

JYOTHY FABRICARE SERVICES LIMITED

ANNUAL REPORT 2014-15

REGISTERED OFFICE:

UJALA HOUSE, RAMAKRISHNA MANDIR MARG  
KONDIVITA, ANDHERI (EAST),  
MUMBAI – 400069

AUDITORS:

S.R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
Mumbai

DIRECTORS:

Mr. M. P. RAMACHANDRAN  
Mr. K. ULLAS KAMATH  
Ms. M. R. JYOTHY  
Mr. K. P. PADMAKUMAR  
Mr. R. LAXMINARAYANAN

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Seventh Annual Report of your Company together with the Audited Financial Statements and the Auditors' Report thereon for the financial year ended 31<sup>st</sup> March, 2015.

### Financial Performance:

The summarized financial results for the year ended 31<sup>st</sup> March, 2015 are as under:

Particulars	(Rs. in lacs)	
	For the financial year ended 31 <sup>st</sup> March, 2015	For the financial year ended 31 <sup>st</sup> March, 2014
Revenue from Services	3229.28	3,075.24
Other Income	76.84	42.90
Total Expenditure	4320.85	3,874.88
Earnings before interest, tax, depreciation and amortization	(1014.73)	(756.74)
Finance Costs	750.62	1,467.15
Interest Income	73.11	44.93
Depreciation and Amortisation	455.83	390.47
Share in loss of Partnership Firm	(81.50)	92.61
Profit / (Loss) Before Tax	(2066.56)	(2,662.03)
Provision for Tax	-	-
Profit / (Loss) after Tax	(2066.56)	(2,662.03)

### Performance Highlights

During the year under review, the revenue of the Company from services stood at Rs. 3229.28 lacs vis-à-vis Rs. 3,075.24 lacs in the previous financial year 2013-14 marking a growth of 5.01%. The Company recorded negative EBITDA of Rs.1014.73 lacs (i.e. -31.42% of Revenue from Services) as against negative EBITDA Rs.756.73 lacs (i.e. -24.61% of Revenue from Services) in the previous financial year. The Company has incurred a net loss (before tax) of Rs. 2148.06 lacs (-66.52%) vis-à-vis net loss (before tax) of Rs. 2,569.42 lacs (-83.55%) in the previous financial year. The Company has incurred a total finance cost of Rs.750.52 lacs (i.e. 23.24% of Revenue from Services). The Company is making all efforts to replace the debt with capital infusion in the near future.

### Dividend

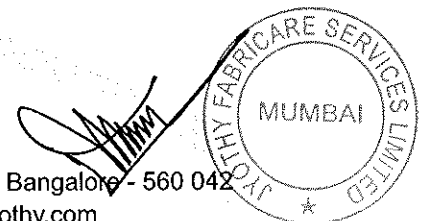
Since the Company has incurred loss in the year under review, the Board of Directors does not recommend any dividend for the year ended March 31, 2015.

Corp. Office : 903, North Block, Manipal Centre, Rear Wing, Dickenson Road, Bangalore - 560 042  
Tel : +91-80-4664 4664 Fax : 080- 2558 0244, Website : www.jyothy.com

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Regd. Office : 'Ujala House', Ramakrishna Mandir Road, Kondivita,  
Andheri (East), Mumbai - 59. Tel. : +91-22-6689 2800 Fax : +91-22-6689 2805

CIN : U17120MH2008PLC180246



### **Transfer to Reserves in terms of Section 134(3)(i) of Companies Act, 2013**

For the financial year ended 31<sup>st</sup> March, 2015, the Company had not transferred any sum to Reserves.

### **Share Capital**

At the beginning of the year under review, the Authorised share capital of the Company was Rs. 30.55 crores divided into: (a) 66,33,333 Series 'A' Compulsorily Convertible Preference Shares of the face value of Rs.10/- and (b) 2,39,16,667 Equity Shares of the face value of Rs.10/- each. Paid-up Share Capital was Rs.16.35 crore consisting of 13.05 crore Equity Share capital and Rs. 3.30 crore fully paid-up Series 'A' Compulsorily Convertible Cumulative Participatory Preference Shares.

During the year under review the Company reclassified 66,66,667 (Sixty six lac, sixty six thousand, six hundred and sixty seven) Equity Shares of Rs.10/- each out of 1,08,66,667 (One crore, eight lac, sixty six thousand, six hundred and sixty seven) Equity Shares as 66,66,667 (Sixty six lac, sixty six thousand, six hundred and sixty seven) preference shares of Rs.10/- each and 66,33,333 (Sixty six lac, thirty three thousand, three hundred and thirty three) Series A Compulsorily Convertible Preference Shares of Rs.10/- each as 66,33,333 (Sixty six lac, thirty three thousand, three hundred and thirty three) Preference Shares of Rs.10/- each. Further to aforesaid reclassification approved at Extra Ordinary General Meeting dated 4<sup>th</sup> August, 2014, the authorised capital stood at Rs. 30.55 crores divided into (a) 1,33,00,000 Preference Shares of the face value of Rs. 10/- each and (b) 1,72,50,000 equity shares of the face value of Rs. 10/- each.

Pursuant to the said reclassification, the Company issued and allotted 75,00,000 (Seventy five lac) 2% Optionally Convertible Non-cumulative Preference Shares of Rs.10/- each at a premium of Rs.190/- per share to Jyothy Laboratories Limited, Holding Company of the Company on August 27, 2014 to raise a capital of Rs.200 crore for its business purposes.

After issue of aforesaid shares the Paid up Capital of the Company is Rs. 23.85 crore consisting of 13.05 crore Equity Share Capital and Rs. 10.80 crore fully paid up Preference Shares.

### **Debentures**

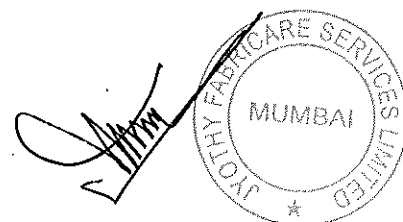
During the year under review the Company has raised Rs.40 Crore through private placement of 400 Rated, Unlisted, Redeemable, Non-convertible Debentures of Rs.10,00,000/- each to cater its fund requirement for general corporate purposes.

### **Deposits**

The Company did not take any deposits covered under Chapter V of the Companies Act, 2013 during the year under review.

### **Material changes and commitments**

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



### **Change in nature of Business**

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

### **Significant and Material Orders passed by the Regulators or Courts**

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

### **Particulars of Loans, Guarantees and Investments**

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

### **Director's Responsibility Statement**

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

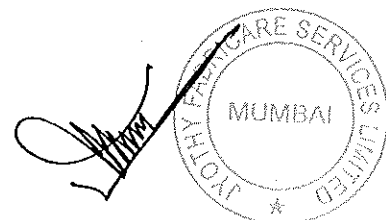
- a. in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with the requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. the Directors have selected such accounting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

### **Directors and Key Managerial Personnel:**

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

During the year under review, the members approved the appointments of Mr. K. P. Padmakumar and Mr. R. Lakshminarayanan as Independent Directors who are not liable to retire by rotation. The Company has received declaration from every Independent Director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of Independence laid down under Section 149(6) of the Companies Act, 2013.

The members during the year under review have re-appointed Mr. K. Ullas Kamath as Director of the Company.



During the year under review Mr. Pinkesh Bansal was appointed as Chief Financial Officer of the Company on 22<sup>nd</sup> May, 2014.

Due to the vacancy caused by the resignation tendered by Mr. Rajesh Hegde, Company Secretary of the Company, before the Board of Directors at its meeting held on 9<sup>th</sup> February, 2015 w.e.f. 12<sup>th</sup> April, 2015, the Company at the same meeting approved appointment of Mr. Gaurav Umakant Munoli as the Company Secretary of the Company w.e.f. 13<sup>th</sup> April, 2015 to fill the casual vacancy.

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

Sr. No	Name of the Person	Designation
1	Mr. M. P. Ramachandran	Chairman & Managing Director
2	Mr. Pinkesh Bansal	Chief Financial Officer
5	Mr. Gaurav Umakant Munoli	Company Secretary

#### **Policy on Directors Appointment and Remuneration**

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy on 28<sup>th</sup> January, 2014, setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The Policy so formulated is appended as Annexure-V to this report.

#### **Meeting of Independent Directors**

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

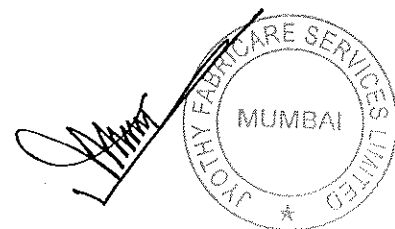
#### **Board Meetings**

During the year ended 31<sup>st</sup> March, 2015, 10 meetings of the Board of Directors were held. The following were the dates:-

22<sup>nd</sup> May, 2014, 22<sup>nd</sup> July, 2014, 2<sup>nd</sup> August, 2014, 13<sup>th</sup> August, 2014, 27<sup>th</sup> August, 2014, 5<sup>th</sup> November, 2014, 19<sup>th</sup> December, 2014, 12<sup>th</sup> January, 2015, 28<sup>th</sup> January, 2015 and 9<sup>th</sup> February, 2015.

#### **Audit Committee**

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



Secretary to the Audit Committee. During the year ended on 31<sup>st</sup> March, 2015, 4 meetings of the Committee were held. The following were the dates:-

22<sup>nd</sup> May, 2014, 13<sup>th</sup> August, 2014, 5<sup>th</sup> November, 2014 and 28<sup>th</sup> January, 2015.

As on 31<sup>st</sup> March, 2015, the composition of the Audit Committee was as follows:

Sr. No.	Name and Designation of Director	Status in the Committee
1	Mr. K. P. Padmakumar Independent Director	Chairman
2	Mr. R. Lakshminarayanan Independent Director	Member
3	Mr. K. Ullas Kamath Non-executive Director	Member

The powers and role of the Audit Committee is in accordance with the provisions of Section 177 of the 2013 Act.

**Nomination and Remuneration Committee:**

The Committee during the year ended March 31, 2015 had one meeting. The composition of the Nomination and Remuneration Committee is as follows:

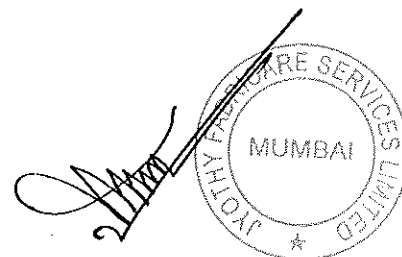
Sr. No.	Name and Designation of Director	Status in the Committee
1	Mr. K. P. Padmakumar Independent Director	Chairman
2	Mr. R. Lakshminarayanan Independent Director	Member
3	Mr. K. Ullas Kamath Non-executive Director	Member

The powers and role of the Nomination and Remuneration Committee is in accordance with the provisions of Section 178 of the 2013 Act.

**Performance of Subsidiaries, Associate Companies/ Joint Ventures**

During the year under review no company has become or ceased to be its subsidiaries, joint ventures or associate companies.

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the Companies Act, 2013 is provided as Annexure-II to this report and hence not repeated here for the sake of brevity.



### **Related Party Transaction**

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

Attention of the members is also drawn to Note 28 to the financial statements for the year ended March 31, 2015 which sets out the related party disclosures as per AS-18.

### **Risk Management**

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

### **Prevention of Sexual Harassment**

The Company has framed 'Anti - Sexual Harassment Policy' at workplace. No complaints with allegations of sexual harassment were reported during the year under review.

### **Auditors & Audit Reports**

M/s S R B C & Co LLP, Chartered Accountants (ICAI Registration No. 324982E), were appointed by the members of the Company in Annual General Meeting (AGM) held on August 28, 2014 for a period of four years i.e. financial years 2014-15, 2015-16, 2016-17 and 2017-18 subject to annual ratification by the shareholders in the AGMs to be held for Financial year 2015, 2016 and 2017.

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

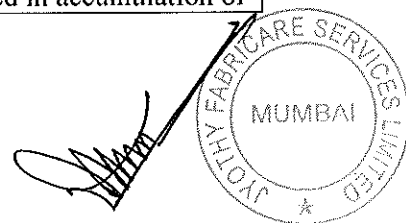
In Auditors' report, Auditors have made observations on various points, the response for which is given below in tabular format for the sake of better presentation:

<b>Reference in the Auditors' Report</b>	<b>Observation by Auditor</b>	<b>Management Response</b>
Point no.5 of the main	This Company has been making continuous losses over the past years	As it is explained in the Audit report, the holding company viz., Jyothy Laboratories Ltd has agreed





report	and has incurred cash losses in the current year as well as in the previous year. This matter raises substantial doubt regarding the Company's ability to continue as going concern which is dependent on establishing profitable operations.	to continue its support the Company for its operations at least next 12 months, if the Company is unable to meet its funding requirements.																																																																																																																								
Point no. (vii)	Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it, though there has been slight delays in few cases	<p>The details of delays are as given below</p> <table border="1" data-bbox="810 683 1401 1608"> <thead> <tr> <th>Sr.</th> <th>Nature</th> <th>Month</th> <th>Amount</th> <th>Delay in</th> </tr> </thead> <tbody> <tr><td>1</td><td>ESIC</td><td>Apr 14</td><td>90210</td><td>2</td></tr> <tr><td>2</td><td>ESIC</td><td>May 14</td><td>8412</td><td>60</td></tr> <tr><td>3</td><td>ESIC</td><td>Jun 14</td><td>8927</td><td>60</td></tr> <tr><td>4</td><td>ESIC</td><td>Aug 14</td><td>75521</td><td>2</td></tr> <tr><td>5</td><td>Service Tax</td><td>Aug 14</td><td>10179</td><td>5</td></tr> <tr><td>6</td><td>Prof. Tax</td><td></td><td>8722</td><td></td></tr> <tr><td>7</td><td>NMCC LBT</td><td>Apr 14</td><td>30000</td><td>3</td></tr> <tr><td>8</td><td>Other LBT</td><td></td><td></td><td></td></tr> <tr><td>8(a)</td><td>Pune 2013-</td><td>Apr 13</td><td>2953</td><td>417</td></tr> <tr><td></td><td></td><td>May 13</td><td>6243</td><td>386</td></tr> <tr><td></td><td></td><td>Jun 13</td><td>2561</td><td>356</td></tr> <tr><td></td><td></td><td>Jul 13</td><td>5552</td><td>325</td></tr> <tr><td></td><td></td><td>Aug 13</td><td>7284</td><td>294</td></tr> <tr><td></td><td></td><td>Sep 13</td><td>8137</td><td>264</td></tr> <tr><td></td><td></td><td>Oct 13</td><td>3513</td><td>233</td></tr> <tr><td></td><td></td><td>Nov 13</td><td>4982</td><td>203</td></tr> <tr><td></td><td></td><td>Dec 13</td><td>2721</td><td>172</td></tr> <tr><td></td><td></td><td>Jan 14</td><td>1993</td><td>141</td></tr> <tr><td></td><td></td><td>Feb 14</td><td>4964</td><td>113</td></tr> <tr><td></td><td></td><td>Mar 14</td><td>2901</td><td>82</td></tr> <tr><td>8(b)</td><td>Pune 2014-</td><td>Apr 14</td><td>2901</td><td>52</td></tr> <tr><td></td><td></td><td>May 14</td><td>4138</td><td>21</td></tr> <tr><td colspan="3" style="text-align: right;"><b>Total</b></td><td><b>292814</b></td><td></td></tr> </tbody> </table> <p>The management has taken steps to ensure timely payment of statutory dues before due date.</p>	Sr.	Nature	Month	Amount	Delay in	1	ESIC	Apr 14	90210	2	2	ESIC	May 14	8412	60	3	ESIC	Jun 14	8927	60	4	ESIC	Aug 14	75521	2	5	Service Tax	Aug 14	10179	5	6	Prof. Tax		8722		7	NMCC LBT	Apr 14	30000	3	8	Other LBT				8(a)	Pune 2013-	Apr 13	2953	417			May 13	6243	386			Jun 13	2561	356			Jul 13	5552	325			Aug 13	7284	294			Sep 13	8137	264			Oct 13	3513	233			Nov 13	4982	203			Dec 13	2721	172			Jan 14	1993	141			Feb 14	4964	113			Mar 14	2901	82	8(b)	Pune 2014-	Apr 14	2901	52			May 14	4138	21	<b>Total</b>			<b>292814</b>	
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Point no. (viii)	The Company's accumulated losses at the end of the financial year are more than fifty percent of it's net worth and it has incurred cash losses in the current and immediately preceding financial year	The Company commenced its operation in the year 2009. The Company is yet to attain its Break Even Point. The Company has been focusing on build business across major cities of India. This has resulted in heavy losses. After FY 2011-12, the management has shifted its focus on to build profitability in the existing operation. However, many of the measures have not yielded the desired results so far. This has resulted in accumulation of																																																																																																																								



		<p>losses to the extent of Rs.135.67 crores as on 31st March, 2015.</p> <p>Lack of adequate funds to invest on brand building has affected the financial performance of the Company adversely. The Company has been making due efforts to raise long-term investment for the Company. Once the Company succeeds in raising funds, management believes that the performance will improve and the company will successfully set up profitable business.</p>
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### **Extract of Annual Return**

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

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The particulars as required under the provisions of Section 134(3)(m) of the 2013 Act in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review. However the Company, being a cost conscious business entity has been making continuous efforts to reduce energy consumptions in its facilities, processes and offices by using energy efficient machineries, equipment and systems. The Company, being quality conscious, has also been making efforts to improve its processes to enhance the output quality in its service deliveries to maintain high service standards in the target markets.

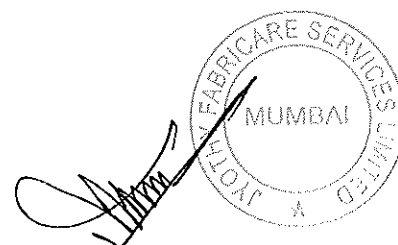
Further during the year under review, Foreign Exchange and earnings were as follows

(Rs. in lacs)

Particulars	Year ended 2014-15	Year ended 2013-14
Foreign Exchange Earnings	-	-
Foreign Exchange Outflow	284.49	-

### **Forward looking Statements**

In this report, we have disclosed forward-looking information to enable shareholders to know our business logic and direction and comprehend our prospects. This report and other statements-written or oral- that we make periodically, are based on our assumptions. We have tried wherever possible to identify such statements by using words such as anticipate, believe, estimate, expect, intend, plan, project and words of similar substance and import in the discussion of future performance. The same are to be understood accordingly, although we believe we have been prudent in our assumptions, subject to future risks, uncertainties and even inaccurate assumptions.



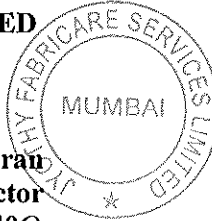
**Acknowledgements**

Your Directors place on record their gratitude for the continuing support of Shareholders, bankers and Business associates at all levels.

**For and on behalf of the Board of  
JYOTHY FABRICARE SERVICES LIMITED**



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



**Date: 25<sup>th</sup> May, 2015**

**Place: Mumbai**

**Registered Office:**

'Ujala House, Ramakrishna Mandir Road,  
Kondivita, Andheri (East), Mumbai- 400059

**CIN: U17120MH2008PLC180246**

## Annexure I to the Directors' Report

### Particulars of Loans, Guarantees and Investments

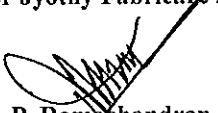
#### Amount outstanding as at March 31, 2015

Particulars	Amount
Loans given	2,18,72,128
Guarantee given	Nil
Investments made	
Current	27,51,64,216
Non-Current	4,36,56,546

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

Name of Entity	Relation	Amount (In Lacs)	Particulars of loan, guarantee and investments	Purpose for which the loans, guarantee and investments are proposed to be utilized
JFSL -- JLL (JV)	Joint Venture	-47,49,519	Investment	Business Purpose
Fourseasons Drycleaning Company Pvt. Ltd.	Subsidiary	1,12,826	Loan	Business Purpose
Snoways Laundrers & Drycleaners Pvt. Ltd.	Subsidiary	-900	Loan	Business Purpose
Mutual Funds	-	46,50,00,000	Investment	Cash Management

For and on behalf of the Board of Directors  
For Jyothy Fabricare Services Limited

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



Mumbai, May 25, 2015

**Annexure II to the Directors' Report**

**SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013**

**Part "A":Subsidiaries**

(Amt in lacs)

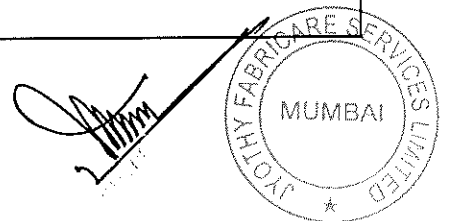
Sr. No	Name of the Subsidiary Company	Snowways Launderers and Drycleaners Pvt. Ltd	Four Seasons Drycleaning Company Pvt. Ltd
	<b>Country</b>	<b>India</b>	<b>India</b>
	<b>Financial Year / Period</b>	<b>April 1, 2014 to March 31, 2015</b>	<b>April 1, 2014 to March 31, 2015</b>
1	Capital	100.00	220.70
2	Reserves	(8.90)	(403.58)
3	Total Assets	97.66	30.52
4	Total Liabilities	6.56	213.40
5	Details of Investment (except investment in subsidiaries)	-	-
6	Turnover (Net)	-	45.49
7	Profit / (Loss) before taxation	(0.00)	(51.31)
8	Provision for taxation	-	-
9	Profit / ( Loss) after taxation	(0.00)	(51.31)
10	Proposed / Interim Dividend	Nil	Nil
11	% of shareholding	49%	100%
	<b>Exchange rate used</b>	-	-
	<b>Local Currency</b>	INR	INR

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Amt in lacs)


Name of Joint Venture	JFSL – JLL JV (Partnership firm)
1. Latest audited Balance Sheet Date	March 31, 2015
2. Shares of Associate/Joint Ventures held by the company on the year end:	
a) No.	N.A.
b) Amount of Investment in Joint Venture	238.65
c) Extend of Holding (%)	N.A.



3. Description of how there is significant influence	Control of Business decisions under an Agreement
4. Reason why the joint venture is not consolidated	N.A
5. Networth attributable to Shareholding as per latest audited Balance Sheet	N.A.
6. Profit /Loss for the year	108.67
i. Considered in Consolidation	N.A.
ii Not Considered in Consolidation	-

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

For and on behalf of the Board of Directors of  
Jyothy Fabricare Services Limited

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

  
K.Ullas Kamath  
Director  
(DIN: 00506681)



  
Gaurav Munoli  
Company Secretary

  
Pinkesh Bansal  
Chief Financial Officer

Place: Mumbai  
Date: May 25, 2015

**Annexure III to the Directors' Report**

**Particulars of contracts/ arrangements made with related parties**

**Form No. AOC-2**

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

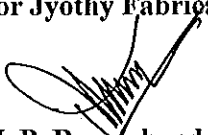
1. Details of Contracts or arrangements or transactions not at arm's length basis:

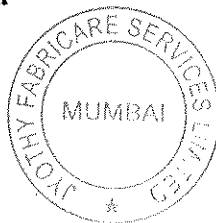
(a)	Name(s) of the related party and nature of relationship	NA
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into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

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

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

For and on behalf of the Board of Directors  
For Jyothy Fabricare Services Limited

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



Mumbai, May 25, 2015

## Annexure IV to the Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN  
as on the financial year ended on March 31, 2015

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

### I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- U17120MH2008PLC180246
- ii) Registration Date:- 18/03/2008
- iii) Name of the Company:- JYOTHY FABRICARE SERVICES LIMITED
- iv) Category / Sub-Category of the Company:- Company Limited by shares/ Indian Non-Government Company
- v) Address of the Registered office and contact details:- 'Ujala House' Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai- 400059, Tel. No. : 022-66892800
- vi) Whether listed company:- No
- vii) Name, Address and Contact details of Registrar and Transfer Agent: N.A.

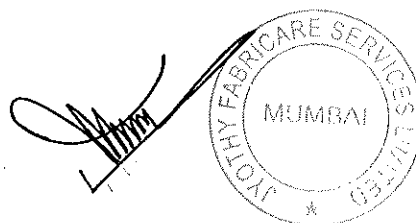
### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products	NIC Code of the Product	% to total turnover of the Company
1	Laundry & Drycleaning Services	-	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	JYOTHY LABORATORIES LIMITED	L24240MH1992PLC128651	Holding	75.10%	Section 2(46)
2	FOUR SEASONS DRYCLEANING COMPANY PRIVATE LIMITED UJALA HOUSE, RAMKRISHNA MANDIR ROAD, KONDIVITA, ANDHERI (EAST), MUMBAI - 400 059	U93010MH2002PTC246838	Subsidiary	100%	Section 2(87)



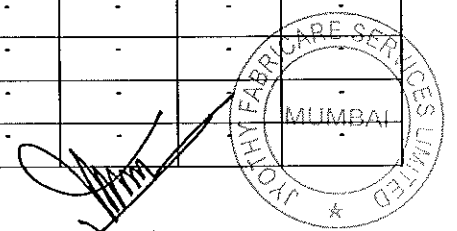


3	SNOWAYS LAUNDRETS & DRYCLEANERS PRIVATE LIMITED  N-119, NORTH BLOCK, MANIPAL CENTRE, DICKENSON ROAD, BANGALORE, KARNATAKA- 560042	U93010KA2008PTC046087	Subsidiary	49%	Section 2(87)
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#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### 1) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	-	32,50,000	32,50,000	24.90	-	32,50,000	32,50,000	24.90	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	97,99,600	400	98,00,000	75.10	97,99,600	400	98,00,000	75.10	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>97,99,600</b>	<b>32,50,400</b>	<b>1,30,50,000</b>	<b>100</b>	<b>97,99,600</b>	<b>32,50,400</b>	<b>1,30,50,000</b>	<b>100</b>	<b>-</b>
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other --	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>97,99,600</b>	<b>32,50,400</b>	<b>1,30,50,000</b>	<b>100</b>	<b>97,99,600</b>	<b>32,50,400</b>	<b>1,30,50,000</b>	<b>100</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>I. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-



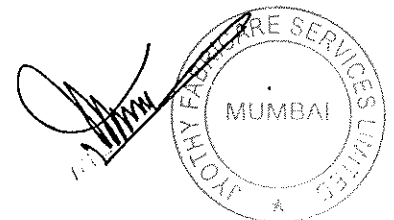
Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
1. Qualified Individual Investors	-	-	-	-	-	-	-	-	-
2. Cleaning Members	-	-	-	-	-	-	-	-	-
3. Office Bearers	-	-	-	-	-	-	-	-	-
4. Non-Resident Individuals (Repatriable)	-	-	-	-	-	-	-	-	-
5. Non-Resident Individuals (Non-Repatriable)	-	-	-	-	-	-	-	-	-
6. Directors/ Relatives	-	-	-	-	-	-	-	-	-
7. Trusts	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	97,99,600	32,50,400	1,30,50,000	100	97,99,600	32,50,400	1,30,50,000	100	-

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Jyothy Laboratories Limited	98,00,000	75.10	-	98,00,000	75.10	-	-
2	K. Ullas Kamath	32,40,000	24.82	-	32,40,000	24.82	-	-
3	Gayatri Kamath	10,000	0.076	-	10,000	0.076	-	-

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

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



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

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Share holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares at the beginning of the year (01-04-1)/End of the year 31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
-	-	-	-	-	-	-	-	-

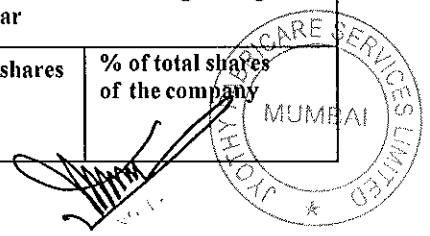
(v) Shareholding of Directors and Key Managerial Personnel:

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

2.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Mr. K Ullas Kamath				
	01/04/2014	32,40,000	24.82	32,40,000	24.82
	Increase / Decrease in Share holding	No movement	No movement	No movement	No movement
	31/03/2015	32,40,000	24.82	32,40,000	24.82

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

4.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Mr. R. Lakshminarayanan				



	01/04/2014	Nil	Nil	Nil	Nil
	Increase / Decrease in Share holding	No movement	No movement	No movement	No movement
	31/03/2015	Nil	Nil	Nil	Nil

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

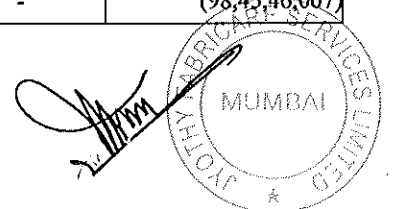
6.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Mr. Pinkesh Bansal				
	01/04/2014	Nil	Nil	Nil	Nil
	Increase / Decrease in Share holding	No movement	No movement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

## V. INDEBTEDNESS

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

(Amt. in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,42,11,298	1,35,00,00,000	-	1,38,42,11,298
ii) Interest due but not paid	3,34,709	-	-	3,34,709
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>3,45,46,007</b>	<b>1,35,00,00,000</b>	<b>-</b>	<b>1,38,45,46,007</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	3,45,46,007	40,00,00,000	-	4,00,000,000
• Reduction		1,35,00,00,000	-	1,38,45,46,007
<b>Net Change</b>	<b>(3,45,46,007)</b>	<b>(95,00,00,000)</b>	<b>-</b>	<b>(98,45,46,007)</b>



Indebtedness at the end of the financial year	-	40,00,00,000	-	40,00,00,000
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	40,00,00,000	-	40,00,00,000

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

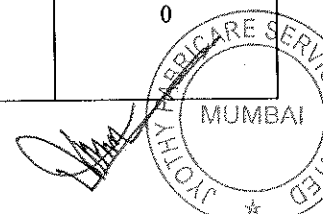
The Managing Director of the Company does not draw any remuneration from the Company.

### B. Remuneration To Other Directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Kiliyanat Padmakumar	Puliasseri Ramakrishnan Lakshminarayanan	
1.	<b>Independent Directors</b>			
	• Fee for attending Board/ Committee Meetings	30,000	60,000	90,000
	• Commission	0	0	0
	• Others, please specify	0	0	0
	<b>Total (1)</b>	30,000	60,000	90,000
2	<b>Other Non- Executive Directors</b>	Nil		
	• Fee for attending Board/ Committee Meetings			
	• Commission			
	• Others, please specify			
	<b>Total (2)</b>	0	0	0
	<b>Total(B)= (1)+(2)</b>	30,000	60,000	90,000
	<b>Total Managerial Remuneration</b>			90,000
	Overall Ceiling as per the Act	The Independent Directors do not receive any remuneration apart from sitting fees paid to them which are well within the limits prescribed under Companies Act, 2013.		

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Pinkesh Bansal	Rajesh Hegde	Total
		CFO*	Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	10,43,760	10,43,760
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	0	0
2	Stock Option	-	0	0
3	Sweat Equity	-	0	0
4	Commission			
	- as % of profit	-	0	0
	- others, specify...	-	0	0



5	Others, please specify...			
	Providend Fund	-	67,584	67,584
	Superannuation	-	0	0
	<b>Total</b>		<b>11,11,344</b>	<b>11,11,344</b>

\* The Chief Financial Officer was appointed w.e.f. May 22, 2014 and draws remuneration from the Holding Company of Jyothy Fabricare Services Limited i.e. Jyothy Laboratories Limited.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

For and on behalf of the Board of Directors  
For Jyothy Fabricare Services Limited



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



Mumbai, May 25, 2015

## Annexure V to the Directors Report

### NOMINATION AND REMUNERATION POLICY

#### 1. Introduction

The Board of Directors of Jyothy Fabricare Services Ltd (“the Company”) has constituted “Nomination and Remuneration Committee” w.e.f May 22, 2014. The main purpose of the Nomination and Remuneration Committee is to evaluate and approve the compensation plans, policies and programmes of the executive directors and senior management.

This policy will be applicable to the Company effective January 28, 2015.

#### 2. Objective

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The key objectives of the Committee would be:

- i. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ii. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board.
- iii. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- iv. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance and achievement relating to the Company’s operations.
- v. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel and create competitive advantage.

#### 3. Definitions

“Act” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

“Board” means Board of Directors of the Company.

“Directors” means Directors of the Company.

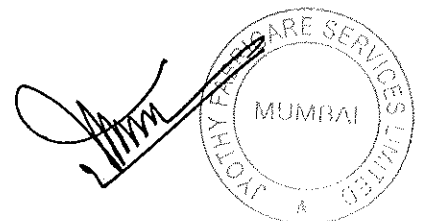
“Key Managerial Personnel” means

- i. Managing Director or Chief Executive Officer or Manager and in their absence Whole-time director;
- ii. Chief Financial Officer; and
- iii. Company Secretary.

“Senior Management” means personnel of the company who are members of its core management team excluding the Board of Directors comprising one level below the executive directors, including functional heads.

#### 4. Role of Committee

##### 4.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Compensation Committee



The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iii. Recommend to the Board, appointment and removal of Director, Key Managerial Personnel (KMP) and Senior Management Personnel.

#### **4.2 Policy for appointment and removal of Director, KMP and Senior Management**

##### **i. Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

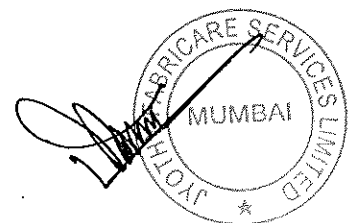
##### **ii. Term / Tenure**

###### **a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

###### **b) Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.





- At the time of appointment of Director, it should be ensured that number of Boards on which such person serves (including as an alternative director) is restricted to twenty companies as a Director; out of which the number public companies does not exceed ten.
- For reckoning the limit of public companies for the aforesaid purpose, directorship in private companies that are either holding or subsidiary company of a public company shall be included.

### iii. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### iv. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### v. Retirement

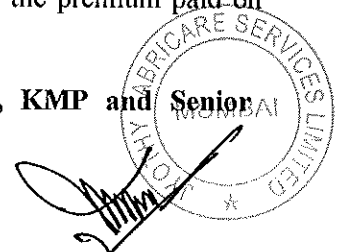
The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 4.3 Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

### i. General:

- a) The remuneration / compensation / commission etc. to the Executive Directors, KMP and Senior Management Personnel will be determined by the Nomination and Compensation Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever so required under the provisions of the Act.
- b) The remuneration and commission to be paid to the Executive Director/s shall be in accordance with the percentage / slabs / conditions as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Nomination and Compensation Committee to the Board which should be within the slabs approved by the Shareholders in the case of Executive Director.
- d) Where any insurance is taken by the Company on behalf of its Executive Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### ii. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior



### **Management Personnel:**

#### **a) Fixed pay:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever so required under the provisions of the Act.

#### **b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Directors/Whole-time Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### **c) Provisions for excess remuneration:**

If any Managing Director/Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### **iii. Remuneration to Non- Executive / Independent Director:**

#### **a) Remuneration / Commission:**

Non-Executive /Independent Directors may be remunerated within the limits provided under the provisions of the Act subject to compliance of the procedures specified under the Act.

#### **b) Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Currently, the maximum amount prescribed by the Central Government is Rs.1,00,000 per meeting of the Board or Committee thereof.

#### **c) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

#### **Notes:**

*The total managerial remuneration payable by a public company to its directors, including managing director and whole time director in respect of any financial year shall not exceed 11% of the net profits of the company. Any payment exceeding 11% would require Central Government approval.*

*The remuneration payable to any one managing director; or whole time director shall not exceed 5% of the net profits of the company and if there is more than one such director remuneration shall not*



exceed 10% of the net profits to all such directors taken together. Any payment exceeding the said 5% or 10% limits would require the approval of the shareholders.

The remuneration payable to all the non-executive directors shall not exceed 1% of the net profits of the Company, if there is a managing or whole time Director. As there is a Managing Director and an Executive Chairman in the Company, the applicable limit is 1% of the net profit. Any payment exceeding 1%, would require the approval of the shareholders subject to the overall limit of 11%.

However, the Company in general meeting may, with the approval of the Central Government, authorise the payment of remuneration exceeding 11% of the net profits of the company, subject to the provisions of Schedule V.

**iv. Loans to employees of the Company:**

The Company may extend loans to its employees at such rate of interest (including at nil rate of interest) to any of its employees for purchase of residential house for self & family, meeting the expenses of medical emergencies or in other cases of financial difficulties/hardships. The decision of the Managing Director /CEO as to what constitutes financial difficulties/hardships shall be final and binding. Managing Director/CEO shall have full discretion to decide the grant of loans to employees, who may on case to case basis approve the grant of loans of such amount and on such terms and conditions as he may deem appropriate and suitable in the case under consideration.

*It is hereby clarified that all the loans extended to the employees of the Company on and after 1<sup>st</sup> April, 2014 till the date of insertion of the above clause shall be deemed to be extended pursuant to this Policy and shall be valid.*

**5. Charter of the Nomination and Compensation Committee:**

**5.1 Composition:**

Mr. K. P. Padmakumar – Chairman  
Mr. R. Lakshminarayanan – Member  
Mr. K. Ullas Kamath – Member

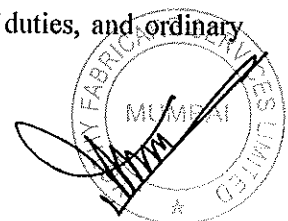
**5.2 Meetings:**

The Committee will meet periodically as necessary to act upon any matter within its jurisdiction. All Committee members are expected to attend each meeting, in person or via tele- or video-conference. Quorum of the Committee shall be two members. The Committee may request other Board members, officers, or other employees of the company, or any other persons whose advice and counsel are sought by the Committee, to attend any of its meetings to provide pertinent information/advice. Periodically, the Committee may meet separately without management and with its chosen independent consultants. Minutes will be kept of each meeting of the Committee.

**5.3 Authority:**

The Committee will have the authority:

1. To obtain services of/retain search firms to be used to identify appropriate director candidates or to retain other advisers, as deemed necessary and appropriate, to discharge the Committees duties and obligations.
2. To approve appropriate compensation at the Company's expense for any search firms or other advisors engaged by the Committee for the purpose of carrying out its duties, and ordinary administrative expense of the Committee.



#### 5.4 Terms of Reference:

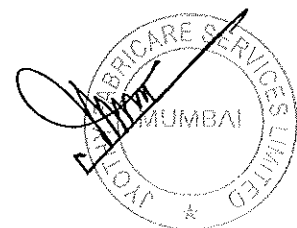
1. Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. The Committee will make recommendations to the Board regarding the Criteria (such as independence, experience relevant to the needs of the company, leadership qualities and ability to represent the shareholders) for the selection of the individuals to be considered as candidates for election to the Board.
3. Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees (referred as 'Nomination and Remuneration Policy').
4. Committee shall, while formulating the 'Nomination and Remuneration Policy, ensure that—
  - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Nomination and remuneration policy shall be disclosed in the Board's report.

5. Annual review of the salary, bonus and other compensation plans of the CEO, CFO, CS and Senior Management team of the Company.
6. Review and approve the salary, bonus and compensation plans for all the executive directors of the Company.
7. Recommend to the Board of Directors of the Company on any other employment incentives as the committee deems it appropriate in the best interests of the Company.
8. Chairperson of the Committee or, in his/her absence, any other member of the committee authorized by him/her in this behalf shall attend the general meetings of the Company.
9. The Committee will also undertake such additional activities as the Committee may from time to time determine or as may otherwise be required by law or directive of the Board.
10. The Committee will make regular reports to the Board and will recommend any proposed actions to the Board for approval as necessary. The Committee will review and reassess the adequacy of these terms of reference at least annually and recommend any proposed changes to the Board for approval.
11. The Committee will at least annually evaluate its own performance to determine whether it is functioning effectively.

This Policy will be communicated to all concerned persons of the Company.

\*\*\*\*



**INDEPENDENT AUDITOR'S REPORT**

To the Members of Jyothy Fabricare Services Limited

**Report on the Financial Statements**

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

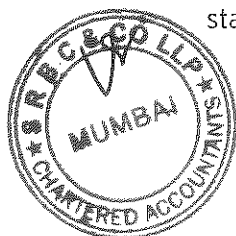
**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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



Jyothy Fabricare Services Limited

Page 2 of 5 of the Auditor's Report for the year ended March 31, 2015

## Opinion

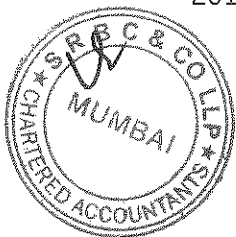
In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its loss, and its cash flows for the year ended on that date.

## Emphasis of Matter

Without qualifying our opinion, reference is drawn to Note 2 of the financial statements. The Company has been making continuous losses over the past years and has incurred cash losses in the current year as well as in the previous year. This matter raises substantial doubt regarding the Company's ability to continue as going concern which is dependent on establishing profitable operations. However, the holding company, through a letter of support, has agreed to continue to provide financial support to the Company for its operations at least for the next 12 months, if the Company is unable to meet its funding requirements. Accordingly, the financial statements have been prepared on going concern assumption, and consequently no adjustments have been made to the carrying value of classification of balance sheet accounts.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;



# SRBC & CO LLP

Chartered Accountants

Jyothy Fabricare Services Limited

Page 3 of 5 of the Auditor's Report for the year ended March 31, 2015

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SRBC & CO LLP

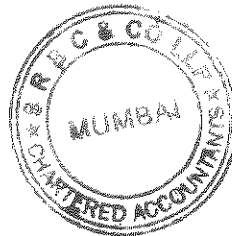
Chartered Accountants

ICAI Firm Registration Number: 324982E



per Vikram Mehta  
Partner

Membership Number: 105938



Place: Mumbai

Date: May 25, 2015

# SRBC & CO LLP

Chartered Accountants

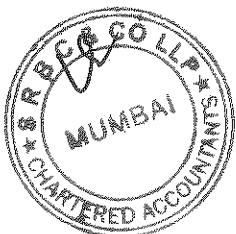
Jyothy Fabricare Services Limited

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Annexure referred to in our report of even date

Re: Jyothy Fabricare Services limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (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 services. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it, though there has been slight delays in few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.





# SRBC & CO LLP

Chartered Accountants

Jyothy Fabricare Services Limited

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- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess that have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which amount relates	Forum where dispute is pending
Customs Duty	Assessment Dues	5,763	FY 2006-07	Commissioner of Customs (Appeals)
		16,015	FY 2007-08	
		64,181	FY 2008-09	
		25,184	FY 2009-10	

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth and it has incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on information and explanations given to us by the management, terms loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E

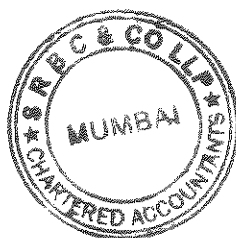
per Vikram Mehta

Partner

Membership Number: 105938

Place: Mumbai

Date: May 25, 2015



**JYOTHY FABRICARE SERVICES LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2015**

	Note	2015	Amount in Rs 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	3	238,500,000	163,500,000
Reserves and Surplus	4	151,288,358	(924,854,276)
		<u>389,788,358</u>	<u>(761,354,276)</u>
<b>Non-Current Liabilities</b>			
Long-term borrowings	5	400,000,000	301,450,000
Deferred tax liabilities (Net)	6	-	-
Other long-term liabilities	7	136,182,000	-
Provisions	8	8,374,594	8,532,267
		<u>544,556,594</u>	<u>309,982,267</u>
<b>Current Liabilities</b>			
Short-term borrowings	9	-	1,050,000,000
Trade payables	10	26,657,998	32,405,822
Other current liabilities	11	13,263,256	40,955,820
Provisions	8	9,863,828	7,796,145
		<u>49,785,082</u>	<u>1,131,157,787</u>
<b>Total</b>		<u><u>984,130,034</u></u>	<u><u>679,785,778</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
(i) Tangible assets	12	349,328,878	383,311,169
(ii) Intangible assets		18,720,052	20,091,782
(iii) Capital work-in-progress		105,528,414	7,434,029
Non-current investments	13	43,656,546	48,406,065
Loans and advances	14	84,205,937	79,524,253
Other assets	19	2,854,192	2,301,096
		<u>604,294,019</u>	<u>541,068,394</u>
<b>Current assets</b>			
Current investments	15	275,164,216	-
Inventories	16	6,622,254	11,818,825
Trade receivables	17	35,218,860	44,524,832
Cash and Bank balances	18	38,030,732	63,949,584
Loans and advances	14	24,799,953	18,424,143
		<u>379,836,015</u>	<u>138,717,384</u>
<b>Total</b>		<u><u>984,130,034</u></u>	<u><u>679,785,778</u></u>

Summary of significant accounting policies 2.1

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

As per our report of even date

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

per Vikram Mehta  
Partner  
Membership No.: 105938



For and on behalf of the Board of Directors of  
Jyothy Fabricare Services Limited

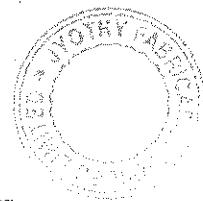
M. P. Ramachandran  
Chairman and Managing Director

Gaurav Munoli  
Company Secretary

Place: Mumbai  
Date: May 25, 2015

K. Ullas Kamath  
Director

Pinkesh Bansal  
Chief Financial Officer



Place: Mumbai  
Date: May 25, 2015

**JYOTHY FABRICARE SERVICES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

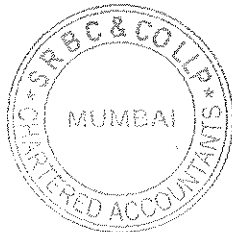
	Note	2014-15	Amount in Rs 2013-14
<b>Income</b>			
Revenue from operations	20	322,927,875	307,524,336
Other Income	21.1	7,684,077	4,289,922
<b>Total Revenue ( I )</b>		<b>330,611,952</b>	<b>311,814,258</b>
<b>Expenses</b>			
Cost of services	22	38,569,231	47,606,917
Employee benefit expense	23	176,713,933	148,338,832
Other expenses	24	216,801,371	191,541,900
Share in (profit)/ loss of partnership firm		(8,150,481)	9,260,685
<b>Total Expenses ( II )</b>		<b>423,934,054</b>	<b>396,748,334</b>
<b>Earning before interest, tax , depreciation and amortization (EBIDTA) ( I ) - ( II )</b>		<b>(93,322,102)</b>	<b>(84,934,076)</b>
Depreciation and amortization expense	12	45,582,734	39,046,562
Interest Income	21.1	7,310,939	4,492,763
Finance costs	25	75,061,955	146,715,217
<b>Loss before tax</b>		<b>(206,655,852)</b>	<b>(266,203,092)</b>
<b>Tax expense</b>			
- Current tax		-	-
- Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Loss after tax</b>		<b>(206,655,852)</b>	<b>(266,203,092)</b>
<b>Earnings per share</b>	34		
Basic & Diluted(Rs)		(15.84)	(20.40)
Nominal Value per share (Rs)		10.00	10.00
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Vikram Mehta  
Partner  
Membership No.: 105938  
Place: Mumbai  
Date: May 25, 2015



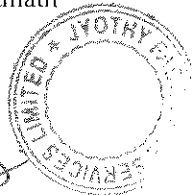
For and on behalf of the Board of Directors of  
Jyothy Fabricare Services Limited

M. P. Ramachandran  
Chairman and Managing Director

Gaurav Munoli  
Company Secretary  
Place: Mumbai  
Date: May 25, 2015

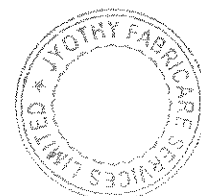
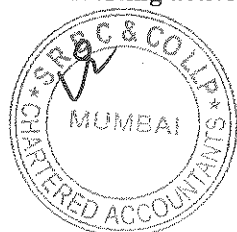
K. Ullas Kamath  
Director

Pinkesh Bansal  
Chief Financial Officer



**JYOTHY FABRICARE SERVICES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

	2014-15	Amount in Rs 2013-14
<b><u>A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:</u></b>		
Loss before Tax	(206,655,852)	(266,203,092)
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation	45,582,734	39,046,562
Interest income on fixed deposits	(2,252,551)	(2,217,450)
Finance cost	75,061,955	146,715,217
Interest income on loan given to subsidiaries	(2,666,678)	(1,828,521)
Profit on sale of current investments	(2,394,958)	-
Share of (profit)/ loss from investment in partnership firm	(8,150,481)	9,260,685
Interest on capital to partnership firm	(2,391,710)	-
Loss on sale of fixed assets	833,171	338,827
Impairment / other write off on tangible / intangible assets	2,418,519	-
Provision for doubtful advances written back	-	(1,719,020)
Excess provisions/liabilities written back	-	(1,049,824)
Provision for doubtful advances	1,442,789	-
Interest on Income Tax refund	-	(446,792)
Provision for doubtful debts	4,269,038	3,534,099
Bad debts written off	695,587	717,503
<b>Operating loss before working capital changes</b>	<b>(94,208,437)</b>	<b>(73,851,806)</b>
<b>Movements in working capital:-</b>		
(Increase) /Decrease in working capital		
Decrease / (Increase) in Inventories	5,196,571	2,967,660
Decrease / (Increase) in Trade receivables	4,341,348	2,941,303
Decrease / (Increase) in Loans and advances and other assets	(5,292,894)	(3,294,381)
Increase / (Decrease) in current liabilities & provisions	(6,858,763)	172,319
<b>Cash used in operations</b>	<b>(96,822,175)</b>	<b>(71,064,905)</b>
Taxes paid	(3,492,533)	3,302,218
<b>Net cash used in operating activities (A)</b>	<b>(100,314,708)</b>	<b>(67,762,687)</b>
<b><u>B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:</u></b>		
Purchase of fixed assets including capital work-in-progress and capital advances	(105,212,931)	(21,759,667)
Proceeds from sale of fixed assets	538,003	201,147
Investment in Partnership firm /Subsidiaries	12,900,000	(4,500,000)
Interest received on fixed deposit	230,941	413,568
Interest received on capital contribution to partnership firm	2,391,710	-
Loan given to subsidiaries	-	(5,000,000)
Profit on sale of current investments	2,394,958	-
Interest received on loan given to subsidiaries	266,668	-
<b>Net cash used in investing activities (B)</b>	<b>(86,490,651)</b>	<b>(30,644,952)</b>



**JYOTHY FABRICARE SERVICES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

	2014-15	Amount in Rs 2013-14
<b><u>C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:</u></b>		
Proceeds from unsecured loan	478,489,513	207,371,682
Repayment of secured and unsecured loan	(1,462,700,811)	(73,216,677)
Proceeds from issue of Preference share capital at premium	1,500,000,000	-
Share issue expenses	(1,500,000)	-
Finance cost paid	(75,396,664)	(8,262,316)
<b>Net cash generated from financing activities (C)</b>	<b>438,892,038</b>	<b>125,892,689</b>
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	252,086,679	27,485,050
Cash and cash equivalents at the beginning of the year	40,404,553	12,919,503
<b>Cash and cash equivalents at the end of the year</b>	<b>292,491,232</b>	<b>40,404,553</b>

**Components of cash and cash equivalents**

Cash in hand	2,385,421	2,545,329
Balance with scheduled banks - Current account	14,941,596	37,859,224
- Deposit account	20,703,715	23,545,031
Cash and bank balance as per Note 18	38,030,732	63,949,584
Less : Restricted Fixed Deposits not considered as cash equivalents	(20,703,715)	23,545,031
Add : Mutual fund Investments	275,164,215	-
<b>Cash and cash equivalents considered for cash flow statement</b>	<b>292,491,232</b>	<b>40,404,553</b>

Summary of significant accounting policies

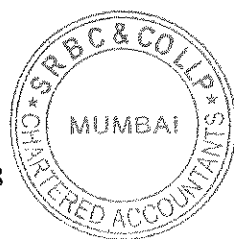
Note 2.1

As per our report of even date

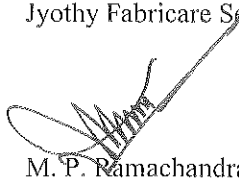
For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration No. 324982E

  
per Vikram Mehta  
Partner

Membership No.: 105938




For and on behalf of the Board of Directors of  
Jyothy Fabricare Services Limited

  
M. P. Ramachandran  
Chairman and Managing Director

  
Gauhav Munoli  
Company Secretary

Place: Mumbai  
Date: May 25, 2015

  
K. Ullas Kamath  
Director



  
Pinkesh Bansal  
Chief Financial Officer

Place: Mumbai  
Date: May 25, 2015

## **1 Corporate information**

Jyothy Fabricare Services Limited ('the Company') is a public Company domiciled in India. The Company is principally engaged in the business of laundry and dry-cleaning services.

## **2 Basis of preparation**

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

The Company has incurred losses during the current year and the accumulated losses of the Company at the close of the year are more than fifty percent of its paid up capital and reserves. The management is implementing a plan to increase turnover, improve profitability and financial position of the Company by widening the network of outlets across India and building awareness of the services through various marketing activities to increase revenue. Further, Jyothy Laboratories Limited (parent Company), through a letter of support, has agreed to continue to provide financial support to the Company for its operations at least for the next 12 months, if the Company is unable to meet its funding requirements

The Company is therefore being viewed as a going concern and accounts have been prepared under the going concern assumption.

### **2.1 Summary of significant accounting policies**

The significant accounting policies are as follows:-

#### **a) Use of estimates**

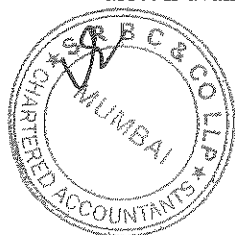
The preparation of financial statements, in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these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

#### **b) Tangible fixed assets**

Fixed assets are stated at cost, less accumulated depreciation and impairment. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

#### **c) Intangible assets**

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



**d) Depreciation and Amortisation**

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

The estimated useful life of the assets is as follows:

Category	Estimated useful life (in years)
Building - Factory	30
Plant and machinery	15
Furniture and fixtures	10
Computers	3-6
Office equipments	5
Vehicles	8-10
Trade mark	9-10
Leasehold Improvements - Outlets	3

Asset costing less than Rs 5,000 are depreciated at the rate of 100%.

Computer Software is amortized using the straight line method over a period of 5 years. Goodwill purchased is tested for impairment purposes every year.

Lease hold land is amortised over the period of the lease on a straight line basis which is 79 years

**e) Operating Leases**

*Where the company is a lessee*

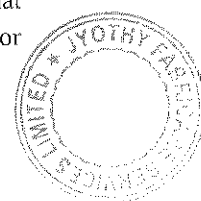
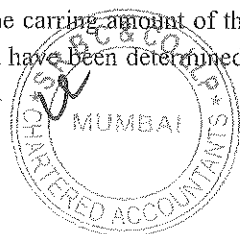
Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Lease payments on operating leases are recognized as expense in the statement of profit and loss on a straight-line basis, over the lease term.

**f) Borrowing Costs**

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

**g) Impairment**

- i The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. An impairment loss is recognized wherever the carrying amount of an asset exceed its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the pre-tax discount rate. In determining net selling price, recent market transaction are taken in to account, if available. If no such transaction can be identified, in appropriate valuation model is used.
- ii After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- iii A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the assets in prior years.



**h) Investments**

Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties and other costs that arise on acquisition of investment. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

**i) Inventories**

Inventories of raw materials, packing materials, stores and spares and fuel 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.

Operating supplies are items in circulation which are originally recognised at FIFO and then written off over their estimated period of usage.

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

**j) Revenue recognition**

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

*Sale of Services:*

Service revenue is recognised on completion of services and where no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. Service revenue are net of service tax.

*Interest:*

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of profit and loss.

**k) Foreign currency translation**

**(i) Initial Recognition**

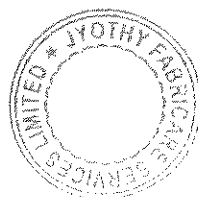
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**(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.





**l) Retirement and other employee benefits**

(i) Retirement benefits in the form of Provident Fund is defined contribution scheme. The Company has no obligation, other than the contribution payable to the fund. The Company recognizes contribution payable to the provident fund as an expenditure, when an employee render the related service.

(ii) Gratuity liability is defined benefit obligation and the cost of providing this benefit is determined on the basis of an actuarial valuation at each year-end. The actuarial valuation is done as per projected unit credit method.

(iii) Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

(iv) The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

(v) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

**m) Income-tax**

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

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting 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 reporting date. The Company writes-down the carrying amount of 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

**n) Segment Reporting**

*Identification of segments*

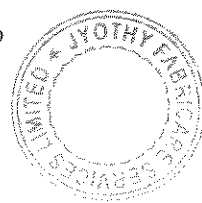
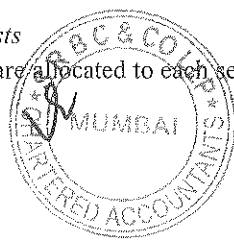
The Company's operating businesses are organised and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services. The analysis of geographical segments is based on the areas in which major operating divisions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

*Inter segment Transfers*

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

*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.



**Jyothy Fabricare Services Limited**  
**Notes to Financial Statement for the year ended March 31, 2015**

*Unallocated Items*

Includes general corporate income and expenses items which are not allocated to any business segment.

*Segment accounting Policies*

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

**o) 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.

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.

**p) Provisions**

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

**q) Contingent liabilities**

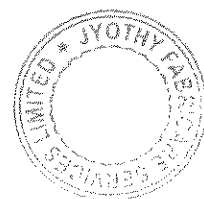
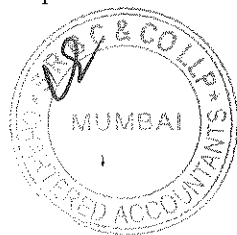
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

**r) Cash and cash equivalents**

Cash and cash equivalents for the purposes 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) Measurement of EBITDA**

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



**Jyothy Fabricare Services Limited**

Notes to Financial Statement for the year ended March 31, 2015

	Amount in Rs	
Note 3 - Share Capital	2015	2014
<b>Authorised Shares</b>		
17,250,000 (Previous year : 23,916,667) Equity shares of face value Rs 10/- each	172,500,000	239,166,670
3,300,000 (Previous year : 6,633,333 ) Series A Compulsorily Convertible Preference Share of face value of Rs 10/- each	33,000,000	66,333,330
10,000,000 (Previous Year : Nil) 2% Optionally Convertible Non - Cumulative Preference Share of face Value Rs 10/- each	100,000,000	-
	<u>305,500,000</u>	<u>305,500,000</u>
<b>Issued, Subscribed And Paid Up Shares</b>		
13,050,000 (Previous year : 13,050,000) Equity shares of face value of Rs. 10/- each	130,500,000	130,500,000
3,300,000 (Previous Year : 3,300,000 ) Series A Compulsorily Convertible Preference Share of face Value Rs 10/- each	33,000,000	33,000,000
75,00,000 (Previous Year : Nil) 2% Optionally Convertible Non - Cumulative Preference Share of face Value Rs 10/- each	75,000,000	-
	<u>238,500,000</u>	<u>163,500,000</u>

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

	2015		2014	
	No of Shares	Amount in Rs	No of Shares	Amount in Rs
<b>Equity Shares</b>				
At the beginning of the Period	13,050,000	130,500,000	13,050,000	130,500,000
<b>Outstanding at the end of the Period</b>	<u>13,050,000</u>	<u>130,500,000</u>	<u>13,050,000</u>	<u>130,500,000</u>

	2015		2014	
	No of Shares	Amount in Rs	No of Shares	Amount in Rs
<b>Series A Compulsorily Convertible Preference Share</b>				
At the beginning of the Period	3,300,000	33,000,000	3,300,000	33,000,000
Issue of Preference Share	-	-	-	-
<b>Outstanding at the end of the Period</b>	<u>3,300,000</u>	<u>33,000,000</u>	<u>3,300,000</u>	<u>33,000,000</u>

	2015		2014	
	No of Shares	Amount in Rs	No of Shares	Amount in Rs
<b>2% Optionally Convertible Non - Cumulative Preference Share</b>				
At the beginning of the Period	-	-	-	-
Issue of Preference Share	7,500,000	75,000,000	-	-
<b>Outstanding at the end of the Period</b>	<u>7,500,000</u>	<u>75,000,000</u>	<u>-</u>	<u>-</u>

**b. Terms of equity shares**

The Company has one class of equity share having face value of Rs 10 each . Each share holder is eligible for one vote per share held. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

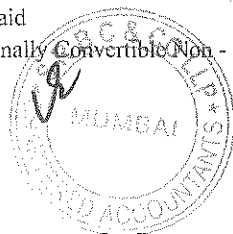
**c. Terms of preference shares**

i) During the year ended March 31, 2012 , the Company had issued 3,300,000 Series A compulsorily convertible preference shares (CCP) of Rs. 10 each fully paid up. CCP carry cumulative dividend @ 0.1% p.a. The Series A preference shares are compulsorily convertible after the expiry of seven years from the allotment date i.e June 18, 2011.

ii )During the year, the Company has issued 7,500,000, 2% Optionally Convertible Non - Cumulative Preference Share (OCNPS) of face Value Rs 10/- each to its holding company at a premium of Rs 190 per share. On completion of three years from the date of allotment, the holder of OCNPS on or before March 31, 2021, may exercise the option to convert one OCNPS into one equity share of face value of Rs 10 each of the Company.

**d. Shares held by holding /ultimate holding company and/or their subsidiaries /associates**

	2015	2014
<b>Jyothy Laboratories Limited, the holding Company</b>		
9,800,000 (Previous year : 9,800,000) Equity shares of Rs 10 each fully paid	98,000,000	98,000,000
3,300,000 (Previous year : 3,300,000)Series A Compulsorily Convertible Preference Share of face Value Rs 10/- each fully paid	33,000,000	33,000,000
7,500,000 (Previous Year Nil) 2% Optionally Convertible Non - Cumulative Preference Share of face Value Rs 10/- each	75,000,000	-



**Jyothy Fabricare Services Limited**  
**Notes to Financial Statement for the year ended March 31, 2015**

Amount in Rs

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

	2015		2014	
	No of Shares	% holding in the class	No of Shares	% holding in the class
<u>Equity Shares of Rs 10 each fully paid</u>				
Jyothy Laboratories Limited , the holding Company	9,800,000	75.10%	9,800,000	75.10%
Mr Ullas Kamath	3,240,000	24.83%	3,240,000	24.83%
<u>Series A Compulsorily Convertible Preference Share</u>				
Jyothy Laboratories Limited , the holding Company	3,300,000	100%	3,300,000	100%
<u>2% Optionally Convertible Non - Cumulative Preference Share</u>				
Jyothy Laboratories Limited , the holding Company	7,500,000	100%	-	-

**Note 4 - Reserves And Surplus**

	2015	2014
<b>Securities Premium Account</b>		
Balance as per last financial statements	479,561,649	479,561,649
Add: Premium on issue of Preference shares (Note 37)	1,425,000,000	-
Less: Premium payable on redemption of non convertible debentures* (Note 36)	(136,182,000)	-
Less : Preference Share issue expenses (Note 37)	(1,500,000)	-
<b>Balance as at the end of the year</b>	<b>1,766,879,649</b>	<b>479,561,649</b>
<b>General Reserve</b>		
Balance as per last financial statements	2,850,000	2,850,000
<b>Balance as at the end of the year</b>	<b>2,850,000</b>	<b>2,850,000</b>
<b>Amalgamation reserve account</b>		
Balance as per last financial statements	(261,757,208)	(261,757,208)
<b>Balance as at the end of the year</b>	<b>(261,757,208)</b>	<b>(261,757,208)</b>
<b>Deficit in the statement of profit and loss</b>		
Balance as per last financial statements	(1,145,508,717)	(879,305,625)
Depreciation as per schedule II of Companies Act, 2013*	(4,519,514)	-
Add: Loss for the year	(206,655,852)	(266,203,092)
<b>Net Deficit in the statement of profit and loss</b>	<b>(1,356,684,083)</b>	<b>(1,145,508,717)</b>
	<b>151,288,358</b>	<b>(924,854,276)</b>

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

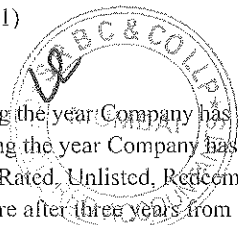
**Note 5 - Long-term borrowings**

	Non -Current		Current	
	2015	2014	2015	2014
Term loan from Banks (Secured)	-	-	-	17,761,298
Term loan from Financial institutions (Secured)	-	1,450,000	-	15,000,000
Loan from Holding Company (Unsecured)	-	300,000,000	-	-
400 (Previous year : Nil) Rated, Unlisted, Redeemable, Non - convertible Debentures of Rs 1,000,000 (Previous year:Nil) each	400,000,000	-	-	-
	<b>400,000,000</b>	<b>301,450,000</b>	<b>-</b>	<b>32,761,298</b>
<b>The above amount includes</b>				
Secured Borrowings	-	1,450,000	-	32,761,298
Unsecured Borrowing	400,000,000	300,000,000	-	-
Amount disclosed under the head "other current liabilities"(Refer Note - 11)	-	-	-	(32,761,298)
	<b>400,000,000</b>	<b>301,450,000</b>	<b>-</b>	<b>-</b>

i) During the year Company has repaid Term loan taken from banks and financial institutions.

ii) During the year Company has repaid Loan taken from holding company.

iii) 400 Rated, Unlisted, Redeemable, Non - convertible Debenture of Rs 1,000,000 each is redeemable at premium of Rs 340,455 per debenture after three years from the date of allotment i.e. January 12, 2015



**Jyothy Fabricare Services Limited**  
**Notes to Financial Statement for the year ended March 31, 2015**

Amount in Rs

**Note 6 - Deferred tax Liabilities (Net)**

	2015	2014
a) Deferred tax liability		
Depreciation	13,923,615	19,161,852
	<u>13,923,615</u>	<u>19,161,852</u>
b) Deferred tax assets		
Provision for gratuity	2,910,500	2,961,726
Provision for Bonus	657,521	773,510
Provision for leave encashment	2,725,172	2,083,753
Provision for doubtful debts	4,631,427	3,312,294
Provision for doubtful advances	1,824,585	1,378,763
On carry forward loss and unabsorbed depreciation(only to the extent of deferred tax liability)	1,174,409	8,651,806
	<u>13,923,615</u>	<u>19,161,852</u>
	<u>-</u>	<u>-</u>

**Note 7 - Other long-term liabilities**

	2015	2014
Premium payable on redemption of Debentures (Note 36)	136,182,000	-
	<u>136,182,000</u>	<u>-</u>

**Note 8 - Provisions**

	Non - Current		Current	
	2015	2014	2015	2014
Provision for leave encashment	-	-	8,819,327	6,743,537
Provision for gratuity [Refer Note - 26 (i)]	8,374,594	8,532,267	1,044,501	1,052,608
	<u>8,374,594</u>	<u>8,532,267</u>	<u>9,863,828</u>	<u>7,796,145</u>

**Note 9 - Short-term borrowings**

	2015	2014
Loan from holding company (Unsecured ,Repayable on demand)	-	1,050,000,000
	<u>-</u>	<u>1,050,000,000</u>

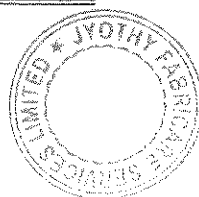
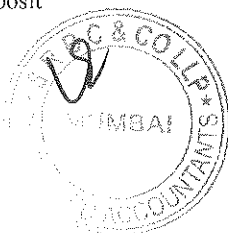
i) During the year Company has repaid Loan taken from holding company.

**Note 10 - Trade payables**

	2015	2014
Dues to Micro and small enterprises (Refer Note 33)	989,917	607,345
Other trade payables	15,536,781	12,630,306
Accrual for expenses	10,131,300	19,168,171
	<u>26,657,998</u>	<u>32,405,822</u>

**Note 11 - Other current liabilities**

	2015	2014
Current maturities of long term borrowing (Refer Note - 5)	-	32,761,298
Statutory dues	3,260,285	6,179,308
Creditors for capital goods	9,529,896	1,105,503
Interest accrued but not due on long term borrowings	-	334,709
Security deposit	473,075	575,002
	<u>13,263,256</u>	<u>40,955,820</u>

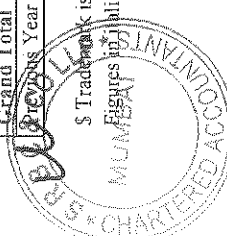
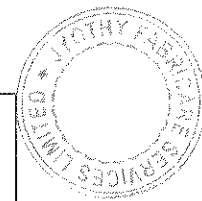


Jyothy Fabricare Services Limited  
Notes to Financial Statement for the year ended March 31, 2015

Note 12 - Fixed Assets

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2014	Additions	Deletions	As at March 31, 2015	As at April 01, 2014	For the year	Deletions	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>Intangible Assets</b>										
Goodwill	13,816,434	-	-	13,816,434	-	-	-	-	13,816,434	13,816,434
Software	16,162,208	1,485,026	2,638,945	15,008,289	12,324,150	2,441,320	2,637,439	12,128,031	2,880,258	3,838,058
Trade mark \$	15,800,912	361,296	-	16,162,208	9,198,156	3,125,994	-	12,324,150	2,023,360	2,437,290
	3,763,000	-	-	3,763,000	1,325,710	413,930	-	1,739,640	-	-
	3,763,000	-	-	3,763,000	911,780	413,930	-	1,325,710	-	-
<b>Total</b>	<b>33,741,642</b>	<b>1,485,026</b>	<b>2,638,945</b>	<b>32,587,723</b>	<b>13,649,860</b>	<b>2,855,250</b>	<b>2,637,439</b>	<b>13,867,671</b>	<b>18,720,052</b>	<b>20,091,782</b>
Previous Year	33,380,346	361,296	-	33,741,642	10,109,936	3,539,924	-	13,649,860	20,091,782	-
<b>Tangible Assets</b>										
Building	156,676,714	-	-	156,676,714	26,187,880	5,286,373	-	31,474,253	125,202,461	130,488,834
Freehold Land	155,835,270	841,444	-	156,676,714	20,967,775	5,220,105	-	26,187,880	53,785,319	53,785,319
Leasehold land	53,785,319	-	-	53,785,319	-	-	-	-	1,770,438	1,794,126
	53,785,319	-	-	53,785,319	71,104	23,688	-	94,792	-	-
	1,865,230	-	-	1,865,230	47,416	23,688	-	71,104	-	-
	1,865,230	-	-	1,865,230	71,104	23,688	-	94,792	-	-
Plant and machinery	244,086,054	3,536,627	10,032,472	237,590,209	86,457,025	19,785,271	6,689,063	99,732,687	137,857,522	157,629,029
	236,761,900	7,324,154	-	244,086,054	72,801,490	13,653,535	-	86,457,025	-	-
	16,730,212	46,863	543,273	16,233,802	6,323,107	2,114,917	395,670	8,102,348	8,131,454	10,407,105
Furniture and fixture	16,633,995	96,217	-	16,730,212	5,255,965	1,067,142	-	6,323,107	-	-
Leasehold Improvements	53,154,083	11,062,114	22,584,969	41,631,228	46,316,779	6,096,325	22,584,953	29,828,151	11,803,077	6,837,304
	50,630,149	2,601,297	77,363	53,154,083	35,512,636	10,854,720	50,577	46,316,779	4,154,092	13,451,785
Office equipments	27,268,213	1,922,288	6,699,816	22,490,685	13,816,428	6,881,874	6,641,775	18,336,593	4,154,092	13,451,785
	26,503,708	1,316,237	551,732	27,268,213	11,236,813	2,705,774	126,159	13,816,428	6,624,515	8,917,668
Vehicle	18,863,371	485,000	2,353,879	16,994,492	9,945,703	2,539,036	2,114,762	10,369,977	-	-
	19,323,880	214,240	674,749	18,863,371	8,553,163	1,979,674	587,134	9,945,703	-	-
<b>Total</b>	<b>572,429,196</b>	<b>17,052,892</b>	<b>42,214,409</b>	<b>547,267,679</b>	<b>189,118,026</b>	<b>42,727,484</b>	<b>38,426,223</b>	<b>197,938,801</b>	<b>349,328,878</b>	<b>383,311,169</b>
Previous Year	561,339,451	12,393,589	1,303,844	572,429,196	154,375,258	35,506,638	763,870	189,118,026	383,311,169	-
<b>Grand Total</b>	<b>606,170,838</b>	<b>18,537,918</b>	<b>44,853,554</b>	<b>579,855,402</b>	<b>202,767,886</b>	<b>45,582,734</b>	<b>41,063,662</b>	<b>211,806,472</b>	<b>368,048,930</b>	<b>403,402,951</b>
Previous Year	594,719,797	12,754,883	1,303,844	606,170,838	164,485,194	39,046,562	763,870	202,767,886	403,402,951	-

\$ Trade mark is pending registration in the name of the Company.  
Figures in italics represent previous year figures.



**Jyothy Fabricare Services Limited**  
**Notes to Financial Statement for the year ended March 31, 2015**

Amount in Rs

**Note 13 - Non-current investments (value at cost unless stated otherwise)**

	2015	2014
<b>Trade investment (Unquoted)</b>		
<u>Investment in subsidiary companies</u>		
490,000 (Previous year: 490,000) equity shares of Rs 10 each fully paid-up in Snowways Laundrers & Drycleaners Private Limited	9,636,270	9,636,270
22,07,000 (Previous Year : 22,07,000) equity shares of Rs 10 each fully paid-up in Four Seasons Drycleaning Company Private Limited	10,155,480	10,155,480
<u>Investments in Partnership Firm</u>		
M/s JFSL - JLL (Refer note 35)	23,864,796	28,614,315
	<b>43,656,546</b>	<b>48,406,065</b>

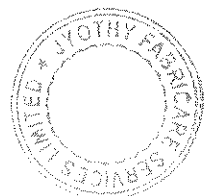
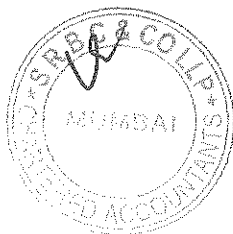
**Note 14 - Loans and advances**  
**(Unsecured, considered good unless stated otherwise)**

	Non -Current		Current	
	2015	2014	2015	2014
Loans /Advances to Subsidiaries	21,256,570	21,143,744	615,558	616,458
Deposits	34,716,162	30,644,419	16,177,794	8,542,701
Less: Provision for doubtful deposits	1,810,782	1,810,782	-	-
	32,905,380	28,833,637	16,177,794	8,542,701
Advance to suppliers	-	-	2,514,662	965,556
Less: Provision for doubtful advances	-	-	1,567,789	125,000
	-	-	946,873	840,556
Prepaid Expenses	98,603	65,094	829,299	3,369,338
Employees Loans	-	-	88,790	184,652
Advance tax	14,901,783	11,409,250	-	-
Capital advances	5,804,705	8,799,689	-	-
Less: Provision for doubtful advances	2,001,235	2,001,235	-	-
	3,803,470	6,798,454	-	-
Balances with Government authorities	25,000	25,000	6,141,639	4,814,061
Others #	11,740,131	11,774,074	-	56,377
Less: Provision for doubtful advances	525,000	525,000	-	-
	11,215,131	11,249,074	-	56,377
	<b>84,205,937</b>	<b>79,524,253</b>	<b>24,799,953</b>	<b>18,424,143</b>

# Includes advance given to Suresh Babu Balasu amounting to Rs. 10,200,000 (Previous year: Rs 10,200,000) in relation to the Share Purchase agreement dated August 12, 2009 for future purchase of 51% shares held by him of Snowways Laundrers & DryCleaners Private Limited (the subsidiary company).

**Note 15 - Current Investment ( Quoted Cost or Fair value whichever is lower)**

	2015	2014
Axis Treasury Advantage Fund - Direct Growth		
1,465.71 (Previous Year : Nil) units of Rs 1,498.89 (Previous Year : Nil) each	2,196,945	-
Religare Invesco Credit Opportunities Fund - Growth(CO-IG)		
46,678.22 (Previous Year : Nil) units of Rs 1,563.19 (Previous Year : Nil) each	72,967,271	-
TSTG Tata Short Term Bond Fund Plan A - Growth		
1,953,407.32 (Previous Year : Nil) units of Rs 25.59 (Previous Year : Nil) each	50,000,000	-
HDFC High Interest Fund - Dynamic Plan - Growth		
1,037,150.73 (Previous Year : Nil) units of Rs 48.20 (Previous Year : Nil) each	50,000,000	-
Franklin India Low Duration Fund - Growth		
6,645,622.19 (Previous Year : Nil) units of Rs 15.04 (Previous Year : Nil) each	100,000,000	-
	<b>275,164,216</b>	-
<b>Market value of quoted investment</b>	<b>279,725,294</b>	-



**Jyothy Fabricare Services Limited**

Notes to Financial Statement for the year ended March 31, 2015

Amount in Rs

**Note 16 - Inventories (valued at lower of cost or net realisable value)**

	2015	2014
Raw and packing materials	3,680,199	4,446,907
Fuel	499,968	4,849,181
Stores & Spares	2,442,087	2,522,737
	<u>6,622,254</u>	<u>11,818,825</u>

**Note 17 - Trade Receivables (Unsecured)**

	2015	2014
a) Outstanding for a period exceeding six months from the date they are due for payment.		
- Considered good	8,980,776	16,182,491
- Doubtful	14,988,436	10,719,398
- Less : Provision for doubtful debts	(14,988,436)	(10,719,398)
	<u>8,980,776</u>	<u>16,182,491</u>
b) Other receivables, considered good	26,238,084	28,342,341
	<u>35,218,860</u>	<u>44,524,832</u>

**Note 18 - Cash and bank balances**

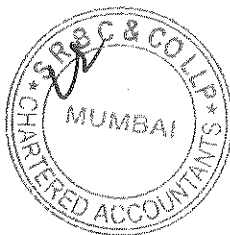
	Non-Current		Current	
	2015	2014	2015	2014
<b>Cash and Cash equivalent</b>				
Cash in hand	-	-	2,385,421	2,545,329
On Current accounts	-	-	14,941,596	37,859,224
<b>Other bank balances</b>				
Fixed deposits with Banks having original maturity of more than 3 months but less than 12 months*	-	-	5,446,883	8,466,822
Fixed deposits with Banks having original maturity of more than 12 months*	2,854,192	2,301,096	15,256,832	15,078,209
Less Amount disclose under other assets (Refer Note -19)	(2,854,192)	(2,301,096)	-	-
	<u>-</u>	<u>-</u>	<u>38,030,732</u>	<u>63,949,584</u>

\*Restricted deposits placed with bank as margin money or deposits for the purpose of performance guarantee or against the earnest money deposit in relation to tenders from Railway Authorities. Also includes Rs 1,596,524 (Previous year : 1,493,229) for the purpose of PNG

**Note 19 - Other Assets**

(Unsecured, considered good)

	Non-Current		Current	
	2015	2014	2015	2014
Fixed deposits with Banks having original maturity of more than 12 months (Refer Note - 18)	2,854,192	2,301,096	-	-
	<u>2,854,192</u>	<u>2,301,096</u>	<u>-</u>	<u>-</u>

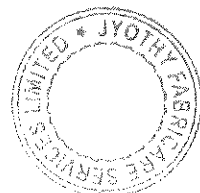
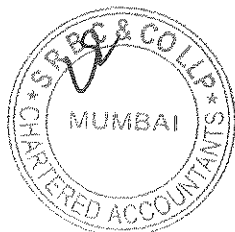




**Jyothy Fabricare Services Limited**

Notes to Financial Statement for the year ended March 31, 2015

	Amount in Rs	
	2014-15	2013-14
<b>Note 20 - Revenue From Operations</b>		
Sale of Services	322,927,875	307,524,336
	<u>322,927,875</u>	<u>307,524,336</u>
<b>Note 21.1 - Other Income</b>		
Foreign exchange fluctuation (Net)	329,548	1,845
Excess provisions/liabilities written back	-	1,049,824
Provision for doubtful advances written back	-	1,719,020
Profit on sale of investment	2,394,958	-
Miscellaneous income	4,959,571	1,519,233
	<u>7,684,077</u>	<u>4,289,922</u>
<b>Note 21.2 - Interest Income</b>		
Interest on fixed deposits	2,252,551	2,217,450
Interest on Income Tax refund	-	446,792
Interest on loans to subsidiaries	2,666,678	1,828,521
Interest on partner's capital M/S JFSL- JLL (JV)	2,391,710	-
	<u>7,310,939</u>	<u>4,492,763</u>
<b>Note 22 - Cost of services</b>		
Material consumed		
Opening stock	4,446,905	6,103,053
Add: Cost of purchases	32,369,713	35,707,874
	<u>36,816,618</u>	<u>41,810,927</u>
Less: Closing stock	3,680,197	4,446,905
	<u>33,136,421</u>	<u>37,364,022</u>
Subcontracting charges	5,432,810	10,242,895
	<u>5,432,810</u>	<u>10,242,895</u>
	<u>38,569,231</u>	<u>47,606,917</u>
<b>Note 23 - Employee benefit expense</b>		
Salaries and wages	157,588,158	129,376,973
Contribution to Provident and other funds [ Note - 26 (ii)]	12,211,079	11,188,168
Gratuity [ Note - 26 (i)]	1,171,816	1,463,454
Staff welfare expenses	5,742,880	6,310,237
	<u>176,713,933</u>	<u>148,338,832</u>



**Jyothy Fabricare Services Limited**

Notes to Financial Statement for the year ended March 31, 2015

	2014-15	Amount in Rs 2013-14
<b>Note 24 - Other Expenses</b>		
Power and fuel consumed	61,733,813	56,773,825
Rent	61,054,154	51,815,966
Repairs and maintenance		
-Building	9,050,662	4,226,874
-Plant & Machinery	6,747,328	7,623,359
-Others	1,025,246	835,185
Printing and stationery	1,566,885	1,685,990
Legal and professional fees (Refer note 29 B)	4,153,867	5,878,848
Rates and taxes	3,420,860	3,595,329
Advertisement and publicity	5,839,152	1,514,524
Travelling expenses	4,734,730	5,594,092
Vehicle expenses	19,491,523	20,385,592
Security charges	3,955,813	3,215,468
Water charges	6,205,225	5,980,519
Directors sitting fees	90,000	-
Telephone, mobile, fax expenses	5,746,620	6,266,044
Office maintenance	2,810,090	3,153,764
Clothes/ Laundry damage charges	1,032,079	1,855,141
Loss on sales of fixed assets	833,171	338,827
Fixed assets discarded	2,418,519	-
Freight & handling charges	1,819,457	1,759,885
Brokerage & Commission	819,000	399,099
Provision for doubtful advances	1,442,789	778,600
Provision for doubtful debts	4,269,038	3,534,099
Bad debt written off	695,587	717,503
Miscellaneous expenses	5,845,763	3,613,367
	<b>216,801,371</b>	<b>191,541,900</b>

**Note 25 - Finance Costs**

Interest on loan from holding company	71,086,027	138,935,780
Interest on Term loans & working capital loans	2,157,727	7,779,437
Other borrowing cost	1,818,201	-
	<b>75,061,955</b>	<b>146,715,217</b>



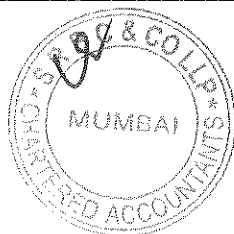
Note 26 - Employee Benefit

(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 partly funded with Life Insurance Corporation of India.

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

		Amount in Rs	
		2014-15	2013-14
		Gratuity	Gratuity
		Funded	Funded
(A)	Summary of the Actuarial Assumptions		
	Mortality	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
	Discount rate	8.00%	9.20%
	Rate of increase in compensation	8.00%	8.00%
	Withdrawal rates	10% to 2% p.a	10% to 2% p.a
	Rate of return (expected ) on plan assets	9.00%	6.82%
	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	10,526,080	9,364,094
	Interest cost	842,086	861,497
	Current Service Cost	2,413,113	2,788,000
	Benefits Paid	(1,337,596)	(363,230)
	Actuarial (gain) / loss on obligation	(2,331,052)	(2,124,281)
	PVO at end of period	10,112,631	10,526,080
(C)	Changes in the value of plan asset		
	Fair value of plan assets at the beginning of the period	941,205	1,059,139
	Expected return on plan asset	84,708	61,762
	Benefits paid	(332,377)	(179,696)
	Fair value of plan assets at the end of the period	693,536	941,205
	Net Assets/(Liabilities) recognised in the balance sheet		
	PVO at end of period	(10,112,631)	(10,526,080)
	Fair value of plan assets at end of period	693,536	941,205
	Net assets / (Liability) recognised in the balance sheet	(9,419,095)	(9,584,875)
(E)	Expenses recognised in the statement of profit and loss		
	Current service cost	2,413,113	2,788,000
	Interest cost	842,086	861,497
	Expected return on plan assets	(84,708)	(61,762)
	Gratuity borne by the company	332,377	-
	Net Actuarial (Gain)/Loss recognised in the year	(2,331,052)	(2,124,281)
	Expense recognised in the statement of profit and loss	1,171,816	1,463,454
(F)	The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
	Investment with insurer	100%	100%



**Jyothy Fabricare Services Limited**

Notes to Financial Statement for the year ended March 31, 2015

**(G) Amount for the current and previous four periods are as follows:-**

	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Defined benefit obligation	1,01,12,631	1,05,26,080	93,64,094	23,27,362	8,64,011
Plan assets	6,93,536	9,41,205	10,59,139	-	-
Surplus/(Deficit)	-94,19,095	-95,84,875	-83,04,955	-23,27,362	-8,64,011
Experience adjustment on plan liabilities - gain/(loss)	23,31,052	21,24,281	1,29,200	3,97,700	538080
Experience adjustment on plan assets - gain /(loss)	(9,412)	(35,679)	(9,717)	N.A.	N.A.

**(H)** The Company expects to contribute Rs. NIL (Previous year- NIL) to gratuity in the next year.**(ii) Defined Contribution Plans**

Amount of Rs 12,211,079 (Previous year - Rs 11,188,168 ) is recognised as an expense and included in Note 23 -"Contribution to provident and other funds" in the Statement of Profit and Loss.

**Note 27 - 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 - Drycleaning & Laundry services segment and other segment of providing Linen on rental. Segments have been identified taking into account the nature of the services, the differing risks and returns, the organisation structure and the internal reporting system.

**Secondary segment:**

The Company provides its services in India only and accordingly no disclosures are required on the secondary reportable segment. All assets are also located in India.

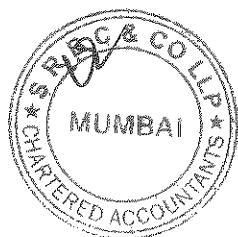
**Segment revenue and result:**

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

**Segment assets and liabilities:**

Segment Assets includes all operating assets used by a segment and consist principally of Goodwill, Software, Trademark, Investment, Debtors, Advances and other Current assets. Assets used in business i.e inventory, fixed assets and capital work in progress and liabilities pertaining to creditors for raw and packing material, have not been identified to any of the reportable segments as the said assets and services are used interchangeably between business segments. Accordingly, such assets and liabilities has been included under Drycleaning & Laundry services segment.

Segment liabilities include all operating liabilities and consist principally of creditors except for creditors of raw & packing material and accrued liability.



Jyothy Fabricare Services Limited

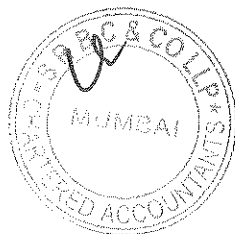
Notes to Financial Statement for the year ended March 31, 2015

Note 27 - Segment Reporting

Information About Business Segment

Amount in Rs

	Drycleaning & Laundry Service		Others		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Revenue</b>						
External Revenue	322,927,875	301,111,009	-	6,413,327	322,927,875	307,524,336
Inter-Segment Revenue	-	-	-	-	-	-
<b>Total Revenue</b>	<b>322,927,875</b>	<b>301,111,009</b>	<b>-</b>	<b>6,413,327</b>	<b>322,927,875</b>	<b>307,524,336</b>
<b>Results</b>						
Segment result	(144,723,294)	(111,051,412)	27,043	(1,711,792)	(144,696,251)	(112,763,204)
Unallocated corporate income over expenses /(expenses over income)					13,102,354	2,536,014
<b>Loss before interest and tax</b>					<b>(131,593,897)</b>	<b>(110,227,190)</b>
Interest Expenses					75,061,955	146,715,217
Provision for tax					-	-
<b>Loss after tax</b>					<b>(206,655,852)</b>	<b>(256,942,407)</b>
<b>Other Information</b>						
Segment Assets	577,625,168	497,171,991	6,357,111	20,691,392	583,982,279	517,863,383
Unallocated Corporate Assets					400,147,755	161,922,395
<b>Total Assets</b>					<b>984,130,034</b>	<b>679,785,778</b>
Segment Liabilities	36,362,977	30,372,941	297,993	1,139,048	36,660,970	31,511,989
Unallocated Corporate Liabilities					557,680,706	1,409,628,065
<b>Total Liabilities</b>					<b>594,341,676</b>	<b>1,441,140,054</b>
Segment capital expenditure (including capital work in progress)	116,632,308	19,091,494	-	100,048	116,632,308	19,191,542
Unallocated Capital Expenditure (including capital work in progress)					-	456,894
<b>Total Capital Expenditure (including capital work in progress)</b>					<b>116,632,308</b>	<b>19,648,436</b>
Segment depreciation & amortization	45,582,734	35,872,266	-	1,064,761	45,582,734	36,937,027
Unallocated Depreciation & Amortization					-	2,109,535
<b>Total Depreciation &amp; Amortization</b>					<b>45,582,734</b>	<b>39,046,562</b>
Segment non-cash expenses other than depreciation	9,561,399	2,372,850	97,704	2,996,180	9,659,103	5,369,030



**Jyothy Fabricare Services Limited**

Notes to Financial Statement for the year ended March 31, 2015

**Note 28 - Related Party Disclosures**

**a) Parties where control exists:-**

Holding Company

Jyothy Laboratories Limited

Individual having control

M.P.Ramachandran

Wholly Owned Subsidiaries

Four Seasons Drycleaning Company Private Limited

Partnership Firm

M/s JFSL - JLL (JV)

Subsidiary Company:

Snoways Laundrers & Drycleaners Private Limited

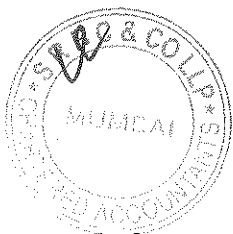
**b) Individual having substantial interest**

K Ullas Kamath (Director)

(As the Director of the Company is an individual having substantial interest and hence not separately disclosed as a Key management personnel)

**c) Transaction with related parties during the year**

	2014-15	Amount in Rs 2013-14
<u>Jyothy Laboratories Limited</u>		
Loan Received	-	222,675,000
Loan & interest repaid	1,413,977,423	20,200,000
Interest Expenses	71,086,027	138,935,765
Purchase of miscellaneous items	677,663	1,305,337
Laundry services provided (Excluding service tax)	7,674	22,403
Reimbursement of Expenses (net)	2,517,260	2,545,512
Issue of Preference share	1,500,000,000	-
Guarantees given for borrowing on behalf of the Company		
Balance outstanding as at year end is :	400,000,000	34,414,632
<u>Four Seasons Drycleaning Company Private Limited</u>		
Loan Given	-	5,000,000
Interest Income	2,666,678	1,828,519
Laundry services provided (Excluding service tax)	1,560,570	5,605,004
Purchase of fixed assets	2,287,186	-
Reimbursement of Expenses (net)	29,000	-
<u>Snoways Laundrers &amp; Drycleaners Private Limited</u>		
Advances given	-	100,000
Sub-lease charges	60,000	60,000
Reimbursement of Expenses (net)	14,100	32,145
<u>M/s JFSL - JLL (JV)</u>		
Capital Contribution	-	4,500,000
Repayment of capital contribution	12,900,000	-
Purchase of Fixed Asset	461,331	238,238
Interest income	2,391,713	-
Profit / (loss) in partnership firm	8,150,481	(9,260,685)
<b>d) Related Parties Balances</b>		
<u>Amount Payable:-</u>		
Jyothy Laboratories Limited	-	1,350,000,000
<u>Amount Receivable:-</u>		
Snoways Laundrers & Drycleaners Private Limited	615,558	616,458
Four Seasons Drycleaning Company Private Limited	21,256,570	21,143,744



**Jyothy Fabricare Services Limited**  
**Notes to Financial Statement for the year ended March 31, 2015**

**Note 29 - Supplementary information**

**A) Value of imports calculated on CIF basis:-**

Particulars	2014-15	2013-14
Capital goods	27,593,226	2,811,958
Spare parts	1,176,681	-
	<b>28,769,907</b>	<b>2,811,958</b>

**B) Payments to auditors (Excluding Service Tax)**

Particulars	2014-15	2013-14
As Auditors		
- Audit fees	1,275,000	1,125,000
- Tax audit fees	75,000	75,000
- Reimbursement of expenses	70,067	58,864
- Other Services	75,000	50,000
	<b>1,495,067</b>	<b>1,308,864</b>

**Note 30 - Operating Lease**

The Group has entered into Lease agreements for premises, which expire at various dates over the next 6 years. Certain agreements provide for increase in rent. All lease agreements are cancellable except in case of few agreements wherein there is a lock in period in the range of 11 months to 3 years. Lease rental expense for the year ended March 31, 2015 is Rs 61,054,154 (Previous year : Rs. 51,815,966).

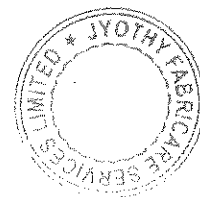
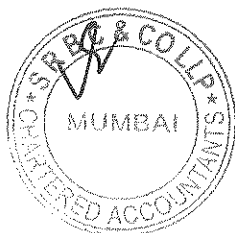
	2014-15	2013-14
<u>Future lease payment under non - cancellable operating leases are as follows:</u>		
Payable not later than one year	12,211,333	5,178,838
Payable later than one year and not later than five years	5,689,559	337,366
Payable later than five years	-	-
	<b>17,900,892</b>	<b>5,516,204</b>

**Note 31 - Capital Commitments**

Particulars	2015	2014
Estimated amount of contracts remaining to be executed on capital account and not provided for	6,738,838	35,490,968
	<b>6,738,838</b>	<b>35,490,968</b>

**Note 32 - Contingent Liabilities**

	2015	2014
Contingent liabilities not probable and hence not provided for in respect of:		
i) Service Tax	13,940,274	10,654,625
ii) Custom duty for F.Y 2007-08 to F.Y 2009-10	111,143	111,143
iii) Claims against the Company not acknowledged as debt	4,500	4,500
	<b>14,055,917</b>	<b>10,770,268</b>



**Jyothy Fabricare Services Limited**  
**Notes to Financial Statement for the year ended March 31, 2015**

**Note - 33 - Micro and Small Enterprises**

The disclosure under the Micro and Small 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. There are no delays in payments to Micro and Small Enterprises in current year as well as in the previous year.

**Note 34 - Earning Per Share (EPS)**

	2015	2014
Loss as per statement of Profit and Loss	(206,655,852)	(266,203,092)
Less - Dividend on Cumulative preference share	(33,000)	(33,000)
Less - Dividend Tax	(6,598)	(5,608)
Net Profit & Loss for calculation of EPS	<u>(206,695,450)</u>	<u>(266,241,700)</u>
Weighted average number of equity shares outstanding during the year in calculating basic EPS	13,050,000	13,050,000
Weighted average number of equity shares in calculating diluted EPS *	13,050,000	13,050,000
Basic & Diluted EPS (Rs)	(15.84)	(20.40)

\* Compulsorily Convertible Preference Share are anti-dilutive.

**Note 35 - Details of investments in partnership firms**

Name of Partner	Share in Profit /Loss ( %)	
	2015	2014
Jyothy Fabricare Services Limited	75%	75%
Jyothy Laboratories Limited	25%	25%
Total capital of the firm	31,819,727	38,152,419

**Note 36 -**

During the year, the Company has raised Rs. 400,000,000 through private placement of rated, unlisted redeemable, Non - convertible debenture, redeemable at a premium after 3 years from the date of allotment i.e. January 12, 2015. The redemption premium payable of Rs 136,182,000 have been adjusted to the 'Securities Premium Account', in accordance with section 52 of Companies Act, 2013.

**Note 37-**

The Company has, during the year, issued 75,00,000 2% Optionally Convertible Non-Cumulative Preference Share ('OCNPS') of Rs.10 each at premium of Rs. 190 each to Jyothy Laboratories Ltd ("Holding Company) per share. The expenses related to issuance of share Rs 1,500,000 have been adjusted to the 'Securities Premium Account', in accordance with section 52 of Companies Act, 2013.


**Note 38 - Previous year figures**

Previous year figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

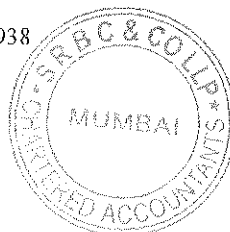
**Signatures to Notes 1 to 38**

As per our report of even date

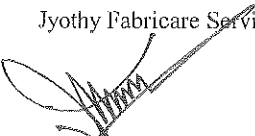
For S R B C & CO LLP  
 Chartered Accountants  
 ICAI Firm Registration No. 324982E

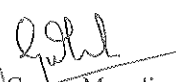
  
 per Vikram Mehta  
 Partner  
 Membership No.: 105938

Place: Mumbai  
 Date: May 25, 2015




For and on behalf of the Board of Directors of  
 Jyothy Fabricare Services Limited

  
 M. P. Ramachandran  
 Chairman and Managing Director

  
 Gautav Munoli  
 Company Secretary

Place: Mumbai  
 Date: May 25, 2015

  
 K. Ullas Kamath  
 Director

  
 Pinkesh Bansal  
 Chief Financial Officer

