58	41.86	658.40	165.13	–	-	(677.98)	(206.99)	–	–
Net Revenue	35,510.62	20,969.70	24,518.72	15,424.32	458.85	161.72	(677.98)	(206.99)	59,810.21	36,348.75
Results	9,493.67	5,214.03	1,345.14	378.65	(488.21)	(260.13)	–	–	10,350.60	5,332.55
Unallocated expenditure									(1,694.80)	(1,136.24)
Income									1,068.71	692.09
Interest & finance expenses									(169.54)	(70.93)
Profit before tax									9,554.97	4,817.47
Provision for tax									(2,147.53)	(1,080.37)
Profit after tax before Minority Interest									7,407.44	3,737.10
Minority Interest									26.67	98.87
Net Profit for the year									7,434.11	3,835.97
Other Information										
Segment assets	21,861.56	17,055.98	9,801.02	6,968.50	2,965.70	1,336.50	–	–	34,628.28	25,360.98
Unallocated assets									19,307.80	17,208.50
Total assets									53,936.08	42,569.48
Segment liabilities	3,925.28	2,201.36	4,022.83	1,905.91	154.60	204.39	–	–	8,102.71	4,311.66
Unallocated liabilities									5,720.24	3,544.57
Total liabilities									13,822.95	7,856.23
Segment Capital expenditure (including capital work-in-progress)	1,424.72	488.01	770.20	31.98	1,752.47	725.64	–	–	3,947.39	1,245.63
Unallocated capital expenditure (including capital work- in-progress)									178.69	229.65
Total capital expenditure (including capital work- in-progress)									4,126.08	1,475.28
Segment depreciation and amortisation	678.66	452.76	226.05	133.20	106.98	3.90	–	–	1,011.69	589.86
Unallocated depreciation and amortisation									178.58	158.45
Total depreciation and amortisation									1,190.27	748.31
Segment impairment loss	46.28	–	–	–	–	–	–	–	46.28	–
Unallocated impairment loss									–	–
Total impairment loss									46.28	–
Segment non cash expenses other than depreciation	4.09	20.47	0.92	21.94	–	0.03	–	–	5.01	42.44
Unallocated non cash expenses other than depreciation									–	68.48
Total non cash expenses other than depreciation									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

Relative of key management personnel

Gayatri Kamath

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	-

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 acturial basis for the company as a whole, the amount pertaining to individual basis is not ascertainable and therefore not included above.

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

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

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**

12. 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.

13. 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.

14. There are no amounts payable/due to Investor Education and Protection Fund.

15. 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.

16. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group financial statements.

17. 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**
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

"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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