Jyothy LABORATORIES LIMITED
CIN - L24240MH1992PLC128651
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UJALA

To,

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051

June 27, 2019

Scrip Code: JYOTHYLAB

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 023

Scrip Code: 532926

Dear Sir,

Sub: Submission of Notice convening 28th Annual General Meeting and Annual Report of Jyothy Laboratories Limited for the Financial Year 2018-19

With reference to the captioned subject and in continuation to our letter dated May 7, 2019, informing the date of the 28th Annual General Meeting, we are enclosing herewith Notice convening 28th Annual General Meeting and Annual Report of the Company for the Financial Year 2018-19 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Please take the above on record and disseminate the same for the information of investors.

Thanking you,

Yours faithfully,

For Jyothy Laboratories Limited

JYOTHY LABORATORIES LTD. MUMBAI

Shreyas Trivedi
Head – Legal & Company Secretary

Encl.: as above

Jyothy labs

Believing in the Power of Relationships...

Jyothy Laboratories Limited

Annual Report **2018-19**

With innovation as one of our values,
We thrive in an ever-changing world.

In 1983, one man's dream gave birth to Jyothy Laboratories in Thrissur, Kerala. From manufacturing and selling a single product to a household name in the category, Jyothy Laboratories has come a long way. With a hunger that drives us to better people's lives, there's only one way we're looking: forward. We're proud to announce a new identity that contemporizes our presence. Keeping up with the times, we're now Jyothy Labs.

Jyothy labs

Seek the light,
Spread the light!

The Manifesto

INSPIRATION:
Tamasoma Jyothir gamaya

Light can unravel the hidden
Light can present an opportunity

Light can weaken weakness
Light can add to might

Light can dilute the lethargy
Light can enhance the energy

Light can subdue resistance
Light can accelerate speed

Light can dispel doubts
Light can provide clarity

Light can remove ignorance
Light can bring in knowledge

Light can minimize failure
Light can shore up success

Light can take away the improbable
Light can make it possible

Light can clarify problems
Light can reveal solutions

Light can end misgivings
Light can make you believe

Light can weed out fear
Light can instill courage

Light can eradicate loneliness
Light can show the proximity

Light can save from cold
Light can add to warmth

Light can extend the end
Light can create a beginning

Light can renew the old
Light can produce the new

Light can bring back life
Light can give eternity!

Jyothy labs

Jyothy Labs shines a light into the consumer's life, even in the corners where nobody looks. With a hunger for constant innovations, we create solutions for the people even before they can identify the problem around them.

The same has been extended into the new brand identity. The shining rays emerging from the centre shows the role of the brand and the blooming flower shows the outcome on the end consumer.

The yellow in the rays is the Color of life.
It's the Color emitting positivity, energy and joy further adding the zeal of new beginnings and new creation.

The deep shade of blue represents knowledge, integrity, and stability. The combination of these Colors creates a perfect balance between modernity and rootedness, energy and stability.

Jyothy labs

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A good business targets market share…

…but a great business that thinks of stakeholders as family also wins mind share and heart share.

What helps a business scale new heights? Investors and analysts would say it is the right numbers that matter. We go a step ahead and invest in relationships, and then the numbers will always follow. And relationships, when they are built on the foundation of trust and emotional connect, always endure, making a business sustainable.

This is evident in our consistent performance, rising market share, and most importantly, the satisfaction of our stakeholders. Their connect with us, belief in us, and desire to stay with us makes us one of the most loved and fastest growing companies.

This is where, we, at Jyothy Laboratories Limited (Jyothy Labs), are making a difference.

Welcome to our world,

Where every relationship matters and where we believe in the Power of Relationships.

Jyothy labs

WINNING INDIAN HEARTS WITH BLOCKBUSTER PRODUCTS

Somewhere a wife is happy to get back quality family time, **thanks to better and faster utensil cleaning.**

Somewhere a professional is confident in **a smart and crisp shirt that gives an executive look and enhances his personality.**

Somewhere a family is **having a safe and comfortable sleep, while their smart mosquito liquidator adjusts between modes automatically to optimise efficiency.**

Somewhere a mother is **relieved to ensure the safety of her family with bacteria-free utensils.**

Somewhere a family is **happy that their clothes remain new even after several washes.**

Somewhere **a beautiful young girl is happily flaunting her radiant skin.**

There's one thing common across all these positive feelings - Jyothy Labs. With our unique offerings across the fabric care, dish wash, household insecticide, personal care and laundry segments, we are improving the lives of millions of consumers and delivering them superior experiences.

5 **Product categories of fabric care, dish wash, household insecticides, personal care, and laundry services**

Our Power Brands

UJALA

- Ujala Fabric Whitener
- Ujala Crisp & Shine
- Ujala IDD

HENKO

- Henko Staincare
- Henko Matic

MAXO

- Maxo Coil
- Maxo Genius Machine

MARGO

- Margo
- Margo glycerine

EXO

- Exo Dishwash Bar
- Exo Bacto Scrub

PRIL

- Pril Liquid
- Pril Tamarind

#1

Jyothy's Ujala Supreme has had an unassailable market leader position for three decades now and enjoys a market share of 80.6%* in FY 2018-19 in Fabric whitener category

#2

Jyothy Labs is the #2 brand in the dishwash (bar and liquid) category in value terms

#2

Jyothy Labs is the #2 brand in the mosquito repellent coil category in volume terms

**Source: AC Nielsen (Apr'18 to Mar'19)*

Jyothy labs

RELATIONSHIPS TRANSLATE INTO INCREASING RETURNS

Financial highlights

Net sales increased by 9.3%*

₹ 1,768.9 Cr.

Non-HI Net Sales increased by 11.3%*

₹ 1,544.6 Cr.

Operating EBITDA increased by 8.2%

₹ 285.8 Cr.

EBITDA Margin

16.2%

PAT increased by 20.3%

₹ 193.2 Cr.

EPS

₹ 5.29 Per Share

Dividend Payout Ratio

69%

Net Worth increased by 24.9%

₹ 853.9 Cr.

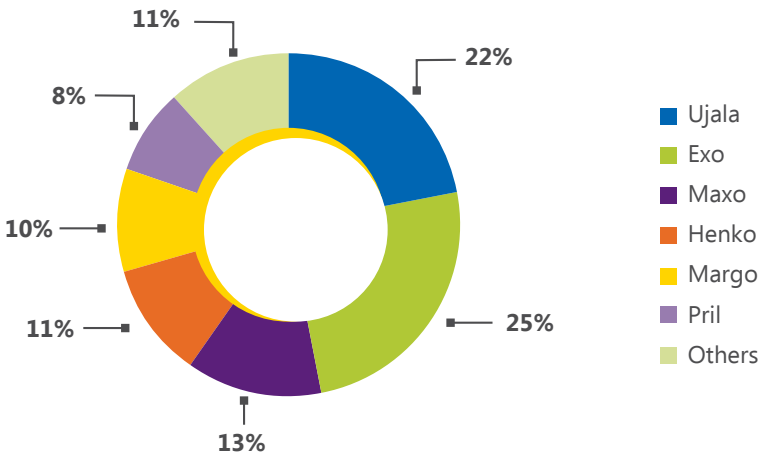
Net Debt-Equity Ratio

0.03

**Growth % are based on previous year's GST adjusted sales to show comparable growth.*

FY 2018-19

Brand-wise revenue



Brand Innovations during FY 2018-19

- Ujala Crisp & Shine 'Gold Collection'
- Pril Tamarind
- Margo Glycerine

New Innovations launched

- Henko Stain Care
- Henko Matic
- Maxo Genius
- Ujala IDD

Brand restage and product re-launch with improved features

Brand market share performance*

Ujala Fabric Whitener	Ujala Detergent (Kerala)	Exo Bar	Pril Liquid
80.6%	16.6%	11.1%	16.6%

Maxo LV	Maxo Coil	T-Shine (Kerala)
7.7%	21.3%	4.5%

**Source: AC Nielsen Apr'18 to Mar'19*

Purchase highlights

- Implemented online negotiation tool for best purchase practices
- Implemented VMI (Vendor Managed Inventory) for shippers and bottles linking 13 vendors with 5 manufacturing locations

Manufacturing highlights

- Achieved record levels of output across major manufacturing locations during the year
- Successful commercial production started at a new unit at Kalingamalai

Supply chain and logistics highlights

- Implemented CFA portal to measure overall performance and better control, Structured Financial Messaging System (SFMS) through online portal and Warehouse Management System (WMS) at key mother depots
- WMS systems brought better planning and management in operation

Financial highlights

- ₹ 3-proposed dividend against every share of ₹ 1 face value, with a total dividend of ₹ 132.81 Crore including dividend distribution tax
- Dividend payout ratio at 69%

MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

"Nothing in this universe exists in isolation. Everything is related to another. When one understands this, then it is evident that relationships are everything."

Dear family,

FY 2018-19 has been a reasonably good year. Our brands of non-seasonal nature have shown growth along with increasing acceptance among consumers as they resonate with their daily needs. Having said that, we are seeing an important development in the industry – the changing aspirational tastes of Indian consumers are translating into enhanced demand for advanced domestic use FMCG products. Therefore, your Company has stressed on developing products that offer enhanced experience and are of perceivably superior quality across each of its brands. To achieve this, we have upgraded our Research & Development department and embarked upon establishing new production units to drive exceptional operational advantages and enhance profitability.

Key developments, FY 2018-19

During the year, we significantly stepped up our product development efforts to strengthen its market positioning and ensure long-term sustainability.

We significantly upgraded our portfolio in the Dishwash segment. Dishwash liquid Pril now offers a new variant - Pril Tamarind that has suspended power booster granules which gives extra shine to utensils unlike any other product in the market. In the Dishwash Cake category, the addition of ginger – a natural ingredient has further enhanced the antibacterial property of Exo. We believe Exo is amongst the best products with its high efficacy cleaning which no other product in the country can match.

In case of Personal care, we introduced Margo Glycerine that combines the benefits of neem and glycerine, that deliveres superior sensorial experience. The product lasts longer when compared with other glycerine soaps.

In the Household Insecticide category, under the brand Maxo, we introduced a new advanced machine – Maxo Genius, which automatically shifts mode between high (attack) and low (protect) periodically throughout the night, in line with mosquito intensity. This avoids the inconvenience of getting up for changing the modes and ensures a great sleep.

In Fabric care, the post wash Crisp & Shine now offers two new variants that deliver a superior fragrance and long lasting freshness backed by unique PolyFx technology. Henko now comes with a superior formulation that gives more care to clothes without fading while retaining the stain removal properties.

We have shifted production of Crisp & Shine to a new world-class factory, put up in Kalingamalai in Tamil Nadu.

Being responsible

Your Company has high regards for sustainability, employee safety and social development. We ensure all our manufacturing facilities and products are environment-friendly and in no way impact the surroundings. Employees are our extended family and we are also concerned about their well being. We ensure their safety at factories by adopting world-class safety standards to prevent incident occurrence. We strive to improve communities with interventions in the areas of providing free housing, education and employment training to the underprivileged. We will continue to stress in all these areas and make necessary investments to make Jyothy Labs a world-class organisation of repute.

Outlook

The strong focus of the government towards increasing rural and agricultural income is positively driving the demand both in rural areas and small towns. Your Company feels the future holds immense potential and is ready to capture the opportunity.

I thank all our stakeholders for their continued support and trust on us. We will continue to strive and make better products for the betterment of the consumers as well as to deliver stronger performance to ensure value creation for all.

Warm regards,

M. P. Ramachandran

MESSAGE FROM THE JOINT MANAGING DIRECTOR

"Consolidation of thinking will be the key mantra for us. By this, I mean taking forward the best of the past and embracing the new."

Q. How would you review the performance of Jyothy Labs for FY 2018-19?

A. FY 2018-19 has been a good year for our Company as we continued our journey of profitable growth. Our sales volumes grew by 7.3% leading to a 9.3% increase in sales value (on GST adjusted sale) to ₹ 1,768.9 Crore. In terms of profitability, EBITDA grew by 8.2% to ₹ 285.8 Crore and PAT grew by 20.3% to ₹ 193.2 Crore. I am happy with two things that have happened in this year. One, the strong performance of our power brand portfolio led by a double-digit growth in the Henko and Pril franchise. Two, sustaining the EBITDA margins at 16.2% despite pressure due to surging input costs.

Q. What led to the strong performance of the power brand portfolio?

A. It is the result of multiple initiatives. First is obviously product innovation. During the year, we launched Ujala Crisp & Shine Gold Collection, Margo Glycerine, Maxo Genius Machine, and Pril Tamarind. All these products have some unique features and have generated significant interest among consumers. Second is our growing focus on effective brand activation, campaigning and building online presence. Third, which I believe is relevant for this year, is the brand restaging of Henko – from Henko Stain Champion to Henko Stain Care – and its relaunch in a superior mix.

Q. What is your vision for the future?

A. Consolidation of thinking will be the key mantra for us. By this,

I mean taking forward the best of the past and embracing the new. So, what is this best of the past? It is our ability to focus on our strength, launching the right products that deliver high margins, and maintaining cash on delivery mechanism to keep cashflows ticking. And all of this is driven by the core aspect of building a bond of heart with all stakeholders.

Often the notion is that decisions made with emotion would go wrong, but we have proved otherwise. With our successful business model, we have ensured a high emotional quotient with all our stakeholders. It's because of this, that we have a high retention ratio. Our people stay with us even in difficult times, making them our true assets. It's because of this, that consumers have trust in our Company and people. They believe that no matter what, this Company will always stand by them. Our business partners and investors consider us an ethical Company.

So, our intent is to retain the best practices of the past and move ahead while embracing the new. This future includes the entire ecosystem of digitisation, modern retail, and e-commerce. We see digitisation led by mobile phones as the future which will drive the way one connects with consumers and indeed enable our products to reach them via e-commerce.

To this end, we have invested in the advanced SAP S/4 HANA ERP, which has brought unmatched efficiency within the organisation. It has automated processes, enabling us to leverage the power of data analytics for improved decision-making and strengthened our online sales model. We are delivering sales at fingertips, partnering more e-commerce players, and building the digital strategy.

Q. So what will this consolidation of thinking achieve?

A. It will help us better adapt to the changing market environment and be relevant to today's consumers. We are living in an era where technologies are changing fast, markets are evolving, and modern trade channels are emerging. Internet has become a major marketplace for marketing as well as sales. So, in these times our philosophy of believing in the power of relationships and nurturing them will keep us in good stead as we focus on strengthening this bonding and grow together. The drive towards embracing the digital era will help establish greater relevance for our brands with our consumers and cement our presence even further.

Q. What kind of opportunities do you see in the market?

A. I will divide the market opportunities into rural and urban. In rural markets, at present the consumption level is low. However, with several positive initiatives by the government, the disposable income of rural consumers is on the rise and there is great opportunity for the future. Also, consumers are increasingly shifting from proxy products to branded ones. Our product quality, price accessibility and reach provide us a good ground to capture this opportunity.

In the urban markets, the consumers are increasingly demanding new and differentiated products. Our strong R&D capabilities and ability to understand the unmet needs of consumers position us attractively for this market. We are doing a lot of innovation for this segment to deliver products that can improve consumer experience and make their life better.

Q. What is your outlook for FY 2019-20?

A. Right product development will continue to be our key focus. We want to ensure that product launches are profitable and increase our competitiveness in the market place. We will undertake the right promotional initiatives to grow the new launches and ensure that their message is rightly communicated to the consumers. We will continue to make special efforts to keep improving quality. This is not just to protect ourselves from the competition, but to truly delight consumers. After the implementation of GST, we have put a lot of effort into supply chain management for optimisation of resources and operations. We will continue our efforts to better service the markets as well as distributors. We have also appointed district managers to maintain the health of the system in the districts and ensure that our products reach consumers easily and quickly. Overall, the scenario is positive and we expect to continue doing well.

Warm regards,

Ullas Kamath

MESSAGE FROM THE CMO AND EXECUTIVE DIRECTOR

"Consumer perception and satisfaction is of prime importance for any company in any industry. Nothing can be more rewarding than to directly listen to your consumers, understand their evolving needs and pain areas and deliver on it with a product that improves their experience."

Throughout our existence, this is what we have done at Jyothy Laboratories. It is important to understand that products cannot just be pushed to consumers unless they offer superior benefit or deliver an altogether unique experience. So, developing a product that satisfies an unmet need in the market i.e. clearly differentiated from other offerings is the starting point. The next step is to position the products in the right markets at the right prices and to the right target audiences.

This is how we win the heart share of consumers which ultimately translates into market share.

But this doesn't come easy. Every product development undergoes several hundred hours of gathering consumer insights, and research and development. More importantly, it requires talented and passionate people who can spot the gap where we can enter and create differentiation with unique products.

We have in these years greatly stepped up our innovation index, launching multiple new products every year, most of which have found great acceptance in the market, positioning the Company for a better future.

Review of recent launches

In FY 2017-18, we had launched two innovative products in the market - T-Shine and Maxo Incense Sticks, both of which are path-breaking in their respective categories. T-Shine is made from 100% Organic Compounds that distinguishes it from other products that are commonly made from harmful acids. T-Shine is an anti-staining toilet specialist that protects the toilet bowl.

It is biodegradable and free from harmful vapours and hence creates a safe and healthy environment as opposed to commonly used toilet cleaners. It is an advanced and powerful disinfectant that kills 99.99% germs and has appealing aromas inspired from nature.

The launch of Maxo Incense sticks is intended to offer a safe alternative to the illegally sold insecticide laced mosquito repellent incense sticks. The illegal alternatives are extremely harmful to health. Maxo incense sticks are made from 100% natural actives that are safe to the consumers during use.

The core proposition of T-Shine and Maxo Incense Sticks is effectiveness while ensuring no harm to health and environment. We've had a promising start so far, and with multiple ongoing promotional activities with an objective to build awareness of its benefits we aim to gain a sizeable market share in both categories..

Innovation in FY 2018-19

Ujala Crisp & Shine Gold Collection

With our existing Ujala Crisp & Shine, we created an entirely new category of post-wash that maintains the form and finish of clothes, giving it a shinier and crisper look with its unique PolyFx. It is positioned as the enabler for 'The Impeccable Executive Look' and is endorsed by southern superstar Suriya.

During the year, we strengthened this category by launching the 'Gold Collection' variants that step up the existing product offerings, with premium French fine fragrances that last and keep clothes fresh longer. It was launched with a new campaign starring Suriya and will help us enter new markets with more vitality.

Henko Stain Care and New Henko Lintelligent

We upgraded our existing premium detergent powders under the brand Henko to make it even more effective. The bucket wash variant was enhanced with superior stain removal and unmatched fabric care properties. It was rebranded as 'Henko Stain Care' from 'Henko Stain Champion'. The multiple award-winning washing machine variant Henko Lintelligent was enhanced with advanced stain removal, fabric care, and superior fragrance, while retaining its existing lint reduction technology.

Both of these products were launched in new packaging. We expect the brand to grow strongly owing to its superior quality and premiumisation trend witnessed across categories.

Margo Glycerine

Margo is our existing neem-based soap that targets the youth with its proposition of 'Goodness of 1,000 neem leaves'. During the year, we launched its variant Margo Glycerine in West Bengal that retains the benefits of deep cleansing and offers added moisturisation. It helps in balancing natural moisture and invigorates the sensorial experience with its nature-inspired fragrance. Available in an attractive pack, it was launched with an integrated multimedia campaign. Its TVC garnered over 2 million views in the first two weeks of launch on YouTube. We intend to extend the offering across India shortly.

Pril Tamarind

Pril is our premium dishwash brand with superior grease-cutting properties with its positioning of taking the chore out of doing the dishes and infusing moments of romance and fun.

During the year, we introduced a new Tamarind variant. This is a first-of-its-kind innovation in the industry, whereby a folklore ingredient known to impart shine to utensils has been used for developing a high-quality concentrated dishwash gel. It has suspended speckles that act as soft abrasives and disintegrate on slight friction, facilitating tough grease removal with ease.

Its launch was supported by a TVC featuring television celebrities Gurmeet Choudhary and Debina Bonnerjee, who are real-life couples. Showcasing the product features through a story, the TVC brings alive the Pril brand proposition of 'Bartan chamkein, aur rishtey bhi'. The product's extra shine differentiation will enable us to create a niche by targeting the unmet needs of consumers.

Maxo

Maxo delivers smart solutions for today's needs – mosquitoes, that are increasingly growing resistant to regular repellents. Having delivered multiple innovations in this segment, we introduced two new products during the year – Maxo Genius Plus Machine and Maxo Mosquito Incense Sticks.

Brand Maxo is positioned as the smart solution to today's smarter mosquitoes. The products are designed to tackle the growing resistance of mosquitoes to commonly used repellents. Maxo is currently offered in Coil and Liquid Repellent formats. Maxo liquid was the first mosquito liquid repellent that was launched to 'fit in all machines' thus solving a big problem faced by consumers while buying liquids as they are unsure of its fitment in their machines.

In a continuing story of bringing relevant innovations to the consumer, we introduced Maxo Genius, a breakthrough innovation that liberates you from the act of switching modes commonly found in various mosquito repellent machines to control mosquitoes. In the age of Artificial Intelligence gaining ground, Maxo Genius addresses this unmet need of the consumer. The machine comes with a 'cutting edge design' that automatically switches modes periodically which is programmed considering the time of the peak mosquito activity during night that allows you to have an undisturbed sleep. This also enables the machine to prevent over use of liquid, thereby offering a combination of superior performance and value. The product launch was supported by a TVC featuring a leading Bollywood star known for his unconventional roles 'Rajkumar Rao'.

The latest of all is the launch of Maxo Mosquito Incense Sticks that are '100% Natural'. The sticks are an alternate solution to the growing demand of 'Toxic Incense Sticks' as consumers are unaware of its harmful effects..

The Maxo Incense Sticks is a 100% natural product, positioned as a safe alternative to the toxic incense sticks available in the market and that are harmful to consumer health. Incense sticks is a fast-growing market in India and our products' effectiveness, good fragrance, and natural element shall facilitate strong growth.

Brand activation initiatives

We do a lot of work to make sure our brands go beyond the conventional TV commercial to engage with consumers in meaningful ways. A few highlights of this work during the year are:

Exo Bar

We activated the Exo Bar brand through two television

programmes. On Zee Kannada's fun game programme, Yarigalli Yariguntu, we did brand integration by highlighting the issue of bacterial growth on utensils (through a swab test) and establishing the need for an anti-bacterial dishwash bar. On Dishum Channel's culinary programme, Ghar ka Tadka, which is popular in the markets of Jharkhand, Bihar, and UP, we became the title sponsor.

Ujala as key sponsor in the first-ever Bigg Boss in Malayalam. We leveraged the popularity of the Bigg Boss programme to promote Exo and T-Shine brands. Exo ran a 'Spot the eye' contest for Keralites, giving them a chance to meet their favourite superstar Mohanlal at the grand Bigg Boss set. It involved putting lucky coupons on selected Exo Round 500g packs and soliciting a call to action. Advertised widely through television and ground promotions, the contest received an overwhelming response. T-shine was also promoted in the show through brand integration.

T-Shine neck tags

We placed a special neck tag on all packs of T-Shine to re-emphasise its 100% Organic make. The speciality of the tags was that, an embedded seed in the paper used to make the tag; when planted in soil, would germinate into a tree. The impact of this activity was amplified through banners and posters.

Exo Bactoscrub digital campaign

We aired a digital campaign featuring differently-abled people who were unable to see but had a superior sense of smell. It communicated the antibacterial efficacy of Exo Bactoscrub, which prevented food remnants stuck in it from stinking, unlike the non-antibacterial one, which smelled bad due to bacterial growth.

The way ahead

With the markets and consumer preferences evolving fast, we will continue to march ahead on our innovative journey. The idea will be to provide solutions that do not exist as of now. Strong focus on differentiation will be our greatest challenge and yet the greatest opportunity. We will also have to think of innovative ways to connect with consumers to become a top-of-the-mind brand.

Warm regards,

M. R. Jyothy

Jyothy labs

RELATIONSHIPS DRIVE PRODUCT DEVELOPMENT AND CONSUMER DELIGHT

Ashwini Angre, a housewife tells how Jyothy became a part of her home

"Being a housewife is a full time job and family's happiness is every housewife's goal. My husband is fond of white clothes since the beginning and the liquid blue which I used in earlier days was leaving blue stains on his clothes. When I saw "Char Bundo Wala" advertisement on TV, I thought to give it a shot, before I start using some bleach product for my husband's clothes. To my surprise, it really took just four drops to give shine to his white and I could see some appraisal which is rare in housewife's job. Thanks Ujala for making clothes white and my family's smile bright."

We understand our consumers

At Jyothy Labs, we understand that the markets are rapidly evolving, and consumers shift from one product to another. To stay relevant, we move with speed to delight the consumers with our brands and products to constantly enhance our offerings.

A culture of innovation

Innovation is the lifeblood of Jyothy Labs. We encourage people to express ideas, think beyond the existing needs, and identify unique solutions. Our scientists ensure that these solutions are converted into great products.

No me-too products

We focus strongly on differentiation, offering unique products, superior to those in the market in every segment in which we operate.

Product development approach

Insights are drawn from consumers directly by our marketing team which works with the expert research and development team to create the right products.

Jyothy Labs product development strategy is all about giving consumers a product that fulfils their latent needs and enhances their experiences.

RELATIONSHIPS CATALYSE BUSINESS GROWTH

Haresh Mehta of Colorquip, a raw material vendor of Jyothy Labs since the last 35 years, talks about his business and relationship with your Company.

"I met Saab (Mr. M. P. Ramachandran) for the first time at a bank at Andheri West and precisely remember what struck me was his honest, polite and visionary nature. His vision and his dedication towards business is something I have always got inspired from. The enormous success achieved by him has not changed him as a person at all. I respect him as a brother and consider him nothing less than family.

We commenced our journey with Jyothy Labs by supplying a small quantity of a material in 1983. Over the years, not only has our business grown multifold with the immense support received, but our relationship has further deepened.

I wish to take this opportunity to thank him on behalf of me, my family and my company. I only wish him great health and happiness for future."

We ensure mutual benefits

At Jyothy Labs, we believe in having a mutually beneficial relationship with our business partners. We provide our partners the necessary support and regular business to ensure their growth.

Nagaraj Ratagal, proprietor of Shivabasava Trading Co. in Hubli, describes how Jyothy Labs helped transform his fortune

"I started my journey with Jyothy Labs in 1993 with the distribution of the popular fabric whitener brand Ujala in North Karnataka markets. Despite having low capital for investment, our beloved CMD, Shri M. P. Ramachandran and JMD Shri Ullas Kamath chose me over others who were ready to invest more. I guess this is how it works in Jyothy Labs, they select people who need more. Even for sales team, they selected needy youth, many of who are still associated with your Company and now in top position. We get such homely experience working with Jyothy Labs that it feels everyone associated are just extended family members.

Along with my sales staff, I worked hard to live up to their expectations. We started sales to serve 2,500 retailers of Dharwar districts. JMD used to come with us to the market for sales. This gave me a lot of boost in developing the business and establishing the rural markets. In 2001, I was appointed as CSA for the entire North Karnataka. We appointed Taluka-wise distributors which helped us launch the new brands Exo and Maxo. With this, our turnover doubled and so did profitability.

The relationship further strengthened in 2004, when I was appointed as CFA for the region. It was a tough ask to handle logistics of such vast area, but we serviced over 150 distributors for your Company. Subsequently, we also successfully handled the merger of Henkel with Jyothy Labs.

I wholeheartedly thank our beloved, CMD and JMD sirs for their support and guidance in every step of my life.

I am proud to be associated with Jyothy Labs forever..."

Assisting in adapting to regulation and policy changes

We assist our partners to adapt to policy and regulation changes by imparting them with training, knowledge, and handholding them. We revisit business relations as per policy changes to ensure they remain profitable.

Technological support

We empower our business partners by investing in state-of-the-art information technology systems that help streamline operations to achieve better efficiencies.

Business continuity

We believe in sustainable relationships and have never discontinued relations with our long-standing business partners. We provide regular and sustained business to them.

Our Footprint

5,400+

Stockists and Sub-stockists

0.8 million

Direct reach to Retail Outlets

2.8 million

Retail outlets at which Jyothy Labs' products are available

Jyothy labs

RELATIONSHIPS PROPEL INCLUSIVE GROWTH

Bhavesh Bhai, of Mahalaxmi Enterprises, a retailer, talks about the strong demand of Jyothy products at his shop

"I am selling Jyothy Labs' products since more than 15 years. Initially, we started with Ujala Supreme and today we sell almost all the Jyothy Labs' products. The best part of working with Jyothy is their personal relationship. The quality of the product is so good that we don't need any special effort to sell them. This has helped us in growing our business. Thank you Jyothy Labs."

We take everyone along

At Jyothy Labs, we believe that for India to truly progress, inclusive growth is a must. We are facilitating this by dedicating ourselves to the task of building engines of growth in the rural areas and empowering women.

Creating rural jobs and self-employment

We facilitate generation of rural employment by setting up our plants in rural areas and appointing the local youth as employees. We also generate livelihoods in rural areas by creating self-employment opportunities such as door-to-door marketing agents. Women have primarily been our focus in all these engagements. 43% of our factory workforce are women.

Supporting small businesses

We facilitate necessary credit, back-end, logistics, and digital support for marginal distributors in the rural areas to enable them to establish their business.

Delivering value for money

The middle-class segment, being the largest pie of consumers in India, is our primary target market. We cater to them by providing the value proposition of quality, superior products, and affordable prices. Our operational scale, investment in best technology, and presence of manufacturing plants in tax-exempt locations enable us to significantly reduce the cost of production. Additionally, we work with our distribution network to ensure that our products are widely available across the country.

Consumer profile-based stock-keeping units

Our products are available across multiple pack sizes to meet the requirements of diverse income segments. We do region-wise and location-wise consumer profiling to ensure judicious distribution of right pack sizes at the right locations.

Diversified portfolio mix

Our portfolio comprises fabric care, dishwash, household insecticide, and personal care products that find daily applications in any household. Across each of these segments, we have introduced several premium products to diversify our target base.

Advertising and brand activation

Our advertising and promotion costs comprise 6.18% of the sales as on March 31, 2019. We ensure that our advertisements build a strong emotional connect with consumers. We undertake multiple brand activation campaigns – sampling, demonstration in addition to TV commercials and social media connect to communicate our product uniqueness.

The Jyothy brand is widely recognised and associated with some of the most popular celebrities in India. This gives us a strong connect among consumers and a top of the mind recall leading to market share growth.

RELATIONSHIPS BIND PEOPLE

Thyagarajan P.S., an employee from Coimbatore, pens down his 31 years' experience with Jyothy Labs, which he says went beyond employment to become a part of his and his family's lives.

"I vividly remember my first meeting with Mr. M. P. Ramachandran for the frontline sales position interview. Despite being prepared, I was taken aback by what came next. CMD Sir told me he doesn't want a salesperson, rather he wants someone who can be a part of the family and win consumers. To this day, I still hear those words – "our family".

Rarely do you come across a company where the CMD interacts as a family member and has confidence in you. This moment came soon. After Ujala's success in Kerala, our team intended to venture into Tamil Nadu. It was a new and tough market with heavy competition, yet he gave the go-ahead and we succeeded.

Following this, a depot was opened in Pudukkotai and I was assigned its manager's role. The depot later shifted to Trichy, where I worked for six years. During those days, even my family helped me with the work. I was later reassigned as factory manager in Chennai and finally to sales in my base Coimbatore.

People often ask how the Company treated me, but I don't have answer, because I was never an employee. I was part of a huge, successful family.

The best part is that your Company ensures family welfare. My son studied hard to win educational scholarship and got a chance to meet the CMD. He did his MBA and was employed in engineering R&D. He is now a part of the Jyothy Labs family as a super distributor.

His entrepreneurial story has begun, and mine needs an end as an employee, but never in the heart as a family member. It's time, I make way for the next generation; that's what we do in a family!"

Work culture
We follow a work culture whereby employees are motivated to continuously learn and enhance competencies. We lay strong emphasis on values and ethics across our dealings with all stakeholders.

Employee safety
We have equipped all plants with necessary safety measures and ensure that all employees adhere to safety standards. A safety and environment management training is conducted by a safety committee across all locations to sensitise employees.

Employee welfare
We ensure the financial security of employees by covering them with medical insurance and facilitating insurance coverage for their parents. Higher salary bracket employees are given the option to contribute to the National Pension Scheme or Voluntary PF contribution.

Learning and development
We provide employees with the necessary training, skill development, and role change within the organisation to facilitate their personal and professional progress. We work at grassroot level employees to groom them and disseminate knowledge, and with the low-performers to make them more capable.

Empowering people with technology
We have invested in digital technologies to empower employees and enhance their productivity. Our online platform JConnect facilitates basic operations along with remote connection, statistics and analytics, and online training support.

We give everyone respect and freedom
Jyothy Labs is a professional family. Every member here is respected and treated as equally important. They have freedom to express ideas. We add to their strengths and work on their weaknesses. We ensure they move along together.

70%

Percentage of employees with more than five years tenure with your Company

Employee motivation initiatives
- Family-like culture with professionalism
- Open-door policy to ensure employees' viewpoints are heard
- Annual visit by CMD to each plant to address employees and boost their morale

RELATIONSHIPS DRIVE VALUE CREATION

Subramaniam Subbu, Jyothy Labs' first Private Equity Investor, tells about your Company's off-Balance Sheet strength

"I have been thinking of the special relationship and importance that I have enjoyed with the professional family members of Jyothy Labs over the years!

Speaking from the heart, there's one thing that comes spontaneously to me. Having known Jyothy Labs since it was a partnership firm in 1999, I, as their first Private Equity Investor would say that until today they have not shed their 'partnership' approach with ALL stakeholders.

Relationship has been an unstated strength and it is only apt that the same is highlighted in this Annual Report since international accounting norms do not have a 'valuation basis' for this off-Balance Sheet strength.

Pleasure to be a part of this initiative."

We prioritise investors' interest

At Jyothy Labs, investors' interest is of paramount importance. Every decision relating to capital expenditure, strategic initiatives, product development, and branding is directed towards ensuring long-term business sustainability and shareholder value creation.

Professionally-managed

Jyothy Labs, despite being a closely-held entity with a family-like culture, is professionally managed. We have a strong leadership team along with a structured decision-making approach to ensure that the organisation moves in the right direction.

Prudent financial management

We channel surplus cash flows towards debt repayment along with aggressive negotiations of interest rate with lenders. This has led to a comfortable net debt.

Location strategy

We judiciously set up plants in the backward areas, allowing us to get access to low-cost labour, get advantage of tax exemptions, and be near our target markets. Our recent such move was towards setting up of a new plant in Guwahati. This plant with a large scale of operations will facilitate fixed cost reduction, provide tax exemptions, and enable us to serve the north-east and eastern markets.

Strong corporate governance practices

We have high regards for transparency and shareholder interest protection, which is overseen by the Board Committee. We ensure communicating all relevant information relating to your Company's performance.

Jyothy Labs' wealth creation

₹ 6,700 Cr.+
Market Capitalisation as at March 31, 2019

300%
Proposed Dividend on face value of ₹ 1 each

69%
Dividend Payout ratio *(Dividend + Dividend Distribution Tax)*

Jyothy labs

OUR JYOTHY, OUR DRIVE

Strategy for growth

Gain market share

- Aggressive brand promotion and campaigning
- Strengthen presence and intensify activities in regions with lower market share
- Leverage analytics to understand consumer and market needs
- Focus on developing need-based products for rural markets and innovative, differentiated products for urban markets

Drive topline

- Expand pilot product launches to newer geographies
- Consistently launch differentiated and value-for-money products where volumes are high
- Introduce products in smaller pack sizes to target lower income segments

Expand margins

- Leverage digital technologies to optimise operations and supply chain, make intelligent use of resource and inventory, and eliminate paperwork
- Utilise cash flows towards debt repayment
- Focus on portfolio premiumisation in the urban areas

We celebrate India's diversity.
At Jyothy Labs, we understand that India is a heterogenous market with diverse consumer segments across geographies and income profiles. We celebrate this diversity by fulfilling consumer needs with the right products at the right places and right prices.

TAKING JYOTHY LABS DIGITAL

The power of digital technology in today's operating context is undeniable. The faster we move to exploit its immense capabilities, the better positioned we will be to capture more market, strengthen our brands and grow profitably.

Strengthening operational excellence with digital technologies

SAP integration and automation

We have successfully stabilised the SAP S/4 HANA platform along with a warehouse management system across all plants and administrative offices, which has brought an overall efficiency within the organisation. This is enabling better planning and management of operations, transparency, tracking of objectives and goal, and decision-making. Integration of the platform with channel partners is also enabling automation of several processes, including order booking, invoice management, despatch, and tracking.

We have successfully piloted an automated replenishment system project across two products focussed on automating inventory management and facilitating demand forecasting. The system considers real-time data to provide necessary analysis, which helps in better planning, reaction speed, and improved supply chain and service level management. In FY 2019-20, we intend to introduce the system across the product range.

Sales Force Automation (SFA)

We are nearing completion of implementing SFA, which will facilitate daily measurement of orders and enable employees to track performance against goals.

Capitalising on the digitalisation wave

At Jyothy Labs, we recognise that digital media is an area that cannot be overlooked. The sheer size of Indians using smartphones and the internet, and their rapidly growing propensity to purchase products and spend time online calls for a strong online strategy. To be relevant in this era, we have stepped up our digital presence, partnering several e-commerce players and developing strong digital campaigns to meaningfully connect with our consumers and create brand awareness.

Jyothy labs

TAKING JYOTHY LABS DIGITAL

E-commerce platforms where Jyothy Labs' products are available

Flipkart

amazon

big basket

GROFERS

Jyothy Labs garnering viewership on YouTube

YouTube

3.6 million+ views

for Margo Glycerine TVC from West Bengal

2.4 million+ views

for Pril Tamarind TVC, featuring Gurmeet Choudhary and Debina Bonnerjee

4.4 million+ views

for Exo Bactoscrub's #TheNoseKnows campaign

EMPOWERING COMMUNITIES WITH RELATIONSHIPS

Community development and Environment management

We have made investments in technologies towards responsible management of water and effluents, and process improvement. We ensure that our operations adhere to the statutory guidelines of the Pollution Control Board. Further, we have created green belts around all our factories.

Donation towards Chief Minister Relief Fund for Kerala Flood Relief

Free Housing Projects

Ambulance donated to Charitable Trust

Jyothy Labs' social and environmental spends

₹4.21 Cr.

Spend on CSR activities in FY 2018-19

₹14 Cr.

Spend on CSR activities in the last 4 years

BOARD OF DIRECTORS

01

02

03

01

M. P. Ramachandran,
Chairman & Managing Director

He is the driving force behind your Company's progress. With his vision and understanding of the consumers' pulse, he has led your Company to its position as a formidable player in the FMCG segment.

02

K. Ullas Kamath,
Joint Managing Director

He is a qualified Chartered Accountant, a Company Secretary and has a Degree in Law and a Master's degree in Commerce. He completed the Advanced Management Programme from Wharton Business School and Harvard Business School at USA and the Global Master's in Management Programme from the London School of Economics, UK. He spearheaded your Company's evolution to a multi-product FMCG Company and was instrumental in the setting up of Fabric Spa and the Henkel (India) acquisition. He won the All-India CA Business Achiever Award in the SME category at the ICAI Awards, 2008.

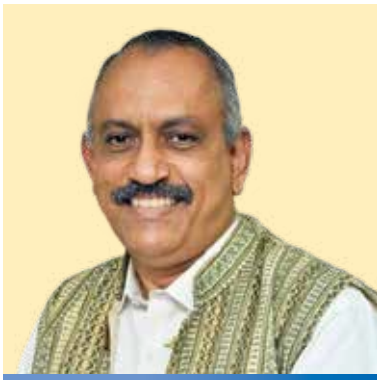
03

M. R. Jyothy,
Whole Time Director &
Chief Marketing Officer

She is a graduate in Commerce and a postgraduate in Management with an additional diploma in Family Managed Business Administration and has completed the Owner / President Management Programme from Harvard University, USA. She contributes significantly to the sales, marketing and brand communication aspects of your Company. She has been awarded the Emerging Kerala – Entrepreneurship Excellence Award for women and was among the 50 Most Influential Women in Indian Media, Marketing and Advertising list by IMACT for two years in a row.

04

05



06

07

04

Nilesh Mehta,
Independent Director

He is a qualified Chartered Accountant and a postgraduate from the Indian Institute of Management, Ahmedabad. He is the Co-founder and Managing Partner of Access India Fund, which invests in mid-market, unlisted opportunities in India. He was the Managing Partner of Aureos Capital from 2005 to 2010. A veteran in the field of private equity and mergers and acquisitions of mid-cap Indian companies, his experience spans various fields in finance, including investment banking, private equity, and fund-related activities.

05

K. P. Padmakumar,
Independent Director
(up to March 31, 2019)

He is a graduate in Agriculture and a Certified Associate of the Indian Institute of Bankers (CAIIB). He has over four decades of experience in the field of commercial banking, treasury management, capital markets and mutual funds. He was also the Chairman of Federal Bank for six years.

06

R. Lakshminarayanan,
Independent Director

He has a Master of Science degree in Industrial Chemistry from the Indian Institute of Technology, Delhi, and specialisation in Marketing from the Indian Institute of Management, Bangalore.
He has a string of successes in his career, having worked with leading FMCG conglomerates across product categories. He held eminent positions with top-notch advertisement companies in India. He has a keen interest in business strategy, brand equity, media plural communications and brand portfolio management.

07

Ms. Bhumika Batra,
Independent Director

A member of Professional Associations like the Bar Council of Maharashtra & Goa and the Institute of Company Secretaries of India (ICSI), Ms. Bhumika Batra brings with her over 17 years of experience in the field of Corporate Laws. She has received scholarship from London School of Economics for Masters in Law and has also assisted in several Publications of Journal Publications viz. India Business Law Journal – 2019, Company Law Ready Reckoner – 2014, Transfer and Transmission of Shares – A treatise – 2005 and Asia Business Law Journal – 2007. Ms. Batra is an Independent Director in several companies and is currently associated with M/s. Crawford Bayley & Co. as an Associate Partner.

AWARDS AND ACCOLADES

M. P. Ramachandran was presented with the Lifetime Achievement Award 2018, by Dhanam Magazine (Kerala's Most Prestigious Business Excellence Award)

Jyothy Labs was conferred with commendation certificate by IMC Ramakrishna Bajaj National Quality Award in the "Manufacturing Category"

IDC Insights Awards 2018 for Excellence in Operations

Jyothy Labs was the proud recipient of the Platinum award for its Annual Report (AR) 2017-18 at the 2017/18 Vision Awards, held by the League of American Communications Professionals (LACP). The AR also secured the 12th rank in Top 100 reports worldwide.

The awards are organised by the League of American Professionals (LACP), USA, a coveted forum within PR industry to facilitate best-in-class communication practices.

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW

Global Economy

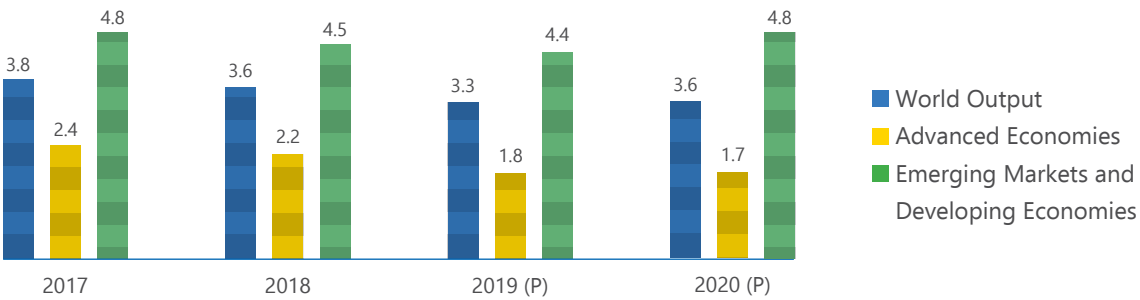
The global economy grew by 3.6% in 2018 as against 3.8% in 2017, according to the International Monetary Fund (IMF). The moderation in growth was primarily on account of escalating trade tensions between the United States (US) and China, the slowdown in Europe and Asia and tighter financial conditions across many economies.

Advanced Economies recorded a growth of 2.2% vis-à-vis 2.4% in 2017. Growing uncertainty about the Brexit outcome as well as the weakening business and consumer sentiment across the Euro Area were the major factors for the slowdown in growth. However, the US economy expanded by 2.9% compared to 2.3% in 2017. Growth was supported by robust consumption and fiscal stimulus.

Emerging Market and Developing Economies (EMDEs) grew by 4.5% as against 4.8% in the previous year. China's economy contracted amid tariff hikes by the US and subdued demand, leading to a growth of 6.6%, in comparison with 6.8% attained in 2017. Geopolitical tensions, policy tightening and weakening financial markets weighed on the growth momentum across other emerging markets (Middle East, Argentina, Turkey and Mexico).

The global economy is expected to continue to witness challenges in the first half of 2019, with growth projected to soften further to 3.3% in 2019. Nonetheless, growth is expected to pick up to 3.6% in 2020, led by improvement in financial market sentiment, accommodative monetary policies, fiscal stimulus and liquidity support in China and possible stabilisation of conditions in the Euro zone and stressed emerging economies.

Overview of World Economic Outlook Projections (%)



Source: IMF's World Economic Outlook, April 2019

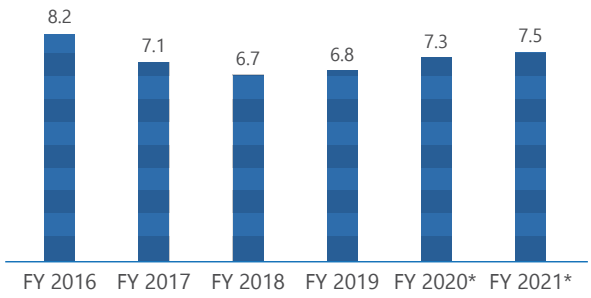
Indian Economy

Despite external vulnerabilities and trade wars between major global trading partners, the Indian economy continues to remain one of the fastest-growing major economies in the world. As per the Central Statistics Office (CSO) estimates, India's GDP grew at 6.8% in FY 2018-19 as against 6.7% in FY 2017-18. (Source: https://www.livemint.com/politics/policy/gdp-growth-falls-to-5-8-in-march-quarter-1559298159972.html)

Most importantly, India's ranking in the World Bank's Ease of Doing Business Report 2018 moved up by 23 spots to 77 among 190 countries. This is mainly attributable to solid macro-economic fundamentals, strengthened by government's impetus on infrastructure and rural development, accelerating investments and implementation of momentous structural reforms. Retail inflation inched up to 2.86% in March 2019, well within the Reserve Bank of India's (RBI's) medium-term target of 4% (Source: https://www.thehindubusinessline.com/economy/retail-inflation-inches-up-286-in-march/article26820458.ece). The monetary policy committee in April 2019 slashed the repo rate by 25 basis points (bps) to 6% from 6.25% to provide a fillip to economic growth. Private consumption and investment will benefit from strengthening credit growth and accommodative monetary policy.

With the benefits of structural reforms kicking in such as the Goods and Services Tax (GST), Insolvency and Bankruptcy Code, bank recapitalisation drive, among others, the government is expected to focus on their faster implementation. Announcement of landmark income transfer scheme for farmers and tax benefits for the middle-class in the Interim Budget 2019-20 are likely to translate into robust spending and consumption. Further, the Indian Meteorological Department (IMD) predicted near-normal monsoon

India's Rising Economic Growth (In %)



**Source: CSO; Data for FY 2020 and FY 2021 are based on IMF projections on India's GDP growth*

rains in 2019, which would provide a conducive environment for agriculture production.

The Indian economy is seen benefiting from lower oil prices, favourable monetary environment and easing inflation. Accelerating the clean-up of banks and corporate balance sheets, continuing fiscal consolidation both at Centre and State levels, broadly maintaining the reforms momentum and further enhancing the business climate will help the nation achieve faster and more inclusive growth. Led by investment recovery, consumption growth and resilient export performance, India's economic growth is projected to increase to 7.3% in FY 2019-20 and 7.5% in FY 2020-21, according to the IMF estimates (Source: https://www.livemint.com/politics/policy/imf-cuts-india-gdp-growth-forecast-to-7-3-for-2019-20-1554813422935.html).

INDUSTRY OVERVIEW

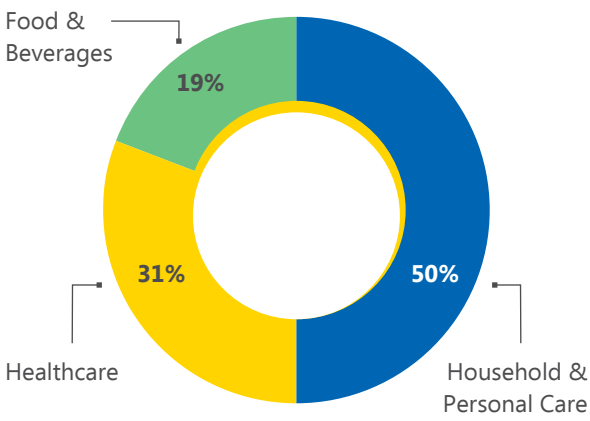
The FMCG sector broadly comprises three key segments – Food and Beverages (F&B) (19%), Healthcare (31%) and Household and Personal Care (HPC) (50%). India's fast-moving consumer goods (FMCG) story looks interestingly poised, supported by moderate inflation, increase in private consumption, and rural income.

The sector, which is considered as India's 4th largest, is expected to maintain its momentum of the last few years and is projected to grow by 11-12% during FY 2018-19, according to market research firm Nielsen. This will be aided by favourable macros such as GDP growth and inflation. It has grown from US$ 31.6 billion in 2011 to US$ 52.75 billion in FY 2017-18 and is expected to reach US$ 103.7 billion by FY 2020. (Source: https://www.moneycontrol.com/news/

business/companies/indian-fmcg-sector-gaining-momentum-with-changing-lifestyles-industry-experts-3294511.html). Factors such as robust GDP growth, rising disposable incomes, changing demographics and lifestyle, growing urbanisation and the changing landscape of retail will continue to drive growth.

The rural segment is a large contributor to the overall revenue generated by the FMCG sector in India, with demand for quality goods and services going up on the back of improved distribution channels of FMCG companies. India's rural FMCG market is estimated to grow to US$ 220 billion by 2025, up from US$ 23.6 billion in FY 2018. (Source: IBEF)

Break-up of FMCG Sector



The FMCG industry has been largely operating in India through two primary sales channels – general trade (Kirana Stores) and modern trade (consisting of supermarkets, hypermarkets, among others). While general trade continues to dominate the industry, growth in sales through modern trade is gradually outpacing the former. Over the past decade, modern trade has been growing rapidly, led by favourable macro and micro economic indicators. The switch to GST, acceptance of digital payments and a large-scale consumer shift to convenience have helped push the sale of FMCG through modern retail. Increasingly, the neighbourhood Kirana Shop is investing in offering a superior shopping environment and embracing technology to compete with large chains. All this will see consumers being offered greater convenience and choice. Within modern trade, e-Commerce has been growing in popularity in the recent past owing to the increasing penetration of smartphones, and probably creating the biggest revolution in the retail industry. Tier 2 & 3 cities have been contributing significantly to the growth of modern trade.

Rising Growth Trajectory

Favourable macro and micro economic factors, normal monsoon, low inflation, Government's impetus to boost the rural economy, and the revival of market sentiment post demonetisation and GST steered the industry to achieve the growth trajectory. Rising focus on agriculture, MSMEs, healthcare infrastructure and employment generation are expected to directly impact the FMCG sector, going forward. All this will likely increase disposable incomes, especially in the rural areas, and benefit the sector. A Report by the Boston Consulting Group (BCG) and CII on "Reimagining FMCG in India" projects the industry to grow by 14% CAGR between 2021-2025. India's branded FMCG market is expected to grow to US$ 220-240 billion, driven by:

a. Increasing income: Real average household incomes are expected to grow by 70% by 2025.

b. Urbanisation: 35% of Indians to live in urban areas by 2020.

c. Nuclearisation: We expect to have 10 million additional households by 2020, due to reducing household size – independent of population increase.

d. Growing workforce: 95 million more people to be added to the workforce by 2020.

Key Imperatives in India's FMCG Sector

Source: Report by the Boston Consulting Group (BCG) and CII on "Reimagining FMCG in India"

Advantage India

The FMCG industry is today witnessing a transformational change, according to a Report by Boston Consulting Group (BCG) and CII on "Reimagining FMCG in India". India is witnessing a fundamental demographic shift. The rapid adoption of internet, proliferation of smart devices, and increase in consumption of digital media could disrupt how consumers make purchase decisions. As new channels emerge, companies will need to strive for greater clarity on the role these channels will play for them. To realise this opportunity from consumption increase, FMCG companies will have to fundamentally reimagine and re-engineer the way they operate.

Six Key Shifts expected in the Profile of India's FMCG Industry:

1. Share of consumption of affluent/elite households set to double to 48% by 2025.
2. Share of the premium portfolio to increase significantly.
3. 600 cities (Tier 2, 3 and 4) would be 4.5 times their size today and would account for 45% of consumption by 2025.
4. 150-190 million consumers would be digitally influenced in FMCG by 2020. These consumers would spend US$ 40-45 billion – 35% of the market.
5. Traditional models of GTM would need a rethink.
6. E-Commerce would grow and could account for more than 10% in some categories.

Source: Reimagining FMCG in India by BCG-CII

Key Trends in India's FMCG Market

1. Rural market focus

India's rural per capita disposable income is estimated to reach US$ 631 billion by 2020, acting as a major driver for rural consumption. Over 65% of India's population stays in rural areas and they spend around 50% of their total spending on FMCG products. Increased government focus on improving farmer's income, digitisation, smaller size packets, increasing awareness and an expected rise in per capita disposable income is likely to drive growth for FMCG companies in rural India.

2. Growth in e-Commerce and digitalisation

The e-Commerce industry in India is projected to grow to US$ 200 billion by 2026, drastically higher than US$ 38.5 billion in 2017, mainly triggered by increasing Internet and smartphone penetration. The ongoing digital transformation is seen increasing India's total Internet user base to 829 million by 2021 from 560 million (September 2018). India's internet economy is expected to double from US$ 125 billion in April 2017 to US$ 250 billion by 2020, majorly backed by e-Commerce. (Source: IBEF)

3. Growing per capita consumption and penetration

Although India has a huge population base, it lags in the overall per capita consumption of FMCG goods. A key reason for this low penetration is the lack of product availability in

these markets. However, FMCG companies are working extensively to increase their distribution reach and tap the untapped rural market. They are introducing smaller size packs to attract the rural population, which is more price sensitive. These companies are also working towards increasing the awareness of their products by significantly increasing their advertising and promotional activity spends.

4. **Premiumisation**

Rising aspiration levels of the Indian consumer, mainly on the back of rising income levels, changing demographics and increasing urbanisation, is driving the growth in premium products. These products not only provide incremental revenue growth for companies but also help improve margins.

5. **Growing prevalence for wellness/natural segment**

With growing demand from informed and health-conscious consumers, the natural products segment in India is witnessing rapid growth in the last decade and momentum is likely to continue. Hence, FMCG companies have been expanding the share of this segment in their overall product offering.

6. **The rising share of the organised market**

With the implementation of the GST, the share of the organised sector in India's overall FMCG market is projected to grow further. As the unorganised players come within the purview of the GST, the reduction in price gap works in their favour. And they are gearing up with an increased focus on R&D, quality and product differentiation to gain a distinct market edge.

7. **Significant improvement in logistics**

Implementation of the GST is changing the basic landscape in India's logistics industry. Abolition of checkposts has led to a substantial reduction in logistics costs and streamlined the supply chain processes, with a significant reduction in transportation time and spoilage cost.

Growth Drivers for India's FMCG Industry

a. **Government initiatives**

For the past few years, the government has come up with multiple initiatives to boost economic activities in India, which has led to robust GDP. Several government initiatives boosting the rural economy have increased disposable incomes and impetus on infrastructure growth have helped increase consumption and production. The Government has broadly been supported by numerous schemes such as Make in India, Skill India, Digital India, Startup India and Smart Cities Mission, with a special focus on MSMEs through easier access to credit, capital and infrastructure.

b. **The rising share of the rural market**

The share of the rural market in the overall FMCG industry is rapidly increasing and disposable incomes are rising in rural India. The Government's Direct Cash Benefit transfer scheme, normal monsoon, better MSP rates and higher infrastructure spending have led to the share of the rural market constantly rising. Total rural income, which stood at US$ 572 billion in FY 2018 is projected to reach US$ 1.8 trillion by FY 2020-21, which will further fuel the rural market. India's rural per capita disposable income is estimated to increase to US$ 631 billion by 2020, which is proving to be a major growth driver for India's rural consumption story. (Source: IBEF)

c. **Favourable demographics**

India is a young country, with half of its population under the age of 25 years. It is projected to have the world's largest workforce by 2027. India is essentially going through a demographic transition, which gives it a huge edge to lead consumption-led growth.

d. **Growth in the middle class**

The middle-class segment in India is expected to rise to 550 million by 2025, up from the current 350 million. New middle-class consumers have the purchasing power that extends beyond their basic needs. They are willing and able to buy the best the world has to offer; they add amenities to their lifestyles, make aspirational purchases and shop global brands.

e. **E-Commerce**

India's e-Commerce industry has been on an upward growth trajectory. It is projected to surpass that of the US and become the world's second-largest e-Commerce market by 2034. Tech-enabled innovations such as digital payments, hyper-local logistics, analytics-driven customer engagement and digital advertisements will likely support growth. According to the Boston Consulting Group, India expects the digital channel to influence sales to the tune of US$ 45 billion in the broader FMCG market.

Industry Outlook

Moving ahead, growing awareness, easier access and changing lifestyles are the key growth drivers for the consumer market. The FMCG market in India is projected to touch US$ 103.7 billion by 2020, up from US$ 52.75 billion in FY 2017-18. The Government's recent initiatives on the micro and macro-economic front, coupled with healthy economic growth, favourable monsoon, evolving demographic profiles, increasing disposable incomes and changing consumer tastes and preferences will continue to drive growth. Rural growth is likely to be a major contributor to growth in the coming years.

COMPANY OVERVIEW

Jyothy Laboratories Limited (hereafter referred to as the 'Company' or 'Jyothy Labs') was founded in 1983 by Mr. M. P. Ramachandran in Thrissur, Kerala. Having started with a seed capital of ₹ 5,000, and manufacturing a single product and selling in a single district in Kerala, your Company has since travelled a long way. It has undergone a huge transformation over the years, creating an impact by touching people's lives in significant ways. Today, it has been established as a dominant player in India's FMCG industry, with a pan-India presence, well-diversified product basket and multiple brands. Its various power brands are in different market segments - Ujala, Exo, Maxo, Henko, Margo and Pril, to name a few.

Your Company's key differentiator is its ability to understand the pulse of the consumer and delivering high-quality products at reasonable prices. It is also well established for its convenient packaging and extensively distribution network. Its constant aim is to leverage a strong focus on R&D to create differentiated and innovative products that cater to the evolving needs of today's consumers.

Focus on Innovation

Our strategic objective is to drive successful innovations in products and processes consistently and to build categories of the future. To keep pace with market changes, your Company aims to constantly develop new products and refresh the existing ones. Within process innovation, it constantly adopts newer techniques and mechanisms that help it optimise its productivity and optimally utilise all its resources with the target of delivering products that are value for money.

R&D Initiatives

Backed by its strong R&D capability, your Company constantly aims to meet the evolving needs of its customers and delight them through innovative and value-for-money products. Significant advances in research techniques have enabled your Company to innovate new product categories providing simple, but tangible benefits to its consumers. Its two state-of-the-art and modern R&D facilities enable your Company to achieve product differentiation and offer better value to consumers. Its aim is to identify the everyday challenges in a consumer's life in the existing products and devise suitable solutions that help them overcome these challenges.

A few such R&D initiatives are:

- Pril Tamarind launched
- New Margo Glycerine with goodness of thousand neem leaves and pure glycerine launched
- Ujala Crisp & Shine 'Gold Collection' launched
- Maxo relaunched of Maxo Genius with super intelligent machine which auto shifts smartly between attack and defend modes
- Maxo Agarbathi, a 100% natural and effective mosquito repellent

Product Categories

- Henko staincare new improved formulation with 'Oxy power' & 'Care Enzymes'
- Henko Matic in attractive pacakging with new advanced formulation
- Exo Bar launched 'Powered with the goodness of Ginger' which give superior shine on utensils and zero worries, without any bacterial residue

Thrust on Sustainable Growth

From originally being a regional player with its base in Southern India, your Company has gradually transformed into a national brand catering to various FMCG categories. With its innovative products sold in more than 2.8 million outlets across India, your Company touches the lives of several million consumers in India. It operates 26 manufacturing facilities across 22 locations and has a pan-India presence, supported by its extensive distribution network of 5,400+ stockists and sub-stockists.

Through impactful marketing and brand promotion activities, your Company has successfully created strong brand equity. The right investments in advertising and promotional activities have enabled your Company to rapidly expand its footprint across India and enjoy a strong franchise with its consumers. It is reconfiguring its systems to focus on building strong customer relationships.

Your Company is a responsible corporate entity that contributes to nation building by creating rural employment, with a special focus on women. Its operations and programmes are designed to promote environmental sustainability. It is committed to consistently serve the interests of diverse stakeholders. Your Company is taking several measures to further improve its reach in the rural markets and is enhancing coverage by aiming at superior availability and brand visibility. Your Company's constant aim is to remain ahead of the competition and outpace industry growth across categories. Its future growth plan revolves around creating a robust and new product pipeline and targeted advertising and promotion to gain new users. Besides, its strategic brand launches and brand extensions are aimed towards retaining the existing consumers and also creating a new set of loyal consumers.

Sustainability Practices

- It is socially and environmentally responsible and constantly aims at contributing to the advancement of society and humankind
- Its values and vision ensure that all its processes, products and manufacturing activities adequately address the present environmental concerns while maintaining a profit-led growth trajectory
- It is aware of the significance of various stakeholders – employees, suppliers, business partners and the society at large
- Besides utilising its profits and resources for its own growth, it earmarks a portion for the society's upliftment and conservation of the environment
- It undertakes various CSR initiatives to align its business interests with that of society
- It is committed to source raw materials sustainably and has put in place measures and mechanisms to conserve natural resources

Human Resources

Your Company pursues an organisational culture that is centred around the strong values of its employees. It follows the simple philosophy of family values – one where your Company respects, values and empowers its employees to achieve sustainable growth. It believes that a happy and caring culture at work not only improves employee well-being and productivity, but also propels them to achieve higher goals. These goals are the ones beyond self, organisation and services and make a difference in people's lives.

Your Company's HR policies are designed to provide a safe, conducive and productive work environment. Its systems and processes nurture a work culture leading to employee satisfaction, persistent motivation and a high retention rate. It has formulated comprehensive and well-structured policies to impart timely skill upgradation and ensure employees' growth at personal and professional levels. It is this philosophy that facilitates your Company in aligning its individual goals with that of the broader goals. It promotes an open-door policy and transparent communication with 'all for one, one for all' philosophy.

In order to engage and motivate its employees, your Company offers performance-based incentives and promotions through well-defined KRAs aligned to organisational goals. It focusses on enhancing employee skills and workplace productivity through various internal and external training programmes across business functions. In functions where the processes are automated, your Company carries out inclusive employee skill development programmes and assigns suitable roles with the aim of avoiding redundancy.

Strict adherence to deadlines, compliance with standards and high levels of customer service are an integral part of your Company's business operations. It is this philosophy that has helped the Company achieve its larger goals and emerge as one of India's trusted FMCG brands. Besides, as part of its organisational structure, it emphasises strongly on Accountability, Integrity, Commitment, Initiative and Positive Attitude across business verticals. It implements the highest level of professional ethics and personal decorum. While the Company places special emphasis on values and culture, it also strongly believes in adopting newer technologies. It is constantly upgrading its JConnect platform, which is an online employee portal and Mobile App for Android and IOS. The app enables digitalising processes within the HR function and promoting employee engagement. Employees can access this portal on mobile from anywhere. As on March 31, 2019, your Company had 2,000+ sales personnel that service directly 0.86 million retail outlets.

Information Technology

Your Company has implemented a robust IT infrastructure within the organisation. The IT system enables your Company to be proactive and ensures a mechanism that predicts ensuing events and developments, and thus, helps it stay ahead of the competition. The efficient and agile IT ecosystem ensures lowering of errors/duplications and, hence, enhances work efficiency and productivity across functions. Moreover, the system also strengthens business relationships due to its capability of managing an extensive business network (5,400+ stockists/sub-stockists managed through 32 CFA locations).

Architectural Framework of IT infrastructure:

- SAP S/4HANA business suite that covers all critical business processes, distribution centres and warehouses has been implemented. The platform has enabled the integration of functions across various business lines as also reduced number of transactions by streamlining operations. Besides, it also facilitates business insights across functions and roles. In fact, its successful and seamless implementation of the suite with zero downtime and complete compliance in a shorter timeframe has impressed SAP, and the latter has created a Case Study on your Company.
    - SAP BI/BO has been enabled to drive business analytics
    - SAP FIORI enabled for work through handheld devices and all the management reports which would enable faster decision making
    - SFA for field staff management was launched across the country enabling the ground level analytics in terms of coverage and daily tracking

As a practice to continuously increase the operations efficiency, error reduction and transparency, this year we launched various platforms like Vendor Purchase Management to bring in efficiency to the purchase process, Value Chain Management (VCM) is one-stop platform for CFA management from managing daily, weekly, monthly tasks to agreement management, or any other necessary workflows. The other operational automation like Secondary Freight Management, SKU Grid, Scheme Management and SAP warehouse management were also launched.

Financial Performance

Accounting Policy

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. The financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value.

The discussion on financial performance in the Management Discussion and Analysis relate primarily to the standalone accounts of Jyothy Laboratories Limited.

Review of FY 2018-19

Revenue from operations

Net Revenue from operations registered a growth of 9.3% (on GST adjusted sales) at ₹ 1,768.9 Crores in FY 2018-19.

Cost of Goods Sold (COGS)

The Cost of Goods Sold of your Company is at ₹ 961.8 Crores in FY 2018-19.

Employee Cost

During the year under review, employee cost grew by 12.3% over FY 2017-18 to ₹ 188.6 Crores.

Advertisement and Sales Promotion

Advertisement and promotion expense increased by 6.4% to ₹ 109.3 Crores in FY 2018-19 from ₹ 102.8 Crores in FY 2017-18. As a percentage to net sales, advertisement and promotion costs stood at 6.2% in FY 2018-19.

Other Expenses

The other expenses were higher by 0.3% at ₹ 223.4 Crores in FY 2018-19 from ₹ 222.7 Crores in FY 2017-18.

Depreciation

During the year, depreciation increased by 3% to ₹ 58.3 Crores in FY 2018-19 as against ₹ 56.6 Crores in FY 2017-18.

Finance Cost

For the full year, finance cost decreased by 34.3% to ₹ 27.8 Crores in FY 2018-19 as against ₹ 42.4 Crores in FY 2017-18 due to a reduction in debts. The Interest Coverage Ratio stood at 8.18 in FY 2018-19 as compared to 4.90 in FY 2017-18.

Tax Expense

The tax expenses were lower by 28.4% at ₹ 34.3 Crores in FY 2018-19 as against ₹ 47.9 Crores in FY 2017-18. The Company has paid income tax under MAT.

Margins

Operating EBITDA margin stood at 16.2% in FY 2018-19. EBIT stood at ₹ 227.5 Crores in FY 2018-19 as against ₹ 207.5 Crores in FY 2017-18. PAT stood at ₹ 193.2 Crores in FY 2018-19 as against ₹ 160.5 Crores in FY 2017-18 due to lower tax expense and finance costs. Net profit margin improved to 10.9% in FY 2018-19.

Share Capital

The paid-up share capital stood at ₹ 36.7 Crores as on March 31, 2019 compared to ₹ 18.2 Crores as on March 31, 2018. The increase in paid-up capital during the year is due to issue of 18,17,94,087 shares as bonus shares by the capitalisation of free reserves, in the ratio of one equity share (bonus share) for every 1 equity share held. Also, 36,20,470 shares were issued on account of the conversion of options into shares under an Employee Stock Option Plan.

Own Funds

The net worth of the Company increased by 24.9% to ₹ 853.9 Crores as on March 31, 2019, from ₹ 683.5 Crores as on March 31, 2018. Return on net worth stands at 22.6% in FY 2018-19.

Loan Funds

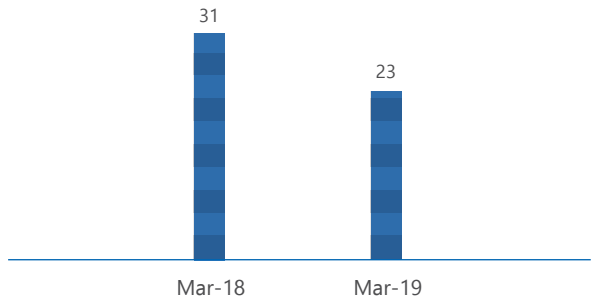
Net Debts for the Company stood at ₹ 28.7 Crores as on March 31, 2019, as against ₹ 246.7 Crores as on March 31, 2018. The Net Debt-Equity ratio stood at 0.03 as at March 31, 2019, as against 0.36 as at March 31, 2018, due to the redemption of debentures.

Net Block

Net Block for the Company stood at ₹ 485.3 Crores as on March 31, 2019, as against ₹ 504.5 Crores as on March 31, 2018.

Net Operating Working Capital

Net Operating Working Capital for the Company stood at ₹ 111.4 Crores as on March 31, 2019, as against ₹ 139.2 Crores as on March 31, 2018. This translates to 23 days of working capital as against 31 days in FY 2017-18. Current Ratio reduced to 1.37 on March 31, 2019, as against 1.53 as on March 31, 2018.



Inventory

Inventory of the Company stood at ₹ 200.6 Crores as on March 31, 2019, compared to ₹ 187.0 Crores as on March 31, 2018. Inventory Turnover for the Company stood at 41 days as at March 31, 2019, as against 42 days as at March 31, 2018.

Trade Receivables

Trade Receivables for the Company stood at ₹ 148.3 Crores as on March 31, 2019. Debtor turnover stood at 31 days as at March 31, 2019 as against 36 days as at March 31, 2018.

Cash and Bank Balances

Cash and bank balances for the Company stood at ₹ 87.5 Crores as on March 31, 2019.

Provisions

Provisions for the Company stood at ₹ 65.5 Crores as on March 31, 2019, against ₹ 58.5 Crores as on March 31, 2018.

Other Liabilities

Other Liabilities for the Company stood at ₹ 61.2 Crores as on March 31, 2019, against ₹ 57.1 Crores as on March 31, 2018.

Shareholder Value: Dividend

In an endeavour to maximise the returns to its shareholders, the Board of Directors has recommended a dividend of ₹ 3 per equity share of ₹ 1 each for the FY 2018-19 on the expanded capital base (on account of bonus issue). The Company increased its dividend ratio to 300% as compared to 50% in FY 2017-18. The dividend payout ratio was 69% of PAT (including DDT) as compared to 14% in FY 2017-18.

Risk Identification and Mitigation

Risk management is a necessary and intrinsic part of the way we work. Your Company remain exposed to internal as well as external risks. Being aware of the volatile nature of the business environment, it has put an adequate mechanism in place. It has also implemented robust processes for identifying key risks and adopting adequate mitigating factors to ensure its smooth functioning.

1. **Economic Risk:**

   Being in the FMCG space, the business is dependent on robust consumption, and in turn, on rising economic growth.

   Mitigation: Your Company's diversified product portfolio caters to the consumers' day-to-day requirements pan-India. A diverse portfolio of offerings helps your Company build a natural risk hedging capability against any undesired economic developments in the country or in a particular region of the market. Favourable initiatives from the Government aiming to boost economic growth and support rural consumption ensure minimal risks from adverse economic factors.

2. **Raw Material Risk:**

   The performance of your Company may get adversely impacted in the event of it being unable to source raw materials sustainably and at competitive prices.

   Mitigation: Long-term relationships with most suppliers enable your Company to have an uninterrupted supply of raw material and inputs, and at competitive rates. Additionally, your Company has also implemented a robust mechanism that closely monitors fluctuations in prices of raw materials and any market changes. It generates requisite data that helps your Company plan the procurement of its raw material effectively, and this is further strengthened by strong vendor management skills.

3. **Human Resources Risk:**

   Human capital is the key pillar of growth for any organisation. Considering this, high attrition rates in your Company have the capability to adversely impact its business operations.

Mitigation: Your Company's motivational and satisfactory work environment enables it to have a long-term working relationship with most of its employees, and lower attrition rates. Periodical training and skill upgradation also led to smooth progression of all employees. Your Company's aim is to constantly align every employee's personal and professional goals. All the above efforts help your Company minimise its attrition rates, and encourage new talent acquisition with the aim of upgrading its talent pool.

4. **Supply Chain Risk:**

Being in the manufacturing space, any disruption in the supply of raw material is likely to adversely impact your Company's production. To add to this, any irregularity in making these products available at the distributors' end can hugely impact sales.

Mitigation: Your Company's long-term relationships with its distributors painstakingly built over the years act as a natural hedge. Additionally, its advanced information technology software that is able to forecast demand, and accordingly, manage the entire supply chain enables it to run the sales operations smoothly. The efficient and effective systems and processes of your Company also enable smooth flow – right from raw material procurement to manufacturing to distribution. Your Company is known to efficiently utilise its working capital in a manner that ensures optimum inventory levels and also optimum utilisation of its resources. Its transport module for service level improvement provides an effective focus on channel-wise service and minimises the risk of stock-outs.

5. **Competition Risk:**

The projected growth in the FMCG sector of India, rising consumption and increasing disposable incomes increase the intensity of competition in the sector from existing players as well as from new entrants.

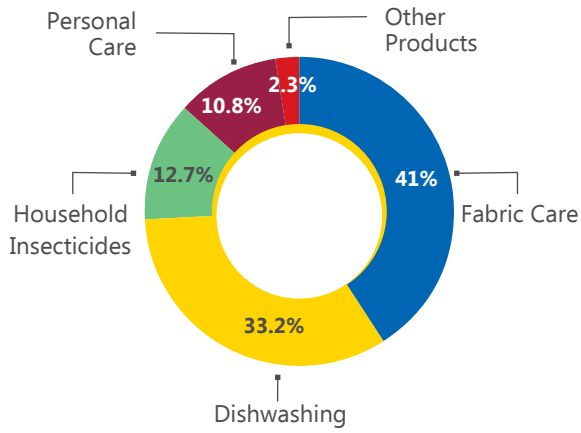
Mitigation: Owing to its high-quality standards, popular products and a diversified portfolio across categories, your Company enjoys strong brand equity among the customers. Adding to this, branding initiatives and extensive advertising and promotion enables strong brand recall and strengthens the brand's market positioning. Also, your Company's R&D capabilities to refresh existing brands and also launch new ones in order to remain relevant and cater to the evolving needs of the new-age consumers.

6. **Compliance Risk:**

Your Company, imperatively, adheres to various statutory rules and regulations in order to ensure smooth functioning of business operations.

Mitigation: The effective and efficient internal control systems of your Company have been designed considering the size and complexity of your Company's business operations. Your Company, at all times, strictly ensures adherence to all the statutory rules and regulations, with timely corrections made, as and when required.

Business Segment Review



FABRIC CARE SEGMENT

Brands: Ujala, Henko, Mr. White, Chek, More Light

Revenues, FY 2018-19: ₹ 725 Crore

New products launched, FY 2018-19: Ujala Crisp & Shine Gold Collection

Overview

Ujala, your Company's flagship brand, is available across categories such as fabric whitener, detergent powder and fabric enhancer. Ujala Supreme Fabric Whitener is the market leader in the segment and is positioned as the most effective solution for removing yellowness and giving the brightest white colour to clothes. Ujala Detergent Power, in the washing powder category, is the second-largest brand in the state of Kerala. Ujala Crisp & Shine, the post-wash fabric enhancer, is the leader in the states of Kerala and Tamil Nadu.

"Henko" a premium laundry powder is a household name in the country. The Brand is known for its superior clothes care attributes. Its offerings are in the form of specialist machine wash powder, both Front and Top Load as well as a Premium bucket wash offering.

During FY 2018-19, your Company introduced Ujala Crisp & Shine 'Gold Collection', a step-up for the brand offering the dual benefits of crisper, shinier and fragrant clothes. This features two new variants 'Intense' and 'Bliss', offering distinct luxury fragrances inspired by French Fine Fragrances. As the fragrance is designed to last, it keeps clothes fresher for a longer time.

Portfolio

- Ujala Supreme - Fabric Whitener
- Ujala Detergent Powder
- Ujala Crisp & Shine - Fabric Enhancer
- Ujala Fast Wash Laundry Soap
- Ujala Crisp & Shine Gold Collection
- Henko - Bar & Detergent Powder
- Henkomatic - Detergent Powder
- Mr. White - Detergent Powder
- Chek - Bar and Detergent Powder
- More Light - Fabric Whitener & Detergent Powder

Competitive Advantages

- Ujala Supreme Fabric Whitener is a market leader and is well established for being an effective solution that delivers the most brilliant shade of white. It dissolves completely in water and spreads uniformly, and penetrates into the inner fibres of the cloth to impart the brightest white
- Ujala detergent powder, with its unique 'Instant Dirt Dissolver' technology, dissolves dirt and stains and makes the laundry process easy and effortless
- Ujala Crisp & Shine, through its unique PolyFx action, instils a fine layer on each fibre, making it stronger, shinier and crisper. It maintains the form and finish of clothes, while enhancing the shine with every wash. The freshness, crispness, superior form, brilliant shine and pleasant fragrance give it an 'executive look'
- Henko is well known for its superior cloth care features. The brand's unique Nano Fibre Lock technology prevents linting and ensures that clothes retain their newness for a longer period

Key Highlights, FY 2018-19

- The fabric care business, the largest business, grew by 7.6% (on GST adjusted sales) during the FY 2018-19
- Ujala Franchise registered a 5% growth (on GST adjusted sales), led by new product innovation and campaigns across brands
- Introduced Ujala Crisp & Shine 'Gold Collection' with the added feature of premium fragrances inspired by French Fine Fragrances. As the fragrance is designed to last, it keeps clothes fresher for longer. The brand extension was launched with a new campaign featuring the southern superstar 'Suriya' as the brand ambassador

Ujala Supreme Fabric Whitener is the market leader in the segment and is positioned as the most effective solution for removing yellowness and giving the brightest white colour to clothes.

- The Henko franchise reported a 10.3% growth (on GST adjusted sales), with complete refurbishing of Henko Matic and Henko Stain Care and relaunch with a far superior mix
- During the year, the 'Henko Stain Champion', the Bucket Wash variant, was completely revamped to offer superior stain removal and unmatched fabric care properties. With this, it aimed at bringing all the Henko products under the new positioning and creating a singular brand franchise. The brand was renamed as 'Henko Stain Care' in order to state the unique dual benefit, which is unmatched in the premium detergent powder space
- Henko Lintelligent, the multiple award-winning Matic variant under the Henko franchise, was upgraded with benefits of advanced stain removal, fabric care and superior fragrance. The upgraded Henko Lintelligent continues to stay differentiated in the matic powder category owing to its lint reduction technology. The reduction in lint means lesser fraying of the garment, protecting colour, shine and texture, and ensuring a longer fabric life
- Introduced a new pack of Ujala IDD by making it a more attractive and compelling buy

Outlook

- Ujala fabric whitener will continue to dominate the post-wash fabric whitener market, given its superior performance backed by all-India distribution capabilities
- Ujala IDD powder, with a significant market share in Kerala, will continue to receive an increased market focus
- Led by the launch of two premium variants 'Intense' and 'Bliss', Ujala Crisp & Shine is poised to enter more markets, besides its strong presence in Kerala and Tamil Nadu
- Your Company revamped and relaunched Henko brand as Henko Stain Care, with a superior mix. Your Company also took efforts to reach out to wider audiences by introducing smaller pack sizes, which will contribute to making the brand grow in the coming years

DISHWASH SEGMENT

Brands: Exo, Pril

New Products Launched, FY 2018-19: Pril Tamarind

Revenues, FY 2018-19: ₹ 587 Crore

Overview

Your Company is positioned strongly in the dish wash segment, deriving strength from its customer-led and quality-driven product propositions. While the dish wash bar market comprises several small players, about 70% of the market is dominated by these three brands. The anti-bacterial feature in Exo bar continues to be a compelling proposition for consumers in this space. The product leverages its 'Touch and Shine' formula, offering ultra-cleaning, extra shine and hygiene, helping it build a distinct edge in the market.

Pril, a pioneer in tamper-proof packing in the dish wash category, has been a huge market success with its unique qualities and world-class design. Pril bar, introduced in a solid tub container a few years ago, remains well accepted by the consumers. The product design was modified and encased within a solid tub container, which led to minimal melting wastage. The product also contains active booster granules, which offers extra de-greasing attribute to the bar.

Pril has been positioned as a superior degreaser in the dishwashing liquid sub-category, with its 'Active 2x' molecules. It continues to gain consumer traction due to its quick-dry formula and instant grease-cutting properties. Your Company introduced Pril Tamarind in this category, which is a first-of-its-kind innovation, catering to the extra shine which is an unmet need of the consumer. Its USP is the folklore ingredient that has proven itself to impart shine to utensils and is used in developing a high-quality concentrated dish wash gel. Another unique feature of the brand is that it comes with suspended speckles acting as soft abrasives that disintegrate on slight friction, and consequently, assist in toughest grease removal with ease.

Portfolio

- Exo Bar & Rounds, Exo BactoScrub, Exo Powder and Exo Safai Steel Scrubber
- Pril Liquid, Pril Bar, Pril DuraScrub, Pril Durawipes
- Pril liquid variants include Pril Tamarind, Pril Lime, Pril Kraft
- Pril liquid is also available in pouch and PET bottles

Competitive Advantages

- Exo is the only dishwash bar available with the anti-bacterial formula
- Exo Bacto Scrub enjoys the USP of being India's first and only dish wash scrubber that offers bacto-guard protection. The feature restricts bacterial growth due to food particles that get stuck in the scrubber matrix
- Pril dishwashing liquid is one of the most effective products available in the market. It cuts through grease, thus making utensils sparkle and saving dishwashing time. As the skin-friendly product is available in pouches, it ensures cost-effective utility

Key Highlights, FY 2018-19

Both Exo bar and Pril liquid recorded double-digit growth.

Exo bar maintained its market share of around 11.1%, while in Pril liquid, the market share gained 20 basis points to 16.6%.

Pril Tamarind, a first-of-its-kind innovation in the liquid dishwashing category, was introduced during the year. The product was launched amidst much fanfare with a new TV campaign that featured two famous TV celebrities known to be an onscreen couple. The central idea behind the campaign was to showcase the power of speckles and the 'Extra Shine' from tamarind through a story that brings alive the brand proposition of "Bartan chamkein, aur rishtey bhi".

Outlook

- Backed by product innovations and unique propositions, Exo bar and Pril liquid are both expected to gain market traction
- Introduction of a new product, coupled with market development activities, is expected to further strengthen the liquid dish washing category. This will also help improve its market share, going forward

HOUSEHOLD INSECTICIDE SEGMENT

Brands: Maxo A Grade and Maxo Genius

Revenues, FY 2018-19: ₹ 224 Crore

Overview

Your Company has created a significant presence in the intensely competitive household insecticide liquid vapouriser segment. The brand Maxo has been positioned as a smart solution for dealing with mosquitoes and is designed to tackle the growing resistance of mosquitoes, as against commonly used repellents. The brand is currently offered in Coil, Agarbathi and Liquid Repellent formats.

Maxo A-Grade Liquid Vapouriser is a differentiated product proposition that 'fits all machines' and has witnessed good market traction. The brand has been developed with in-depth consumer understanding and unique market insights. Its uniqueness lies in the fact that consumers do not need to discard their earlier machines, once the liquid refill is complete by used up as it fits into all the machines.

Maxo Genius is a breakthrough innovation and a result of extensive market research. It liberates users from the act of switching modes, as is commonly needed to be done in mosquito repellent machines for controlling mosquitoes. The machine comes with a 'cutting edge design' that automatically switches the modes on a periodic basis. It is programmed such that it automatically considers the peak time of mosquito activity and enables the user with undisturbed sleep. This unique technique helps the machine prevent the over-use of liquid, thus offering a differentiated product with a combination of superior performance and value.

Maxo Mosquito Agarbathis or incense sticks are '100% Natural' as they are made from 100% natural ingredients. Apart from being fully organic, the sticks are also completely bio-degradable. Your Company faces competition from the unorganised sector in this segment, where small players normally use harmful insecticides as a primary ingredient. However, with growing awareness levels, the consumers are on the constant look-out for differentiated products delivering superior value.

Portfolio

- Maxo Liquid Vapouriser
- Maxo Liquid Vapouriser Machine
- Maxo Coil
- Maxo A-Grade Agarbathis

Competitive Advantages

- Maxo Liquid Vapouriser enjoys the unique proposition of 'Fits all Machines' (except customised machines)
- Powered by Intellichip, the new Maxo Genius Machine automatically shifts across attack (high) and defends (low) modes periodically, depending upon peak time of mosquito programmed
- Led by an insightful innovation, Maxo Genius Machine won the 'Product of the Year 2017' under the 'Insect Repellents' category in a survey conducted by market research firm AC Nielsen
- Maxo A-Grade Agarbathis enjoy a distinct edge over the competition as the sticks are made from 100% natural ingredients

Key Highlights, FY 2018-19

- Maxo Liquid Vapouriser gained the market share by 50 basis points to 7.7%
- Maxo Coil gained the market share by 30 basis points to 21.3%
- Post-test marketing in a couple of states, Maxo Agarbathi has been extended to other states

Outlook

- A basket of innovative products, effective communication and robust distribution will continue to support in expanding market share
- Forecast of a normal monsoon in the Calendar Year 2019 has been a favourable factor for the growth of mosquito repellent market

PERSONAL CARE SEGMENT

Brands: Margo, Neem, Fa

Revenues, FY 2018-19: ₹ 192 Crore

New Product Launched, FY 2018-19: New Margo Glycerine

Overview

The market for natural and organic products has been growing at a brisk pace. Consumers today are increasingly turning towards holistic solutions for wellness and beauty needs. Personal care products with natural ingredients are not only witnessing a growing demand, but also commanding a premium. Amidst these circumstances, your Company is well poised to leverage the presence of its 99-year-old brand Margo in the portfolio of personal care.

Margo was revamped in 2017 to target the new-age and younger consumers. The authenticity and uniqueness of Margo are expressed in the proposition of 'Goodness of 1,000 Neem Leaves' in every soap bar. With Vitamin-E added for extra moisturising, the brand is made from 100% original neem and is manufactured through a unique process.

With the objective of providing added moisturisation during winters, your Company introduced a new variant Margo Glycerine. This also comes with the 'Goodness of 1,000 Neem leaves' and 'Pure Glycerine', a unique fusion which cleanses the skin without losing its natural moisture balance. Launched in an attractive new pack, the nature-inspired fragrance of the brand completes the sensorial experience, positioning it as a highly desired skin cleanser.

Portfolio

- Margo Original Neem
- Margo Active Glycerine with Neem
- Neem Active Toothpaste
- FA Deo, Shaving Cream and Talc

Competitive Advantages

Margo Original Neem Soap:

- Made from 100% original neem, and possesses therapeutic benefits
- Extra moisturising attributes due to the presence of Vitamin-E

Margo Active Glycerine:

- Unique combination of neem and glycerine
- 98% pure glycerine base
- Offer added moisturisation due to high glycerine content

Neem Active Toothpaste:

- In India, Neem has been associated with oral hygiene for several ages. The unique toothpaste offers complete natural oral care

Key Highlights, FY 2018-19

- Leveraging the growing demand for natural products, Margo registered 7.8% growth (on GST adjusted sales)
- New Margo Glycerine was launched in West Bengal during the year
- Launched with an integrated multi-media campaign with a mix of traditional and new media channels. The advertising campaign garnered over 2 million views in the first two weeks of launch on YouTube. Your Company is now contemplating to extend the offering across India over the next few months

Outlook

- Leveraging the equity of Margo Original Neem to build Margo Active Glycerine consumer base across markets
- Carrying out sustained marketing efforts to expand in non-traditional markets of India

Margo was revamped in 2017 to target the new-age and younger consumers. The authenticity and uniqueness of Margo are expressed in the proposition of 'Goodness of 1,000 Neem Leaves' in every soap bar.

LAUNDRY SERVICES SEGMENT

Brands: Fabric Spa, Wardrobe, Four Seasons, Expert, Snoways, Clickwash

Market Status: Largest laundry chain in India with over 140 operational units

Currently Operates in: Bengaluru, Delhi, Mumbai, Pune, Chennai and Ahmedabad

Revenues, FY 2018-19: ₹ 40.3 Crore

Overview

Your Company had forayed into the laundry services segment in August 2008 through its subsidiary, Jyothy Fabricare Services Limited (JFSL) and provides specialised fabric care services across multiple cities in India. Your Company's expertise ranges from care for regular daily-wear garments to high-end designer wears. Within a decade of its operations, your Company has built a strong customer base of over 4.5 lacs customers across 140 outlets in 6 major cities, processed over 50,000 tonne of garments till date.

With a strong commitment to quality and service, it is poised to become the world's largest laundry company through its progressive investment in technology. Your Company has been undertaking continuous improvements in digital technology and deploying state-of-the-art machines across processing centres. With this, it aims to provide a best-in-class experience not only in terms of wash quality but also in terms of user experience, to its customers.

The subsidiary has 5 brands in this portfolio. Barring Fabricspa, an inhouse brand, all the other brands have been acquired over the years. Wardrobe, Snoways and Expert are some of these. In the last one year, the marketing spend was increased with a key focus on the expansion of Fabricspa brand across Karnataka, particularly in Bengaluru, through the franchise model.

Competitive Advantages

- The processing centres of JFSL are all state-of-the-art, with best-in-class machines imported from Unimac, Milnor, Forenta and Girbau. The key aim of these centres is to deliver the finest quality of wash and bring about the best quality of finish

- Your Company also provides the most comprehensive and unified platform for skilling and upskilling India's US$ 76 billion laundry industry. There are distinct training programmes conducted for ironing, washing, and also for Process Managers and Store Managers

With a strong commitment to quality and service, it is poised to become the world's largest laundry Company through its progressive investment in technology.

- With a diverse garment profile handled, your Company is the perfect test bed for new machine trials. Its benchmarked processes are rated as "gold standard" in terms of laundry processes

- Your Company is the only organisation in India with 3 ISO certifications (ISO 9001, 14001, 18001), showcasing its true commitment towards quality processes, work safety and a clean and safe work environment

Outlook

The laundry services business is currently undergoing a huge transition in India. Hitherto dominated by small dhobis in the unorganised sector, the segment is fast evolving with consumers increasingly looking for sophisticated and quality laundry services. Changing demographics, growing disposable incomes, nuclearisation of families, widening bachelor pool and an acute shortage of time outside work schedules have been the major growth drivers in the segment. The entry of organised players in the segment has assisted the sector significantly and helped it establish an organised set-up. Considering the vast potential presented by the sector, your Company aims to ramp up its presence significantly. It is planning to introduce new outlets through the franchise model in major cities of India and is also building up its capabilities and services to keep itself ahead of the competition.

Jyothy labs

CORPORATE INFORMATION

DIRECTORS

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

Mr. K. Ullas Kamath
Joint Managing Director
(DIN: 00506681)

Ms. M. R. Jyothy
Whole-time Director & Chief Marketing Officer
(DIN: 00571828)

Mr. Nilesh B. Mehta
Independent Director
(DIN: 00199071)

Mr. K. P. Padmakumar (Up to March 31, 2019)
Independent Director
(DIN: 00023176)

Mr. R. Lakshminarayanan
Independent Director
(DIN: 00238887)

Ms. Bhumika Batra (w.e.f. March 14, 2019)
Independent Director
(DIN: 03502004)

COMPANY SECRETARY

Mr. Shreyas Trivedi
(Membership No. A12739)

CHIEF FINANCIAL OFFICER

Mr. Sanjay Agarwal

STATUTORY AUDITORS

M/s. B S R & Co. LLP
(Firm Registration No. 101248W/W-100022)

INTERNAL AUDITORS

M/s. Mahajan & Aibara Chartered Accountants LLP
(Firm Registration No. 105742W)

SECRETARIAL AUDITORS

M/s. Rathi & Associates,
Company Secretaries
(Firm Registration No. P1988MH011900)

COST AUDITORS

M/s. R. Nanabhoy & Co.
(Firm Registration No. 000010)

REGISTERED OFFICE

Jyothy Laboratories Limited
Ujala House, Ram Krishna Mandir Road,
Kondivita, Andheri East, Mumbai - 400 059
Telephone: +91-22-66892800
Fax: +91-22-66892805
Email : info@jyothy.com;
Website: www.jyothylaboratories.com

CORPORATE IDENTITY NUMBER (CIN)

L24240MH1992PLC128651

SECRETARIAL DEPARTMENT

Ujala House, Ram Krishna Mandir Road,
Kondivita, Andheri East, Mumbai - 400 059
Telephone: +91-22-66892800
Email: secretarial@jyothy.com

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
U67190MH1999PTC118368
C-101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai - 400 083
Telephone: +91-22-49186000
Fax: +91-22-49186060
Email: rnt.helpdesk@linkintime.co.in

DIRECTORS' REPORT

Dear Members,

It is our pleasure to present the 28th Annual Report of your Company together with the Audited Financial Statements for the financial year ended March 31, 2019.

FINANCIAL PERFORMANCE

Your Company's financial performance on standalone basis for the financial year ended March 31, 2019 compared with previous financial year is summarised below:

(₹ in Lacs)

Financial results	Financial Year ended March 31, 2019	Financial Year ended March 31, 2018
Revenue from Operations	1,76,887.38	1,64,413.89
Earnings before interest, tax, depreciation, amortization and impairment	**28,578.40**	**26,411.70**
Finance Cost	2,782.36	4234.75
Other Income	2,782.98	4,329.97#
Depreciation on Tangible Assets	2,702.56	2,540.64
Amortization of Intangible Assets	3,126.04	3,118.25
Profit before tax	**22,750.42**	**20,848.03**
Provision for tax		
- Current tax	4,690.64	4,227.37
- Adjustment of Tax relating to earlier period	-	(143.65)
- Deferred Tax Charge/(Credit)	(1,257.50)	710.76
Profit after tax	**19,317.28**	**16,053.55**
Earning Per Share (Basic) (In ₹)	**5.29**	**4.42**
Earning Per Share (Diluted) (In ₹)	**5.29**	**4.37**
Dividend Per Share of face value of ₹ 1/- (In ₹)	**3.00**	**0.50***

 # Other Income for the financial year ended March 31, 2018 includes Profit of ₹ 1,897.45 lacs from sale of Land and Building situated at Ambattur, Chennai.

** on the expanded capital base (on account of Bonus Issue).*

The above mentioned financial performance highlights are an abstract of the Financial Statements of your Company for the Financial Year 2018-19. The detailed Financial Statements of your Company forms part of this Annual Report and are also uploaded on the website of your Company i.e. www.jyothylaboratories.com.

PERFORMANCE HIGHLIGHTS

The Revenue from operations on standalone basis of your Company for the Financial Year 2018-19 grew by 7.6% and stood at ₹ 1,76,887.38 Lacs compared to ₹ 1,64,413.89 Lacs in the previous financial year. The profit before tax was at ₹ 22,750.42 Lacs as against ₹ 20,848.03 Lacs in the previous financial year, registering a growth of 9.1 %. The net profit for the financial year 2018-19 amounted to ₹ 19,317.28 Lacs, registering an increase of 20.3% over the previous year.

The consolidated revenue from operations of your Company for the year under review stood at ₹ 1,81,357.66 Lacs as against ₹ 1,69,027.83 Lacs in the previous year, reporting a growth of 7.3%. The consolidated profit before tax was at ₹ 24,305.64 Lacs registering a growth of 1% over the consolidated profit before tax of the previous financial year. The consolidated profit after tax for the financial year under review stood at ₹ 19,761.71 Lacs against ₹ 17,887.02 Lacs in the previous financial year, an increase by 10.5% over the previous financial year.

DIVIDEND

Your Board is pleased to recommend for your consideration, a dividend of ₹ 3/- (Rupees Three only) per equity share of ₹ 1/- each for the financial year 2018-19. The aforesaid dividend will involve a total payout of ₹ 13,280.68 Lacs (inclusive of Dividend Distribution Tax of ₹ 2,264.42 Lacs) and is subject to the approval of Members at the ensuing Annual General Meeting of your Company. The proposed dividend

payout is in accordance with your Company's Dividend Distribution Policy.

During the previous financial year, your Company had paid a total dividend of 50 Paisa (Paisa Fifty only) per equity share of ₹ 1/- each for the financial year 2017-18 on the expanded capital base (on account of Bonus Issue) of your Company. The aforesaid dividend involved a total payout of ₹ 2,192.62 Lacs (inclusive of Dividend Distribution Tax of ₹ 373.68 Lacs).

DIVIDEND DISTRIBUTION POLICY

The Board of Directors of your Company has approved and adopted a policy on Dividend Distribution formulated in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the dividend recommended is in accordance with the said policy.

The Dividend Distribution Policy is annexed to this report as **"Annexure – A"** and can be accessed from your Company's website at the link: http://www.jyothylaboratories.com/admin/docs/DIVIDEND%20DISTRIBUTION%20POLICY_JLL_FINAL.pdf

ISSUE OF SHARES

a) Issue of Bonus Shares

During the financial year under review, your Company on July 3, 2018 had allotted Bonus Shares in the ratio of 1:1 i.e. 1 (One) new equity share of ₹ 1/- each for every 1 (One) existing equity share of ₹ 1/- each held by the members as on the record date i.e. June 30, 2018. On account of the said issue of Bonus Shares, the Promoter/ Promoter Group of your Company were allotted 12,15,33,847 equity shares of ₹ 1/- each.

Post bonus issue, the Equity Share Capital of your Company stands increased to ₹ 36,35,88,174/- divided into 36,35,88,174 equity shares of ₹1/- each.

b) Issue of Equity Shares with differential rights

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

c) Issue of Sweat Equity Shares

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

d) Issue of Employee Stock Option

In terms of the provisions of Section 62(1)(b) read with Section 39 of the Act, during the year under review, as approved by members at the 23rd Annual General Meeting held on August 13, 2014 and 27th Annual General Meeting held on July 25, 2018, your Company has issued and allotted 36,20,470 equity shares of ₹ 1/- each to Mr. S. Raghunandan under "Jyothy Laboratories Employees Stock Option Scheme 2014-A" (ESOS 2014-A). Accordingly, the equity share capital of your Company stands increased to ₹ 36,72,08,644/- divided into 36,72,08,644 equity shares of ₹ 1/- each fully paid up.

INCREASE IN SHARE CAPITAL

The Authorised Share Capital of your Company is ₹ 2,72,30,00,000 consisting of: (a) 2,72,00,00,000 equity shares of the face value of ₹ 1/- each and (b) 30,000 11% cumulative redeemable preference shares of the face value of ₹ 100/- each.

Further, after the issue of 36,20,470 equity shares ₹ 1/- each to Mr. S. Raghunandan under ESOS 2014-A, the paid up equity share capital of your Company stands increased to ₹ 36,72,08,644/- consisting of 36,72,08,644 equity shares of ₹ 1/- each fully paid-up.

DEBENTURES

In terms of Section 42 of the Act read with Rule 14 of the Companies (Prospectus and Allotment) Rules, 2014, your Company had issued 4000, Secured Rated Unlisted Redeemable Non-Convertible Debentures having a Face Value of ₹ 10,00,000/- (Rupees Ten Lacs only) each aggregating to ₹ 400 Crores (Debentures) on December 9, 2016 on private placement basis. During the previous financial year i.e. 2017-18, your Company had partially redeemed the Debentures by making a payment of ₹ 5,00,000/- (Rupees Five Lacs only) each on 4000 Debentures aggregating to ₹ 200 Crores on February 1, 2018 and February 8, 2018. Further, after the said partial redemption, your Company had revised the Face Value of the said 4000 Debentures to ₹ 5,00,000/- (Rupees Five Lacs only) each.

During the financial year under review, your Company has made the balance payment of ₹ 5,00,000/- (Rupees Five Lacs only) each on 4000 Debentures aggregating to ₹ 200 Crores on April 27, 2018 by exercising the Put option and accordingly, your Company has fully redeemed the entire 4000 Debentures.

EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as prescribed under Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in prescribed Form MGT-9 is annexed to this report as "**Annexure – B**".

NUMBER OF MEETINGS OF THE BOARD

Your Company's Board of Directors met 5 (five) times during the financial year ended March 31, 2019 in accordance with the provisions of the Act and Rules made thereunder.

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

AUDIT COMMITTEE

The Audit Committee of your Company consists of all Independent Directors and Mr. K. Ullas Kamath, Joint Managing Director of your Company. However, Mr. K. P. Padmakumar and Mr. Kamath ceased to be the members of the Audit Committee with effect from the closing hours of March 31, 2019. The detailed composition of the Audit Committee is provided in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Act, in relation to the Audited Financial Statements of your Company for the financial year ended March 31, 2019, the Board of Directors hereby confirms that:

a. in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards read with the requirements set out under Schedule III to the Act, have been followed and there were no material departures from the same;

b. your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2019 and of the profit of your Company for the year ended on that date;

c. your 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 your Company and for preventing and detecting fraud and other irregularities;

d. your Directors have prepared annual accounts of your Company on a going concern basis;

e. your Directors have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively; and

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

PERFORMANCE EVALUATION

In accordance with the Act and Regulation 4(2)(f) of the Listing Regulations, your Company has framed a Policy for Evaluation of Performance of Independent Directors, Board, Committees and other Individual Directors which includes criteria for performance evaluation of Non-Executive Directors and Executive Directors. A questionnaire is formulated for evaluation of performance of the Board, its committees and individual Directors, after taking into consideration several aspects such as board composition, strategic orientation, board functioning and team dynamics. Based on the questionnaire prepared, an annual performance evaluation was carried on May 16, 2018.

Performance evaluation of Independent Directors was conducted by the Board of Directors, excluding the Director being evaluated. The criteria for performance evaluation of Independent Directors laid down by the Nomination, Remuneration and Compensation Committee include ethics and values, knowledge and proficiency, diligence, behavioral traits, efforts for personal development and independence in decision making.

Similarly, performance evaluation of the Chairman and Non–Independent Directors was carried out by the Independent Directors. Your Directors also expressed their satisfaction with the evaluation process.

TRAINING OF INDEPENDENT DIRECTORS

All Independent Directors are familiarized with your Company, their roles, rights and responsibilities in your Company, nature of the industry in which your Company operates, business model, strategy, operations and functions of your Company through its Executive Directors and Senior Managerial Personnel. The details of programs for familiarization of Independent Directors with your Company are available on the website of your Company at the link:

http://www.jyothylaboratories.com/admin/docs/Familiarisation%20Programme_JLL_2016-17.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL

SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 amended the provisions of Regulation 17 of the Listing Regulations, which requires top 500 listed entities to appoint one Woman Independent Director on the Board of the Company. Accordingly, based on the recommendation of the Nomination, Remuneration and Compensation Committee, the Board of Directors of your Company at their meeting held on March 14, 2019, appointed Ms. Bhumika Batra (DIN: 03502004) as an Independent Director of your Company for a period of 5 years commencing from March 14, 2019, subject to approval of members at the ensuing Annual General Meeting. The credentials of Ms. Bhumika Batra have been laid down in the Notice of the ensuing Annual General Meeting.

Mr. M. P. Ramachandran on May 7, 2019 placed his resignation before the Board of Directors of your Company as a Director, which will be effective from April 1, 2020 and thereby he will also cease to be the Chairman & Managing Director of your Company from the said date. In view of his resignation as the Chairman & Managing Director and considering the qualification and experience of Ms. M. R. Jyothy in your Company and as a measure of the succession planning and based on the recommendation of the Nomination, Remuneration and Compensation Committee at their meeting held on May 7, 2019, it is proposed to appoint Ms. M. R. Jyothy (DIN: 00571828) as the Managing Director of your Company for a period of 5 years commencing from April 1, 2020 to March 31, 2025 (both days inclusive).

Ms. M. R. Deepthi having an overall experience of 13 years in the field of Finance/Secretarial function in your Company, she has been playing a key role in budget formulation, preparation of MIS report, monitoring performance against the budget, raising and management of funds and other financial activities. Apart from finance function she is also actively participating in Secretarial function of your Company. Considering Ms. Deepthi's qualification and overall experience in your Company and based on the recommendation of the Nomination, Remuneration and Compensation Committee at their meeting held on May 7, 2019, it is proposed to appoint Ms. M. R. Deepthi (DIN: 01746698) as the Whole-time Director of your Company for a period of 5 years commencing from April 1, 2020 to March 31, 2025 (both days inclusive).

Both the aforesaid appointments are also subject to the approval of members and accordingly resolutions in respect of their appointments have been set out in the Notice of the ensuing Annual General Meeting.

Further, in accordance with the provisions of Section 152 of the Act, Ms. M. R. Jyothy, the Whole Time Director & Chief Marketing Officer (DIN: 00571828) of your Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

DECLARATION OF INDEPENDENT DIRECTORS

Pursuant to Section 134(3)(d) of the Act, your Company confirms having received necessary declarations from all the Independent Directors under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations declaring that they meet the criteria of independence laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. Your Company has also formulated a Code of Conduct for Directors and Senior Management Personnel and has obtained declarations from all the Directors to the effect that they are in compliance with the Code.

MEETING OF INDEPENDENT DIRECTORS

Your Company's Independent Directors meet at least once in every financial year without the presence of the Executive Directors or Management Personnel of your Company and the Meeting is conducted informally. During the year under review, one meeting of Independent Directors was held on May 16, 2018.

REMUNERATION POLICY

Your Company follows the policy on Nomination and Remuneration/Compensation of Directors, Key Managerial Personnel and other Employees as approved by the Nomination, Remuneration and Compensation Committee and the Board of Directors of your Company and the same has been uploaded on your Company's website at http://www.jyothylaboratories.com/management-policies.php. Salient features of the said Policy is annexed to this report as "**Annexure – C**".

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of any fraud reported by the Statutory Auditors under Section 143(12) of the Act.

AUDITORS & AUDIT REPORTS

Statutory Auditors and their Report

At the 26th Annual General Meeting held on July 11, 2017, M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No.101248W/W-100022) were appointed as the Statutory Auditors of your Company to hold office

for a term of 5 years commencing from the conclusion of 26th Annual General Meeting till the conclusion of 31st Annual General Meeting subject to ratification by Members in each Annual General Meeting. However, as per the Companies (Amendment) Act, 2017 provisions of Section 139 of the Act has been amended, wherein, the requirement of ratification of appointment of Statutory Auditors at every Annual General Meeting has been done away with. Accordingly, appointment of M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No.101248W/W-100022) as Statutory Auditors of your Company, will not be placed for ratification by the members in the ensuing Annual General Meeting.

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

Secretarial Auditors and their Report

In terms of Section 204 of the Act, the Board of Directors of your Company on the recommendation of the Audit Committee have re-appointed M/s. Rathi & Associates, Practicing Company Secretaries, Mumbai as the Secretarial Auditors of your Company to carry out Secretarial Audit for the financial year 2019-20. Your Company for the Financial Year 2018-19 has obtained Secretarial Audit Report in the prescribed Form MR-3 from M/s. Rathi & Associates, Practicing Company Secretaries, which forms part of the Annual Report and is appended as "**Annexure – D**" to this Report. The report do not contain any qualification(s), reservation(s) or adverse remark(s) which calls for any explanation from your Board of Directors.

Cost Auditors and their Report

As per Section 148 of the Act read with the Companies (Cost Records and Audits) Rules, 2014, as amended, the Board of Directors of your Company on recommendation of the Audit Committee have re-appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai (Registration No. 000010) as the Cost Auditors to carry out the cost audit of its products covered under the Ministry of Corporate Affairs Order dated June 30, 2014 (as amended on December 31, 2014) for the financial year 2019-20. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee and the requisite resolution for ratification of remuneration of Cost Auditors by the members has been set out in the Notice convening the 28th Annual General Meeting of your Company.

The re-appointment of M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai as the Cost Auditors of your Company is within the prescribed limits of the Act and free from any disqualifications specified thereunder. Your Company has received the Certificate from the Cost Auditor confirming their independence and relationship on arm's length basis.

The Cost Audit Report for the financial year ended March 31, 2018, issued by M/s. R. Nanabhoy & Co., Cost Auditors, in respect of the various products prescribed under Cost Audit Rules does not contained any qualification(s), reservation(s) or adverse remark(s) and the same was filed with the Ministry of Corporate Affairs on August 23, 2018. The Cost Audit Report for the financial year ended March 31, 2019 will be filed with the Ministry of Corporate Affairs within the prescribed statutory time limit.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of Loans, Guarantees and Investments as prescribed under Section 186 of the Act are appended as "**Annexure – E**" and forms integral part of this report.

RELATED PARTY TRANSACTIONS

Pursuant to Section 134 of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, in the prescribed Form AOC-2 is appended as "**Annexure – F**" to this Report. During the year, your Company had entered into contract(s)/ arrangement(s)/transaction(s) with related parties which were in ordinary course of business and on arm's length basis and none of which could be considered as material in accordance with the policy of your Company on materiality of related party transactions. Further, none of the contract(s)/arrangement(s)/ transaction(s) with related parties required approval of members as the same were within the limits prescribed under Section 188(1) of the Act and Rules framed thereunder.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed from your Company's website at the link: http://www.jyothylaboratories.com/admin/docs/RPT_JLL_Website.pdf

Attention of Members is also drawn to Note 34 to the financial statements for the year ended March 31, 2019 which sets out the related party disclosures as per Indian Accounting Standard (Ind AS) 24.

STATE OF THE COMPANY'S AFFAIRS (MANAGEMENT DISCUSSION AND ANALYSIS)

In terms of the provisions of Regulation 34(2) of the Listing Regulations, the Management Discussion and Analysis Report of your Company's affairs for the year under review is attached and forms an integral part of this Annual Report.

TRANSFER TO RESERVES

Your Company did not transfer any sum to the General Reserve or to the Debenture Redemption Reserve for the financial year under review.

MATERIAL CHANGES AND COMMITMENTS

Except as disclosed elsewhere in this report, no material changes and commitments which could affect your Company's financial position have occurred between the end of the financial year 2018-19 and date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are annexed herewith as "**Annexure - G**" to this report.

RISK MANAGEMENT

The Board of Directors of your Company on March 14, 2019 has constituted a Risk Management Committee which comprises of the following Directors/Executives of the Company as Members of the Committee:

1. Mr. M. P. Ramachandran, Chairman & Managing Director as Chairman;
2. Mr. K. Ullas Kamath, Joint Managing Director as Member;
3. Ms. M. R. Jyothy, Whole-time Director & Chief Marketing Officer as Member;
4. Mr. T. Ananth Rao, Head – Operations as Member; and
5. Mr. Ravi Razdan, Head – Systems & HR as Member.

The Risk Management Committee have been entrusted with the powers such as Monitoring and reviewing of the risk management plan/policies; Appoint various functionaries; Decide the role and responsibilities of various functionaries; Evaluate risk including cyber risk of your Company as a whole and also control measures/ security; Such other powers as may be delegated by the Board of Directors from time to time.

The Board of Directors of your Company has designed a Risk Management Policy in a structured manner taking into consideration the following factors and the same is being monitored on a periodic basis by your Company:

1. The Management Approach;
2. Vision & Mission;
3. Key Business Goals;
4. Risk Library; and
5. Risk Management Focus.

Also, the Management has adopted the following 5 step approach keeping in view your Company's Vision and Mission:

1. Identifying 'Key' Business goals;
2. Identifying the Risk Management focus;
3. Identifying Business risks;
4. Prioritizing the identified business risks; and
5. Rating the current risk management capability for identified risks.

Further, your Company has identified Key Business Goals for a five year horizon and a library of risk events which could be bottleneck in achieving the same. After defining the key business goals and the library of risk events, your Company identified the goals on which the management would focus.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

Your Company for the financial year 2018-19 was required to spend an amount of ₹ 365.47 Lacs (2% of the average net profits of last three financial years) towards Corporate Social Responsibility (CSR) activities. However, your Company for the financial year 2018-19 has spent ₹ 421.08 Lacs which was higher than the statutory requirement of 2% of the average net profits for the last three financial years.

The Annual Report on CSR activities that includes details about CSR Policy developed and implemented by your Company and CSR initiatives taken during the financial year 2018-19 in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as "**Annexure – H"** to this Report

Details about the CSR Policy adopted and formulated by your Company can be accessed from your Company's website at the link:

http://www.jyothylaboratories.com/admin/docs/JLL_CSR%20Policy_Website.pdf.

CHANGE IN NATURE OF BUSINESS

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

PERFORMANCE OF SUBSIDIARIES, ASSOCIATE COMPANIES/JOINT VENTURES

A statement containing the salient features of the financial statements of your Company's subsidiaries, Associates and Joint Venture Companies in the prescribed format AOC-1 is presented in separate section forming part of the financial statements and hence not repeated here in this report for the sake of brevity. Policy for determining material subsidiaries formulated and adopted by your Company can be accessed from your Company's website at the link:

http://www.jyothylaboratories.com/admin/docs/Material%20Subsidiary%20Policy_JLL%20final.pdf

No Company has become or ceased to be its subsidiary, joint venture or associate company during the financial year 2018-19.

FIXED DEPOSITS

Your Company did not accept/renew any fixed deposits from public and no fixed deposits were outstanding or remained unclaimed as on March 31, 2019.

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 your Company and its future operations.

INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls adopted and followed by your Company are adequate and are operating effectively. Your Company has adopted a dynamic Internal Financial Controls framework based on the best practices followed in the industry. Under the said framework, Risk and Control Matrix are defined for the following process(es):-

1. Fixed Assets;
2. Financial Statement Closing Process;
3. Information Technology;
4. Inventory Management;
5. Marketing and Advertising;
6. Payroll;
7. Production Process;
8. Taxation; and
9. Treasury.

M/s. MGB Advisors Private Limited have been entrusted with the responsibility of testing the controls identified and implemented by your Company for all the aforesaid process(es).

During the year under review, no material or serious observations has been received from the Internal Auditors of your Company regarding inefficiency or inadequacy of such controls.

CONSOLIDATED ACCOUNTS

The consolidated financial statements of your Company are prepared in accordance with the relevant Indian Accounting Standards issued by the Central Government under Section 133 of the Act and forms integral part of the Annual Report.

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of the Listing Regulations together with the Certificate received from M/s. Rathi & Associates, Practicing Company Secretary, confirming compliance of Corporate Governance requirements is attached and forms an integral part of this Report.

BUSINESS RESPONSIBILITY REPORT

The Securities and Exchange Board of India (SEBI), vide amendment to Regulation 34(2)(f) of the Listing Regulations on December 22, 2015, had extended the applicability of Business Responsibility Reports to top 500 listed companies based on market capitalization. Your Company being one of the top 500 listed Companies is required to report on Business Responsibility. Accordingly, the report on Business responsibility forms an integral part of this report.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

REMUNERATION/COMMISSION FROM ANY OF ITS SUBSIDIARIES

During the year under review, neither the Managing Director nor the Whole-time Directors of your Company received any remuneration or commission from any of its Subsidiaries.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

Your Company has adopted Jyothy Laboratories Employee Stock Option Scheme 2014-A ("ESOS 2014-A") for granting of options to Mr. S. Raghunandan, the then Whole-time Director and Chief Executive Officer of your Company (who has relinquished the office of Whole-time Director and Chief Executive Officer of your Company w.e.f. May 23, 2016) and Jyothy Laboratories Employee Stock Option Scheme 2014 ("ESOS 2014") for granting of options to other eligible employees of your Company as approved by the Members at the 23rd Annual General Meeting held on August 13, 2014.

Disclosure as required under Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and Regulation 14 of the Securities Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 are furnished below:

		Jyothy Laboratories Employee Stock Option Scheme 2014-A ("ESOS 2014-A")	**Jyothy Laboratories Employee Stock Option Scheme 2014 ("ESOS 2014")**
1	Date of Shareholders' approval	August 13, 2014	August 13, 2014
2	Total number of options approved under ESOS	27,15,352	27,15,352
3	Vesting Requirements	Options granted under ESOS 2014-A would Vest after One year but not later than four years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and certain performance parameters.	Options granted under ESOS 2014 would Vest after One year but not later than four years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and certain performance parameters
4	Exercise price or pricing formula	₹ 1/- per option	₹ 1/- per option
5	Maximum term of options granted	5 years	5 years
6	Source of shares	Primary	Primary
7	Variation in terms of option	No variation in the terms of option	No variation in the terms of option
8	Method of Option Valuation	Intrinsic Value	Intrinsic Value
9	Option Movement during the year		
	Number of Options outstanding at the beginning of the period	18,10,235	-
	Number of options granted during the year	18,10,235^	-
	Number of options forfeited/lapsed during the year	-	-
	Number of options vested during the year	36,20,470	-
	Number of options exercised during the year	36,20,470	-
	Number of shares arising as a result of exercise of options	36,20,470	-
	Money realized by exercise of options (Amount in ₹)	36,20,470	-
	Loan repaid by the Trust during the year from exercise price received	N.A.	N.A.
	Number of Options outstanding at the end of the year	0	0
	Number of options exercisable at the end of the year	0	0

10	Employee Wise details of Options Granted			
I.	Senior Managerial Personnel			
	Name	**Designation**	**Options Granted during the Year**	**Exercise Price**
	None	-	-	-
II.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year; and			
	Name	**Designation**	**Options Granted during the Year**	**Exercise Price**
	None	-	-	-
III.	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.			
	Name	**Designation**	**Options Granted during any one Year**	**Exercise Price**
	Mr. S. Raghunandan	Whole-time Director & Chief Executive Officer*	27,15,352#	₹ 1/- per Option

^ During the year under review your Company had issued Bonus shares in the ratio of 1:1 pursuant to the Resolution passed by the Members through Postal Ballot on June 22, 2018 and accordingly, additional 18,10,235 options were adjusted/granted to Mr. S. Raghunandan on account of corporate action in form of bonus issue.

** Ceased to be Whole-time Director and Chief Executive Officer of your Company and re-designated as President of your Company w.e.f. May 23, 2016.*

 # Options Granted to Mr. S. Raghunandan during the financial year 2014-15.

Note: Other details as required under Regulation 14 of the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular bearing number CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 forms part of the Notes to Accounts of the Financial Statements in the Annual Report.

Further the aforesaid details are also available on your Company's website at the link: http://www.jyothylaboratories.com/admin/docs/ESOP_Reg.%2014.pdf

The certificate from the Statutory Auditors in respect of implementation of Jyothy Laboratories Employee Stock Option Scheme 2014-A ("ESOS 2014-A") in accordance with the resolution passed by the Members at the 23rd Annual General Meeting of your Company held on August 13, 2014, shall be placed at the ensuing Annual General Meeting for inspection by Members.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company has a Vigil Mechanism in place which includes a Whistle Blower Policy in terms of the Listing Regulations for Directors and employees of your Company to provide a mechanism which ensures adequate safeguards to Employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports etc.

The Vigil Mechanism/Whistle Blower Policy of your Company can be accessed from your Company's website at the link: http://www.jyothylaboratories.com/admin/docs/Vigil%20Mechanism%20Final%20Approved%2024.1.19.pdf

The Whistle Blowers have a right/option to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy directly to the Chairman of the Audit Committee. During the year under review, no protected disclosure from any Whistle Blower was received by the designated officer under the Vigil Mechanism.

INTERNAL CONTROL SYSTEMS

Your Company has adequate internal control systems and procedures in place for effective and smooth conduct of business and to meet exigencies of operation and growth. Your Company has set up Standard Operating Process (SOP), procedures and controls apart from regular Internal Audits. Roles and responsibilities have been laid down for each process owners. Management Information System has been established which ensure that adequate and accurate information is available for reporting and decision making.

Internal Audit is conducted by an independent firm of Chartered Accountants viz. M/s. Mahajan & Aibara Chartered Accountants, LLP. Internal Auditors regularly check the adequacy of the system, their observations are reviewed by the management and remedial measures, as necessary, are taken. Internal Auditors report directly to the Chairman of the Audit Committee to maintain its objectivity and independence.

Your Company has also implemented a Compliance Tool software mechanism viz. "Legatrix" designed by Legasis

Services Private Limited which ensures compliance with the provisions of all applicable laws to your Company adequately and effectively.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Transfer of Equity Shares:

Pursuant to the provisions of Section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs on September 7, 2016 and subsequently amended vide notification dated February 28, 2017, all the equity shares of the Company in respect of which dividend amounts have not been paid or claimed by the shareholders for seven consecutive years or more are required to be transferred to demat account of Investor Education and Protection Fund Authority (IEPF Account).

Accordingly, 2,952 shares of 67 members of your Company were transferred to Demat Account of IEPF Authority on November 15, 2018. Your Company had sent individual notice to all the aforesaid 67 members and has also published the notice in the leading English and Marathi newspapers. The details of the aforesaid 67 members are available on the website of your Company viz. www.jyothylaboratories.com.

Transfer of Unpaid/Unclaimed Dividend:

Further, pursuant to the provisions of Section 124(5) of the Act, the dividend which remained unclaimed/unpaid for a period of seven years from the date of transfer to unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

As a result, the unclaimed/unpaid dividend for the year 2010-11 which remained unpaid and unclaimed for a period of 7 years has been already transferred by your Company to the IEPF.

Your Company has uploaded the details of unclaimed/ unpaid dividend for the financial year 2010-11 onwards on its website viz., www.jyothylaboratories.com and on website of the Ministry of Corporate Affairs viz., www.mca.gov.in and the same gets revised/updated from time to time pursuant to the provisions of IEPF (Uploading of Information Regarding Unpaid and Unclaimed Amount Lying with Companies) Rules, 2012.

Further, the unpaid dividend amount pertaining to the financial year 2011-12 will be transferred to IEPF during the Financial Year 2019-20.

EMPLOYEE RELATIONS

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

MANUFACTURING FACILITIES

Your Company has state-of-the-art facilities at all of its manufacturing locations spread across India. Furthermore, six manufacturing plants of your Company situated at Roorkee, Wayanad, Jammu, Pithampur, Puducherry and Baddi are ISO 9001-2015 certified.

PREVENTION OF SEXUAL HARASSMENT

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

PARTICULARS OF EMPLOYEES

The disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and forming part of the Directors' Report for the year ended March 31, 2019 is annexed herewith as "**Annexure – I"** to this Report.

CAUTIONARY NOTE

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

ACKNOWLEDGEMENT

Your Directors express their sincere appreciation for the contribution and commitment of the employees of your Company at all levels and for the excellent support provided by the members, customers, distributors, suppliers, bankers, media and other Stakeholders, during the financial year under review. Your Company looks forward to continued and unstinted support in its endeavor to make lives of consumers better by providing world class products at affordable price.

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

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

Place: Mumbai
Date: May 7, 2019

ANNEXURE - A

DIVIDEND DISTRIBUTION POLICY

1. BACKGROUND, SCOPE AND PURPOSE:

The Securities and Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016. Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires the top 500 listed companies (by market capitalisation) to formulate and disclose a Dividend Distribution Policy in the annual report and on the website of the Company.

Jyothy Laboratories Limited (the "Company") being one of the top 500 listed companies as per the criteria mentioned above, the Board of Directors ("Board") of the Company at its meeting held on January 20, 2017 adopted this Dividend Distribution Policy to comply with these requirements. The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted herein, progressive dividend, which shall be consistent with the performance of the Company over the years.

2. DEFINITIONS:

2.1 "Board" shall mean Board of Directors of the Company.

2.2 "Companies Act" shall mean the Companies Act, 2013 and Rules thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended from time to time.

2.3 "Dividend" represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

2.4 "Listed Entity/Company" shall mean Jyothy Laboratories Limited.

2.5 "Policy" means Dividend Distribution Policy.

2.6 "Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by the Securities and Exchange Board of India, as amended, from time to time.

2.7 "Stock Exchange" shall mean a recognised Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (Regulation) Act, 1956.

3. DIVIDEND DISTRIBUTION PHILOSOPHY:

The Company is deeply committed to driving superior value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both, medium term and longer term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

4. FINANCIAL PARAMETERS AND OTHER INTERNAL AND EXTERNAL FACTORS THAT WOULD BE CONSIDERED FOR DECLARATION OF DIVIDEND:

A. Financial parameters and Internal Factors-

- Distributable surplus available as per the Act and Regulations
- Working Capital requirement
- Earnings Per Share (EPS)

- The Company's liquidity position and future cash flow needs
- Track record of Dividends distributed by the Company
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- Capital expenditure requirements considering the expansion and acquisition opportunities
- Additional investment in subsidiaries and associates of the Company
- Upgradation of technology and physical infrastructure
- Acquisition of brands and business
- Past dividend payout ratio/trends

B. External Factors-

- Cost and availability of alternative sources of financing
- Economic Environment
- Capital Markets
- Dividend Payout ratio of competitors
- Macroeconomic and business conditions in general

Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

5. MANNER OF DIVIDEND PAYOUT:

A. In case of final dividend:

i. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

ii. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.

iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

B. In case of interim dividend:

i. Interim dividend, if any, shall be declared by the Board.

ii. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.

iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.

iv. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

6. UTILISATION OF RETAINED EARNINGS:

Subject to applicable regulations, the Company's retained earnings shall be applied for:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.
- Buyback of shares subject to applicable limits
- Payment of Dividend in future years
- Issue of Bonus shares
- Replacement of Capital Assets
- Where the cost of debt is high
- Any other permissible purpose

7. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY NOT EXPECT DIVIDEND:

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- Proposed expansion plans requiring higher capital allocation

- Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow
- Requirement of higher working capital for the purpose of business of the Company
- Proposal for buy-back of securities
- In the event of loss or inadequacy of profit
- Any other unforeseen circumstances having a bearing on the profits of the Company

8. PARAMETERS TO BE ADOPTED WITH REGARDS TO VARIOUS CLASSES OF SHARES:

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revised at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

9. MODIFICATION OF THE POLICY:

The Board is authorised to review/change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

10. DISCLAIMER:

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

ANNEXURE - B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L24240MH1992PLC128651
ii)	Registration Date	15/01/1992
iii)	Name of the Company	JYOTHY LABORATORIES LIMITED
iv)	Category/Sub-Category of the Company	Company Limited by shares/Indian Non-Government Company
v)	Address of the Registered office and contact details	'Ujala House' Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai- 400059; Tel. No. : 022-66892800; Fax: 022-66892805; Email: secretarial@jyothy.com; Website: www.jyothylaboratories.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent:	
	Name	Link Intime India Private Limited
	Address	C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400083
	Tel. No.	022-49186000
	Fax	022-49186060
	Email	rnt.helpdesk@linkintime.co.in
	Website	www.linkintime.co.in

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	Soaps	20231	52
2	Detergents	20233	15
3	Mosquito Repellent	20211	12

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Jyothy Kallol Bangladesh Limited 199, Tejgaon Industrial Area, Dhaka-1208, Bangladesh.	N.A.	Subsidiary	75%	Section 2(87)
2	Jyothy Fabricare Services Limited 'Ujala House', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059, Maharashtra.	U17120MH2008PLC180246	Subsidiary	86.37%	Section 2(87)
3	Four Seasons Drycleaning Company Private Limited 'Ujala House', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059, Maharashtra.	U93010MH2002PTC246838	Subsidiary*	86.37%	Section 2(87)
4	Snoways Laundrers & Drycleaners Private Limited N-119, North Block, Manipal Centre, Dickenson Road, Bangalore – 560042, Karnataka.	U93010KA2008PTC046087	Subsidiary*	86.37%	Section 2(87)

** Wholly Owned Subsidiaries of Jyothy Fabricare Services Limited*

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. as on 01/04/2018				No. of Shares held at the end of the year i.e. as on 31/03/2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	10,43,58,847	-	10,43,58,847	57.40	21,20,84,669	-	21,20,84,669	57.76	0.36
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1,50,00,000	-	1,50,00,000	8.25	3,00,00,000	-	3,00,00,000	8.17	-0.08*
e) Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any Other....									
Trust	21,75,000	-	21,75,000	1.20	43,50,000	-	43,50,000	1.18	-0.02*
Sub-total (A) (1):-	**12,15,33,847**	**-**	**12,15,33,847**	**66.85**	**24,64,34,669**	**-**	**24,64,34,669**	**67.11**	**0.26**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoters (A) = (A)(1)+(A)(2)	**12,15,33,847**	**-**	**12,15,33,847**	**66.85**	**24,64,34,669**	**-**	**24,64,34,669**	**67.11**	**0.26**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	95,20,693	550	95,21,243	5.24	2,93,23,983	1,100	2,93,25,083	7.99	2.75
b) Banks/ Financial Institutions	14,213	1,866	16,079	0.01	42,141	3,732	45,873	0.01	0.00
c) Central Government	-	-	-	-	840	-	840	0.00	0.00
c) State Government (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	12,51,120	-	12,51,120	0.69	4,00,000	-	4,00,000	0.11	-0.58
g) Foreign Institutional Investors	1,85,333	-	1,85,333	0.10	-	-	-	-	-0.10
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Portfolio Investor (Corporate)	2,96,71,275	-	2,96,71,275	16.32	5,81,11,443	-	5,81,11,443	15.83	-0.49

Category of Shareholders	No. of Shares held at the beginning of the year i.e. as on 01/04/2018				No. of Shares held at the end of the year i.e. as on 31/03/2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Alternate Investment Funds	10,71,303	-	10,71,303	0.59	15,97,793	-	15,97,793	0.44	-0.15
Foreign Banks	-	-	-	-	138	-	138	0.00	0.00
Sub-total (B)(1):-	**4,17,13,937**	**2,416**	**4,17,16, 353**	**22.95**	**8,94,76,338**	**4,832**	**8,94,81,170**	**24.37**	**1.42**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	94,19,990	2,832	94,22,822	5.18	1,23,54,596	5,664	1,23,60,260	3.37	-1.81
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	72,33,735	7,87,512	80,21,247	4.41	1,47,72,086	14,58,407	1,62,30,493	4.42	0.01
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,66,601	-	2,66,601	0.15	9,75,567	-	9,75,567	0.27	0.12
c) Others (specify)									
1. IEPF	2,745	-	2,745	0.00	8,442	-	8,442	0.00	0.00
2. Trusts	2,062	-	2,062	0.00	874	-	874	0.00	0.00
3. Hindu Undivided Family	2,42,070	-	2,42,070	0.13	5,40,070	414	5,40,484	0.14	0.01
4. Non-Resident Individuals (Repatriable)	2,92,285	5,701	2,97,986	0.16	6,39,208	15,917	6,55,125	0.17	0.01
5. Non-Resident Individuals (Non-Repatriable)	1,16,405	-	1,16,405	0.07	2,90,719	-	2,90,719	0.08	0.01
6. Clearing Members	1,71,949	-	1,71,949	0.10	1,36,271	-	1,36,271	0.04	-0.06
5. NBFCs registered with RBI	-	-	-	-	94,570	-	94,570	0.03	0.03
Sub-total (B)(2):-	**1,77,47,842**	**7,96,045**	**1,85,43,887**	**10.20**	**2,98,12,403**	**14,80,402**	**3,12,92,805**	**8.52**	**-1.68**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**5,94,61,779**	**7,98,461**	**6,02,60,240**	**33.15**	**11,92,88,741**	**14,85,234**	**12,07,73,975**	**32.89**	**-0.26**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**18,09,55,626**	**8,38,461**	**18,17,94,087**	**100**	**36,57,23,410**	**14,85,234**	**36,72,08,644**	**100**	

** The change in Promoters shareholding percentage is because of increase in the paid up share capital of the Company during the Financial Year 2018-19 on account of shares allotted by the Company to Mr. S. Raghunandan, the then Whole-time Director and Chief Executive Officer under "Jyothy Laboratories Employees Stock Option Scheme 2014-A".*

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	Mr. M. P. Ramachandran	7,01,36,948	38.58	12.08	14,36,40,871#	39.12	15.95	0.54
2	Sahyadri Agencies Limited	1,50,00,000	8.25	0.00	3,00,00,000#	8.17	0.00	-0.08
3	Mr. M. P. Divakaran	72,35,913	3.98	0.00	1,44,71,826#	3.94	0.00	-0.04
4	Mr. M. P. Sidharthan	52,15,230	2.87	0.00	1,04,30,460#	2.84	0.00	-0.03
5	Ms. M. R. Deepthi	51,80,885	2.84	0.00	1,03,61,770#	2.82	0.00	-0.02
6	Ms. M. R. Jyothy	47,68,937	2.62	0.00	95,37,874#	2.60	0.00	-0.02
7	Ms. M. G. Shanthkumari	36,17,954	1.99	0.00	72,35,908#	1.97	0.00	-0.02
8	Ms. U. B. Beena	34,46,600	1.90	0.00	68,93,200#	1.88	0.00	-0.02
9	Jaya Trust	21,75,000	1.20	0.00	43,50,000#	1.18	0.00	-0.02
10	M. P. Divakaran - HUF	19,04,000	1.05	0.00	38,08,000#	1.04	0.00	-0.01
11	Mr. K Ullas Kamath	14,51,380	0.80	0.00	29,02,760#	0.79	0.00	-0.01
12	Sidharthan M. P. - HUF	13,20,000	0.73	0.00	26,40,000#	0.72	0.00	-0.01
13	Ms. K. K. Sujatha	81,000	0.04	0.00	1,62,000#	0.04	0.00	0.00

 # Increase in the number of shares held by Promoters is on account of issue of Bonus Shares in the ratio of 1:1 which was allotted by the Company on July 3, 2018 and credited in the demat account of the respective Promoters as on the Benpos dated July 13, 2018. Further, on December 13, 2018 Mr. M. P. Ramachandran purchased 33,66,975 equity shares of ₹ 1/- each.

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

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01/04/2018)		Date	Increase/ Decrease in no. of shares	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. M. P. Ramachandran	7,01,36,948	38.58	01-04-2018	-	-	7,01,36,948	38.58
				13-07-2018	7,01,36,948	Bonus Issue	14,02,73,896	38.58
				13-12-2018	33,66,975	Purchase	14,36,40,871	39.12
	As on 31/03/2019						14,36,40,871	39.12
2	Mr. K. Ullas Kamath	14,51,380	0.80	01-04-2018	-	-	14,51,380	0.80
				13-07-2018	14,51,380	Bonus Issue	29,02,760*	0.80
	As on 31/03/2019						29,02,760	0.79#
3	Ms. M. R. Jyothy	47,68,937	2.63	01-04-2018	-	-	47,68,937	2.62
				13-07-2018	47,68,937	Bonus Issue	95,37,874*	2.62
	As on 31/03/2019						95,37,874	2.60#
4	Sahyadri Agencies Limited	1,50,00,000	8.25	01-04-2018	-	-	1,50,00,000	8.25
				13-07-2018	1,50,00,000	Bonus Issue	3,00,00,000*	8.25
	As on 31/03/2019						3,00,00,000	8.17#
5	Mr. M.P. Divakaran	72,35,913	3.98	01-04-2018	-	-	72,35,913	3.98
				13-07-2018	72,35,913	Bonus Issue	1,44,71,826*	3.98
	As on 31/03/2019						1,44,71,826	3.94#
6	Mr. M. P. Sidharthan	52,15,230	2.87	01-04-2018	-	-	52,15,230	2.87
				13-07-2018	52,15,230	Bonus Issue	1,04,30,460*	2.87
	As on 31/03/2019						1,04,30,460	2.84#

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01/04/2018)		Date	Increase/ Decrease in no. of shares	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
7	Ms. M.R. Deepthi	51,80,885	2.84	01-04-2018	-	-	51,80,885	2.84
				13-07-2018	51,80,885	Bonus Issue	1,03,61,770*	2.84
	As on 31/03/2019						1,03,61,770	2.82#
8	Ms. M.G. Shanthkumari	36,17,954	1.99	01-04-2018	-	-	36,17,954	1.99
				13-07-2018	36,17,954	Bonus Issue	72,35,908*	1.99
	As on 31/03/2019						72,35,908	1.97#
9	Ms. U. B. BEENA	34,46,600	1.90	01-04-2018	-	-	34,46,600	1.90
				13-07-2018	34,46,600	Bonus Issue	68,93,200*	1.90
	As on 31/03/2019						68,93,200	1.88#
10	Jaya Trust	21,75,000	1.20	01-04-2018	-	-	21,75,000	1.20
				13-07-2018	21,75,000	Bonus Issue	43,50,000*	1.20
	As on 31/03/2019						43,50,000	1.18#
11	M.P. Divakaran - HUF	19,04,000	1.05	01-04-2018	-	-	19,04,000	1.05
				13-07-2018	19,04,000	Bonus Issue	38,08,000*	1.05
	As on 31/03/2019						38,08,000	1.04#
12	M.P. Sidharthan - HUF	13,20,000	0.73	01-04-2018	-	-	13,20,000	0.73
				13-07-2018	13,20,000	Bonus Issue	26,40,000*	0.73
	As on 31/03/2019						26,40,000	0.72#
13	Ms. K.K. Sujatha	81,000	0.04	01-04-2018	-	-	81,000	0.04
				13-07-2018	81,000	Bonus Issue	1,62,000*	0.04
	As on 31/03/2019						1,62,000	0.04

** Increase in the number of shares held by Promoters is on account of issue of Bonus Shares in the ratio of 1:1 which was allotted by the Company on July 3, 2018 and credited in the demat account of the respective Promoters as on the Benpos dated July 13, 2018. Further, on December 13, 2018 Mr. M. P. Ramachandran purchased 33,66,975 equity shares of ₹ 1/- each.*

#The change in Promoters shareholding percentage is because of increase in the paid up share capital of the Company during the Financial Year 2018-19 on account of shares allotted by the Company to Mr. S. Raghunandan, the then Whole-time Director and Chief Executive Officer under "Jyothy Laboratories Employees Stock Option Scheme 2014-A"

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

Sl. No.	Name & Type of Transaction	Shareholding		Date of Transaction	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding at the end of the year-2019	
		No. of shares at the (beginning of the year 01-04-18/End of the year 31-03-19)	% of Total shares of the Company				No. of shares	% of Total shares of the Company
1	FRANKLIN INDIA SMALLER COMPANIES FUND	2589000	1.42	01/04/2018			2589000	1.42
				18/05/2018	7927	Transfer	2596927	1.43
				15/06/2018	(50000)	Transfer	2546927	1.40
				22/06/2018	1847	Transfer	2548774	1.40
				30/06/2018	(397286)	Transfer	2151488	1.18
				13/07/2018	2536746	Bonus/ Transfer	4688234	1.29
				31/08/2018	100000	Transfer	4788234	1.32
				07/09/2018	225000	Transfer	5013234	1.38
				14/09/2018	100000	Transfer	5113234	1.41
				21/09/2018	971771	Transfer	6085005	1.67
				29/09/2018	604134	Transfer	6689139	1.84
				05/10/2018	111754	Transfer	6800893	1.87
				12/10/2018	562341	Transfer	7363234	2.03
				26/10/2018	100000	Transfer	7463234	2.05
				02/11/2018	212147	Transfer	7675381	2.11
				23/11/2018	187853	Transfer	7863234	2.14
				30/11/2018	300000	Transfer	8163234	2.22
				21/12/2018	172547	Transfer	8335781	2.27
				18/01/2019	327453	Transfer	8663234	2.36
				01/02/2019	700000	Transfer	9363234	2.55
				08/02/2019	1100000	Transfer	10463234	2.85
				22/02/2019	200000	Transfer	10663234	2.90
				01/03/2019	300000	Transfer	10963234	2.99
				08/03/2019	1392857	Transfer	12356091	3.36
				22/03/2019	207143	Transfer	12563234	3.42
				29/03/2019	1900	Transfer	12565134	3.42
	AT THE END OF THE YEAR	12565134	3.42	31/03/2019			**12565134**	**3.42**
2	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	8731548	4.80	01/04/2018			8731548	4.80
				06/04/2018	326571	Transfer	9058119	4.98
				13/04/2018	2491	Transfer	9060610	4.98
				20/04/2018	(21744)	Transfer	9038866	4.97
				27/04/2018	(11197)	Transfer	9027669	4.97
				04/05/2018	(15608)	Transfer	9012061	4.96
				18/05/2018	(181472)	Transfer	8830589	4.86
				25/05/2018	339145	Transfer	9169734	5.04
				01/06/2018	24433	Transfer	9194167	5.06
				15/06/2018	5564	Transfer	9199731	5.06

Sl. No.	Name & Type of Transaction	Shareholding		Date of Transaction	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding at the end of the year-2019	
		No. of shares at the (beginning of the year 01-04-18/End of the year 31-03-19)	% of Total shares of the Company				No. of shares	% of Total shares of the Company
				22/06/2018	5867	Transfer	9205598	5.06
				30/06/2018	50315	Transfer	9255913	5.09
				06/07/2018	452946	Transfer	9708859	5.34
				13/07/2018	9120751	Bonus/ Transfer	18829610	5.18
				20/07/2018	(291465)	Transfer	18538145	5.10
				27/07/2018	(225965)	Transfer	18312180	5.04
				03/08/2018	(131652)	Transfer	18180528	5.00
				10/08/2018	28899	Transfer	18209427	5.01
				17/08/2018	12219	Transfer	18221646	5.01
				24/08/2018	43076	Transfer	18264722	5.02
				31/08/2018	500357	Transfer	18765079	5.16
				07/09/2018	(555205)	Transfer	18209874	5.01
				14/09/2018	20338	Transfer	18230212	5.01
				21/09/2018	(169564)	Transfer	18060648	4.97
				29/09/2018	(488858)	Transfer	17571790	4.83
				05/10/2018	(56717)	Transfer	17515073	4.82
				12/10/2018	(1216406)	Transfer	16298667	4.48
				19/10/2018	(188733)	Transfer	16109934	4.43
				26/10/2018	(45190)	Transfer	16064744	4.42
				02/11/2018	(4231)	Transfer	16060513	4.42
				09/11/2018	2571	Transfer	16063084	4.42
				23/11/2018	(2278)	Transfer	16060806	4.37
				07/12/2018	(75097)	Transfer	15985709	4.35
				21/12/2018	(7374)	Transfer	15978335	4.35
				28/12/2018	6173	Transfer	15984508	4.35
				31/12/2018	(14958)	Transfer	15969550	4.35
				04/01/2019	(39672)	Transfer	15929878	4.34
				11/01/2019	(3735)	Transfer	15926143	4.34
				18/01/2019	(555963)	Transfer	15370180	4.19
				25/01/2019	(478236)	Transfer	14891944	4.06
				01/02/2019	(1592759)	Transfer	13299185	3.62
				08/02/2019	(602035)	Transfer	12697150	3.46
				22/02/2019	(403321)	Transfer	12293829	3.35
				01/03/2019	881	Transfer	12294710	3.35
				08/03/2019	(647235)	Transfer	11647475	3.17
				15/03/2019	(18871)	Transfer	11628604	3.17
				22/03/2019	(255669)	Transfer	11372935	3.10
				29/03/2019	(313245)	Transfer	11059690	3.01
	AT THE END OF THE YEAR	11059690	3.01	31/03/2019			**11059690**	**3.01**
3	EMBLEM FII	3075000	1.69	01/04/2018			3075000	1.69
				06/07/2018	(60944)	Transfer	3014056	1.66
				13/07/2018	3075000	Bonus/ Transfer	6089056	1.67
	AT THE END OF THE YEAR	6089056	1.66	31/03/2019			**6089056**	**1.66**

Sl. No.	Name & Type of Transaction	Shareholding		Date of Transaction	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding at the end of the year-2019	
		No. of shares at the (beginning of the year 01-04-18/End of the year 31-03-19)	% of Total shares of the Company				No. of shares	% of Total shares of the Company
4	ABERDEEN GLOBAL-ASIAN SMALLER COMPANIES FUND	3130573	1.72	01/04/2018			3130573	1.72
				01/06/2018	(167867)	Transfer	2962706	1.63
				08/06/2018	(272133)	Transfer	2690573	1.48
				22/06/2018	(205140)	Transfer	2485433	1.37
				30/06/2018	(54860)	Transfer	2430573	1.34
				13/07/2018	2430573	Bonus/ Transfer	4861146	1.34
				05/10/2018	36100	Transfer	4897246	1.35
				12/10/2018	1125406	Transfer	6022652	1.66
				19/10/2018	38494	Transfer	6061146	1.67
				16/11/2018	(3063)	Transfer	6058083	1.67
				25/01/2019	(32395)	Transfer	6025688	1.64
				01/02/2019	(155527)	Transfer	5870161	1.60
	AT THE END OF THE YEAR	5870161	1.60	31/03/2019			**5870161**	**1.60**
5	MIRAE ASSET EMERGING BLUECHIP FUND	1722807	0.95	01/04/2018			1722807	0.95
				06/04/2018	138000	Transfer	1860807	1.02
				20/04/2018	160000	Transfer	2020807	1.11
				27/04/2018	63000	Transfer	2083807	1.15
				25/05/2018	218310	Transfer	2302117	1.27
				01/06/2018	128079	Transfer	2430196	1.34
				08/06/2018	49365	Transfer	2479561	1.36
				22/06/2018	32000	Transfer	2511561	1.38
				13/07/2018	2493917	Bonus/ Transfer	5005478	1.38
				27/07/2018	(12356)	Transfer	4993122	1.37
				31/08/2018	30000	Transfer	5023122	1.38
				07/09/2018	3000	Transfer	5026122	1.38
				14/09/2018	67526	Transfer	5093648	1.40
				21/09/2018	190596	Transfer	5284244	1.45
				29/09/2018	20000	Transfer	5304244	1.46
				19/10/2018	(40000)	Transfer	5264244	1.45
				26/10/2018	(192562)	Transfer	5071682	1.39
				30/11/2018	100000	Transfer	5171682	1.41
				01/02/2019	70000	Transfer	5241682	1.43
				15/02/2019	30000	Transfer	5271682	1.44
				01/03/2019	30000	Transfer	5301682	1.44
	AT THE END OF THE YEAR	5301682	1.44	31/03/2019			**5301682**	**1.44**

Sl. No.	Name & Type of Transaction	Shareholding		Date of Transaction	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding at the end of the year-2019	
		No. of shares at the (beginning of the year 01-04-18/End of the year 31-03-19)	% of Total shares of the Company				No. of shares	% of Total shares of the Company
6	FIRST STATE INDIAN SUBCONTINENT FUND	3120129	1.72	01/04/2018			3120129	1.72
				13/07/2018	3120129	Bonus/ Transfer	6240258	1.72
				16/11/2018	(111562)	Transfer	6128696	1.69
				23/11/2018	(66682)	Transfer	6062014	1.65
				30/11/2018	(182243)	Transfer	5879771	1.60
				11/01/2019	(26898)	Transfer	5852873	1.59
				18/01/2019	(145514)	Transfer	5707359	1.55
				08/03/2019	(378792)	Transfer	5328567	1.45
				29/03/2019	(385701)	Transfer	4942866	1.35
	AT THE END OF THE YEAR	4942866	1.35	31/03/2019			**4942866**	**1.35**
7	SUNDARAM MUTUAL FUND A/C SUNDARAM MID CAP FUND	2181700	1.20	01/04/2018			2181700	1.20
				06/04/2018	(23668)	Transfer	2158032	1.19
				25/05/2018	(9450)	Transfer	2148582	1.18
				08/06/2018	206397	Transfer	2354979	1.30
				22/06/2018	155000	Transfer	2509979	1.38
				13/07/2018	2509979	Bonus/ Transfer	5019958	1.38
				20/07/2018	280448	Transfer	5300406	1.46
				24/08/2018	(4610)	Transfer	5295796	1.46
				12/10/2018	(452664)	Transfer	4843132	1.33
				14/12/2018	32258	Transfer	4875390	1.33
				21/12/2018	44916	Transfer	4920306	1.34
				01/02/2019	15000	Transfer	4935306	1.34
	AT THE END OF THE YEAR	4935306	1.34	31/03/2019			**4935306**	**1.34**
8	THE INDIA FUND INC	2277470	1.25	01/04/2018			2277470	1.25
				13/07/2018	2277470	Bonus/ Transfer	4554940	1.25
				19/10/2018	(32560)	Transfer	4522380	1.24
				02/11/2018	(16500)	Transfer	4505880	1.24
				09/11/2018	(35852)	Transfer	4470028	1.23
				16/11/2018	(2498)	Transfer	4467530	1.23
				14/12/2018	(86728)	Transfer	4380802	1.19
				21/12/2018	(245862)	Transfer	4134940	1.13
	AT THE END OF THE YEAR	4134940	1.13	31/03/2019			**4134940**	**1.13**

Sl. No.	Name & Type of Transaction	Shareholding		Date of Transaction	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding at the end of the year-2019	
		No. of shares at the (beginning of the year 01-04-18/End of the year 31-03-19)	% of Total shares of the Company				No. of shares	% of Total shares of the Company
9	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL CAP FUND	1888000	1.04	01/04/2018			1888000	1.04
				06/04/2018	(38688)	Transfer	1849312	1.02
				18/05/2018	(35000)	Transfer	1814312	1.00
				13/07/2018	1814312	Bonus/ Transfer	3628624	1.00
				03/08/2018	5954	Transfer	3634578	1.00
				07/09/2018	(44500)	Transfer	3590078	0.99
				14/09/2018	(5500)	Transfer	3584578	0.99
				09/11/2018	41782	Transfer	3626360	1.00
				30/11/2018	(700)	Transfer	3625660	0.99
				14/12/2018	57900	Transfer	3683560	1.00
				08/02/2019	100000	Transfer	3783560	1.03
	AT THE END OF THE YEAR	3783560	1.03	31/03/2019			**3783560**	**1.03**
10	THE SCOTTISH ORIENTAL SMALLER COMPANIES TRUST PLC	2071764	1.14	01/04/2018			2071764	1.14
				13/07/2018	2071764	Bonus/ Transfer	4143528	1.14
				16/11/2018	(103879)	Transfer	4039649	1.11
				23/11/2018	(62091)	Transfer	3977558	1.08
				30/11/2018	(157980)	Transfer	3819578	1.04
				11/01/2019	(22779)	Transfer	3796799	1.03
				18//01/2019	(123229)	Transfer	3673570	1.00
				08/03/2019	(334871)	Transfer	3338699	0.91
				29/03/2019	(330372)	Transfer	3008327	0.82
	AT THE END OF THE YEAR	3008327	0.82	31/03/2019			**3008327**	**0.82**

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the (beginning of the year as on 01/04/2018 and at the end of the year 31/03/2019)		Date	Increase/ Decrease in no. of shares	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No of Shares	% of total shares of the Company
1.	Mr. M. P. Ramachandran	7,01,36,948	38.58	01/04/2018	-	-	7,01,36,948	38.58
				13/07/2018	7,01,36,948	Bonus Issue	14,02,73,896*	38.58
				13/12/2018	33,66,975	Purchase	14,36,40,871	39.12
	As on 31/03/2019	14,36,40,871	39.12				14,36,40,871	39.12
2.	Mr. K. Ullas Kamath	14,51,380	0.80	01/04/2018	-	-	14,51,380	0.80
				13/07/2018	14,51,380	Bonus Issue	29,02,760*	0.80
	As on 31/03/2019	29,02,760	0.79				29,02,760	0.79#
3	Ms. M. R. Jyothy	47,68,937	2.63	01/04/2018	-	-	47,68,937	2.62
				13/07/2018	47,68,937	Bonus Issue	95,37,874*	2.62
	As on 31/03/2019	95,37,874	2.60				95,37,874	2.60#
4	Mr. Nilesh Mehta	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2019	NIL	NIL				NIL	NIL
5	Mr. K. P. Padmakumar	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2019	NIL	NIL				NIL	NIL
6	Mr. R. Lakshminarayanan	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2019	NIL	NIL				NIL	NIL
7	Ms. Bhumika Batra^	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2019	NIL	NIL				NIL	NIL
8	Mr. Sanjay Agarwal$	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2019	NIL	NIL				NIL	NIL
9	Mr. Shreyas Trivedi	NIL	NIL	-	-	-	NIL	NIL
	As on 31/03/2019	NIL	NIL				NIL	NIL

** Increase in the number of shares held by Directors is on account of issue of Bonus Shares in the ratio of 1:1 which was allotted by the Company on July 3, 2018 and credited in the demat account of the respective Directors as on the Benpos dated July 13, 2018. Further, on December 13, 2018 Mr. M. P. Ramachandran purchased 33,66,975 equity shares of ₹ 1/- each.*

#The change in Directors shareholding percentage is because of increase in the paid up share capital of the Company during the Financial Year 2018-19 on account of shares allotted by the Company to Mr. S. Raghunandan, the then Whole-time Director and Chief Executive Officer under "Jyothy Laboratories Employees Stock Option Scheme 2014-A"

^ Ms. Bhumika Batra was appointed as an Additional Director designated as an Independent Director of the Company w.e.f. March 14, 2019.

$ Mr. Sanjay Agarwal was appointed as Chief Financial Officer of the Company w.e.f. May 16, 2018.

V. INDEBTEDNESS

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

(Amt. in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 01/04/2018				
i) Principal Amount	4,75,00,00,000	-	-	4,75,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7,11,95,697	-	-	7,11,95,697
Total (i+ii+iii)	**4,82,11,95,697**	**-**	**-**	**4,82,11,95,697**
Change in Indebtedness during the financial year				
• Addition (Principal)	4,00,00,00,000	1,00,00,00,000	-	5,00,00,00,000
• Reduction (Principal)	6,61,00,00,000	1,00,00,00,000	-	7,61,00,00,000
Net Change	**(2,61,00,00,000)**	**-**	**-**	**(2,61,00,00,000)**
Indebtedness at the end of the financial year as on 31/03/2019				
i) Principal Amount	2,14,00,00,000	-	-	2,14,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,37,25,973	-	-	1,37,25,973
Total (i+ii+iii)	**2,15,37,25,973**	**-**	**-**	**2,15,37,25,973**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amt in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		M.P. Ramachandran	K. Ullas Kamath	M.R. Jyothy	
		Chairman and Managing Director	Joint Managing Director & Chief Financial Officer*	Whole-time Director & Chief Marketing Officer	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1	3,00,00,000	1,98,00,000	4,98,00,001
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	4,82,33,552	4,34,10,196	-	9,16,43,748
	- others, specify...	-	-	-	-
5.	Others, please specify				
	Provident Fund	-	36,00,000	21,60,000	57,60,000
	Superannuation	-	30,00,000	-	30,00,000
	Total (A)	**4,82,33,553**	**8,00,10,196**	**2,19,60,000**	**15,02,03,749**
Ceiling as per the Act		10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013			

** Ceased to be the Chief Financial Officer of the Company w.e.f. May 16, 2018.*

B. Remuneration to other Directors

(Amt in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Nilesh B. Mehta	Mr. K. P. Padmakumar	Mr. R. Lakshminarayanan	Ms. Bhumika Batra*	
1.	Independent Directors					
	• Fee for attending Board/ Committee meetings	2,05,000	1,45,000	2,05,000	50,000	6,05,000
	• Commission	10,00,000	10,00,000	10,00,000	-	30,00,000
	• Others, please specify	-	-	-	-	-
	Total (1)	**12,05,000**	**11,45,000**	**12,05,000**	**50,000**	**36,05,000**
2.	Other Non-Executive Directors					
	• Fee for attending Board/ Committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**
	Total Managerial Remuneration					
	Total (B)=(1+2)	**12,05,000**	**11,45,000**	**12,05,000**	**50,000**	**36,05,000**
Overall Ceiling as per the Act		1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013				

** Ms. Bhumika Batra is appointed as an Additional Director designated as an Independent Director of the Company w.e.f. March 14, 2019.*

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

(Amt in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Shreyas Trivedi	Mr. Sanjay Agarwal	
		Head – Legal & Company Secretary	Chief Financial Officer*	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	67,84,460	1,74,38,943	2,42,23,403
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify...			
	Provident Fund	4,12,656	11,43,333	15,55,989
	Superannuation	-	-	-
	Total(C)	**71,97,116**	**1,85,82,276**	**2,57,79,392**

** Mr. Sanjay Agarwal was appointed as the Chief Financial Officer of the Company w.e.f. May 16, 2018.*

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Section 87 read with the Section 460	Application under Section 87 of the Companies Act, 2013, for condonation of delay in registration of charge.	₹ 1,00,000/- additional fees for filing the particulars of Creation of Charges.	Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai	NA
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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

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

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

Place: Mumbai
Date: May 7, 2019

SALIENT FEATURES OF NOMINATION AND REMUNERATION/COMPENSATION POLICY

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

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

(I) Selection

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

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

(II) Qualifications, Experience and Positive Attributes

a) While appointing a Director, it has to be ensured that the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

b) In case of appointment as an Executive Director, the candidate must have the relevant technical or professional qualifications and experience as are considered necessary based on the job description of the position. In case no specific qualification or experience is prescribed or thought necessary for the position then, while recommending the appointment, the Human Resource Department shall provide the job description to the Committee and justify that the qualifications, experience and expertise of the recommended candidate are satisfactory for the relevant appointment. In such circumstances, the Committee may call for an expert opinion on the appropriateness of the qualifications and experience of the candidate for the position of the Executive Director.

c) In case of appointment as a Non-Executive Director, the candidate must have a post graduate degree, diploma or a professional qualification in the field of his practice/ profession/service and shall have not less than five years of working experience in such field as a professional in practice, advisor, consultant or as an employee. Provided that the Board may waive the requirements of qualification and/or experience under this paragraph for a deserving candidate.

d) The Board, while making the appointment of a Director, shall also try to assess from the information available and from the interaction with the candidate that he is a fair achiever in his chosen field and that he is a person with integrity, diligence and open mind.

(III) Board Diversity and Independence

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

a) There shall be a proper mix of Executive and Non-Executive Directors and Independent and Non-Independent Directors on the Board. The Company must always be in compliance of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, in this regard.

b) There shall be a workable mix of directors drawn from various disciplines, like technical, finance, commercial, legal etc. The Board shall not at any time be entirely comprised of persons drawn from one discipline or field.

c) While appointing a director to fill in a casual vacancy caused by death, resignation etc. of a director, an effort shall be made, as far as possible, to appoint such a person in his place who has the relevant experience in the fields or disciplines in which the outgoing director had the experience or the person with relevant experience in the fields or disciplines which are not represented in the Board as requisite to business of the Company.

d) No preference on the basis of gender, religion or caste shall be given while considering the appointment of directors.

e) Generally, an effort shall be made to maintain the Board diversity by appointment of persons from diverse disciplines (relevant to the Company's business), of different age groups and of both the genders (male as well as female) as Directors.

f) While appointing Independent Directors, the criteria for the independent directors, as laid down in Section 149 (6) of the Companies Act, 2013 and Listing Regulations are followed.

(IV) Remuneration of Directors, Key Managerial Personnel and other Employees

a) While determining the remuneration of Executive Directors and Key Managerial Personnel, the Board shall consider following factors:

i) Criteria/norms for determining the remuneration of such employees prescribed in the HR Policy.

ii) Existing remuneration drawn.

iii) Industry standards, if the data in this regard is available.

iv) The job description.

v) Qualifications and experience levels of the candidate.

vi) Remuneration drawn by the outgoing employee, in case the appointment is to fill a vacancy on the death, resignation, removal etc. of an existing employee.

vii) The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.

b) The determination of remuneration for other employees shall be governed by the HR Policy.

c) The proposal for the appointment of an Executive Director/Key Managerial Personnel shall provide necessary information in this regard which the Board will consider in arriving at the conclusion as to whether or not the remuneration offered to the candidate is appropriate, reasonable and balanced as to the fixed and variable portions (including the commission).

d) The remuneration payable to the Executive Directors, including the Commission and value of the perquisites, shall not exceed the permissible limits as are mentioned within the provisions of the Companies Act, 2013.

e) The Executive Directors shall not be eligible to receive sitting fees for attending the meetings of the Board or committees thereof of the Company and its subsidiary Companies.

f) The Non-Executive Directors shall not be eligible to receive any remuneration/salary from the Company. However, the Non-Executive Directors shall be paid sitting fees for attending the meetings of the Board or committees thereof and commission, as may be decided by the Board/Shareholders from time to time.

g) The Non-Executive Directors shall also be eligible for reimbursement of reasonable out-of-pocket expenses incurred by them for attending meetings of Board, Committees or Shareholders, including the travelling and lodging & boarding expenses on an actual basis.

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

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

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

ANNEXURE - D

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

To
The Members
JYOTHY LABORATORIES LIMITED
Ujala House, Ram Krishna Mandir Road,
Kondivita, Andheri (East),
Mumbai – 400059

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Jyothy Laboratories Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter, however subject to verification of the audited financial statements for the year ended March 31, 2019 and documents related thereto.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Jyothy Laboratories Limited ("the Company") as given in **Annexure I**, for the financial year ended on March 31, 2019, according to the provisions of:

   (i) The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;

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

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

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

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

      i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      ii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

      iv. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

      v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

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

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

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

iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

iv. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client

3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as mentioned hereunder:

i. Legal Metrology Act, 2009

ii. Legal Metrology (Packaged commodities) Rules, 2011

iii. Environment [Protection] Act, 1986

iv. Hazardous Wastes [Management And Handling] Rules, 1989

v. Insecticides Act, 1968

vi. Drugs and Cosmetics Act, 1940

We have also examined compliance with the applicable clauses of the Secretarial Standards including the amended Secretarial Standards applicable with effect from October 1, 2017 issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as provided in the Annual Secretarial Compliance Report prescribed by Securities and Exchange Board of India.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

None of the members have communicated dissenting views, in the matters/agenda proposed from time to time for consideration of the Board and its Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

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

We further report that during the year under report, the following event/action had a major bearing on the Company's affairs and in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

a. Redemption of the balance 50% of the Principal amount of 4,000 Secured, Redeemable, Unlisted Non-Convertible Debentures of ₹ 10,00,000/- (i.e. ₹ 5,00,000/-) aggregating to ₹ 200 Crores.

b. Issue and allotment of 18,17,94,087 Equity Shares of ₹ 1/- as bonus shares in the proportion of 1:1 by capitalization of the balance lying in the securities premium account as on March 31, 2018

For **RATHI & ASSOCIATES**
Company Secretaries

Sd/-
Jayesh M. Shah
Partner
FCS No. 5637
C.P. No. 2535

Place: Mumbai
Date: May 7, 2019

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

ANNEXURE – I

List of documents verified

1. Memorandum and Articles of Association of the Company.

2. Annual Report for the financial year ended March 31, 2018.

3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, ESOP Allotment Committee and Corporate Social Responsibility Committee along with the respective Attendance Registers held during the financial year under report.

4. Minutes of General Body Meetings held during the financial year under report.

5. Proof of circulation & Delivery of notice for Board meetings and Committee Meetings.

6. Proof of circulation of draft Board and Committee meetings minutes as per Secretarial Standards.

7. Policies framed by the Company:
   - Policy on Related Party Transactions,
   - Policy on Material Subsidiaries,
   - Vigil Mechanism,
   - Corporate Social Responsibility Policy,
   - Nomination & Remuneration Policy,
   - Risk Management Policy & Procedures,
   - Internal Financial Controls,
   - Policy for Determination of Material Events
   - Code of Conduct for Independent Directors,
   - Code of Conduct for prevention of insider trading,
   - Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information,
   - Archival Policy,
   - Dividend Distribution Policy,
   - Preservation of Records Policy,
   - Business Responsibility Policy.

8. Statutory Registers viz.
   - Register of Charges (Form No. CHG-7);
   - Register of Directors & Key Managerial Personnel;
   - Register of Directors' Shareholding;
   - Register of Employee Stock Options;
   - Register of Contracts with Related Parties; and contracts and Bodies etc. in which directors are interested (Form No. MBP-4), and
   - Register of loans, guarantees and security and acquisition made by the Company (Form No. MBP-2).

9. Copies of Notice, Agenda and Notes to Agenda submitted to all the directors/members for the Board Meetings and Committee Meetings as well as resolutions passed by circulation.

10. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2) and Section 149(7) of the Companies Act, 2013.

11. Intimations received from Directors under the prohibition of Insider Trading Code.

12. E-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.

13. Intimations/documents/reports/returns filed with the Stock Exchanges pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year under report;

14. Documents related to payments of dividend made to its shareholders during the financial year under report;

15. Documents related to issue of Bonus Shares, Shares under ESOP Scheme viz. ESOP Scheme, Exercise forms, Listing applications, Corporate Action Form, etc. filed with Stock Exchanges and Listing approvals received thereon;

16. E-mails evidencing dissemination of information related to closure of Trading window.

17. Internal Code of Conduct for prevention of Insider Trading by Employees/Directors/Designated Persons of the Company.

18. Statement of Related Party Transactions entered into by the Company during the financial year under report.

19. Documents filed with Stock Exchanges.

20. Compliance Certificate placed before the Board of Directors from time to time.

21. Details of Sitting Fees paid to all Non Executive Directors for attending the Board Meetings and Committees.

ANNEXURE – II

To
The Members
JYOTHY LABORATORIES LIMITED
Ujala House, Ram Krishna Mandir Road,
Kondivita, Andheri (East),
Mumbai – 400059

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **RATHI & ASSOCIATES**
Company Secretaries

Sd/-
Jayesh M. Shah
Partner
FCS No. 5637
C.P. No. 2535

Place: Mumbai
Date: May 7, 2019

ANNEXURE – E

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS
(PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013)

Amount Outstanding as at March 31, 2019

Particulars	(₹ in Lacs)
Loans given	-
Guarantee Given (Financial exposure)	6,377.44
Investment (Current and Non-Current)	24,207.00

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

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

Place: Mumbai
Date: May 7, 2019

Jyothy labs

ANNEXURE - F

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	**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)	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 under first proviso to Section 188	

2. Details of material Contracts or arrangements 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 Laboratories Limited**

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

Place: Mumbai
Date: May 7, 2019

ANNEXURE – G

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) CONSERVATION OF ENERGY-

The Company took following initiatives for conservation of energy at its various manufacturing locations:

i. The Company switched from Compact Fluorescent Lamp (CFL) lights to LED Lights in most of its factories and its annualised reduction in energy usage is 50,000 KW units.

ii. Through re-engineering of utilities, the Company reduced electricity consumption of 20,000 KW units per year.

iii. The Company reduced electricity consumption by 50,000 KW units through proper selection, modernisation and automation of machineries at its plants.

iv. The Company installed Bio Gas plant as a pilot model in one of its plant for converting food waste into Bio Gas which is utilized for factory canteens.

v. The Company is working with technology partners in order to install roof top Solar Panels in most of its plant which will give 30-40 % savings in the annual energy bills and will be in the form of OPEX Model.

(B) TECHNOLOGY ABSORPTION-

i. In-mould labelling (IML) container for Exo Touch & Shine Round. It is the simultaneous, one-shot moulding of a plastic container together with an attached label. The label is fused with the plastic container/part to achieve a "no-label" look. The manufacturing of these containers is in-house with robotic technology.

ii. The Company adopted automated weighing & vacuum conveying system for material charging in Dish wash Cake manufacturing units which will reduce the work load of labourers and chance of errors. Automated Weighing system increase the accuracy which will increase the product Quality. The Company will be adopting this technology at all other plants in coming years.

iii. The Company has implemented latest SCADA operating platform in manufacturing process monitoring to increase the workmanship accuracy and to create reliable data history of each batch produced in our plants, automatically.

iv. The Company installed Heat Radiant Roof Insulation Sheets in almost all factories which will enhance work environment by reducing ambient temperature by 8 to 10 degree. It will save energy Cost on maintaining ambient temperature inside the factory.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO-

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

(₹ in Lacs)

Particulars	2018-19	2017-18
Foreign exchange earnings	3,577.85	1,436.98
Foreign exchange outgo	3,319.90	3,397.80

ANNEXURE – H

ANNUAL REPORT ON CSR ACTIVITIES

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

Jyothy Laboratories Limited (the Company) has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is uploaded on the Company's website and can be accessed at the web link provided below:

http://www.jyothylaboratories.com/management-policies.php

The Company has undertaken projects in the rural area development and enhancing vocational skills as a part of its CSR Initiative for the financial year 2018-19. The activities and funding are monitored internally by CSR Committee of the Company. The Company has identified the following fields of operation for spending towards CSR:

i) eradicating hunger, poverty and malnutrition, promoting preventive health care including sanitation and more particularly contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

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

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

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

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

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

x) rural development projects;

xi) slum area development;

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

2. The CSR Committee comprises of following Members:

- Mr. M. P. Ramachandran, Chairman (Chairman & Managing Director)
- Mr. K. P. Padmakumar, Member (Independent Director)
- Ms. M. R. Jyothy, Member (Whole Time Director & Chief Marketing Officer)

Mr. K. P. Padmakumar ceased to be the member of the CSR Committee with effect from the closing hours of March 31, 2019 and the Board of Directors of the Company has appointed Mr. Nilesh Mehta as a member of the Committee with effect from April 1, 2019.

3. Average net profits of the company for last three Financial years:

Financial Year	Net Profits as per Section 198 of the Companies Act, 2013 (₹ in Lacs)
2015-16	19,412.59
2016-17	16,635.10
2017-18	18,772.97
Average net profits of last three years	18,273.55
2% of the average net profits of last three years	**365.47**

4. Prescribed CSR expenditure:

The Company has spent an amount of ₹ 421.08 lacs as against prescribed 2% of the average net profits of last three years which works out to be ₹ 365.47 lacs.

5. Details of CSR spent during the financial year 2018-19

a) Total amount to be spent for the financial year: ₹ 365.47 Lacs

b) Amount unspent, if any: Nil

c) Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR projects or activities identified	Sector in which the project is covered	Projects or programs 1) Local areas or other 2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) project or programs wise (₹ in lacs)	Amount spent on the projects or programs (₹ in lacs) Sub-heads 1) District expenditure on projects or programs. 2) Overheads	Cumulative Expenditure upto reporting period (₹ in lacs)	Amount Spent: Direct or through implementing agency
1	Housing in Adivasi area in Trichur	Rural Development	Trichur District, Kerala	36.33	43.54	43.54	Direct
2	NETAP	Enhancing vocational skills	Various States	329.14	377.54	377.54	Direct
			Total	**365.47**	**421.08**	**421.08**	

6. Reason for not spending: N.A.

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

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

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

Place: Mumbai
Date: May 7, 2019

ANNEXURE – I

STATEMENT OF PARTICULARS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 (AS AMENDED TILL DATE)

A. Employed throughout the Financial Year 2018-19 with an aggregate salary not less than ₹ 1,02,00,000/- per annum:

Name	Age	Qualification	Designation	Date of Commencement of employment	Experience (years)	Total Gross Remuneration (Amt in ₹)	Previous Employment
Mr. M.P. Ramachandran	73	Postgraduate Degree in Financial Management	Chairman and Managing Director	15-01-1992	44 years	4,82,33,553	Proprietor – Jyothy Laboratories
Mr. K. Ullas Kamath	56	M.Com., F.C.A., A.C.S., L.L.B., A.M.P. – Wharton Business School and Harward Business School, U.S.A	Joint Managing Director and Chief Financial Officer #	26-03-1997	33 years	8,00,10,196	Practicing Chartered Accountant
Ms. M. R. Jyothy	41	B.Com, MBA from Wellingker's Institute of Management and Research, Family Managed Business Administration from S.P Jain Institute of Management, Mumbai and Owner/ President Management Programme from Harvard University, USA.	Whole-time Director and Chief Marketing Officer	01-01-2004	15 years	2,19,60,000	-
Mr. Rajnikant Sabnavis	52	B.E. (Mech), MBA.	Chief Operating Officer	21-10-2013	28 years	3,71,87,724	Unilever/ Regional Category Vice President (Hair Care - South Asia)

 # Mr. K. Ullas Kamath ceased to be the Chief Financial Officer of the Company w.e.f. May 16, 2018.

B. Employed for part of the financial year 2018-19 with an aggregate salary not less than ₹ 8,50,000/- per month:

Name	Age	Qualification	Designation	Date of Commencement of employment	Experience (years)	Total Gross Remuneration (Amt in ₹)	Previous Employment
Mr. Sanjay Agarwal	43	Chartered Accountant	Chief Financial Officer	18-04-2018	19 years	1,85,82,276	Adani Capital – Executive Director

Note:

1. All appointments are contractual and terminable by notice on either side.
2. None of the employees mentioned above is related to any director of the Company except Mr. M. P. Ramachandran and Ms. M. R. Jyothy, who are related to each other.
3. None of the employee is drawing remuneration more than the remuneration drawn by Managing Director/ Whole-time Director and is holding by themselves or along with their spouse and dependent children, two percent or more of the equity shares of the Company.

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

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

Sl. No.	Name	Designation	Remuneration Current Year	% increase in Remuneration in the financial year 2018-19	Ratio of remuneration of each Director/KMP/ to median remuneration of employees
1	Mr. M. P. Ramachandran	Chairman and Managing Director	4,82,33,553	19.70%	159 : 1
2	Mr. K. Ullas Kamath	Joint Managing Director and Chief Financial Officer*	8,00,10,196	9.80%	263 : 1
3	Ms. M. R. Jyothy	Whole-time Director & Chief Marketing Officer	2,19,60,000	0%	72 : 1
4	Mr. Nilesh B. Mehta	Independent Director	12,05,000	26.84%	4 : 1
5	Mr. K.P. Padmakumar	Independent Director	11,45,000	33.14%	4 : 1
6	Mr. R. Lakshminarayanan	Independent Director	12,05,000	29.57%	4 : 1
7	Mr. Shreyas Trivedi	Head – Legal & Company Secretary	71,97,116	4.34%	24 : 1
8	Mr. Sanjay Agarwal	Chief Financial Officer	1,85,82,876	-	61:1

** Mr. K. Ullas Kamath ceased to be the Chief Financial Officer of the Company w.e.f. May 16, 2018.*

(ii) In the financial year, there was an increase of 7.26 % in the median remuneration of employees;

(iii) There were 2,618 permanent employees on the rolls of Company as on March 31, 2019;

(iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 7.39% whereas the managerial remuneration for the same financial year increased by 24.02%.

(v) The key parameters for the variable component of remuneration availed by the directors are as per the Remuneration Policy of the Company.

(vi) It is hereby affirmed that the remuneration paid is as per Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Jyothy labs

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN)	L24240MH1992PLC128651
2.	Name of the Company	JYOTHY LABORATORIES LIMITED
3.	Registered address	'Ujala House', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059
4.	Website	www.jyothylaboratories.com
5.	Email id	secretarial@jyothy.com
6.	Financial year reported	2018-19 (for the year ended March 31, 2019)
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	20211 – Mosquito Liquid Vaporiser, Mosquito Repellent and Toilet Cleaner; 20231 – Soaps, Dish wash bar, Dish wash liquid and Floor Cleaner; 20233 – Detergents, Fabric Whitner and Fabric Stiffner; 20235 – Tooth Paste; 20237 – Body soap (Toilet Soap), Deo, Talcum powder, Face wash and After Shave; 20238 – Agarbatti; and 46499 – Dish wash Scrubber and Wipe.
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Fabricare (Detergents, Detergent Bar and Fabric Whitener) 2. Dishwash (Dishwash Bar and Liquid) 3. Household Insecticides (Mosquito repellant coil and liquid vapouriser)
9.	Total number of locations where business activity is undertaken by the Company	
	i) International locations	The Company has undertaken business activity in 22 international locations. Out of them, 5 major locations include Malaysia, Bhutan, Dubai, Saudi Arabia and Nepal.
	ii) National locations	**Registered Office**: 'Ujala House', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059 **Zonal Offices:** **West Zone** 43, Shivshkati Industrial Estate, Andheri Kurla Road, Marol, Andheri, Mumbai – 400 059 **East Zone** "POONAM BUILDING" 5/2, Russel Street, Flat No 3A & 3B, Kolkata - 700 071 **North Zone** 304-305, 3rd Floor, K.M Trade Tower, Sector-14, Kaushambi, Near Radisson Blue Hotel, Ghaziabad, Uttar Pradesh-201010 **South Zone** N 903 - 904, Rear Wing, Manipal Centre, Bangalore – 560 042, For details of manufacturing plant/locations, please refer Corporate Governance report forming part of the Annual Report 2018-19.
10.	Markets served by the Company - Local/State/National/International	National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(₹ in Lacs)

1.	Paid up Capital of the Company (As on March 31, 2019)	₹ 3,672.09 (36,72,08,644 Equity shares of ₹ 1 each)
2.	Total turnover (For the financial year 2018-19)	₹ 1,76,887.38 (Standalone)
3.	Total profit after tax (For the financial year 2018-19)	₹ 19,317.28 (Standalone)
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	2.18% (₹ 421.08 lacs)
5.	List of activities in which expenditure in four above was incurred:	Please refer Annual Report on CSR Activities annexed to the Directors' Report

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/Companies?	Yes
2.	Does the subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).	Given the current size and scale of operations, subsidiary companies as of now are not engaged in BR initiatives process of the Company.
3.	Does any other entity/entities (e.g. suppliers, distributors etc.), that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No entity participates in the BR initiatives of the Company. However the Company encourages its suppliers, distributors, etc to adopt BR initiatives and follow good business practices.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for the implementation of the BR policy/policies

DIN	00506681
Name	Mr. K. Ullas Kamath
Designation	Joint Managing Director

b) Details of the BR head

DIN	00506681
Name	Mr. K. Ullas Kamath
Designation	Joint Managing Director
Telephone No.	022-66892800
E-mail ID	secretarial@jyothy.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs adopted nine areas of Business Responsibility, viz.:

Principle 1	P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	P3	Businesses should promote the well-being of all employees
Principle 4	P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
Principle 5	P5	Businesses should respect and promote human rights
Principle 6	P6	Businesses should respect, protect and make efforts to restore the environment
Principle 7	P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	P8	Businesses should support inclusive growth and equitable development
Principle 9	P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of Compliance:

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?[1]	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to national/ international standards? If yes, specify? (50 words)	The policies conform to the nine principles of National Voluntary Guidelines (NVGs) for Business Responsibility Report								
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD/Owner/CEO appropriate Board Director? [2]	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy? [3]	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link to view the policy online. [4]	Please refer Note 4 given below								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? [5]	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? [6]	Y	Y	Y	Y	Y	Y	Y	Y	Y

Notes

1. *All the policies are formulated with detailed analysis and benchmarking across industry. The policies are in compliance with all applicable laws.*
2. *As per Company's practice, all the mandatory policies under the Indian laws and regulations have been approved by the Board. Other policies are approved by the concerned Functional Head or Chairman & Managing Director/Joint Managing Director of the Company depending upon the nature of policy.*
3. *All the policies have a policy owner and the respective policy owners are responsible for implementation of the policy.*
4. *Except Code of Conduct and Corporate Social Responsibility Policy, all other policy documents being in-house and internal documents of the Company are uploaded on the intranet and are accessible to all the employees of the Company and thus are not available on the website of the Company. The Code of Conduct and Corporate Social Responsibility Policy can be accessed on the below link: http://www.jyothylaboratories.com*

5. *Any grievance relating to any of the policy can be escalated to the policy owner/Chairman & Managing Director & /or Joint Managing Director.*

6. *Implementation of policies is evaluated as a part of internal governance by policy owners.*

(b) If answer to question at Sr. No. 1 against any principle, is 'No', please explain why? (Tick up to two options)

	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. The Company has not understood the Principles	Not Applicable								
2. The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles									
3. The Company does not have financial or manpower resources available for the task									
4. It is planned to be done within next six months									
5. It is planned to be done within next one year									
6. Any other reason (please specify)									

3. Governance related to BR

1. Indicate the frequency with which the Board of Directors, Committee of the Board or the CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	The Chairman & Managing Director and/or Joint Managing Director assesses the BR performance of the Company on an annual basis.
2. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing the report? How frequently it is published?	The Business Responsibility Report is published annually by the Company as a part of its Annual Report. The link for Business Responsibility Report is: http://www.jyothylaboratories.com.

PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others?	The Policy relating to Ethics, Transparency and Accountability at present covers the Company only. The policy includes a Code of Conduct prescribed by the Company for all its employees including the Directors. The policy does not extend to the Group/Joint Venture/Suppliers, etc. However, the Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.
2. How many stakeholder complaints were received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.	During the financial year 2018-19, no substantiated consumer complaint were received. All the product quality feedback/query were attended & resolved well within the time frame.

PRINCIPLE 2: PRODUCT LIFECYCLE SUSTAINABILITY

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1.	List three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities	**Exo Dish Wash Bar/Round** Exo Dish Wash Bar is an anti-bacterial dish wash that offers ultra-clean dish-washing and superior hygiene. First in its category, Exo Dish Wash Bar is a pioneering product that incorporates 'Cyclozan', a highly active anti-bacterial agent often used in toothpastes and hence safe, however tough against germs that cause food poisoning. Exo Dish Wash Round, the unique round shape of the bar has clear advantage over the traditional rectangular bars available in the market. Given its round shape, the bar is used in its entirety and ensures zero wastage. Add to that, the innovative Anti-Sogg formula that prevents excessive melting of the bar when in contact with water, which makes the Exo Dish Wash Round a great value for money choice. **Henko LINTelligent Detergent Powder** The powder is pink in colour, while the texture is soft and smooth with a fine perfume scent that gives you a whole new washing experience while giving one's clothes a new look and protecting it from ageing. Henko with a LINT Reduction Power of 127% is a result of intensive research specially designed to not just clean and remove stains, but its unique Nano Fibre Lock Technology locks fraying fibres and conditions them to keep the colour and sheen intact. Henko is available in a Matic variant for Top Load and Front Load washing machines as well as a bucket wash variant called Wonder Wash. **Margo Original Neem – Toilet Soap** In India, Neem and skin care have gone hand in hand for generations. And if there's one brand that is the very essence of Neem, that's Margo. In fact, Margo has been a family heritage since 1920. Infused with 100% Neem Oil and Vitamin E, Margo Original Neem is just the soap for those looking for healthy skin and has high standards for hygiene. **Pril Liquid – Dish Wash** Pril Liquid has a unique formula making it non messy and gentle to the skin, thus leaving both the dishes as well as hands clean, smooth and pleasant.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional)	a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? The Company has undertaken various initiatives for efficient and optimal use of resources. The Consumption per unit varies as per the product mix and hence it is not possible to ascertain reduction achieved at each level. b. Reduction during usage by consumers (energy, water) has been achieved since the previous year? The Company through continuous improvement and innovation in product formulations tries to ensure lesser consumption of water and other resources, however the same cannot be quantified in real terms.

3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so	Yes, the Company has implemented various sustainable supply chain practices and initiatives and at the same time ensures timely and cost effective deliveries for necessary resources.
4.	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what initiatives were taken to improve their capacity and capability of local and small vendors?	The Company accords priority to local suppliers in procurement of stores, spares and other consumables. The Company takes steps for capacity building of local and small vendors. The Company's contractors who supply labour services for plant operations employ workmen from nearby communities. This workforce is educated and provided training for occupational health and safety.
5.	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Also provide details thereof, in about 50 words or so	Yes, the Company has a mechanism to recycle its products for further usage. The percentage of recycling of process waste is approximately 5%.

PRINCIPLE 3: EMPLOYEE WELLBEING

Businesses should promote the wellbeing of all employees

1.	Total number of employees as on March 31, 2019.	The Company believes that employees play a pivotal role and are the key to the success of the organization. The Company provides a work environment that is free from any form of discrimination among employees. As on March 31, 2019, the Company has a total of 2,618 permanent employees consisting of 504 women employees and 6 employees with disabilities. The Company during the year under review has hired 3,189 employees on temporary/contractual/casual/fixed term basis. At present there is a management recognized employee association which has approximately 9% of the permanent employees as its member.
2.	Total number of employees hired on temporary/contractual/casual basis as on March 31, 2019.	
3.	Total number of permanent women employees.	
4.	Total number of permanent employees with disabilities.	
5.	Do you have an employee association that is recognized by the Management?	
6.	What percentage of your permanent employees are members of this recognised employee association?	
7.	Please indicate the number of complaints relating to the last financial year and pending, as on the end of the financial year.	The Company has not received any complaints relating to child labour, forced labour, involuntary labour, sexual harassment during the financial year 2018-19 and hence pendency of same does not arise
8.	What percentage of employees (permanent, permanent women, casual/temporary/ contractual and employees with disabilities) that were given safety and skill up-gradation training in the last year?	67.30% of the total workforce including on-roll and off-roll employees, were imparted safety training and 2.3% of the total permanent employees were imparted skill up-gradation training. The Company conducts from time to time training programs at all its factory units, zonal offices and registered office.

PRINCIPLE 4: STAKEHOLDER ENGAGEMENT

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1.	Has the Company mapped its internal and external stakeholders? Yes/No	Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement process. Key categories are: 1) Customers; 2) Shareholders/Investors; 3) Partners (Suppliers/Vendors/Landlords); 4) Employees; 5) Regulatory Bodies; 6) Industry forums, etc.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders. All its beneficiaries through the social development projects implemented by the above mentioned organisations are centered around the marginalised, economically weak and disadvantaged sections of the society, especially the girl child, underprivileged women and persons with disabilities. The Company's community initiatives are being implemented in both rural and urban areas. Besides the direct project implementation through these organizations, the Company with the support of its employees also contributes funds to several other non-profit organizations.
3.	Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	The Company's initiatives in the areas of Corporate Social Responsibility are targeted to bring meaningful difference in the lives of its associated stakeholders in thrust areas like healthcare, infrastructure support and education. Several initiatives towards healthcare, education, sanitation, safe drinking water, integrated rural development, creation of sustainable livelihood, women empowerment, etc. have been taken by the Company.

PRINCIPLE 5: HUMAN RIGHTS

Businesses should respect and promote human rights

1.	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others?	The Company values and respects the human rights and always remains committed for its protection. The Company's Code of Business Conduct, policy on sexual harassment at workplace and the human resource practices cover most of these aspects. The Company encourages all its contractors, group companies, joint ventures and suppliers to adopt good practices in this regard.
2.	How many stakeholder complaints were received in the past financial year and what percent was satisfactorily resolved by the Management?	No stakeholder complaint pertaining to human rights was received in financial year 2018-19.

PRINCIPLE 6: ENVIRONMENTAL MANAGEMENT

Businesses should respect, protect and make efforts to restore the environment

1.	Does the policies related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?	The Company has high regards for Environmental Sustainability and it strives hard for preservation of the environment by striking a balance between economic growth and ecology. The Company's plants have state-of-the-art facilities and six of its plants are ISO 9001-2015 certified. The Subsidiaries, Joint ventures and other third party/vendors are encouraged to adopt the similar practices that are followed by the Company. The Company is committed towards maintaining and improving Safety, Health and Environment of its Employees, other agencies associated with the Company and its operational surroundings. The Company has also introduced "Safety Health & Environment Policy" called as SHE Policy which ensure Safety & Health through line management responsibility and by involving all level of employees through consultation, communication, training and by adopting latest hazard identification risk assessment & control methods. The Company is compliant with all the legal requirements and strive to make continuous improvement in the environment.
2.	Does the Company have strategies/initiatives to address global environmental issues, such as climate change, global warming and others? If yes, please give hyperlink for webpage etc.	The Company undertakes various initiatives for environmental protection, safety and health of both the employees and other living creatures in the vicinity. The Company tries to address the global environmental issues, such as climate change, global warming, etc. by installing various RO and other effluent treatment plants and ambient air monitoring system at its plants situated at various locations. The Company frames a plant layout with an emphasis on Environment, Safety and Health concerns. The Company has adopted an initiative called greenery on earth under which various trees are planted at the plant locations to tackle with the issue of carbon footprint. The Company also celebrates World Environment Day, National Safety Day/Week and World Health Day and various new initiatives are undertaken on these occasions. During the year the Company has also circulated the safety pocket guide to employees of the Company for ensuring safety and health of both the employees and other living creatures in the vicinity.
3.	Does the Company identify and assess potential environmental risks? Y/N	Yes, the Company has a Risk Management mechanism in place to identify and assess existing and potential environmental risks across its operations.
4.	Project(s) related to Clean Development Mechanism	Currently, the Company is not undertaking any project related to Clean Development Mechanism.

5.	Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to webpage and others.	Yes, the Company continously takes multiple initiatives towards energy efficiency and use of renewable energy at its site. The Company has adopted a robust waste management system which ensures reduction of waste by minimizing waste at source and recycles waste materials. Other initiatives of the Company include installation of RO and other effluent treatment plants and ambient air monitoring system, replacement of tube light with LED and plantation of trees at various plant locations.
6.	Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Emissions/wastes generated by the Company are within permissible limits. The Company regularly submits reports on emission levels to CPCB/SPCB.
7.	Number of show cause/legal notices received from CPCB/SPCB, which are pending (i.e. not resolved to satisfaction) as on the end of the financial year.	The Company has not received any show cause/legal notices from CPCB/SPCB in financial year 2018-19 and hence question of pendency does not arise.

PRINCIPLE 7: POLICY ADVOCACY

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1.	Does the Company represent in any trade and chambers/association? If yes, name only those major ones that the Company deals with.	The Company is inter alia a member of the following business associations: - Federation of Indian Chambers of Commerce and Industry (FICCI) - Confederation of Indian Industry (CII) - Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL) - The Advertising Standards Council of India (ASCI) - Home Insect Control Association (HICA)
2.	Has the Company advocated/lobbied through the above associations for the advancement or improvement of public good? If yes, specify the broad areas.	The Company takes note of the public policies that maximize the ability of individuals and companies to innovate, increase job creation, benefit the daily lives of people and strengthen the Country's economy.

PRINCIPLE 8: INCLUSIVE GROWTH

Businesses should support inclusive growth and equitable development

1.	Does the Company have specified programmes /initiatives/projects in pursuit of the policy related to Principle 8? If yes, provide details thereof	Yes, the Company considers social development as an important aspect of its operations. It has aligned its thrust areas in line with the requirements of Schedule VII to the Companies Act, 2013. To oversee implementation of various initiatives, the Company has formed a Board Level Committee called Corporate Social Responsibility Committee. The Company has adopted a policy on Corporate Social Responsibility to streamline its efforts towards Corporate Social Responsibility and support inclusive growth and equitable development.

2.	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organisation?	The projects are mostly undertaken through in-house teams and occasionally in co-ordination with external agencies like NGOs and Trusts.
3.	Has the Company done any impact assessment for its initiative?	Impact assessment is conducted on regular basis and is reviewed from time to time. Based on these impact assessments, the Company decides upon appropriate intervention to be undertaken.
4.	What is the Company's direct contribution to community development projects (Amount in INR and the details of the projects undertaken)?	The Company has spent an amount of ₹ 421.08 Lacs in various CSR activities during the financial year 2018-19. The details of the amount incurred and areas covered are given in the report on Corporate Social Responsibility annexed to and forming part of the Directors' Report.
5.	Has the Company taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in around 50 words.	All the Company's social development programmes are implemented based on the needs within the community. Its programmes on education, sanitation, skill development and more have ensured involvement and sustained participation from the community members. They are involved for better implementation of the projects in their respective areas. The Company's social initiative continuously focuses on benefiting both individual and the community at large.

PRINCIPLE 9: VALUE FOR CUSTOMERS

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1.	What percentage of customer complaints/ consumer cases is pending, as on the end of the financial year?	The Company believes in providing a high quality products to its customers at an affordable price after taking into consideration the needs of the customers. The Company has in place a established feedback system to deal with the customer feedback and complaints. All the customers concerns are taken up and resolved immediately to the satisfaction of the consumer. As on the end of financial year 2018-19, there were no complaints remaining unresolved.
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information).	The Company displays all the information on the product label as mandated by the regulations to ensure full compliance with relevant laws and other additional information as well, if available on case to case basis.
3.	Cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on the end of the financial year. If yes, provide details thereof, in about 50 words or so.	The Company never indulges in any anti-competitive behavior and understands that consumers are the most important stakeholder for the Company. There are no cases filed against the Company in relation to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.
4.	Did the Company carry out any consumer survey/consumer satisfaction trends?	The Company values its Consumer's voice and our employees are actively engaged to assess the product related consumer satisfaction levels and trends. The Company engages external independent agencies, who carry out surveys on various satisfaction and trends parameters for and on behalf of the Company

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

Your Company is in compliance with all the regulations stipulated by the Companies Act, 2013 and Rules thereof and provisions under Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the Listing Regulations'). The following Report together with the information contained in the Management Discussion and Analysis Report and other parts of Annual Report constitutes your Company's compliance with the Corporate Governance requirements.

BOARD OF DIRECTORS

Composition:

The Board of Directors of your Company (hereinafter referred to as 'the Board') represents an optimum combination of executive and non-executive directors with 1 (one) woman director and fifty percent of the Board of Directors comprising of non-executive directors. Pursuant to the requirement of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, top 500 listed entities were required to have at least 1 (one) independent woman director by April 1, 2019. Accordingly, your Company has appointed Ms. Bhumika Batra as a Non-executive Independent Director of your Company with effect from March 14, 2019.

Mr. M. P. Ramachandran is the Promoter and the Chairman & Managing Director of your Company. The Board, as on March 31, 2019, comprises of 7 (Seven) Directors out of which 3 (Three) are Executive Directors and 4 (Four) are Non-executive Independent Directors and accordingly more than 50% of the Board consists of Non-executive Independent Directors. The tenure of Mr. Kiliyanat Puliasseri Padmakumar as an Independent Director completed on March 31, 2019 and as per his request, he has not been recommended for re-appointment as an Independent Director of your Company. Accordingly, Mr. Padmakumar ceased to be the Director of your Company and also the member of the Committees constituted by the Board of Directors with effect from the closing hours of March 31, 2019. The composition of the Board of your Company is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

None of the Directors on the Board are member of more than ten committees and Chairman of more than five committees across all companies in which they are Directors as per the requirement of Regulation 26 of the Listing Regulations.

During the year ended on March 31, 2019, the Board of Directors of your Company met five times and the gap between the meetings did not exceeded 120 days. The meetings were held on May 16, 2018, July 25, 2018, October 24, 2018, January 24, 2019 and March 14, 2019. The last Annual General Meeting (AGM) of your Company was held on Wednesday, July 25, 2018.

The details of the Directors on the Board of your Company as on March 31, 2019 are given below:

Name of the Director	Category/ Designation	No. of shares held	Attendance Particulars		No. of Outside Directorships*	No. of outside Committee positions@	
			Board Meeting	Last AGM		Member	Chairman
Mr. M. P. Ramachandran	Promoter/Chairman & Managing Director	14,36,40,871	5	Yes	3	1	-
Mr. K. Ullas Kamath	Joint Managing Director	29,02,760	5	Yes	3	2	-
Ms. M. R. Jyothy	Whole Time Director & Chief Marketing Officer	95,37,874	5	Yes	1	-	-
Mr. Nilesh B. Mehta	Independent Non-executive Director	-	5	Yes	11	-	-

Name of the Director	Category/ Designation	No. of shares held	Attendance Particulars		No. of Outside Directorships*	No. of outside Committee positions@	
			Board Meeting	Last AGM		Member	Chairman
Mr. K. P. Padmakumar^	Independent Non-executive Director	-	3	No	1	-	1
Mr. R. Lakshminarayanan	Independent Non-executive Director	-	5	Yes	2	2	1
Ms. Bhumika Batra#	Independent Non-executive Director	-	N.A.	N.A.	13	1	3

** Includes directorship in Indian Private Limited Companies, Foreign Companies, Companies under section 8 of the Companies Act, 2013 and excludes that of your Company.*

@ Only membership/chairmanship of Audit Committee and Stakeholders' Relationship Committee of Listed and Public Limited companies have been considered, excluding that in your Company. Committee Membership(s) and Chairmanship(s) are counted separately.

^ Mr. K. P. Padmakumar ceased to be the Director of your Company and also the member of the Committees constituted by the Board of Directors with effect from the closing hours of March 31, 2019.

 # Ms. Bhumika Batra is appointed as an Independent Director of your Company w.e.f. March 14, 2019 subject to approval of members of your Company at the ensuing Annual General Meeting. No meeting of the Board of Directors was held after March 14, 2019 and hence disclosure pertaining to attendance of Board Meeting and Last AGM is not applicable to Ms. Batra.

As per requirement of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 below are the names of listed companies and corresponding category of directorship held by the above Directors as on March 31, 2019:

Name of the Director	Name of the Listed companies	Category of Directorship
Mr. K. Ullas Kamath	V-guard Industries Limited	Non-executive Independent Director
Mr. R. Lakshminarayanan	Wonderla Holidays Limited	Non-executive Independent Director
Ms. Bhumika Batra	1. Repro India Limited	Non-executive Independent Director
	2. Kesar Enterprises Limited	
	3. Sharp India Limited	
	4. Hinduja Ventures Limited	
	5. Patel Integrated Logistics Limited (CN)	

Apart from Jyothy Laboratories Limited, Mr. M. P. Ramachandran, Ms. M. R. Jyothy, Mr. Nilesh B. Mehta and Mr. K. P. Padmakumar does not hold Directorship in any other listed company as on March 31, 2019.

As on March 31, 2019, none of the Directors were related to each other except Ms. M. R. Jyothy, who is related to Mr. M. P. Ramachandran, Chairman & Managing Director of the Company, being his daughter.

None of the Non-executive Independent Director holds any shares and/or convertible instruments issued by the Company for the time being.

FAMILIARIZATION PROGRAMMES

The details of familiarization programmes imparted to independent directors are uploaded on the website of your Company and can be accessed through weblink: http://www.jyothylaboratories.com/corporate-governance.php

Chart or a Matrix setting out skills/expertise/ competence of the Board of Directors

Your Company operates in Fast Moving Consumer Goods (FMCG) industry and offers variety of products in the categories of fabric care, dish wash, household insecticides, personal care, etc. Your Company while appointing a Director always ensure that the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, law, business management, sales, marketing, research, corporate governance, technical operations or other disciplines related to your Company's business. Your Company believes that each person appointed on the Board of your Company shall have expertise in one or more of the aforesaid field.

Your Board of Directors posses all the required core skills/expertise/competencies that is required to operate business smoothly in the FMCG Industry.

The Board hereby confirms that the Independent Directors of your Company has fulfilled all the conditions specified in Listing Regulations and that all are Independent of the Management. During the year under review, no Independent Director has resigned from their position of Director before expiry of their tenure.

AUDIT COMMITTEE

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

Composition, Meetings and Attendance

During the year under review i.e. April 1, 2018 to March 31, 2019, four meetings of the Audit Committee were held on May 16, 2018, July 25, 2018, October 24, 2018 and January 24, 2019 respectively. The Composition of the committee and attendance of each Committee Member during 2018-19 is as under:

Sr. No.	Name of the Members	Position	No. of meetings attended
1	Mr. Nilesh B. Mehta	Chairman	4
2	Mr. K. P. Padmakumar*	Member	2
3	Mr. K. Ullas Kamath*	Member	4
4	Mr. R. Lakshminarayanan	Member	4

** Mr. K. P. Padmakumar and Mr. K. Ullas Kamath ceased to be member of the Audit Committee w.e.f. the closing hours of March 31, 2019.*

Further, Ms. Bhumika Batra has been appointed as a Member of the Audit Committee w.e.f. April 1, 2019.

Mr. Sanjay Agarwal, Chief Financial Officer of your Company is the permanent invitee to all the Audit Committee meetings. Further, representatives of the Internal Auditors and the Statutory Auditors were invitees to the Audit Committee Meetings.

Terms of Reference of the Audit Committee

The Terms of Reference of the Audit Committee of your Company are in accordance with the Section 177 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder and Regulation 18 read with Part C of Schedule II of the Listing Regulations, which inter alia include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to the Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Boards' Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013,
   b. Changes, if any, in accounting policies and practices and reasons for the same,
   c. Major accounting entries involving estimates based on the exercise of judgment by management,
   d. Significant adjustments made in the financial statements arising out of audit findings,
   e. Compliance with the listing and other legal requirements relating to financial statements,
   f. Disclosure of any related party transactions,
   g. Modified opinion(s) in the draft Audit Report;
5. Reviewing, with the management, examine the quarterly, limited review and auditors' report before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency regarding the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

14. Discussion with Internal Auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism or Vigil mechanism;

19. Reviewing the utilization of loans and/or advances from/investment by the Company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;

20. Approval of appointment of Chief Financial Officer (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and

21. Carrying out any other function as the Audit Committee may deem fit.

NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

Composition, Meetings and Attendance

The Nomination, Remuneration and Compensation Committee of your Company comprise of the following four Members and is constituted in accordance with Section 178 and other provisions of Companies Act, 2013 and Regulation 19 of Listing Regulations.

The Committee met three times during the year ended March 31, 2019 i.e. on May 16, 2018, October 24, 2018 and March 14, 2019. The attendance of the members at these meetings was as under:

Sr. No.	Name of the Members	Position	No. of meetings attended
1	Mr. Nilesh B. Mehta	Chairman	3
2	Mr. M. P. Ramachandran	Member	3
3	Mr. K. P. Padmakumar*	Member	3
4	Mr. R. Lakshminarayanan	Member	3

** Mr. K. P. Padmakumar ceased to be the member of the Nomination, Remuneration and Compensation committee w.e.f. the closing hours of March 31, 2019*

Further, Ms. Bhumika Batra has been appointed as a Member of the Nomination, Remuneration and Compensation Committee w.e.f. April 1, 2019.

Terms of Reference of Nomination, Remuneration and Compensation Committee

The role and terms of reference of the Committee are in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the Listing Regulations. The Committee is empowered to do the following:

1. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to appointment and remuneration for Directors, Key Managerial Personnel and other senior employees;

2. To formulate criteria for evaluation of the members of the Board of Directors including Independent Directors, the Board of Directors and the Committees thereof;

3. To devise policy on Board Diversity;

4. To identify persons, qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and where necessary, their removal;

5. To formulate policy ensuring the following:

   a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully,

b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and

c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

6. To design Company's policy on specific remuneration packages for Executive/Whole Time Directors and Key Managerial Personnel including pension rights and any other compensation payment;

7. To determine, peruse and finalize terms and conditions including remuneration payable to Executive/Whole Time Directors and Key Managerial Personnel of the Company from time to time;

8. To review, amend or ratify the existing terms and conditions including remuneration payable to Executive/Whole Time Directors and Key Managerial Personnel of the Company;

9. To apply to Ministry of Corporate Affairs, New Delhi or any authority regarding their approval for payment of remuneration to Executive/Whole Time Directors as may be required under the said Act;

10. To consider and approve ESOP Scheme and to perform all such acts, deeds and functions including, but not limited to, the matters specified in clause 5 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time and matters incidental/supplemental thereto;

11. To recommend to the Board, all remuneration in whatever form, payable to senior management; and

12. To recommend to the Board of Directors their decisions and further actions as they may deem fit.

Performance evaluation criteria for Independent Directors:

As per the Remuneration policy of your Company, the Independent Directors will be evaluated on six criterias as mentioned below:

1) Ethics and Values;
2) Knowledge and Proficiency;
3) Diligence;
4) Behavioural Traits;
5) Efforts for Personal Development; and
6) Independence in Decision making.

The above six criteria will be further divided into sub-criteria, not exceeding five for each of the criteria. These will also bring out whether or not a Director has necessary positive attributes required for discharging his duties, functions and responsibilities as the Director of your Company.

A rating scale of 5 (five) is used to give scores for each of the sub criteria:

1) Outstanding- 5
2) Very Good- 4
3) Good- 3
4) Unsatisfactory- 2
5) Poor- 1

Each evaluating Director will provide score for each of the Independent Director. The evaluating Director will give score for each of the sub-criteria comprising each of the criteria mentioned above. The score will be based on the rating scale as mentioned above.

The evaluator will have to provide reasons for rating score of 1 or 2 and suggestions, if any, for improvement. The final score for each of the independent director will be arrived at in the manner given below:

i) The score for each of the criteria will be arrived at by aggregating the scores for sub-criteria and dividing them by the number of sub criteria.

ii) The total score from each evaluator will be arrived at by adding up the scores of all criteria and dividing the total by 5 (five).

iii) The total score for an independent director will be arrived at by adding the scores from all evaluators and dividing such total score by the number of evaluators.

The Chairman will convey the result of the evaluation to the concerned Independent Director. In case the total score of an Independent Director is less than or equal to 2, the Chairman shall convey to such Independent Director the reasons for the score mentioned by the evaluator(s), and suggestions for improvements, if any. If an Independent Director gets score of less than or equal to 2 for his whole tenure (as provided under the provisions of the Companies Act, 2013), he shall not

be eligible for re-appointment for a further term as Director of your Company.

The Performance Evaluation of Executive Directors and Key Managerial Personnel shall be carried out by the Independent Directors in the manner mentioned above taking into account the performance against the corporate goals and objectives on the basis of performance parameter set for each Executive Director and Key Managerial Personnel.

Remuneration Policy

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

a) While determining the remuneration of Executive Directors and Key Managerial Personnel, the Board considers following factors:

   i) Criteria/norms for determining the remuneration of such employees prescribed in the HR Policy.

   ii) Existing remuneration drawn.

   iii) Industry standards, if the data in this regard is available.

   iv) The job description.

   v) Qualifications and experience levels of the candidate.

   vi) Remuneration drawn by the outgoing employee, in case the appointment is to fill a vacancy on the death, resignation, removal etc. of an existing employee.

   vii) The remuneration drawn by other employees in the grade with matching qualifications and seniority, if applicable.

b) The determination of remuneration for other employees shall be governed by the HR Policy.

c) The proposal for the appointment of an Executive Director/Key Managerial Personnel shall provide necessary information in this regard which the Board will consider in arriving at the conclusion as to whether or not the remuneration offered to the candidate is appropriate, reasonable and balanced as to the fixed and variable portions (including the commission).

d) The remuneration payable to the Executive Directors, including the Commission and value of perquisites as per the provisions of the Companies Act, 2013 .

e) The Executive Directors shall not be eligible to receive sitting fees for attending the meetings of the Board or committees thereof of the Company and its Subsidiary Companies.

f) The Independent Directors and/or Non-executive Directors shall not be eligible to receive any remuneration/salary from the Company. However, they shall be paid sitting fees for attending the meeting of the Board or Committees thereof and commission, as may be decided by the Board/ Shareholders from time to time.

g) The Independent Directors and/or Non-executive Directors shall also be eligible to reimbursement of reasonable out-of-pocket expenses incurred by them for attending meetings of Board, Committees or Shareholders, including the travelling and lodging & boarding expenses on an actual basis.

   The amount of sitting fee and commission payable to Independent Directors and/or Non-executive Directors shall not exceed the limits prescribed under the provisions of the Companies Act, 2013.

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

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

Details of Remuneration paid to Directors for the financial year ended March 31, 2019:

Executive Directors

(Amount in ₹)

Name of the Director	Salary including Benefits & Perquisites	Provident Fund	Super-annuation	Commission payable	Stock Options	Total
Mr. M. P. Ramachandran	1	-	-	4,82,33,552	-	4,82,33,553
Mr. K. Ullas Kamath	3,00,00,000	36,00,000	30,00,000	4,34,10,196	-	8,00,10,196
Ms. M. R. Jyothy	1,98,00,000	21,60,000	-	-	-	2,19,60,000

For further details, please refer to Note No. 34 of the Notes to Financial Statements which form part of the Annual Report.

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

Non-Executive Directors' Compensation and Shareholding

As per the resolution dated July 11, 2017 passed by your Company, the members had approved payment of commission to the Non-Executive and Independent Directors of your Company for an amount not exceeding 1% of the net profits of your Company calculated in accordance with the provisions of Section 197 of the Companies Act, 2013 in such manner as may be determined by the Board of Directors from time to time within the said limits.

On March 14, 2019, the Board approved increased sitting fees payable to Independent Directors for attending the Board and Committee meetings in the following manner:

Sr. No.	Nature of Meeting	Earlier sitting fees per meeting	Revised sitting fees per meeting
1.	Board of Directors	₹ 20,000/-	₹ 50,000/-
2.	Audit Committee	₹ 5,000/-	₹ 25,000/-
3.	Stakeholders' Relationship Committee	₹ 5,000/-	₹ 25,000/-
4.	Nomination, Remuneration and Compensation Committee	₹ 5,000/-	₹ 25,000/-
5.	Corporate Social Responsibility Committee	₹ 5,000/-	₹ 25,000/-

Accordingly, Independent Directors were paid the following sitting fees and commission during the year under review.

Details of sitting fees & commission paid to the Independent Directors during the year 2018-19 along with their Shareholding as on date of this Report are as under:

Sr. No.	Name of the Directors	Sitting Fees (₹)	Commission (₹)	No. of Shares held
1	Mr. Nilesh B. Mehta	2,05,000	10,00,000	-
2	Mr. K. P. Padmakumar	1,45,000	10,00,000	-
3	Mr. R. Lakshminarayanan	2,05,000	10,00,000	-

There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis your Company which has potential conflict of interest with the interests of your Company at large.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee inter-alia monitors and reviews investors' grievances and is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of services.

The Committee is headed by Mr. Nilesh B. Mehta, Independent Non-executive Director and the Committee consists of Three members as stated below. During the year ended March 31, 2019, this Committee had 4 meetings which were held on May 16, 2018, July 25, 2018, October 24, 2018 and January 24, 2019 and attended by the members as under:

Sr. No.	Name of Members	Position	No. of meetings attended
1	Mr. Nilesh B. Mehta	Chairman	4
2	Mr. M. P. Ramachandran	Member	4
3	Mr. R. Lakshminarayanan	Member	4

Mr. Shreyas Trivedi, Head- Legal & Company Secretary is designated as the Compliance Officer of your Company who oversees the redressal of investor grievances.

During the financial year, your Company received 63 complaints from shareholders and all of them were disposed off to the satisfaction of the shareholders. As on March 31, 2019 there was no complaint which remained unresolved.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility (CSR) Committee was constituted pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, on May 22, 2014. The Composition of the Committee and attendance of the members of the Committee at the meetings held is as below. The CSR Committee met two times during the year ended March 31, 2019 i.e. on May 16, 2018 and October 24, 2018.

Sr. No.	Name of the Members	Position	No. of meetings attended
1	Mr. M. P. Ramachandran	Chairman	2
2	Mr. K. P. Padmakumar*	Member	2
3	Ms. M. R. Jyothy	Member	2

** Mr. K. P. Padmakumar ceased to be the member of the Corporate Social Responsibility Committee w.e.f. the closing hours of March 31, 2019.*

Further, Mr. Nilesh Mehta has been appointed as a Member of Corporate Social Responsibility Committee w.e.f. April 1, 2019.

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

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

(a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the review thereof at periodical intervals;

(b) To recommend the amount of expenditure to be incurred on the activities referred above;

(c) To monitor the expenditure incurred on the specified activities; and

(d) To monitor the implementation of Corporate Social Responsibility Policy of the Company from time to time.

RISK MANAGEMENT COMMITTEE

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 your Company was required to constitute Risk Management Committee w.e.f. April 1, 2019. Accordingly, the Board at its meeting held on March 14, 2019 has constituted Risk Management Committee w.e.f. April 1, 2019 which comprises of

Mr. M. P. Ramachandran, Chairman & Managing Director as Chairman and Mr. K. Ullas Kamath, Joint Managing Director, Ms. M. R. Jyothy, Whole Time Director & Chief Marketing Officer, Mr. T. Ananth Rao, Head – Operations and Mr. Ravi Razdan, Head – Systems & HR as Members.

Mr. Shreyas Trivedi, Head- Legal & Company Secretary of your Company will act as the Company Secretary of the Committee and Mr. Sanjay Agarwal, Chief Financial Officer will be the permanent invitee to all the meetings of the Risk Management Committee.

The Committee's prime responsibility is to implement and monitor the risk management plan and policy of your Company. The Committee's composition is in compliance with the provisions of Regulation 21 of the Listing Regulations.

Your Company has formulated a risk management policy and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

Terms of reference of the Risk Management Committee inter-alia include the following:

a) Monitoring and reviewing of the risk management plan/policies;

b) Appoint various functionaries;

c) Decide the role and responsibilities of various functionaries;

d) Evaluate risk of the Company as a whole and also control measures;

e) Recommend changes in policies and procedure;

f) Decide budget for control measures;

g) Analyse the risk including cyber risk and decide on risk treatment/security;

h) Consider and accept risk management report along with the control measures/action taken;

i) Identifying high/medium/low risk that the Company is exposed to; and

j) Such other powers as may be delegated by the Board of Directors from time to time

GENERAL BODY MEETING

Annual General Meetings

Last three Annual General Meetings of your Company were held at the venue and time as detailed herein below:

Year	Date of Annual General Meeting	Time of Meeting	Special Resolutions passed
2018-27th AGM	July 25, 2018	11.00 a.m.	1. Re-appointment of Mr. Nilesh Bansilal Mehta (DIN: 00199071), as an Independent Director of the Company for a further period of 5 (Five) years with effect from April 1, 2019 upto March 31, 2024. 2. Re-appointment of Mr. Ramakrishnan Lakshminarayanan (DIN: 00238887), as an Independent Director of the Company for a further period of 5 (Five) years with effect from April 1, 2019 upto March 31, 2024. 3. Adoption of new set of Articles of Association of the Company in substitution and to the entire exclusion of the existing Articles of Association of the Company. 4. Approval of 18,10,235 options to be granted and ratifications of 4,52,558 options already granted to Mr. Raghunandan Sathyanarayan Rao, the then Whole-time Director & Chief Executive Officer. 5. Approval for issue of Debentures to the tune of ₹ 500 Crores on a Private Placement basis.
2017-26th AGM	July 11, 2017	11.00 a.m.	No Special Resolution passed
2016-25th AGM	July 21, 2016	11.00 a.m.	Appointment of Mr. M. P. Ramachandran as the Chairman and Managing Director of the Company and payment of remuneration.

All the above meetings were held at M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20 K. Dubhash Marg, Kala Ghoda, Mumbai – 400001.

All resolutions at the 25th, 26th and 27th Annual General Meetings were passed through e-voting and physical ballots cast at the AGM.

Postal Ballot

During the year ended March 31, 2019, no special resolution was passed through Postal Ballot. Further, from the year ended March 31, 2019 till the date of this report no special resolution is proposed to be conducted through postal ballot.

MEANS OF COMMUNICATION

Your Company publishes its quarterly, half-yearly and annual financial results generally in Business Standard and Sakal after submitting it to the Stock Exchanges once approved by the Board of Directors of your Company. The said results are also available on the website of your Company at www.jyothylaboratories.com. Official Press releases, Conference call transcripts and presentation made to the institutional investors/ Analysts are also available on the aforesaid website of your Company.

GENERAL SHAREHOLDER INFORMATION

a) **Annual General Meeting:** 28th Annual General Meeting of your Company will be held on July 23, 2019 at 11.00 a.m. at M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai – 400001.

b) **The Financial year covered by this Annual Report:** April 1, 2018 to March 31, 2019.

c) **Book Closure Dates:** From July 16, 2019 to July 23, 2019 (both days inclusive).

d) **Dividend Payment Date:** On or after July 29, 2019, subject to the approval of Shareholders at the ensuing Annual General Meeting.

e) Listing on Stock Exchanges and Stock Codes:

The equity shares of your Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The annual listing fees for the year 2019-20 have been paid to both the stock exchanges. Following table indicates your Company's stock exchange codes.

Name and Address of Stock Exchange	Stock Code
BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	532926
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	JYOTHYLAB
ISIN Number	INE668F01031

f) Registrar & Share Transfer Agents:

Link Intime India Private Limited
C-101, 247 Park, LBS Marg,
Vikhroli West, Mumbai - 400083
Phone: 022-49186000, Fax: 022-49186060
E-mail: rnt.helpdesk@linkintime.co.in

g) Share Transfer System:

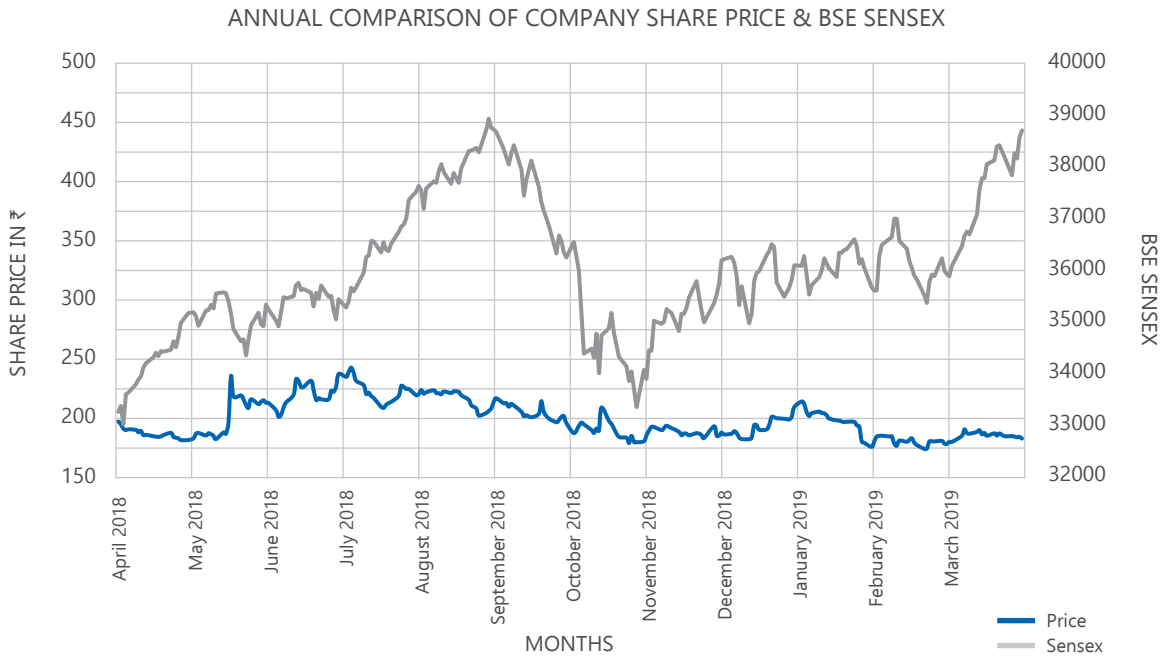
Share Transfers are registered and returned by the Registrars & Share Transfer Agents within a period of 15 days from the date of receipt of the documents, provided the same are in order. Your Company has constituted Securities Transfer Committee which considers the transfer proposals generally on a regular basis. Pursuant to the requirement of the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, w.e.f. April 1, 2019, all the transfers of securities shall be mandatorily effected through dematerialized mode only. However, the requirement of this provision is not applicable in case of transmissions/transpositions.

h) Stock Market Price for the year:

The monthly high/low stock price of your Company's equity shares listed on the BSE and NSE from April 1, 2018 to March 31, 2019 are given below:

Month	BSE Market Price (₹)		NSE Market Price (₹)	
	High	Low	High	Low
April 2018	399.00	358.25	399.40	358.60
May 2018	470.00	349.00	471.05	348.25
June 2018	486.90	220.00	486.80	218.25
July 2018	245.00	204.65	245.00	202.30
August 2018	228.00	200.55	227.35	200.00
September 2018	219.45	190.70	219.60	185.85
October 2018	218.60	176.60	222.45	177.00
November 2018	196.00	181.90	196.65	182.00
December 2018	218.00	179.05	220.50	178.05
January 2019	216.50	171.00	216.05	172.20
February 2019	187.90	173.40	188.00	173.00
March 2019	194.85	177.05	195.00	179.55

i) Share Price (₹) in comparison with BSE Sensex:



Note: On account of issue of Bonus Shares in the ratio of 1:1, the share price of your Company from April 1, 2018 to June 27, 2018 has been adjusted in the above graph for Annual Comparison of Company Share Price and BSE Sensex

j) Shareholding Pattern as on March 31, 2019:

Shareholding pattern of your Company's equity shares in broad categories as on March 31, 2019 are given below:

Sr. No.	Category of Shareholder	As on 31.03.2019	
		Total Number of Shares	%
1	**Promoter and Promoter's Group**	**246434669**	**67.11**
2	**Sub-total - 1**	**246434669**	**67.11**
	Institutions		
a.	Mutual Funds	29325083	7.98
b.	Alternate Investments	1597793	0.44
c.	Venture Capital Funds	0	-
d.	Foreign Portfolio Investor	58111443	15.83
e.	Financial Institutions/Banks	46011	0.01
f.	Insurance Companies	400000	0.11
	Sub-Total - 2	**89480330**	**24.37**
3	**Central Government/State Government(s)**	**840**	**0.00**
	Sub-Total - 3	**840**	**0.00**
4	**Non-institutions**		
a.	Individuals & HUF	17746544	4.83
b.	NBFC Registered with RBI	94570	0.03
c.	IEPF	8442	0.00
d.	Trusts	874	0.00
e.	Non Resident Indians (Non Repat)	290719	0.07
f.	Non Resident Indians (Repat)	655125	0.18
g.	Clearing Members	136271	0.04
h.	Bodies Corporates	12360260	3.37
	Sub-Total - 4	**31292805**	**8.52**
	Total	**367208644**	**100.00**

k) Distribution of Shareholding as on March 31, 2019:

Sr. No	Slab of shareholding		Shareholders		Shares Value	
	No. of Equity shares held		Number	In %	Face Value (₹)	In %
	From	To				
1.	1	500	78,239	94.58	9070615	2.47
2.	501	1000	2380	2.88	1808026	0.49
3.	1001	2000	1048	1.27	1589532	0.43
4.	2001	3000	322	0.39	820735	0.22
5.	3001	4000	177	0.21	634977	0.17
6.	4001	5000	101	0.12	464875	0.13
7.	5001	10000	195	0.24	1405584	0.39
8.	10001	& Above	260	0.31	351414300	95.70
Total			**82722**	**100.00**	**367208644**	**100.00**

l) **Dematerialization of shares and Liquidity:** As on March 31, 2019, 99.60% of total equity share capital was held in dematerialized form. The equity shares of your Company are actively traded on the BSE and NSE in the dematerialized form.

m) **Outstanding GDRs/ADRs/Warrants or any convertible instruments:** During the year 2018-19, your Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments.

n) **Plant Locations:** Manufacturing Plants of your Company are situated at the following locations:-

1. BISHNUPUR (UJALA UNIT), LIGHT HOUSE MORE, BISHNUPUR, BANKURA, WEST BENGAL - 722122;
2. GUWAHATI UNIT - I & UNIT - II, E.P.I.P. COMPLEX, AMINGAON, GUWAHATI, ASSAM - 781031;
3. GUWAHATI UNIT - III, PLOT NO. 50, BRAHMAPUTRA INDUSTRIAL PARK, GOURIPUR, NORTH GUWAHATI, KAMRUP, ASSAM - 781031;
4. GUWAHATI UNIT - IV, PLOT NO. 109, BRAHMAPUTRA INDUSTRIAL PARK, GOURIPUR, NORTH GUWAHATI, KAMARUP, ASSAM - 781031;
5. GUWAHATI UNIT - V, JAGATI MINI INDUSTRIAL ESTATE, SILA SINDURI GHOPA, KAMALPUR, CHOWKIGATE, CHANGSARI, KAMRUP, ASSAM - 781101;
6. GUWAHATI DETERGENT UNIT, PASCHIM BORAGAON, N. H. - 37, GUWAHATI, ASSAM - 781033;
7. HIMACHAL POLY VINYL EMULSION AND HIMACHAL DETERGENT UNIT, VILLAGE KATHA, BADDI P. O., SOLAN HIMACHAL PRADESH-173205;
8. JAMMU LIQUID VEPORISER AND MAXO UNIT, LANE 2, PHASE II, SIDCO INDUSTRIAL COMPLEX, BARI BRAHAMANA, SAMBA, JAMMU & KASHMIR -181133;
9. KANDANASSERY (UJALA UNIT), KANDANASSERY, VIA - ARIYANNUR, THRISSUR, KERALA - 680102;
10. KARAIKAL UNIT, 131 PERALAM MAIN ROAD, THIRUNALLAR POST, KARAIKAL PONDICHERRY-609607;
11. MEHBOOBNAGAR (UJALA UNIT) - TELANGANA, SHED NO. 25/26, IDA, KOTHUR, RANGA REDDY, TELANGANA- 509228;
12. PITHAMPUR (MAXO UNIT), PLOT NO. 201, SECTOR I, PITHAMPUR MADHYA, DHAR, MADHYA PRADESH - 454775;
13. PONDICHERRY - FLOOR SHINE UNIT, R.S. NO. 12/1&2, THETHAMPAKKAM VILLAGE, SUTHUKENY POST, PONDICHERRY - 605502;
14. PONDICHERRY DETERGENT UNIT AND EXO, R. S. NO. 15, THETHAMPAKKAM VILLAGE, SUTHUKENY POST PONDICHERRY - 605502;
15. PONDICHERRY UJALA UNIT AND PONDI-PERSONAL CARE UNIT, 12/1 & 2, THETHAMPAKKAM VILLAGE, SUTHUKENY, POST PONDICHERRY-605502;
16. PONDICHERRY MAXO LV UNIT, R. S. NO. 15, THETHAMPAKKAM VILLAGE, SUTHUKENY, POST, PONDICHERRY-605502;
17. SILVASSA UNIT - II, SURVEY NO. 369/1/1/1, RAKHOLI - SAYLI ROAD, SAYLI VILLAGE, BEHIND SIYARAM SILK MILLS, SILVASSA, DADRA & NAGAR HAVELI-396230;
18. SILVASSA ENGINEERING DIVISION (EDS), SURVEY NO 910/7/1 DOKMARDI, SILVASSA, DADRA & NAGAR HAVELI-396230;

19. UTTARANCHAL - UNIT-I (PERSONAL CARE AND UJALA DIVISION), PLOT NO. 6, 7 & 8 BEARING KHASARA NOS 361, 366 & 370, KIE INDUSTRIAL ESTATE, VILLAGE MUNDIYAKI, ROORKEE, HARIDWAR, UTTARAKHAND - 247670;

20. UTTARANCHAL II - DETERGENT AND DISH WASH DIVISION, PLOT NO. 18, 19, 20 & 21, BEARING KHASARA NOS 366 & 367, KIE INDUSTRIAL ESTATE, VILLAGE MUNDIYAKI, ROORKEE, HARIDWAR, UTTARAKHAND - 247670;

21. WAYANAD (DETERGENT), MP IV/101 B, KOLAGAPPARA PO, SULTHAN BATHERY, WAYANAD, KERALA-673591; and

22. UTTARANCHAL LV DEVICE UNIT, KHASARA NOS 112 & 236, VILLAGE KUVAN HEDI, POST GURUKUL NARSAN, PARGANA MANGLOUR, ROORKEE, HARIDWAR, UTTARAKHAND - 247670.

o) Shareholders & Investors Correspondence:

Shareholders should address their correspondence to the Company and/or its Registrars and Share Transfer Agents at the following address:

1. Link Intime India Private Limited
Unit: Jyothy Laboratories Limited
C-101, 247 Park, LBS Marg,
Vikhroli West, Mumbai-400 083
Phone: 022- 49186000, Fax: 022-49186060
E-mail: rnt.helpdesk@linkintime.co.in
Contact Person: Ms. Suman Shetty

2. Mr. Shreyas Trivedi
Head - Legal and Company Secretary
Jyothy Laboratories Limited
'Újala House', Ram krishna Mandir Road,
Kondivita, Andheri (East), Mumbai-400 059
Phone: 022-66892800, Fax: 022-66892805
E-mail: secretarial@jyothy.com

CREDIT RATING

Details of Credit Ratings obtained by your Company during the financial year under review are as follows:

Sr. No.	Name of the Rating Agency	Rating	Type of debt instrument
1	CARE Ratings Limited	CARE A1+	Commercial Paper Issue
2	CARE Ratings Limited	CARE AA; Stable	Long term Bank Facilities
3	ICRA Limited	[ICRA] A1+	Commercial Paper Issue

DISCLOSURES

1. During the year under review, there were no materially significant related party transactions that may have potential conflict of interest with the interests of your Company at large. Your Company has formulated the Policy on dealing with related party transactions and the same is available on the website of your Company and a web link thereto is as below:

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

   Transactions with related parties, as per requirements of Indian Accounting Standard 24, are disclosed in Notes to Accounts annexed to the Financial Statements.

2. Your Company has followed all relevant Accounting Standards while preparing Financial Statements and no treatment different from that prescribed in an Accounting Standard has been followed.

3. No penalties or strictures have been imposed on your Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

4. Your Company has in place Vigil Mechanism/ Whistle Blower policy and the details of same are provided in the Board's Report. Further, it is affirmed that no personnel has been denied access to the Audit Committee.

5. Your Company has complied with the applicable mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company has not adopted any of the discretionary requirements as specified in Part E of Schedule II of the Listing Regulations, except access to Internal Auditors of your Company to directly report to the Audit Committee.

6. Your Company has laid down procedures to inform Board members about the risk assessment and minimization procedures.

7. The policy for determining criteria of material subsidiaries is formulated by your Company and is available on the website of your Company at the web link thereto is as below:

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

8. Your Company has formulated the Policy on distribution of dividend and the same is available

on the website of your Company and a web link thereto is as below:

http://www.jyothylaboratories.com/management-policies.php.

9. During the year under review your Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

10. During the year under review, there has been no instance where the Board has not accepted any recommendation(s) of any of the Committee of the Board which was mandatorily required to be accepted.

11. Your Company has paid a total consolidated fees of ₹ 95,00,000/- (Rupees Ninety Five Lacs only) to M/s. B S R & Co. LLP, the Statutory Auditors for all services availed by your Company and its Subsidiary Company viz. Jyothy Fabricare Services Limited.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

Your Company has exposure to various commodities involved in the manufacturing of the final products of your Company. Any fluctuation in prices of basic commodities like Benzene, Crude, Naptha, Palm and Palm Kernel may have direct impact on the products falling under detergent, body soap and dish wash category. Similarly, volatility in prices of Polyethylene Terephthalate (PET) and Polypropylene (PP) may lead to increase in prices of container. Any rise in Kraft paper prices can impact the Secondary packaging cost for the products of your Company.

Your Company has a mechanism in place wherein a dedicated team keeps a close watch on the market behaviour and adopts best purchase practices to minimize the effect of inflation.

Your Company has minimal exposure to foreign exchange risk vis-à-vis, total Sales/Purchases of your Company and the transactions are significantly in Indian Currency.

Your Company has not undertaken any hedging activities during the year under review.

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

M/s. Rathi & Associates, Practicing Company Secretary has issued certificate dated May 7, 2019 confirming that none of the Directors on the board of your Company have been debarred or disqualified from being appointed or continue to act as directors of Companies by the Board/Ministry of Corporate Affairs or any such other statutory authorities.

DISCLOSURE IN RELATION WITH THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Number of complaints filed during the financial year (i.e. from April 1, 2018 to March 31, 2019)	Nil
Number of complaints disposed of during the financial year (i.e. from April 1, 2018 to March 31, 2019)	-
Number of complaints pending as on end of the financial year (i.e. as on March 31, 2019)	Nil

CODE OF CONDUCT

The Board has adopted the Code of Conduct for all its Directors and Senior Management which has been displayed on your Company's website www.jyothylaboratories.com. All Board members and senior management personnel have affirmed compliance with the code of conduct on annual basis. A declaration to this effect as required under the Listing Regulations regarding compliance of Code of Conduct by the Chairman and Managing Director of your Company is annexed and forms part of this Annual Report.

MD/CFO CERTIFICATE

The Chairman & Managing Director (CMD) and Chief Financial Officer (CFO) have issued the certificate in terms of Regulation 17(8) read with Part B of Schedule II to the Listing Regulations. The said certificate is annexed and forms part of the Annual Report.

DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS:

Your Company has complied with all the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, wherever applicable to your Company.

Your Company has complied with all the requirements of corporate governance report as specified in sub-paras (2) to (10) of Schedule V (c) of the Listing Regulations.

For Jyothy Laboratories Limited

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

Place: Mumbai
Date: May 7, 2019

DECLARATION BY THE CHAIRMAN AND MANAGING DIRECTOR UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING COMPLIANCE WITH CODE OF CONDUCT

In accordance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2019.

For Jyothy Laboratories Limited

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

Place: Mumbai
Date: May 7, 2019

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO) PURSUANT TO REGULATION 17(8) READ WITH PART B OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, M. P. Ramachandran, Chairman & Managing Director and Sanjay Agarwal, Chief Financial Officer of Jyothy Laboratories Limited, certify that:-

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:
   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee that there are no
   a) significant changes in internal control over financial reporting during the year;
   b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Jyothy Laboratories Limited

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

Sd/-
Sanjay Agarwal
Chief Financial Officer

Place: Mumbai
Date: May 7, 2019

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
Jyothy Laboratories Limited

We have examined the compliance of conditions of Corporate Governance by Jyothy Laboratories Limited having its Registered Office at Ujala House, Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059 ("the Company"), for the year ended March 31, 2019, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations have been limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the Listing Regulations. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Listing Regulations.

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

For and on behalf of
Rathi & Associates
Company Secretaries

Sd/-
Jayesh M. Shah
Partner
FCS No. 5637
C. P. No. 2535

Date: May 7, 2019
Place: Mumbai

INDEPENDENT AUDITORS' REPORT

To the Members of
Jyothy Laboratories Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Jyothy Laboratories Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2019, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit

Revenue Recognition
 	
Refer note 2.2(d) of accounting policies and notes 22 and 46 of standalone financial statements.
 	
• Revenue is recognised when control of the underlying products have been transferred to the customer. Sales contracts with customers have a variety of terms relating to recognition of revenue, entitlement to sales rebates, right of return and price adjustments. We have identified the recognition of revenue from sale of products as a key audit matter because
 	
  • Revenue is a key performance indicator of the Company and there is risk of revenue being overstated due to fraud resulting from pressure to achieve targets, earning expectations or incentive schemes linked to performances for a reporting period.
 	
  • Establishing an appropriate accrual towards rebate, discounts, returns and other adjustments requires estimation by management and changes in this estimate can have a significant financial impact.
	Our audit procedures in respect of the recognition of revenue included the following-
	
	• Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to trade spends by comparing with applicable accounting standards.
	
	• Performed a combination of control testing and substantive testing in respect of selected samples of revenue recorded during the year and verified the underlying documents including external evidence.
	
	• Due to high reliance for revenue recognition on IT, we evaluated design, implementation and operating effectiveness of overall general IT controls and key IT application controls over revenue recognition.
	
	• Tested sales transactions to its underlying documentation recorded either side of the year as well as credit notes issued after the year end to determine whether the revenue is recorded in the correct period.
	
	• Assessed manual journal entries to revenue for unusual or irregular items.
	
	• Tested operating effectiveness of controls over calculation and monitoring of trade spends

Key audit matter	How the matter was addressed in our audit
	• Tested samples of trade spends to the supporting documentation. • Performed retrospective review to identify any management bias while making estimation of provision for trade spends. • Evaluated adequacy of disclosures given in note 46 to the standalone financial statements.
Uncertain tax positions and utilisation of MAT credit Refer note 2.2(f) of accounting policies and notes 8 and 20 of standalone financial statements. • The Company operates in a complex tax jurisdiction with various tax exemptions and is subject to periodic challenges by tax authorities leading to protracted litigations. There are open income tax, indirect tax and transfer pricing matters under litigation with tax authorities over a number of years. • Judgment is required in assessing the requirement to make provisions towards current tax, deferred tax and uncertain tax positions and relevant disclosure of contingent liabilities that reflects management's best estimate of the most likely outcome based on the facts available. • Significant judgment is required in forecasting the future tax liabilities and utlisation of MAT credit within the eligible period • Uncertain tax positions has been identified as a key audit matter considering the complexity of the underlying tax laws and the extent of management judgement involved in developing these estimates.	Our audit procedures in respect of the uncertain tax positions and utilisation of MAT credit included the following- • For uncertain tax positions, we read and analysed select key correspondences, reviewed management's judgment regarding the eventual resolution of matters with various tax authorities, assessment of third-party opinions, and the use of past experience, where available, with the tax authorities in the respective jurisdiction • Our tax specialists assessed the status of the ongoing tax litigations and their most likely outcome, basis their expertise, industry outcomes and company's own past outcomes in respect of similar matters. • Challenged management by performing sensitivity analysis considering a reasonably possible change in key assumptions used and evaluated the impact on MAT credit utilisation. • Evaluated the adequacy of financial statement disclosures in respect of the tax provision.
Carrying value of intangible assets and investment in subsidiaries Refer note 2.2(l) of accounting policies and notes 3c and 4 of standalone financial statements • The carrying amount of intangible assets (goodwill and brands) and investment in subsidiaries aggregate to ₹ 33,589.83 lacs as at 31 March 2019. • The recoverable amount of these intangibles assets and investment in subsidiaries have been determined based on certain assumptions and estimates of future performance. • The recoverable amounts so determined have been used for the impairment evaluation. Due to the significance of the amount, the inherent uncertainty and judgment involved in forecasting performance and the estimates involved in discounting future cash flows, we have considered these estimates to be significant to our overall audit strategy and planning.	Our audit procedures in respect of impairment of intangible assets and investments in subsidiaries included the following- • Assessed the valuation methodology used by management and tested the operating effectiveness of controls over the review of the impairment analysis done by management. • Evaluated the reasonableness of the valuation assumptions, such as discount rates and terminal growth rate used by management. • Evaluated and challenged the appropriateness of the business assumptions made by management such as sales growth forecasts by comparing them with the historical growth trends, agreeing the forecast used in prior year models to its actual performance of the business and management approved future plans. • Challenged these assumptions by performing sensitivity analysis considering reasonably possible reductions in growth rates and forecasted cash flows to evaluate the impact. • Evaluated the adequacy of financial statements disclosures in respect of the intangibles(brands), investment in subsidiaries and goodwill , including disclosures of key assumptions, judgments and sensitivities

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) 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 purposes 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 35(C) to the standalone 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
7 May 2019

ANNEXURE - A
TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2019
(Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 3(a) to the Standalone Ind AS financial statements, are held in the name of the Company, except as noted below:

Particulars	Freehold land	Buildings
Number of cases	1	1
Gross block as at 31 March 2019 (₹ in lacs)	33.23	644.78
Net block as at 31 March 2019 (₹ in lacs)	33.23	540.33

(ii) The inventory, except goods-in-transit and stock lying with third parties, has been physically verified by the management during the year. For inventory lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt with in the books of accounts.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act during the year. The Company has complied with the provisions of Section 186 of the Act, in respect grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value

Added Tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Goods and Service tax and Value added tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Enclosure I to this report.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company does not have any loans or borrowings from financial institutions and Government, nor has it issued any debentures during the year.

(ix) According to the information and explanation given to us, the term loans have been applied by the Company during the year for the purpose for which they were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year

(x) According to the information and explanations given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration for the year ended 31 March 2019 in accordance with the requisite approvals mandated by the provisions of and Section 67 of the Companies (Amendment) Act 2017 read with Schedule V of the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
7 May 2019

ENCLOSURE I TO ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2019

Name of the Statue	Nature of Dues	Period	Forum where dispute is pending (Amount in Lacs)			
			Commissioner & Appellate	High Court	Tribunal	Grand Total
The Central Excise Act, 1944	Excise	1998-00	10	-	-	10
		2007-18	817	-	-	817
		2011-17	-	3,111	-	3,111
The Central Sales Tax Act, 1956 and Value Added Tax	Sales Tax and VAT	1999-00	4	-	-	4
		2000-01	5	-	-	5
		2001-04	903	10	130	1,043
		2004-09	1,391	106	278	1,775
		2009-16	318	256	675	1,249
		2016-18	115	-	-	115
The Income Tax Act, 1961	Income Tax	AY 2009-10	-	-	1,999	1,999
		AY 2010-11	-	-	1,981	1,981
		AY 2011-12	-	-	1,482	1,482
		AY 2012-13	-	-	326	326
		AY 2013-14	-	-	188	188
		AY 2014-15	-	-	93	93
		AY 2015-16	-	-	*	*
Grand Total			**3,563**	**3,483**	**7,152**	**14,198**

* Indicates amount less than ₹ 0.50 lacs

Jyothy labs

ANNEXURE - B

TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF JYOTHY LABORATORIES LIMITED FOR THE YEAR ENDED 31 MARCH 2019

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

(Referred to in paragraph 'f' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Jyothy Laboratories Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly

reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
7 May 2019

Jyothy labs

BALANCE SHEET

as at March 31, 2019

₹ In Lacs

	Note	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	3a	27,150.97	25,881.77
Capital work in progress	3b	1,415.85	1,527.40
Goodwill	3c	10,287.69	10,287.69
Other intangible assets	3c	9,679.42	12,757.62
Financial assets			
Investment in subsidiaries	4	14,192.34	14,160.03
Other investments	4	2.59	2.59
Trade receivables	5	-	669.92
Loans	6	783.41	758.81
Other financial assets	7	60.72	34.14
Deferred tax assets (net)	8	7,600.97	6,282.89
Non-current tax assets (net)	9	159.80	955.21
Other non-current assets	10	9,834.64	9,206.47
		81,168.40	**82,524.54**
Current assets			
Inventories	11	20,063.89	18,695.50
Financial assets			
Investments	12	10,012.07	10,392.79
Trade receivables	5	14,826.59	15,608.46
Cash and cash equivalent	13a	6,844.55	5,499.88
Bank balances other than cash and cash equivalents	13b	1,909.66	7,219.66
Other financial assets	7	638.42	785.79
Other current assets	10	5,743.98	5,101.91
Assets held for sale		-	68.05
		60,039.16	**63,372.04**
Total assets		**141,207.56**	**145,896.58**
Equity and liabilities			
Equity			
Equity share capital	14	3,672.09	1,817.94
Other equity	15	81,722.50	66,527.54
Total equity		**85,394.59**	**68,345.48**
Non-current liabilities			
Financial liabilities			
Borrowings	16	-	-
Provisions	20	3,449.83	2,783.36
Other non-current liabilities	19	353.92	425.45
		3,803.75	**3,208.81**
Current liabilities			
Financial liabilities			
Borrowings	16	21,537.26	27,680.10
Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		3,813.45	2,809.21
Total outstanding dues of creditors other than micro enterprises and small enterprises		13,666.30	11,845.61
Other financial liabilities	18	3,773.32	23,101.37
Other current liabilities	19	5,768.69	5,288.18
Provisions	20	3,103.48	3,065.79
Current tax liabilities (net)	21	346.72	552.03
		52,009.22	**74,342.29**
Total liabilities		**55,812.97**	**77,551.10**
Total equity and liabilities		**141,207.56**	**145,896.58**
Summary of significant accounting policies	2		

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

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
May 07, 2019

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited
CIN: L24240MH1992PLC128651

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

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
May 07, 2019

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

₹ In Lacs

	Note	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Income			
Revenue from operations	22	176,887.38	164,413.89
Other income	23	2,782.98	4,329.97
Total income (I)		**179,670.36**	**168,743.86**
Expenses			
Cost of raw material and components consumed	24	70,422.57	56,661.54
Excise duty expense		-	1,788.97
Purchase of Stock in Trade		26,782.58	29,855.84
Changes in inventories of finished goods, stock in trade and work-in-progress	25	(1,025.04)	356.93
Employee benefits expense	26	18,860.34	16,801.23
Employee stock option expenses	26	-	(4.72)
Finance costs	27	2,782.36	4,234.75
Depreciation and amortisation expense	28	5,828.60	5,658.89
Other expenses	29	33,268.53	32,542.40
Total expense (II)		**156,919.94**	**147,895.83**
Profit before tax (I-II)		**22,750.42**	**20,848.03**
Income tax	**30**		
Current tax		4,690.64	4,227.37
Adjustment of tax relating to earlier periods		-	(143.65)
Deferred tax (credit) /charge		(1,257.50)	710.76
Total Income tax		**3,433.14**	**4,794.48**
Profit for the year attributable to equity shareholders (A)		**19,317.28**	**16,053.55**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) of post employment benefit obligation		(173.32)	79.14
Income tax relative to items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) of post employment benefit obligation	30	60.56	(27.65)
Other comprehensive income for the year net of tax , attributable to equity shareholders (B)		**(112.76)**	**51.49**
Total comprehensive income for the year net of tax, attributable to equity shareholders (A+B)		19,204.52	16,105.04
EARNINGS PER SHARE (EPS)	39		
Basic (₹)		5.29	4.42
Diluted (₹)		5.29	4.37
Nominal value per share (₹)		1.00	1.00
Summary of significant accounting policies	2		

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

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
May 07, 2019

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited
CIN: L24240MH1992PLC128651

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

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
May 07, 2019

Jyothy labs

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

A. EQUITY SHARE CAPITAL

Rs In Lacs

	As at March 31, 2019	As at March 31, 2018
Equity shares of Re 1 each issued, subscribed and fully paid		
At the beginning of the period	1,817.94	1,816.84
Issue of share capital	1,854.15	1.10
At the end of the period	3,672.09	1,817.94

For further details, Refer Note 14

B. OTHER EQUITY

	Retained earnings	Capital reserves	Securities premium	Debenture redemption reserve (DRR)	General reserves	Employee stock option outstanding	Total
As at April 1, 2017	**(37,010.45)**	**6,514.46**	**48,939.42**	**6,250.00**	**35,460.67**	**3,393.70**	**63,547.80**
Profit for the year	16,053.55	-	-	-	-	-	16,053.55
Other comprehensive income -Re-measurement gains/ (losses) of post employment benefit obligation	51.49	-	-	-	-	-	51.49
Total comprehensive income	**16,105.04**	**-**	**-**	**-**	**-**	**-**	**16,105.04**
Transfer from general reserves	35,000.00	-	-	-	(35,000.00)	-	-
Transfer from DRR	5,000.00	-	-	(5,000.00)	-	-	-
Transfer to DRR	(3,750.00)	-	-	3,750.00	-	-	-
Transaction with owners recorded directly in equity							
Contribution by and distibution to owners							
Cash Dividends (Note 15)	(10,901.02)	-	-	-	-	-	(10,901.02)
Dividend Distribution Tax on Cash Dividends (Note 15)	(2,219.19)	-	-	-	-	-	(2,219.19)
Stock option granted / cancelled (Note 45)	-	-	-	-	-	(5.09)	(5.09)
Exercise of share options (Note 45)	-	-	189.02	-	-	(189.02)	-
As at March 31, 2018	**2,224.38**	**6,514.46**	**49,128.44**	**5,000.00**	**460.67**	**3,199.59**	**66,527.54**
Profit for the year	19,317.28	-	-	-	-	-	19,317.28
Other comprehensive income -Re-measurement gains/ (losses) of post employment benefit obligation	(112.76)	-	-	-	-	-	(112.76)
Total comprehensive income	**19,204.52**	**-**	**-**	**-**	**-**	**-**	**19,204.52**
Transfer from DRR	5,000.00	-	-	(5,000.00)	-	-	-

B. OTHER EQUITY (Continued)

	Retained earnings	Capital reserves	Securities premium	Debenture redemption reserve (DRR)	General reserves	Employee stock option outstanding	Total
Transaction with owners recorded directly in equity Contribution by and distibution to owners							
Issue of bonus share	-	-	(1,817.94)	-	-	-	(1,817.94)
Cash Dividends (Note 15)	(1,817.94)	-	-	-	-	-	(1,817.94)
Dividend Distribution Tax on Cash Dividends (Note 15)	(373.68)	-	-	-	-	-	(373.68)
Exercise of share options (Note 45)	-	-	3,199.59	-	-	(3,199.59)	-
As at March 31, 2019	**24,237.28**	**6,514.46**	**50,510.09**	**-**	**460.67**	**-**	**81,722.50**

Nature and purpose of reserves

(a) Retained earnings - Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(b) Capital reserves - During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

(c) Securities premium - The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled" share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

(d) Debenture redemption reserve (DRR) - The money set aside can be used for payment of interest or redeemable debentures maturing during the year.

(e) General reserves -The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956.

(f) Employee stock option outstanding - The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

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

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
May 07, 2019

For and on behalf of the Board of Directors of
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M.P. Ramachandran
Chairman and Managing Director
DIN: 00553406

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
May 07, 2019

Jyothy labs

STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

₹ In Lacs

	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	22,750.42	20,848.03
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and amortisation expense	5,828.60	5,658.89
Lease rent income	(11.60)	(13.79)
Loss / (profit) on sale of fixed assets	47.52	(1,788.80)
Net change in fair value of finacial assets measured at FVTPL	(12.07)	(45.03)
Loss on financial assets fair valued through profit or loss (OCPS)	-	24.88
Profit on sale of current investments	(159.28)	(286.26)
Finance costs	2,782.36	4,234.75
Interest income	(393.69)	(670.31)
Share of (profit) / loss from investment in partnership firm	(31.82)	3.87
Foreign exchange fluctuation gain (net)	(1.86)	(3.96)
Investment subsidy income	(71.53)	(71.53)
Employee stock option expenses	-	(4.72)
Operating profit before working capital changes	**30,727.05**	**27,886.02**
Movements in working capital :		
Decrease / (increase) in loans	(24.60)	(60.72)
Decrease / (increase) in trade receivables	1,453.65	(4,510.59)
Decrease / (increase) in other financials assets	147.37	(405.92)
Decrease / (increase) in inventories	(1,368.39)	825.55
Decrease / (increase) in other assets	(1,447.99)	(443.21)
Increase/ (decrease) in trade payables	2,824.93	1,829.46
Increase/ (decrease) in other financial liabilities	1,248.86	446.13
Increase/ (decrease) in other liabilities	500.51	1,353.22
Increase / (decrease) in provisions	530.84	686.72
Cash generated from operations	**34,592.23**	**27,606.66**
Taxes paid (net)	(4,100.54)	(2,504.37)
Net cash generated from operating activities (A)	**30,491.69**	**25,102.29**
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress and capital advances	(3,906.17)	(3,650.39)
Proceeds from sale of fixed assets	128.34	4,212.05
Proceeds from sale of Mutual funds	73,395.80	63,446.59
Sale of assets held for sale	54.33	-
Investment in Mutual funds	(72,850.00)	(72,100.00)
(Investment in)/ maturity proceeds from fixed deposit (net)	5,208.00	(638.95)
Withdrawal from /(Investment) in partnership firm (net)	(0.50)	(54.49)
Interest income received	424.06	673.33
Lease rent income	11.60	13.79
Net cash (used in) investing activities (B)	**2,465.46**	**(8,098.07)**

STATEMENT OF CASH FLOWS (Continued)

for the year ended March 31, 2019

₹ In Lacs

	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:		
Finance cost paid	(3,357.06)	(4,378.92)
Proceeds from exercise of share options	36.20	1.10
Repayment of Debentures	(20,000.00)	(20,000.00)
Repayment of short-term borrowing	(56,100.00)	(42,615.81)
Proceeds from short-term borrowings	50,000.00	65,196.78
Dividend paid	(1,817.94)	(10,901.02)
Dividend tax paid	(373.68)	(2,219.19)
Net cash (used in) financing activities (C)	**(31,612.48)**	**(14,917.06)**
Net increase in cash and cash equivalents (A+B+C)	**1,344.67**	**2,087.15**
Cash and cash equivalents at the beginning of the year	5,499.88	3,412.73
Cash and cash equivalents at the end of the year	**6,844.55**	**5,499.88**
Components of cash and cash equivalents		
Cash in hand	12.05	12.46
Balance with scheduled banks - current account	6,671.80	5,345.01
Unclaimed dividend accounts *	160.70	142.41
Cash and cash equivalents considered for cash flows statement	**6,844.55**	**5,499.88**
* Not available for use by the management for any other purpose		
The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7), Statement of Cash Flows.		
Summary of significant accounting policies Note 2		

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
May 07, 2019

For and on behalf of the Board of Directors of
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Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
May 07, 2019

NOTES

to the Financial Statements for the year ended March 31, 2019

1 CORPORATE INFORMATION

Jyothy Laboratories Limited ('the Company') is a public company domiciled in India. Its shares are listed on two stock exchanges in India. The registered office of the company is located at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (E) Mumbai. The Company is principally engaged in manufacturing and marketing of fabric care, dishwashing, personal care and household insecticides products. These Financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors on May 07, 2019.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value. (Refer accounting policy regarding financial instruments)

The financial statements are presented in INR and all values are rounded to the nearest lacs, except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

The Company's financial statements are presented in INR, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

c. Fair value measurement

The Company measures financial instruments (Refer Note 2p) at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the

goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT)/ Goods and Service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when control of the goods has transferred to the customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, incentives and rebates. Accumulated experience is used to estimate and provide for trade discounts, incentives and rebates. No element of financing is deemed present as the sales are made with credit terms.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. By equal annual instalments.

f. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except :

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

Sales tax / value added taxes / Goods and service tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Sales tax / value added taxes / Goods and service taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

g. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant part of plant and equipment are required to be replaced at intervals, the Company depreciate them separately based on their specific useful lives. All other repair and maintenance cost are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows :

Category	Estimated useful life (in years)
Factory Buildings	10 to 30
Building (Other than Factory Building)	30 to 60
Building (Fences and temporary structure)	3 to 6
Plant and machinery	13 to 15
Furniture and fixtures	5 to 10
Dies and moulds	3
Computers	3 to 6
Office equipments	5
Vehicles	6 to 10

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed finite as per table below -

Category	Estimated useful life (in years)
Trademarks and Copyrights	9-10
Brands	10
Software and Licences	10

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

i. Borrowing costs

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

j. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. An operating lease is a lease other than finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

k. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

I. Impairment of non-financial assets

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) fair value less costs of disposal and its value in use. 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 Company's assets.When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. 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 asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually on reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

m. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and
- Net interest expense or income

o. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity- settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in employee stock option outstanding in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

p. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories -

1 Debt instruments at amortised cost

2 Debt instruments at fair value through other comprehensive income (FVTOCI)

3 Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

4 Equity instruments measured at fair value through other comprehensive income (FVTOCI)

The Company does not have any financial assets falling under category 2 and 4 above.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL and are measured at fair value with all changes recognised in the profit or loss. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when :

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) The Company has transferred substantially all the risks and rewards of the asset, or

(b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below :

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

The Company does not have any financial liabilities at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone

derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q. Trade Receivables

Trade receivables do not include uncollected debts which have been factored as the contractual term specifies that these debts are factored without recourse.

r. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

s. Cash dividend to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from April 1, 2019:

a. Ind AS 116, Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a

single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

Leases in which the Company is a lessee

The Company will recognise new assets and liabilities for its operating leases of offices, warehouse and factory facilities. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Company will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

No significant impact is expected for the Company's finance leases.

b. Other amendments

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial statements.

3 A PROPERTY, PLANT AND EQUIPMENT

₹ in Lacs

Particulars	Freehold land @	Leasehold land	Building # @	Plant and machinery	Dies and moulds	Furniture and fixture	Office equipments	Vehicle	Total tangible assets
Cost									
As at April 1, 2017	**6,611.62**	**237.24**	**12,189.95**	**11,427.40**	**781.23**	**415.15**	**507.20**	**529.55**	**32,699.34**
Additions	0.53	-	1,033.08	1,229.51	106.77	36.66	110.82	99.86	2,617.23
Disposals	2,033.33	-	232.62	412.05	5.10	15.83	4.06	3.15	2,706.14
As at March 31, 2018	**4,578.82**	**237.24**	**12,990.41**	**12,244.86**	**882.90**	**435.98**	**613.96**	**626.26**	**32,610.43**
Additions	5.36	-	418.84	3,113.86	384.29	34.84	84.78	105.65	4,147.62
Disposals	-	-	10.98	571.75	45.65	0.83	2.35	4.49	636.05
As at March 31, 2019	**4,584.18**	**237.24**	**13,398.27**	**14,786.97**	**1,221.54**	**469.99**	**696.39**	**727.42**	**36,122.00**
Depreciation and impairment									
As at April 1, 2017	**-**	**7.50**	**1,029.23**	**2,669.56**	**214.06**	**153.22**	**215.74**	**181.60**	**4,470.91**
Depreciation charge for the year	-	3.74	629.05	1,507.19	126.88	75.87	114.09	83.82	2,540.64
Disposals	-	-	52.47	210.09	5.05	9.14	3.50	2.64	282.89
As at March 31, 2018	**-**	**11.24**	**1,605.81**	**3,966.66**	**335.89**	**219.95**	**326.33**	**262.78**	**6,728.66**
Depreciation charge for the year	-	3.74	660.59	1,635.93	162.98	44.23	111.46	83.63	2,702.56
Disposals	-	-	9.47	399.57	45.54	0.81	0.98	3.82	460.19
As at March 31, 2019	**-**	**14.98**	**2,256.93**	**5,203.02**	**453.33**	**263.37**	**436.81**	**342.59**	**8,971.03**
Net book value									
As at March 31, 2019	**4,584.18**	**222.26**	**11,141.34**	**9,583.95**	**768.21**	**206.62**	**259.58**	**384.83**	**27,150.97**
As at March 31, 2018	**4,578.82**	**226.00**	**11,384.60**	**8,278.20**	**547.01**	**216.03**	**287.63**	**363.48**	**25,881.77**

@ Freehold land and building includes asset which are not transferred in the name of the company amounting to ₹ 678.01 (2018 - ₹ 643.38) in Gross block.

These are held in the name of the entities which have been merged with the company in earlier years.

Includes ₹ 374.31 (2018 -₹ 374.31) represented by unquoted fully paid shares at cost in various co-operative societies.

a. The Company has not capitalised any borrowing cost in the current and previous year.

b. Refer note16 for details of property, plant and equipment pledged as security for loans obtained.

c. Refer note 35 for details of assets given on lease.

3 B CAPITAL WORK IN PROGRESS

Capital work in progress as at March 31, 2019 is ₹ 1,415.85 (March 31, 2018 ₹ 1,527.40).

For contractual commitment with respect to property, plant and equitment refer note 35 B.

NOTES

to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

3 C INTANGIBLE ASSETS

Particulars	Goodwill	Other intangible assets			Total Other intangible assets
		Brands	Trademarks and Copyrights @	Softwares and Licences	
Cost					
As at April 1, 2017	**10,287.69**	**21,256.20**	**85.48**	**555.22**	**21,896.90**
Additions	-	-	-	227.16	227.16
Disposals	-	-	-	-	-
As at March 31, 2018	**10,287.69**	**21,256.20**	**85.48**	**782.38**	**22,124.06**
Additions	-	-	-	47.84	47.84
Disposals	-	-	-	-	-
As at March 31, 2019	**10,287.69**	**21,256.20**	**85.48**	**830.22**	**22,171.90**
Amortisation and impairment					
As at April 1, 2017	**-**	**6,073.20**	**79.16**	**95.83**	**6,248.19**
Amortisation charge for the year	-	3,036.60	4.00	77.65	3,118.25
Disposals	-	-	-	-	-
As at March 31, 2018	**-**	**9,109.80**	**83.16**	**173.48**	**9,366.44**
Amortisation charge for the year	-	3,036.60	0.05	89.39	3,126.04
Disposals	-	-	-	-	-
As at March 31, 2019	**-**	**12,146.40**	**83.21**	**262.87**	**12,492.48**
Net book value					
As at March 31, 2019	**10,287.69**	**9,109.80**	**2.27**	**567.35**	**9,679.42**
As at March 31, 2018	**10,287.69**	**12,146.40**	**2.32**	**608.90**	**12,757.62**

@ Includes trademarks and copyrights of ₹ 81.22 (2018 - ₹ 81.22) pending for registration in the name of the Company.

IMPAIRMENT

Goodwill is tested for impairment annually as at March 31st. No impairment charges were identified as at March 31, 2019.

Goodwill of ₹ 10,037.59 relates to the acquisition of erstwhile business of Henkel India Limited. Based on the purchase price allocation at the time of acquisition, brands were identified and recognised in the books and accordingly goodwill was determined. Since it is not practicable to allocate the goodwill to various reportable segments, the recoverable amount has been determined collectively for all brands acquired and compared with the carrying value of goodwill and brands together. Further, an amount of ₹ 250.10 pertains to Fabric Care segment and has been entirely allocated to this reportable segment.

Following key assumptions were considered while performing impairment testing : -

Terminal value growth rate - 5%

Growth rate - 9% - 17%

Weighted Average Cost of Capital % (WACC) (Discount rate) - 13%

The projections cover a period of five years, as we believe this to be the most appropriate timescale over which to review and consider annual performances, before applying a fixed terminal value growth rate to the final year cash flows. The growth rates used to estimate future performance (revenue, cost of goods sold, expenses etc) are based on the conservative estimates from past performance.

The recoverable amounts of the above CGU's have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

We have performed sensitivity analysis around the base assumptions and have concluded that no reasonable change in key assumptions would cause the recoverable amount of CGU to be less than the carrying value.

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to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

4 INVESTMENTS

Particulars	As at March 31, 2019	As at March 31, 2018
Unquoted (fully paid)		
Investment in subsidiaries (at cost)		
Jyothy Fabricare Services Limited		
9,800,000 (2018 - 9,800,000 equity shares of ₹ 10 (2018 - ₹ 10)each fully paid up	-	-
3,300,000 (2018 - 3,300,000) compulsory convertible preference shares of ₹ 100 (2018 - ₹ 100) each fully paid up	-	-
Jyothy Kallol Bangladesh Limited		
8,485,431 (2018 - 8,485,431) equity shares of BDT 10 (2018 - BDT 10) each fully paid up	580.47	580.47
M/s JFSL - JLL (JV) -Partnership Firm (Note 38)	167.87	135.55
Investment in subsidiaries (at fair value through profit and loss)		
Jyothy Fabricare Services Limited #		
7,500,000 (2018- 7,500,000) 2% optionally convertible preference share of ₹ 10 (2018 - ₹ 10) each fully paid up	13,444.00	13,444.00
	14,192.34	**14,160.03**
Investment in Others (at fair value through profit and loss)		
Henkel SPIC Employees Co-operative Thrift and Credit Society Limited*		
2,000(2018 - 2,000) equity shares of ₹ 100 (2018 - ₹ 100)each fully paid up	2.00	2.00
Capexil (Agencies) Ltd*		
5 (2018 -5) equity shares of ₹ 10,000 (2018- ₹ 10,000) each fully paid up	-	-
Madras Industrial Cooperative Analytical Laboratory Limited*		
2 (2018-2) equity shares of ₹ 500 (2018- ₹ 500) each fully paid up	-	-
Investment in Government Securities (at fair value through profit and loss)		
Indira Vikas Patra*	0.02	0.02
National Saving Certificates (Pledged with Government authorities)*	0.57	0.57
	2.59	**2.59**
	14,194.93	**14,162.62**
Aggregate value of unquoted investments	**14,194.93**	**14,162.62**
Aggregate amount of impairment in value of investments	-	-

Optionally convertible preference shares are considered as financial asset valued through profit or loss as the contractual terms of the asset do not give rise on specific dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

* Investment at fair value through profit or loss reflect investment in unquoted equity securities. Since the amount is not material, the fair value disclosure have not been made. For others, Refer Note 41 and 42.

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to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

5 TRADE RECEIVABLES (UNSECURED)

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Considered good	-	669.92	14,826.59	15,608.46
Credit impaired	-	-	1,174.34	1,174.34
Less: Loss allowance for doubtful trade receivable	-	-	(1,174.34)	(1,174.34)
	-	**669.92**	**14,826.59**	**15,608.46**

The above balance of trade receivable includes balance receivable from related party.(Refer Note 34)

Trade receivable are non interest bearing and are generally on advance term or for a term of 15-30 days.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer Note 34.

The Company's exposure to credit and currency risk, and loss allowance related to trade receivables are disclose in note 43.

6 LOANS (UNSECURED)

Particulars	NON CURRENT	
	As at March 31, 2019	As at March 31, 2018
Security deposit considerd good	783.41	758.81
Security deposit credit impaired	-	5.39
Less: Loss allowance on loans	-	(5.39)
	783.41	**758.81**

7 OTHER FINANCIAL ASSETS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Fixed deposit with Banks having remaining maturity of more than 12 months (Note 13(b))	60.72	34.14	-	-
Investment Subsidy Receivable	-	-	568.51	568.51
Staff Loans	-	-	69.91	91.78
Other receivables	-	-	-	125.50
	60.72	**34.14**	**638.42**	**785.79**

NOTES

to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

BREAK UP OF FINANCIAL ASSETS CARRIED AT AMORTISED COST

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Trade receivables (Note 5)	-	669.92	14,826.59	15,608.46
Loans (Note 6)	783.41	758.81	-	-
Other financial assets (Note 7)	60.72	34.14	638.42	785.79
Cash and cash equivalent and other bank balances (Note 13(a) and 13(b))	-	-	8,754.21	12,719.54
Total financial assets carried at amortised cost	**844.13**	**1,462.87**	**24,219.22**	**29,113.79**

8 DEFERRED TAX ASSETS (NET)

Particulars	NON CURRENT	
	As at March 31, 2019	As at March 31, 2018
a) Deferred tax liability		
Depreciation	8,968.93	9,950.62
Fair value adjustments	4.22	15.74
	8,973.15	**9,966.36**
b) Deferred tax assets		
Provision for gratuity	1,150.88	926.55
Provision for leave encashment	417.12	357.08
Provision for doubtful debts	410.36	410.36
Provision for doubtful advances	172.92	174.80
Other provisions	721.99	760.24
Other disallowances	-	46.12
Tax credit (MAT)	13,700.85	13,574.10
	16,574.12	**16,249.25**
Net deferred tax assets	**7,600.97**	**6,282.89**

9 NON-CURRENT TAX ASSETS (NET)

Particulars	NON CURRENT	
	As at March 31, 2019	As at March 31, 2018
Advance income tax (net of provisions of ₹ 22,005.90 (2018 - ₹ 17,706.53))	159.80	955.21
	159.80	**955.21**

NOTES

to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

10 OTHER ASSETS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Capital Advances	258.43	436.18	-	-
Advance to suppliers *	494.85	494.85	1,082.04	1,476.04
Balance with government authorities and protest payments* (Note 36)	8,976.81	8,178.29	4,252.57	3,203.95
Prepaid Expenses	-	-	350.27	220.19
Other receivables	599.40	592.00	59.10	201.73
Less: Loss allowance	(494.85)	(494.85)	-	-
	9,834.64	**9,206.47**	**5,743.98**	**5,101.91**

Note:

* Advances to suppliers amounting to ₹ 494.85 (2018 - ₹ 494.85) which are considered doubtful and fully provided for.

11 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

Particulars	CURRENT	
	As at March 31, 2019	As at March 31, 2018
Raw and packing materials	5,045.85	4,728.90
Work in progress	1,956.21	1,915.08
Finished goods	9,758.46	8,735.00
Stock in trade (including goods in transit ₹ 278.54 (2018- ₹ 272.82))	2,370.23	2,409.78
Stores and spare parts	440.10	428.01
Promotion materials	493.04	478.73
	20,063.89	**18,695.50**

Inventories are net of provision of ₹ 916.13 (2018 - ₹ 1,718.23) on account of damage and slow moving inventories.

Inventories pledge as a securities for borrowing (Refer Note 16)

12 INVESTMENTS

Particulars	CURRENT	
	As at March 31, 2019	As at March 31, 2018
Investment at Fair value through profit and loss		
Axis Liquid Fund - Growth		
482,852.834 (2017 - 4,74,784.95) units of ₹ 1,000 (2018 - ₹ 1,000) each	10,012.07	9,151.63
Axis Treasury Advantage Fund - Growth		
Nil (2018 - 41,342.91) units of ₹ Nil (2018 - ₹ 1000) each	-	818.94
Kotak Liquid Direct Plan - Growth		
Nil (2018 - 11,988.30) units of ₹ Nil (2017 - ₹ 1000) each	-	422.22
	10,012.07	**10,392.79**
Aggregate book and market value of quoted investments	10,012.07	10,392.79

For determination of fair values, refer Note 41

NOTES

to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

13 CASH AND BANK BALANCES

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
(a) Cash and cash equivalents				
Cash in hand	-	-	12.05	12.46
Balance with banks - Current account	-	-	6,671.80	5,345.01
Unclaimed dividend accounts	-	-	160.70	142.41
	-	**-**	**6,844.55**	**5,499.88**
(b) Bank balances other than cash and cash equivalents				
Deposits with original maturity for more than 3 months and upto 12 months*	-	-	1,033.98	4,712.37
Deposits with original maturity for more than 12 months and remaining maturity of less than 12 months*	-	-	875.68	2,507.29
Deposits with original and remaining maturity for more than 12 months*	60.72	34.14	-	-
Amount disclosed under 'other financial assets' (Note 7)	(60.72)	(34.14)	-	-
	-	**-**	**1,909.66**	**7,219.66**
	-	**-**	**8,754.21**	**12,719.54**

* Includes deposits provided as securities against bank guarantees and toward debenture redemption reserves - ₹ 1,649.64 (2018 - ₹ 5,581.27)

14 SHARE CAPITAL

Particulars	As at March 31, 2019	As at March 31, 2018
AUTHORISED CAPITAL		
2,720,000,000 (2018 - 2,720,000,000)equity shares of ₹ 1 (2018 - ₹ 1) each	27,200.00	27,200.00
30,000 (2018 - 30,000) 11% cumulative preference shares of ₹ 100 (2018 - ₹ 100) each	30.00	30.00
	27,230.00	**27,230.00**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Re 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES

to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

14 SHARE CAPITAL (Continued)

a) Reconciliation of the shares outstanding and at the end of the reporting period

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	Amount	No.	Amount
ISSUED EQUITY CAPITAL				
Equity shares of Re 1 each issued, subscribed and fully paid				
At the beginning of the period	181,794,087	1,817.94	181,683,724	1,816.84
Issued during the year	185,414,557	1,854.15	110,363	1.10
Outstanding at the end of the period	**367,208,644**	**3,672.09**	**181,794,087**	**1,817.94**

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	% Holding in the class	No.	% Holding in the class
Equity shares of ₹ 1 each fully paid				
M. P. Ramachandran	143,640,871	39.12%	70,136,948	38.58%
Sahyadri Agencies Limited	30,000,000	8.17%	15,000,000	8.25%

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
	No.	No.
Equity shares allotted as fully paid bonus shares by capitalization of securities premium (FY 2013 - 2014)	2,379,748	2,379,748
Equity shares issued for consideration other than cash, pursuant to scheme of amalgamation with erstwhile Jyothy Consumer Products Limited (JCPL) (FY 2013 - 2014)	2,379,748	2,379,748
Equity shares allotted as fully paid bonus shares by capitalization of securities premium (FY 2018 - 2019)	181,794,087	-
	186,553,583	**4,759,496**

In addition the company has issued 43,91,061(2018 - 770,591) equity shares during the period of five years immediately preceding the reporting date on exercise of option granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

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to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

15 OTHER EQUITY

A. Other Equity consist of following :

Particulars	As at March 31, 2019	As at March 31, 2018
Retained earnings		
Balance, beginning of the year	2,224.38	(37,010.45)
Profit for the year	19,317.28	16,053.55
Other Comprehensive Income - Re-measurement gains/ (losses) of post employment benefit obligation	(112.76)	51.49
Transfer from General reserves	-	35,000.00
Cash dividend (Note 15(b))	(1,817.94)	(10,901.02)
Dividend distributions tax (DDT) (Note 15(b))	(373.68)	(2,219.19)
Transfer from Debenture Redemption Reserve	5,000.00	5,000.00
Transfer to Debenture Redemption Reserve	-	(3,750.00)
Net surplus in the statement of profit and loss	**24,237.28**	**2,224.38**
Other Reserves		
Capital Reserve		
Balance, beginning of the year	6,514.46	6,514.46
Balance, end of the year	**6,514.46**	**6,514.46**
Securities premium		
Balance, beginning of the year	49,128.44	48,939.42
Add: Increase on issuance of share capital under ESOP scheme (Note 45)	3,199.59	189.02
Less: Issue of bonus share	(1,817.94)	-
Balance, end of the year	**50,510.09**	**49,128.44**
Debenture Redemption Reserve (DRR)		
Balance, beginning of the year	5,000.00	6,250.00
Add: Amount transferred from retained earning	-	3,750.00
Less: Amount transferred to retained earning	(5,000.00)	(5,000.00)
Balance, end of the year	**-**	**5,000.00**
General reserves		
Balance, beginning of the year	460.67	35,460.67
Less: Transfer to Retained earnings*	-	(35,000.00)
Balance, end of the year	**460.67**	**460.67**
Employee stock option outstanding (Note 45)		
Balance, beginning of the year	3,199.59	3,393.70
Add: Compensation on stock option granted during the year	-	(5.09)
Less: Transfer to securities premium on exercise of stock options	(3,199.59)	(189.02)
Balance, end of the year	**-**	**3,199.59**
	81,722.50	**66,527.54**

* In previous year the Board of Directors of the Company in their meeting held on May16, 2018 resolved to transfer from balance available in General Reserves of ₹ 35,000 Lacs to the Retained Earnings.

NOTES

to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

15 OTHER EQUITY (Continued)

B. Distribution made and Proposed

Particulars	As at March 31, 2019	As at March 31, 2018
Cash dividend on equity shares declared and paid :		
Final dividend for the year ended March 31, 2018 Re 0.50 per share on the proposed expanded capital base (post bonus), (2017 ₹ 6 per share)	1,817.94	10,901.02
Dividend distribution tax on final dividend	373.68	2,219.19
	2,191.62	**13,120.21**
Proposed dividends on equity shares :		
Final dividend for the year ended March 31, 2019 Re 3 per share, (2018 ₹ 0.50 per share)	11,016.26	1,817.94
Dividend distribution tax on final dividend	2,264.42	373.68
	13,280.68	**2,191.62**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as liability (including DDT thereon) as at March 31.

16 BORROWINGS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
FINANCIAL LIABILITIES				
Redeemable non-convertible debentures (Secured)				
Nil (2018 - 4,000) debentures of ₹ Nil (2018 - ₹ 5,00,000) each (Note a)	-	20,000.00	-	-
Deferred payment liability (unsecured) (Note b below)	180.00	180.00	-	-
Term Loan from Bank (Secured) (Note c below)	-	-	10,066.25	10,064.89
Loan from Bank (Secured) (Note d below)	-	-	-	10,064.89
Loan from Bank (Secured) (Note e below)	-	-	-	7,550.32
Term Loan from Bank (Secured) (Note f below)	-		1,914.44	-
Loan from Bank (Secured) (Note g below)	-		7,555.10	-
Term Loan from Bank (Secured) (Note h below)	-		2,001.47	-
Amount disclosed under 'Other financial liabilities' (Note 18)	(180.00)	(20,180.00)	-	-
	-	**-**	**21,537.26**	**27,680.10**

Note :

a. Company had issued 4,000 unlisted, non-convertible debentures of ₹ 10 lacs each aggregating to ₹ 40,000 lacs. These debentures carry an interest of 7.2% p.a upto March 31, 2017, 7.5% p.a from April 1, 2017 to

NOTES

to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

16 BORROWINGS (Continued)

November 30, 2017 and 8% p.a from December 1, 2017 to November 9, 2018. 25% of the debenture amount is repaid on February 1,2018 and 25% on February 8, 2018, while the balance 50% is repaid during the year at par. The debenture terms give call option / put option to the issuer / holder, the exercise price being at par. However, these are embedded derivative which are closely related to the host contract and accordingly under IND AS 109, they have not been separately accounted for. These debenture are secured by negative lien on fixed assets of the Company and do not carry any debt covenant.

b. Deferred payment liability represent amount payable under the memorandum of understanding (MOU) entered into with the DRDE/DRDO of the Ministry of Defence, Government of India for transfer of technology for certain products. These are due for payment as per the Agreement.

c. Company had taken secured term loan of ₹ 10,000 lacs at interest at 7.80% and repayable on February 05, 2023. The term loan terms give call option / put option to the issuer / holder and are secured by lien on fixed assets of the Company.

d. Company had taken secured short term loan of ₹ 10,000 lacs at interest at 7.64% and repaid on August 20, 2018. These loan were secured by stock and book debt of the Company.

e. Company had taken secured short term loan of ₹ 7,500 lac at interest at 7.9% p.a. and same was repaid on July 26, 2018. These loan were secured by stock and book debt of the Company.

f. During the year Company has taken secured term loan of ₹ 2,000 lacs at interest at 8.95% and out of which ₹ 100 lac repaid on January 24, 2019 and balance repayable on October 24, 2023. The term loan terms give call option / put option to the issuer / holder and are secured by stock and book debt of the Company.

g. During the year Company has taken secured short term loan of ₹ 7,500 lacs at interest at 8.65% and repayable on May 17, 2019. These loan are secured by stock and book debt of the Company.

h. During the year Company has taken secured term loan of ₹ 2,000 lacs at interest at 8.95% and repayable on October 24, 2023. The term loan terms give call option / put option to the issuer / holder and are secured by stock and book debt of the Company.

17 TRADE PAYABLES

Particulars	CURRENT	
	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises (refer note 37 for details of dues to micro and small enterprises)	3,813.45	2,809.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	13,666.30	11,845.61
	17,479.75	**14,654.82**

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to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

18 OTHER FINANCIAL LIABILITIES

Particulars	CURRENT	
	As at March 31, 2019	As at March 31, 2018
Financial guarantee liabilities	78.83	123.88
Interest accrued but not due on loans	-	531.86
Security deposits	20.10	61.58
Payable to Employees *	2,277.99	2,061.63
Payable to bank - Factoring arrangement**	1,055.70	-
Unclaimed dividend ***	160.70	142.42
Current maturities of long term borrowings (Note 16)#	180.00	20,180.00
	3,773.32	**23,101.37**

* Payable to employees includes balance payable to related party (Refer Note 34).

** Money received from customer on behalf of bank in respect of factored debts.

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

As the holder of debentures have a put option at the end of 12 months from the date of allotment i.e. December 9, 2016 and on the last day of every calendar month thereafter, the entire amount of debentures have been disclosed as current maturities.

For explanation on the Companies credit risk management processes, refer Note 43

Terms and conditions of the above financial liabilities:

1) Trade payables are non-interest bearing and are normally settled on 07-60 days term.

2) Other payable are non interest bearing and are settled within a year.

3) Interest payable is settled as per the term of the borrowings.

Particulars	CURRENT	
	As at March 31, 2019	As at March 31, 2018
Break up of financial liabilities carried at amortised cost		
Borrowings (Note 16)	21,537.26	27,680.10
Trade payables (Note 17)	17,479.75	14,654.82
Other financial liabilities (Note 18)	3,773.32	23,101.37
Total of financial liabilities carried at amortised cost	**42,790.33**	**65,436.29**

19 OTHER LIABILITIES

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Statutory dues	-	-	1,976.40	1,317.38
Deferred investment subsidy (a)	353.92	425.45	71.53	71.53
Advances from customers	-	-	300.87	390.06
Advances towards asset held for sale	-	-	-	20.00
Contractual Obligation	-	-	3,419.89	3,489.21
	353.92	**425.45**	**5,768.69**	**5,288.18**

(a) The Company has been awarded grants on account of Central capial investment subsidy (CCIS) of ₹ 568.51 lacs and grants recognised as deferred income, is being amortised over the useful life of the assets in proportion to the usage of the related assets.

NOTES

to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

20 PROVISIONS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits				
Provision for leave encashment	156.33	131.82	1,037.35	890.20
Provision for gratuity (Note 31(i))	3,293.50	2,651.54	-	-
	3,449.83	**2,783.36**	**1,037.35**	**890.20**
Other provisions #				
Provision for litigation*	-	-	2,066.13	2,175.59
	3,449.83	**2,783.36**	**3,103.48**	**3,065.79**

* Provision for litigation pertain to various disputed indirect tax matters.

Particulars	CURRENT	
	As at March 31, 2019	As at March 31, 2018
# Movements in other provisions		
Balance as at 1st April	2,175.59	2,179.76
Arising during the year	-	-
Reversal during the year	(109.46)	(4.17)
Balance as at 31st March	**2,066.13**	**2,175.59**

21 CURRENT TAX LIABILITIES (NET)

Particulars	CURRENT	
	As at March 31, 2019	As at March 31, 2018
Provision for income tax (net of advance tax of ₹ 4,398.26 (2018 ₹ 3,747.34))	346.72	552.03
	346.72	**552.03**

22 REVENUE FROM OPERATIONS

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Sale of goods (including excise duty)*	176,769.63	164,261.42
	176,769.63	**164,261.42**
Other operating revenues		
Sale of scrap	100.41	71.86
Agricultural income	-	2.85
Others	17.34	77.76
	117.75	**152.47**
	176,887.38	**164,413.89**

*Sale of goods includes excise duty collected from customer of ₹ Nil (April 1, 2017 - June 30, 2017- ₹ 1,434.54 lacs).

NOTES

to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

23 OTHER INCOME

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Lease rent income (Note 35A)	11.60	13.79
Foreign exchange fluctuation gain (net)	14.48	-
Net change in fair value of finacial assets measured at FVTPL	12.07	45.03
Profit on sale of current investments	159.28	286.26
Profit on sale of fixed assets	-	1,788.80
Share of profit in partnership firm	31.82	-
Investment subsidy income	71.53	71.53
Interest on fixed deposit	290.51	406.49
Interest on capital invested in partnership firm	12.99	12.83
Interest on Income tax Refund	264.72	118.95
Interest others	90.19	250.99
Budgetary support benefit under GST	1,746.22	1,287.51
Export incentives	75.65	47.35
Miscellaneous income	1.92	0.44
	2,782.98	**4,329.97**

24 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Inventory at the beginning of the year	4,728.90	5,310.41
Add: Purchases	70,739.52	56,080.03
	75,468.42	**61,390.44**
Less: Inventory at the end of the year	5,045.85	4,728.90
	70,422.57	**56,661.54**

25 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Closing inventory		
Finished goods	9,758.46	8,735.00
Traded goods	2,370.23	2,409.78
Work in progress	1,956.21	1,915.08
	14,084.90	**13,059.86**
Opening inventory		
Finished goods	8,735.00	8,437.81
Traded goods	2,409.78	3,453.39
Work in progress	1,915.08	1,525.59
	13,059.86	**13,416.79**
Total	**(1,025.04)**	**356.93**

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to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

26 EMPLOYEE BENEFITS EXPENSE

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Salaries, wages and bonus	14,838.21	12,978.72
Contribution to provident and other funds	1,070.26	985.57
Gratuity (Note 31(i))	516.36	590.26
Staff welfare expenses	418.42	596.30
Directors' remuneration (Note 34)	1,414.39	1,263.63
Field staff incentives	602.70	386.75
Sub-total (A)	**18,860.34**	**16,801.23**
Employee stock option expenses (Note 45)	-	(4.72)
Sub-total (B)	**-**	**(4.72)**
Total (A+B)	**18,860.34**	**16,796.51**

27 FINANCE COST

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Interest on bank overdraft and loan	2,578.55	1,153.95
Redemption Premium / Interest accrued on debentures	113.97	2,791.47
Interest on Income tax	54.33	233.92
Other borrowing cost	35.51	55.41
	2,782.36	**4,234.75**

28 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Depreciation on tangible assets	2,702.56	2,540.64
Amortization of intangible assets	3,126.04	3,118.25
	5,828.60	**5,658.89**

29 OTHER EXPENSES

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Power and fuel expenses	2,565.60	2,145.25
Rent (Note 35A)	1,613.45	1,645.72
Insurance	188.40	174.49
Repairs and maintenance		
- Building	26.29	53.14
- Plant and machinery	251.30	260.97
- Others	231.39	230.31
Consumption of stores and spares	325.86	510.73
Research and development	128.79	76.74
Printing and stationery	82.27	47.00
Communication costs	220.40	220.01
Legal and professional fees (Note 32(A))	997.26	1,051.36
Rates and taxes	160.66	279.75
Directors' sitting fees (Note 34(c))	6.05	3.40

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to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

29 OTHER EXPENSES (Continued)

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Vehicle maintenance	153.79	137.39
Donation	130.61	3.83
Loss on fixed assets discarded	47.52	-
Conversion charges	14.22	322.92
Advertisement and sales promotion expense	10,933.35	10,274.21
Freight, handling and forwarding charges	11,182.35	10,270.06
Field staff expenses	1,674.53	1,538.96
Travelling and conveyance	371.48	359.62
Royalty	327.76	298.85
Corporate social responsibility expenses (Note 32(B))	421.08	508.78
Share of (profit)/loss in partnership firm	-	3.87
Miscellaneous expenses	1,214.12	2,125.04
	33,268.53	**32,542.40**

30 INCOME TAX

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
a. Profit or loss		
Income tax expenses		
Current tax		
Current period	4,690.64	4,227.37
Adjustment of tax relating to earlier periods	-	(143.65)
	4,690.64	**4,083.72**
Deferred tax		
Relating to origination and reversal of temporary differences	(1,257.50)	710.76
	3,433.14	**4,794.48**
b. OCI		
Deferred tax related to items recognised in OCI during the year :		
Net loss /(gain) on remeasurements of defined benefit plans	60.56	(27.65)
	60.56	**(27.65)**

c. Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Accounting profit before tax	22,750.42	20,848.03
Tax rate	34.94%	34.61%
Tax at statutory rate	7,949.91	7,215.09
Less:		
Tax impact :- Profit exempt from tax	(5,003.08)	(3,106.19)
Corporate social responsibility expenditure disallowed	147.14	176.08
Unrealised gain on FVTPL financial assets (in absence of reasonable certainty of long term capital gain)	-	(43.26)
Deduction under various Section of Income Tax Act,1961	-	(41.53)
Expenses not deductible for tax purposes	-	80.96

NOTES

to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

30 INCOME TAX (Continued)

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Long Term Capital Gains on sale of land taxed at different rate	-	(211.08)
Adjustment to current tax of prior periods	-	(143.65)
Expenses / Losses disallowance under Income tax	-	704.02
Others	339.17	164.04
Adjusted tax expense	**3,433.14**	**4,794.48**
Tax expense	**3,433.14**	**4,794.48**
d. Deferred tax Assets and Liabilities		
Deferred tax assets	7,600.97	6,282.89
Net deferred tax assets and (liabilities)	**7,600.97**	**6,282.89**

e. Movement in Deferred tax Assets and Liabilities

Movement during the year ended March 31, 2018	As at March 31, 2017	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2018
Deferred tax assets /(liability)				
Depreciation	(10,177.04)	226.42	-	(9,950.62)
Freehold Land	(351.26)	351.26	-	-
Fair value adjustments	(2.80)	(12.94)	-	(15.74)
Provision for gratuity	740.76	213.44	(27.65)	926.55
Provision for leave encashment	318.87	38.21	-	357.08
Provision for doubtful debts	406.42	3.94	-	410.36
Provision for doubtful advances	548.69	(373.89)	-	174.80
Other provisions	752.93	7.31	-	760.24
Other disallowances	58.69	(12.57)	-	46.12
Carry forward losses and unabsorbed depreciation	2,885.98	(2,885.98)	-	-
Tax credit (MAT)	11,840.06	1,734.04	-	13,574.10
	7,021.30	**(710.76)**	**(27.65)**	**6,282.89**

Movement during the year ended March 31, 2019	As at March 31, 2018	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2019
Deferred tax assets /(liability)				
Depreciation	(9,950.62)	981.69	-	(8,968.93)
Fair value adjustments	(15.74)	11.52	-	(4.22)
Provision for gratuity	926.55	163.77	60.56	1,150.88
Provision for leave encashment	357.08	60.04	-	417.12
Provision for doubtful debts	410.36	-	-	410.36
Provision for doubtful advances	174.80	(1.88)	-	172.92
Other provisions	760.24	(38.25)	-	721.99
Other disallowances	46.12	(46.12)	-	-
Tax credit (MAT)	13,574.10	126.75	-	13,700.85
	6,282.89	**1,257.52**	**60.56**	**7,600.97**

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₹ in Lacs

31 (I) GRATUITY

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

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

Particulars	March 31, 2019 Gratuity Funded	March 31, 2018 Gratuity Funded
(A) Summary of the Actuarial Assumptions		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Discount rate	7.55%	7.90%
Rate of increase in compensation	8.00%	8.00%
Withdrawal rates	9.00%	9.00%
Rate of return (expected) on plan assets	7.59%	7.55%
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.		
(B) Changes in present value of obligations (PVO)		
PVO at beginning of period	2,917.53	2,460.29
Interest cost	230.32	174.56
Current Service Cost	259.32	225.18
Benefits Paid	(116.37)	(62.78)
Past Service Cost	-	213.22
Actuarial changes arising from changes in demographic assumptions	-	(0.63)
Re-measument changes arising from changes in financial assumptions	76.46	(150.99)
Experience adjustments	82.75	58.68
PVO at end of period	3,450.01	2,917.53
(C) Changes in fair value of plan assets		
Fair value of plan assets at the beginning of period	265.99	319.87
Investment Income	21.00	22.69
Benefit paid	(116.37)	(62.78)
Return on plan assets	(14.11)	(13.79)
Fair value of plan assets at end of period	156.51	265.99
(D) Expenses recognised in the statement of profit and loss		
Current service cost	259.32	225.18
Past Service Cost	-	213.22
Net Interest cost on the Net Defined Benefit Liability / (Asset)	209.32	151.86
Benefits paid directly by company	47.72	-
Expense recognised in the statement of profit and loss	516.36	590.26
(E) Remeasurement gains/(losses) in other comprehensive income		
Return on plan assets	14.11	13.79
Actuarial changes arising from changes in demographic assumptions	-	(0.62)
Re-measument changes arising from changes in financial assumptions	76.46	(150.99)
Experience adjustments	82.75	58.68
Total amount recognised in OCI	**173.32**	**(79.14)**
(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%

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to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

31 (I) GRATUITY (Continued)

Particulars	March 31, 2019	March 31, 2018
(G) Net Assets/(Liabilities) recognised in the balance sheet		
PVO at end of period	(3,450.01)	(2,917.53)
Fair value of plan assets at end of period	156.51	265.99
Funded status (deficit in fair value of plan assets over PVO)	(3,293.50)	(2,651.54)
Net assets / (Liability) recognised in the balance sheet	(3,293.50)	(2,651.54)

These defined benefit plan exposed to acturial risk, such as longerity risk, currency risk, interest rate risk and market risk.

Fund is Managed by LIC as per Insurance Regulatory and Development Authority guidelines, category-wise composition of the plan assets is not available.

(H) Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The results of sensitivity analysis is given below:

Particulars	March 31, 2019	March 31, 2018
Defined Benefit Obligation (Base)	3,450.01	2,917.53

Particulars	March 31, 2019		March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	3,685.92	3,238.73	3,119.65	2,736.74
(% change compared to base due to sensitivity)	6.80%	-6.10%	6.90%	-6.20%
Salary Growth Rate (- / + 1%)	3,249.98	3,665.70	2,745.93	3,105.10
(% change compared to base due to sensitivity)	-5.80%	6.30%	-5.90%	6.40%
Attrition Rate (- / + 50% of attrition rates)	3,467.21	3,436.82	2,912.61	2,919.36
(% change compared to base due to sensitivity)	0.50%	-0.40%	-0.20%	0.10%
Mortality Rate (- / + 10% of mortality rates)	3,450.01	3,450.01	2,917.43	2,917.62
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

(I) Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

(J) Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to meet the liabilities on account of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

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to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

31 (I) GRATUITY (Continued)

b) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flows)	**6 years**
Expected cash flows over the next (valued on undiscounted basis) :-	₹
- 1 year	521.56
- 2 to 5 years	1,467.75
- 6 to 10 years	1,757.03
- More than 10 years	2,440.66

c) The Company expects to contribute ₹ Nil (2018- ₹ Nil) to gratuity fund .

31 (ii) Superannuation

The Company Contributed ₹ 39.79 lacs and ₹ 41.73 lacs to the superannuation plan during the years ended March 31 ,2019 and March 31, 2018, respectively and same has been recognized in the Statement of Profit and Loss under the head employee benefit expense.

31 (iii) Provident fund and other funds

The Company Contributed ₹ 1,030.47 lacs and ₹ 943.84 lacs to the employee provident fund and other funds during the years ended March 31, 2019 and March 31, 2018, respectively and same has been recognized in the Statement of Profit and Loss under the head employee benefit expense.

32 A) Payment to auditors (excluding service tax/GST)

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
As Auditors		
Audit fee	35.00	35.00
Tax audit fees and certification	6.04	5.00
Limited review of quarterly results	45.00	42.00
Reimbursement of expenses	4.51	2.26
	90.55	**84.26**

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

Particulars	April 1, 2018 to March 31, 2019			April 1, 2017 to March 31, 2018		
(a) Gross amount required to be spent during the year			365.47			335.03
	In Cash	**Yet to be paid in cash**	**Total**	**In Cash**	**Yet to be paid in cash**	**Total**
(b) Amount spend during the year : -						
Rural/slum area development	43.54	-	43.54	119.55	-	119.55
Imparting Skill Development Training	377.54	-	377.54	389.23	-	389.23
Total	**421.08**	**-**	**421.08**	**508.78**	**-**	**508.78**

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to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

33 SEGMENT REPORTING

The Company has presented segment information in the consolidated financial statements which are presented in the same annual report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

34 RELATED PARTY DISCLOSURES

a) Parties where control exists

Individual having control

M.P. Ramachandran	Chairman and Managing Director

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

Other Subsidiaries

Jyothy Kallol Bangladesh Limited

Four Seasons Drycleaning Company Private Limited

Snoways Laundrers & Drycleaners Private Limited

Jyothy Fabricare Services Limited

M/S JFSL-JLL (JV) - Partnership firm

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

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

Quilon Trading Co.

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

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

Jaya Trust

Relative of individual having control

M.P. Sidharthan

M.R. Jyothy

M.R. Deepthi

Ananth Rao T

Ravi Razdan

M. G. Santhakumari

M.P. Divakaran

Enterprises significantly influenced by key management personnel or their relatives

Sahyadri Agencies Ltd.

Key management personnel as per IND-AS / Companies Act, 2013

K. Ullas Kamath	Joint Managing Director & Chief Financial Officer upto May 16, 2018
Rajnikant Sabnavis	Chief Operating Officer
Sanjay Agarwal	Chief Financial Officer w.e.f. May 16, 2018
Nilesh B. Mehta	Independent Director
R. Lakshminarayanan	Independent Director
K. P. Padmakumar	Independent Director upto March 31, 2019
Bhumika Batra	Independent Director w.e.f. March 14, 2019
M.R. Jyothy	Whole time Director & Chief Marketing Officer
Shreyas Trivedi	Head-Legal & Company Secretary

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to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

34 RELATED PARTY DISCLOSURES (Continued)

c) Transactions with related parties during the year

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
M.P. Ramachandran		
Remuneration*	₹ 1 only	₹ 1 only
Commission	482.34	402.96
Dividend	701.37	4,208.22
Sahyadri Agencies Limited		
Dividend	150.00	900.00
Quilon Trading Company		
Rent expenses	1.20	1.20
M.P. Divakaran - H.U.F.		
Dividend	19.04	114.24
M.P. Sidharthan - H.U.F.		
Dividend	13.20	79.20
Jaya Trust		
Dividend	21.75	130.50
Jyothy Fabricare Services Limited		
Reimbursement of expenses	20.63	21.76
Sale of Finished goods (net of sales return)	3.45	12.29
Corporate Guarantees given for borrowings	-	6,000.00
Corporate Guarantees withdrawal for borrowings	-	4,968.83
M/S JFSL-JLL (JV)		
(Profit)/loss in partnership	(31.82)	3.87
Interest on partner capital	12.99	12.83
Investment /(Withdrawal) of capital	0.50	54.50
Jyothy Kallol Bangladesh Limited		
Sales of raw materials and packing material and finished goods	102.69	94.70
Relatives of individual having control		
Remuneration*		
M.R. Jyothy	219.60	219.60
M P Sidharthan	24.00	24.00
M R Deepthi	54.36	39.82
Ananth Rao T	83.28	63.84
Ravi Razdan	62.23	53.09
M.P. Divakaran	12.00	24.00
Dividend -Relatives of individual having control	260.19	1,561.13
Key management personnel		
Remuneration*		
K. Ullas Kamath	336.00	336.00
Sanjay Agarwal	185.82	-
Rajnikant Sabnavis	371.88	287.77
Shreyas Trivedi	71.97	68.97

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to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

34 RELATED PARTY DISCLOSURES (Continued)

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Dividend		
K. Ullas Kamath	14.51	87.08
Contribution to Superannuation fund		
K. Ullas Kamath	30.00	30.00
Fee for attending board / committee meetings		
Nilesh B. Mehta	2.05	1.50
R. Lakshminarayanan	2.05	1.30
K. P. Padmakumar	1.45	0.60
Bhumika Batra	0.50	-
Commission		
K. Ullas Kamath	434.10	362.67
Nilesh B. Mehta	10.00	8.00
R. Lakshminarayanan	10.00	8.00
K. P. Padmakumar	10.00	8.00

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

d) Related party balances

Particulars	As at March 31, 2019	As at March 31, 2018
Amounts receivable		
Trade receivables :		
Jyothy Kallol Bangladesh Limited	16.81	-
Amounts payable		
Other financial liabilities :		
Individual having control		
M.P. Ramachandran	482.34	402.96
Key management personnel		
K. Ullas Kamath	434.10	362.67
Nilesh B. Mehta	10.00	8.00
R. Lakshminarayanan	10.00	8.00
K. P. Padmakumar	10.00	8.00
Corporate guarantees issued by the Company to the bankers of subsidiary companies		
Jyothy Fabricare Services Limited	6,000.00	6,000.00
M/S JFSL-JLL (JV)	377.44	552.44

Terms and conditions of transactions with related parties

The Sales to / purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

₹ in Lacs

35 COMMITMENTS AND CONTINGENCIES

A) Operating Lease

In case of assets taken on lease

The Company has entered into Lease agreements for premises, which expire at various dates. Certain agreements provide for increase in rent. Lease rental expense for the year ended March 31, 2019 was ₹ 1613.45 (2018 – ₹ 1645.72). There are no restrictions imposed by lease arrangements.

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Future minimum lease payment under non - cancellable operating leases are as follows:		
Payable not later than one year	248.47	386.23
Payable later than one year and not later than five years	463.34	567.17
Payable later than five years	-	-
	711.81	**953.40**

In case of assets given on lease

The Company has leased out few of its premises on operating lease for part of the year. The Gross carrying amount and accumulated depreciation as at March 31, 2019 is ₹ Nil and ₹ Nil (2018 - ₹ 149.67 and ₹ 27.42) respectively. Lease rent income for the year ended March 31, 2019 was ₹ 11.60 (2018 – ₹ 13.79). There is no escalation clause in the lease agreement and the lease is cancellable. There are no restrictions imposed by lease arrangements.

B) Capital Commitments (Net of Advances)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	216.32	536.12
	216.32	**536.12**

C) Contingent Liabilities

In respect of the following, the Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required :

Particulars		As at March 31, 2019	As at March 31, 2018
(i)	Tax matters		
	(a) Disputed sales tax demands – matters under appeal	1,356.01	1,314.04
	(b) Disputed excise duty and service tax demand - matter under appeal	4,083.22	4,955.42
	(c) Disputed income tax demand - matter under appeal *	278.87	279.33
(ii)	Amount outstanding in respect of financial guarantees	6,377.44	6,552.44
(iii)	Claims against the company not acknowledged as debts.	-	252.00

* The amount shown above does not include contingent liability for assessment years which have been reopened (unless demand order is raised) and those pending assessments.

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to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

35 COMMITMENTS AND CONTINGENCIES (Continued)

The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

In view of the management, the liability on account of this for the period from date of the SC order to 31 March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not reliably ascertainable and consequently no effect has been given in the accounts.

Company believes that all these matters have a strong possibility of being dismissed in favour of the Compnay and accordigly no provisions has been considered necessary.

The above disclosure does not cover matters where the exposure has been assessed to be remote.

36

As per the Notification no. 32/99-CE dated July 8, 1999, the Company was entitled to refund of excise duty in its Guwahati and Jammu units equivalent to 100% of the amount of the duty paid through Personal Ledger Account ('PLA'). During an earlier year, the Government issued notifications no. 17/2008-CE and 19/2008-CE dated March 27, 2008 restricting the refund amount to a maximum percentage specified in the notification and the Company has accrued only the specified amount. The Company has received a favourable order from the High Court of Guwahati & Jammu and Kashmir in earlier years. Accordingly, the Company has accrued an additional benefit of ₹ Nil (2018 ₹ 95.17) in the current year.

37 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSMED')

The disclosure pursuant to the said Act is as under :

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers under MSMED Act	3,813.45	2,809.21
Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount, unpaid	1.20	5.51
Interest paid to suppliers under the MSMED Act	-	-
Interest due and payable towards suppliers under MSMED Act towards payment already made	-	-
Interest accrued and remaining unpaid at the end of accounting year	1.20	5.51

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

38 DETAILS OF INVESTMENTS IN PARTNERSHIP FIRM

Particulars	Share of partner in profits (%)	
	As at March 31, 2019	As at March 31, 2018
Name of Partner		
Share of partner in profits (%)		
Jyothy Fabricare Services Limited	75.00%	75.00%
Jyothy Laboratories Limited	25.00%	25.00%
Total capital of the firm	671.51	542.24

₹ in Lacs

39 EARNING PER SHARE (₹)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Net Profit for calculation of basic and diluted EPS	19,317.28	16,053.55
Weighted average number of shares for calculation of basic EPS (i)	**364,937,171**	**363,479,792**
Effect of dilution :		
Stock option granted under ESOP scheme	-	3,610,802
Weighted average number of shares for calculation of diluted EPS (ii)	**364,937,171**	**367,090,593**
Basic EPS (₹)	5.29	4.42
Diluted EPS (₹)	5.29	4.37
(i) Weighted average number of equity shares (Basic)		
Weighted average number of shares for calculation of basic EPS	363,588,174	363,367,448
Effect of share option exercised	1,348,997	112,344
Weighted average number of shares for calculation of basic EPS	**364,937,171**	**363,479,792**
(ii) Weighted average number of equity shares (Diluted)		
Weighted average number of shares for calculation of basic EPS	364,937,171	363,479,792
Effect of share option exercised	-	3,610,802
Weighted average number of shares for calculation of diluted EPS	**364,937,171**	**367,090,593**

40 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Balance with government authorities and protest payment

The Company has significant receivable from government authorities in respect of protest payment made in earlier years towards Vat/Excise duty matters. The Company has received favourable orders from the Honourable Supreme Court / High Court in these matters and accordingly assessed that all the amounts are fully recoverable.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates

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to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

40 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted cash flow (DCF) model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk , volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other long term leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables . Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 45

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Futher, the Company has recognised Minimum Alternate tax Credit (MAT) which can utilised for a period of 15 years from the assessment year to which it relates to. Based on future projections of taxable profit and MAT, the Company has assessed that the entire MAT credit can be utilised.

₹ in Lacs

41 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying values		Fair values	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets				
Investment	24,207.00	24,555.40	24,207.00	24,555.40
Deposits	783.41	758.81	783.41	758.81
Total	**24,990.41**	**25,314.21**	**24,990.41**	**25,314.21**
Financial Liabilities				
Borrowings	21,717.26	47,860.10	21,717.26	47,860.10
Financial guarantee contracts	78.83	123.88	78.83	123.88
Total	**21,796.09**	**47,983.98**	**21,796.09**	**47,983.98**

The management assessed that fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables/advances given are evaluated by the Company based on parameters such as interest rates and individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of borrowings and financial guarantee contracts is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The same would be sensitive to a reasonably possible change in the forecast cash flows or the discount rate. There are no unobservable inputs that impact fair value.

There are no financial instruments which require recurring fair value measurements and are classified as Level 3 of the fair value hierarchy.

42 FAIR VALUES HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets :

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial assets disclosed					
Investment	March 31, 2019	23,458.65	10,012.07	-	13,446.59
Financial guarantee	March 31, 2019	78.83	-	-	78.83
Investment	March 31, 2018	23,839.38	10,392.79	-	13,446.59
Financial guarantee	March 31, 2018	123.88	-	-	123.88

There have been no transfers between Level 1 and Level 2 during the period.

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to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

42 FAIR VALUES HIERARCHY (Continued)

Significant unobservable inputs used in level 3 fair values:

As at March 31, 2019	Significant unobservable inputs	Sensitivity of input to fair value measurement
Investment(Optionally convertible redeemable preference share)	Terminal value growth rate: 5%	1% increase will increase fair value by ₹ 1,385 lacs and 1% decrease will decrease fair value by ₹ 1,133 lacs
	Discount Rate: 15%	1% increase will decrease fair value by ₹ 2,297 lacs and 1% decrease will increase fair value by ₹ 2,830 lacs
Financial guarantee	Risk premium 0.75%	0.25% increase and decrease will increase and decrease fair value by ₹ 45 lacs.

43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a core Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

A. Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2019 and 31st March, 2018. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

For long term borrowings, the Company also focuses on maintaining / improving its credit ratings to ensure that appropriate refinancing options are available on the respective due dates

Particulars	Less than 1 Year	1 to 5 years	5 years and above	Total
As at March 31, 2019				
Borrowings and Other financial liabilities	25,310.58	-	-	25,310.58
Trade and other payables	17,479.75	-	-	17,479.75
	42,790.33	**-**	**-**	**42,790.33**

₹ in Lacs

43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Particulars	Less than 1 Year	1 to 5 years	5 years and above	Total
As at March 31, 2018				
Borrowings and Other financial liabilities*	50,781.47	-	-	50,781.47
Trade and other payables	14,654.82	-	-	14,654.82
	65,436.29	**-**	**-**	**65,436.29**

* The above disclosure has been made as per the contractual due dates of the borrowings, however, due to put option available to the holder (Note 16), the same has been presented as current maturity in the financial statements.

B. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk exist mainly on account of borrowings of the Company. However, all these borrowings are at fixed interest rate and hence the exposure to change in interest rate is insignificant.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant foreign currency risk as at the respective reporting dates.

Price risk

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

C. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and other financial assets.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major trade receivables.

Other financial assets

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only in highly marketable debt instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities. The Company maximum exposure to credit risk as at March 31, 2019 and March 31, 2018 is the carrying value of each class of financial assets.

NOTES

to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

44 CAPITAL MANAGEMENT

For the purpose of the Company capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt is calculated as borrowing less cash and cash equivalent, other bank balances and mutual funds investments.

Particulars	March 31, 2019	March 31, 2018
Borrowings	21,717.26	47,860.10
Less: Cash and cash equivalents, other bank balances and mutual fund investments (Note 11,13a and 13b)	(18,766.28)	(23,112.33)
Net debt (A)	2,950.98	24,747.77
Equity	85,394.59	68,345.48
Capital and Net Debt (B)	88,345.57	93,093.25
Gearing ratio (A/B)	3%	27%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

45 SHARE-BASED PAYMENTS

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

	("ESOS -2014") Grant – I	("ESOS -2014 - A")
Date of Grant	August 16, 2014	August 16, 2014
Number of options granted	503,445	2,715,352
Vesting period	33% - Year 1 33% - Year 2 34% - Year 3	66.67% - Year 1 16.67% - Year 2 16.66% - Year 3
Exercise period	5 years from the respective dates of vesting	

₹ in Lacs

45 SHARE-BASED PAYMENTS (Continued)

	("ESOS -2014") Grant – I	("ESOS -2014 - A")
Exercise Price - Per share	₹ 1	₹ 1
Market price at grant date - Per share	₹ 188.70	₹ 188.70
Average life of option	3.5 years	

The fair value of option granted is estimated at the grant date using Black Scholes valuation model, taking into account the term and conditions upon which the share options were granted.

The following table illustrates the number and movements in share options during the year,

	("ESOS -2014") Grant – I	("ESOS -2014 - A")
Outstanding at March 31, 2017	135,137.09	1,810,234.70
Granted during 2017-18	-	-
Forfeited during 2017-18	24,774.09	-
Exercised during 2017-18	110,363.00	-
Outstanding at March 31, 2018	-	1,810,234.70
Exercisable at March 31, 2018	-	1,810,234.70
Exercised during 2018-19	-	1,810,234.70
Outstanding at March 31, 2019	-	-
Exercisable at March 31, 2019	-	-

For option exercised during the period, Weighted Average Exercise price of ₹ 1 (2018- ₹ - 1) and weighted average share price at the exercise date was ₹ 185.66 per share (2018 - ₹ 393.75).

No new stock option have been granted by the company in the current year.

The following table list inputs to the model used for the year ended March 31, 2019 and March 31, 2018 :

	("ESOS -2014")- Grant – I		
	Vest 1	**Vest 2**	**Vest 3**
	August 16, 2015	**August 16, 2016**	**August 16, 2017**
Volatility	36.19%	37.32%	40.33%
Riskfree Rate	8.73%	8.72%	8.72%
Exercise Price (₹)	1.00	1.00	1.00
Dividend yield	1.59%	1.59%	1.59%
Option fair Value vest wise of per stock option granted (₹)	177.75	174.99	172.27

	("ESOS -2014 - A")		
	Vest 1	**Vest 2**	**Vest 3**
	August 16, 2015	**August 16, 2016**	**August 16, 2017**
Volatility	36.19%	37.32%	40.33%
Riskfree Rate	8.73%	8.72%	8.72%
Exercise Price (₹)	1.00	1.00	1.00
Dividend yield	1.59%	1.59%	1.59%
Option fair Value vest wise of per stock option granted (₹)	177.75	174.99	172.27

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

Expenses recognised in statement of profit and loss.
For details on employee benefit expenses refer Note 26

NOTES

to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

46 IND AS 115 : REVENUE FROM CONTRACTS WITH CUSTOMERS

a. Reconciliation the amount of revenue recognised in the statement of profit and loss

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Gross Sales	212,445.22	197,541.59
Less : Scheme, discounts, rebates, price adjustments and returns	(35,675.59)	(33,280.17)
Net Sales	176,769.63	164,261.42

b. Disaggregation of revenue-Segment wise

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
A. Fabric Care	72,522.54	68,858.55
B. Dishwashing	58,728.30	50,713.83
C. Household Insecticides	22,424.52	23,226.63
D. Personal Care	19,185.97	18,170.30
E. Others	3,908.30	3,327.05
	176,769.63	**164,296.36**
Less: Inter Segment Revenue	-	(34.94)
	176,769.63	**164,261.42**

Revenue from one customer amounted to ₹ 22,040.52 (2018 - ₹ 21,248.91) arising from sales in various segments

c. The Company has adopted Ind AS 115-Revenue from Contract with customers from 1 April 2018 which replaces earlier revenue recognition standard. In accordance with the standard, Certain expenses in nature of variable consideration in a contract for sale of goods have been reclassified to revenue in the audited financial statements for the year ended 31 March 2018.

Particulars	As reported	Impact of Ind AS 115	Comparative amounts after adoption of Ind AS 115
Revenue from operation	171,762.19	(6,013.44)	165,748.75
Other expenses	38,555.84	(6,013.44)	32,542.40

47 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019

NOTES

to the Financial Statements for the year ended March 31, 2019

₹ in Lacs

48 PREVIOUS YEAR FIGURES HAVE BEEN REGROUPED / RECLASSIFIED , WHERE NECESSARY, TO CONFORM TO THIS YEAR CLASSIFICATION.

Particulars	Note no.	Amount as per previous period financials	Adjustments	Revised amount for previous year
Balance sheet				
Investment in subsidiaries	4	716.03	13,444.00	14,160.03
Other investments	4	13,446.59	(13,444.00)	2.59
Provision - Non Current	20	2,651.54	131.82	2,783.36
Trade Payable	17	16,716.45	(2,061.63)	14,654.82
Other financial liabilities	18	21,039.74	2,061.63	23,101.37
Provision - Current	20	3,197.61	(131.82)	3,065.79
Statement of Profit & Loss				
Revenue from operation	22	171,762.19	(7,348.30)	164,413.89
Other income	23	2,995.11	1,334.86	4,329.97
Other expenses	29	38,555.84	(6,013.44)	32,542.40

Signatures to Notes 1 to 48

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

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
May 07, 2019

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited
CIN: L24240MH1992PLC128651

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

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
May 07, 2019

Jyothy labs

INDEPENDENT AUDITORS' REPORT

To the Members of
Jyothy Laboratories Limited

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Jyothy Laboratories Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, and their consolidated profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit

Revenue Recognition
Refer note 2.2(d) of accounting policies and notes 23 and 49 of consolidated financial statements.
• Revenue is recognised when control of the underlying products have been transferred to the customer. Sales contracts with customers have a variety of terms relating to recognition of revenue, entitlement to sales rebates, right of return and price adjustments. We have identified the recognition of revenue from sale of products as a key audit matter because
  • Revenue is a key performance indicator of the Company and there is risk of revenue being overstated due to fraud resulting from pressure to achieve targets, earning expectations or incentive schemes linked to performances for a reporting period.
  • Establishing an appropriate accrual towards rebate, discounts, returns and other adjustments requires estimation by management and changes in this estimate can have a significant financial impact.
	Our audit procedures in respect of the recognition of revenue included the following-
	• Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to trade spends by comparing with applicable accounting standards.
	• Performed a combination of control testing and substantive testing in respect of selected samples of revenue recorded during the year and verified the underlying documents including external evidence.
	• Due to high reliance for revenue recognition on IT, we evaluated design, implementation and operating effectiveness of overall general IT controls and key IT application controls over revenue recognition.
	• Tested sales transactions to its underlying documentation recorded either side of the year as well as credit notes issued after the year end to determine whether the revenue is recorded in the correct period.
	• Assessed manual journal entries to revenue for unusual or irregular items.

Key audit matter	How the matter was addressed in our audit
	• Tested operating effectiveness of controls over calculation and monitoring of trade spends • Tested samples of trade spends to the supporting documentation. • Performed retrospective review to identify any management bias while making estimation of provision for trade spends • Evaluated adequacy of disclosures given in note 49 to the consolidated financial statements.
Uncertain tax positions and utilisation of MAT credit Refer note 2.2(f) of accounting policies and notes 10 and 18 of consolidated financial statements • The Company operates in a complex tax jurisdiction with various tax exemptions and is subject to periodic challenges by tax authorities leading to protracted litigations. There are open income tax, indirect tax and transfer pricing matters under litigation with tax authorities over a number of years. • Judgment is required in assessing the requirement to make provisions towards current tax, deferred tax and uncertain tax positions and relevant disclosure of contingent liabilities that reflects management's best estimate of the most likely outcome based on the facts available. • Significant judgment is required in forecasting the future tax liabilities and utlisation of MAT credit within the eligible period • Uncertain tax positions has been identified as key audit matters considering the complexity of the underlying tax laws and the extent of management judgement involved in developing these estimates.	Our audit procedures in respect of the uncertain tax positions and utilisation of MAT credit included the following- • For uncertain tax positions, read and analysed select key correspondences, reviewed management's judgment regarding the eventual resolution of matters with various tax authorities, assessment of third-party opinions, and the use of past experience, where available, with the tax authorities in the respective jurisdiction • Our tax specialists assessed the status of the ongoing tax litigations and their most likely outcome, basis their expertise, industry outcomes and company's own past outcomes in respect of similar matters. • Challenged management by performing sensitivity analysis considering a reasonably possible change in key assumptions used and evaluated the impact on MAT credit utilisation. • Evaluated the adequacy of financial statement disclosures in respect of the tax provision.
Carrying value of intangible assets Refer note 2.2(l) of accounting policies and note 4c of consolidated financial statements • The carrying amount of intangible asset (goodwill) aggregates to ₹ 78,633.19 lacs as at 31 March 2019. • The recoverable amount of these intangibles assets and investment in subsidiaries have been determined based on certain assumptions and estimates of future performance. • The recoverable amounts so determined have been used for the impairment evaluation. Due to the significance of the amount, the inherent uncertainty and judgment involved in forecasting performance and the estimates involved in discounting future cash flows, we have considered these estimates to be significant to our overall audit strategy and planning.	Our audit procedures in respect of impairment of intangible assets included the following- • Assessed the valuation methodology used by management and tested the operating effectiveness of controls over the review of the impairment analysis done by management. • Evaluated the reasonableness of the valuation assumptions, such as discount rates and terminal growth rate used by management. • Evaluated and challenged the appropriateness of the business assumptions made by management such as sales growth forecasts by comparing them with the historical growth trends, agreeing the forecast used in prior year models to its actual performance of the business and management approved future plans. • Challenged these assumptions by performing sensitivity analysis considering reasonably possible reductions in growth rates and forecasted cash flows to evaluate the impact. • Evaluated the adequacy of financial statements disclosures in respect of the intangibles(brands), investment in subsidiaries and goodwill , including disclosures of key assumptions, judgments and sensitivities

OTHER INFORMATION

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under

section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

  For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

  We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

  From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements / financial information of four subsidiaries, whose financial statements/financial information reflect total assets of ₹ 1,991 lacs as at 31 March 2019, total revenues of ₹ 1,712 lacs and net cash outflows amounting to ₹ 31 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

One of the subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in the respective country and which have been audited by other auditor under generally accepted auditing standards applicable in the respective country. The Company's management has converted the financial statements of the subsidiary located outside India from accounting principles generally accepted in the respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 36(c) to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2019.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors respectively is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
7 May 2019

Jyothy labs

ANNEXURE - A

TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JYOTHY LABORATORIES LIMITED FOR THE YEAR ENDED 31 MARCH 2019

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

(Referred to in paragraph ' f ' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to financial statements of Jyothy Laboratories Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date, excluding its subsidiary companies incorporated in India which are exempt from reporting on the internal financial control with reference to financial statements vide MCA general circular 08/2017 dated 25 July 2017.

In our opinion, the Holding Company and such companies incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

AUDITORS' RESPONSIBILITY

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022
Sreeja Marar
Partner
Membership No: 111410

Mumbai
7 May 2019

Jyothy labs

CONSOLIDATED BALANCE SHEET

as at March 31, 2019

₹ in Lacs

	Note	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	4a	30,807.86	29,779.25
Capital work in progress	4b	1,434.61	1,530.97
Goodwill	4c	78,633.19	78,633.19
Other Intangible assets	4c	618.91	658.07
Financial assets			
Investments	5	2.59	2.59
Trade receivables	6	-	669.67
Loans	7	948.24	876.31
Other financial assets	8	62.69	55.37
Non current tax assets (net)	9	406.99	1,172.23
Deferred tax assets (net)	10	9,280.98	9,024.03
Other non-current assets	11	9,850.37	9,216.91
		132,046.43	**131,618.59**
Current assets			
Inventories	12	20,229.00	18,834.76
Financial assets			
Investments	13	10,442.37	11,315.14
Trade receivables	6	15,338.42	16,074.51
Cash and cash equivalent	14a	7,644.48	6,293.04
Other bank balances	14b	1,992.95	7,373.65
Loans	7	45.97	181.07
Other financial assets	8	638.42	785.69
Other current assets	11	5,849.69	5,350.82
Assets held for sale		-	68.05
		62,181.30	**66,276.73**
Total assets		**194,227.73**	**197,895.32**
Equity and liabilities			
Equity			
Equity Share Capital	15	3,672.09	1,817.94
Other Equity	16	128,980.59	112,602.68
Equity attributable to equity holders of the parent		**132,652.68**	**114,420.62**
Non-controlling interests		(2,146.46)	(1,394.84)
Total equity		**130,506.22**	**113,025.78**
Non-current liabilities			
Financial Liabilities			
Borrowings	17	202.44	377.44
Other financial liabilities		-	-
Provisions	18	3,671.05	2,982.94
Deferred tax liabilities (net)		-	-
Other non-current liabilities	19	353.92	425.45
		4,227.41	**3,785.83**
Current liabilities			
Financial Liabilities			
Borrowings	17	21,537.26	27,680.10
Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		3,821.56	2,817.28
Total outstanding dues of other than micro enterprises and small enterprises		14,061.64	12,261.51
Other financial liabilities	21	10,799.15	29,359.61
Other current liabilities	19	5,798.51	5,322.58
Provisions	18	3,129.26	3,090.60
Current tax liabilities (net)	22	346.72	552.03
		59,494.10	**81,083.71**
Total liabilities		**63,721.51**	**84,869.54**
Total equity and liabilities		**194,227.73**	**197,895.32**
Summary of significant accounting policies	2		

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

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
May 07, 2019

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited
CIN: L24240MH1992PLC128651

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

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
May 07, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

₹ In Lacs

	Note	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Income			
Revenue from operations	23	181,357.66	169,026.83
Other income	24	2,775.47	6,247.04
Total income (I)		**184,133.13**	**175,273.87**
Expenses			
Cost of raw material and components consumed	25	71,316.89	57,317.68
Excise duty expense		-	1,788.97
Purchases of Stock in Trade		26,782.58	29,855.84
Changes in inventories of finished goods, stock in trade and work-in-progress	26	(1,029.31)	356.73
Employee benefits expense	27	20,762.82	19,083.02
Employee stock option expenses	27	-	(4.72)
Finance costs	28	3,521.99	4,806.80
Depreciation and amortisation expense	29	3,056.92	3,112.83
Other expenses	30	35,418.47	34,883.29
Total Expense (II)		**159,830.36**	**151,200.44**
Profit before tax (I - II)		**24,302.77**	**24,073.43**
Income tax	31		
Current tax (MAT)		4,735.81	4,231.21
Adjustment of tax relating to earlier periods		3.51	(143.65)
Deferred tax (credit) / charge		(196.39)	2,098.85
Total Income tax		**4,542.93**	**6,186.41**
Profit for the year (A)		**19,759.84**	**17,887.02**
Other comprehensive income			
Items that will be reclassified to profit or loss			
Foreign Currency Translation Reserve		27.88	(20.35)
		27.88	**(20.35)**
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) of post employment benefit obligation		(212.43)	75.01
Income tax relative to items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) of post employment benefit obligation		60.56	(27.65)
		(151.87)	**47.36**
Other comprehensive income for the year, net of tax (B)		**(123.99)**	**27.01**
Total comprehensive income for the year, net of tax (A+B)		**19,635.85**	**17,914.03**
Non controlling interest		(751.62)	(729.69)
Total Comprehensive income attributable to equity holders of the parent		**20,387.47**	**18,643.72**
Profit for the year		**19,759.84**	**17,887.02**
Attributable to :			
Equity holders of the parent		20,508.69	18,606.60
Non-controlling interests		(748.85)	(719.58)
Total comprehensive income		**19,635.85**	**17,914.03**
Attributable to :			
Equity holders of the parent		20,387.47	18,643.72
Non-controlling interests		(751.62)	(729.69)
Earnings per share (EPS)	40		
Basic (₹)		5.62	5.12
Diluted (₹)		5.62	5.07
Nominal value per share (₹)		1.00	1.00
Summary of significant accounting policies	2		

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

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
May 07, 2019

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited
CIN: L24240MH1992PLC128651

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

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
May 07, 2019

Jyothy labs

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

A. EQUITY SHARE CAPITAL

₹ In Lacs

	As at March 31, 2019	As at March 31, 2018
Equity shares of Re 1 each issued, subscribed and fully paid		
At the beginning of the period	1,817.94	1,816.84
Issue of share capital	1,854.15	1.10
At the end of the period	**3,672.09**	**1,817.94**

For further details, Refer Note 15

B. OTHER EQUITY

	Attributable to equity holders of the parent									
	Retained Earnings	Foreign Currency Translation Reserve	Capital Reserve	Securities premium	Debenture Redemption Reserve (DRR)	General reserves	Employee Stock Option Outstanding	Total	Non Controlling Interest	Total Equity
As at April 1, 2017	**7,709.35**	**-**	**5,480.32**	**48,836.81**	**6,250.00**	**35,414.08**	**3,393.70**	**107,084.26**	**(665.15)**	**1,06,419.11**
Profit for the year	18,606.60	-	-	-	-	-	-	18,606.60	(719.58)	17,887.02
Other Comprehensive Income										
Re-measurement gains/ (losses) of post employment benefit obligation	57.47	-	-	-	-	-	-	57.47	(10.11)	47.36
Foreign Currency Translation Reserve	-	(20.35)	-	-	-	-	-	(20.35)	-	(20.35)
Total comprehensive income	**18,664.07**	**(20.35)**	**-**	**-**	**-**	**-**	**-**	**18,643.72**	**(729.69)**	**17,914.03**
Transfer from general reserves	35,000.00	-	-	-	-	(35,000.00)	-	-	-	-
Transfer from DRR	5,000.00	-	-	-	(5,000.00)	-	-	-	-	-
Transfer to DRR	(3,750.00)	-	-	-	3,750.00	-	-	-	-	-
Transaction with owners recorded directly in equity										
Contribution by and distibution to owners										
Cash Dividends (Note 16)	(10,901.02)	-	-	-	-	-	-	(10,901.02)	-	(10,901.02)
Dividend Distribution Tax on Cash Dividend (Note 16)	(2,219.19)	-	-	-	-	-	-	(2,219.19)	-	(2,219.19)
Stock option granted / cancelled	-	-	-	-	-	-	(5.09)	(5.09)	-	(5.09)
Exercise of share options	-	-	-	189.02	-	-	(189.02)	-	-	-
As at March 31, 2018	**49,503.21**	**(20.35)**	**5,480.32**	**49,025.83**	**5,000.00**	**414.08**	**3,199.59**	**112,602.68**	**(1,394.84)**	**111,207.84**
Profit for the year	20,508.69	-	-	-	-	-	-	20,508.69	(748.85)	19,759.84
Other Comprehensive Income										
Re-measurement gains/ (losses) of post employment benefit obligation	(149.10)	-	-	-	-	-	-	(149.10)	(2.77)	(151.87)
Foreign Currency Translation Reserve	-	27.88	-	-	-	-	-	27.88	-	27.88
Total comprehensive income	**20,359.59**	**27.88**	**-**	**-**	**-**	**-**	**-**	**20,387.47**	**(751.62)**	**19,635.85**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

B. OTHER EQUITY (Continued)

	Attributable to equity holders of the parent									
	Retained Earnings	Foreign Currency Translation Reserve	Capital Reserve	Securities premium	Debenture Redemption Reserve (DRR)	General reserves	Employee Stock Option Outstanding	Total	Non Controlling Interest	Total Equity
Transfer from DRR	5,000.00	-	-	-	(5,000.00)	-	-	-	-	-
Transaction with owners recorded directly in equity										
Contribution by and distibution to owners										
Cash Dividends (Note 16)	(1,817.94)	-	-	-	-	-	-	(1,817.94)	-	(1,817.94)
Dividend Distribution Tax on Cash Dividend (Note 16)	(373.68)	-	-	-	-	-	-	(373.68)	-	(373.68)
Issue of Bonus Shares	-	-	-	(1,817.94)	-	-	-	(1,817.94)	-	(1,817.94)
Exercise of share options	-	-	-	3,199.59	-	-	(3,199.59)	-	-	-
As at March 31, 2019	**72,671.18**	**7.53**	**5,480.32**	**50,407.48**	**-**	**414.08**	**-**	**1,28,980.59**	**(2,146.46)**	**1,26,834.13**

C. Nature and purpose of reserves

a) Retained earnings - Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

b) Capital reserves - During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

c) Securities premium - The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

d) Debenture redemption reserve (DRR) - The money set aside can be used for payment of interest or redeemable debentures maturing during the year.

e) General reserves -The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956.

f) Employee stock option outstanding - The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

g) Foreign Currency Translation Reserve - The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
May 07, 2019

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited
CIN: L24240MH1992PLC128651

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

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
May 07, 2019

Jyothy labs

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

₹ In Lacs

	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:		
Profit before tax	**24,302.77**	**24,073.43**
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation, amortisation and impairment	3,056.92	3,112.83
Loss on fixed assets discarded	44.79	1.16
Loss / (Profit) on sale of fixed assets	-	(3,635.01)
Net change in fair value of finacial assets measured at FVTPL	(23.50)	(85.25)
Profit on sale of current investments	(170.51)	(312.19)
Finance costs	3,521.99	4,806.80
Interest income	(379.69)	(779.49)
Foreign exchange fluctuation gain (net)	(1.86)	(3.96)
Provision for doubtful debts and advances	-	24.28
Provision for doubtful debts and advances written back	(15.61)	-
Investment subsidy income	(71.53)	(71.53)
Lease rent income	(11.60)	(13.79)
Employee stock option expenses	-	(4.72)
Operating profit before working capital changes	**30,252.17**	**27,112.56**
Movements in working capital :-		
Increase/ (decrease) in trade payables	2,806.07	1,902.72
Increase / (decrease) in provisions	542.22	613.18
Increase/ (decrease) in other liabilities	495.93	1,354.37
Increase/ (decrease) in other financial liabilities	1,304.07	472.94
Decrease / (increase) in trade receivables	1,420.90	(4,473.77)
Decrease / (increase) in inventories	(1,394.24)	802.47
Decrease / (increase) in loans	63.84	(94.68)
Decrease / (increase) in other financial assets	158.53	(417.08)
Decrease / (increase) in other assets	(1,310.08)	(536.42)
Cash generated from operations	**34,339.41**	**26,736.29**
Taxes paid (net)	(4,179.39)	(2,507.87)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**30,160.02**	**24,228.42**
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress and capital advances	(3,993.45)	(3,857.21)
Proceeds from sale of fixed assets	161.93	4,290.21
Proceeds from sale of investment property	54.33	-
Maturity proceeds from / (Investment in) fixed deposit (net)	5,278.21	(417.49)
Proceeds from sale of Mutual Fund	75,407.39	64,628.13
Investment in Mutual Fund	(74,346.89)	(72,700.00)
Interest income received	463.60	627.64
Lease rent income	11.60	13.79
NET CASH (USED IN) INVESTING ACTIVITIES (B)	**3,036.72**	**(7,414.93)**

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

for the year ended March 31, 2019

₹ In Lacs

	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:		
Interest and finance charges paid	(3,414.89)	(5,999.06)
Proceeds from exercise of share options	36.21	1.10
Repayment of Debentures and long term loans	(20,175.00)	(24,175.00)
Proceeds from issue of Debentures	-	6,000.00
Proceeds from short-term borrowings	50,000.00	65,376.87
Repayment of short-term borrowings	(56,100.00)	(42,615.81)
Dividend paid	(1,817.94)	(10,901.02)
Dividend tax paid	(373.68)	(2,219.19)
NET CASH (USED IN) FINANCING ACTIVITIES (C)	**(31,845.30)**	**(14,532.11)**
Net increase in cash and cash equivalents (A+B+C)	**1,351.44**	**2,281.38**
Cash and cash equivalents at the beginning of the year	6,293.04	4,011.66
Cash and cash equivalents at the end of the year	**7,644.48**	**6,293.04**
Components of cash and cash equivalents		
Cash in hand	52.55	45.17
Balance with scheduled banks - Current account	6,959.99	5,703.18
- Deposit account	471.24	402.28
Unclaimed dividend accounts *	160.70	142.41
Cash and cash equivalents (Note 14a)	7,644.48	6,293.04
Cash and cash equivalents considered for cash flows statement	**7,644.48**	**6,293.04**
* Not available for use by the management for any other purpose		
The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7), Statement of Cash Flows.		
Summary of significant accounting policies Note 2		

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
May 07, 2019

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited
CIN: L24240MH1992PLC128651

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

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
May 07, 2019

NOTES

to the Consolidated Financial Statements as at March 31, 2019

1 CORPORATE INFORMATION

Jyothy Laboratories Limited ('the Company') is a public company domiciled in India. Its shares are listed on two stock exchanges in India. The registered office of the company is located at Ujala House, Ramkrishna Mandir Road, Kondivita, Andheri (E) Mumbai.

The Consolidated financials statement comprise the financial statements of Jyothy Laboratories Limited ('the Company') and its subsidiaries hereinafter referred to as 'the Group'. The Group is principally engaged in manufacturing and marketing of fabric care, dishwashing, personal care, household insecticides products and also provides laundry and dry cleaning services.

These Financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors on May 7, 2019.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified, under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value. (Refer accounting policy regarding financial instruments).

The consolidated financial statements are presented in INR and all values are rounded to nearest lacs except where otherwise indicated.

Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

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The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

The consolidated financial statements of the Group have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits / losses, unless cost / revenue cannot be recovered. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

The excess of the cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said goodwill is not amortised, however, it is tested for impairment at each balance sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of the cost of investments of the Group, it is recognised as 'Capital reserve'.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity. Non-controlling interests in the net assets of consolidated subsidiaries consists of :- The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and the non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Consolidated Financial Statements includes the financial statements of the following subsidiaries:

Name of the Company		Country of incorporation	Percentage of equity interest	
			March 31, 2019	March 31, 2018
(a)	**Direct Subsidiaries**			
1.	Jyothy Fabricare Services Limited	India	75.10	75.10
2.	Jyothy Kallol Bangladesh Limited	Bangladesh	75.00	75.00
(b)	**Indirect Subsidiaries ***			
3.	Snoways Laundrers & Drycleaners Private Limited (Note I)	India	75.10	36.80
4.	Four Seasons Drycleaning Company Private Limited	India	75.10	75.10
5.	JFSL-JLL(JV) - partnership firm	India	81.32	81.32

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

Note :

I As at 31st March, 2018, Jyothy Fabricare Services Limited had 49% share in Snoways Laundrers & Drycleaners Private Limited and has entered into agreement which enables it to control the composition of the Board of Directors of the latter, making it a subsidiary company of Jyothy Fabricare Services Limited. As at 31st March 2019, Jyothy Fabricare Services Limited has 100% share in Snoways Laundrers & Drycleaners Private Limited.

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2.2 Summary of significant accounting policies

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

a. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Group Companies

On consolidation, the assets and liabilities of foreign subsidiary's operation are translated into INR at the rate of exchange prevailing at reporting date and their statement of profit or loss are translated at exchange prevailing at date of transactions. For practical reasons, the Group uses an average rate to translate income and expense item. If the average rate approximates the exchange rates at date of transactions. The exchange differences arising on translation for consolidation are recognised in the consolidated statement of profit and loss.

c. Fair value measurement

The Group measures financial instruments (refer Note 3p) at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) / Goods & Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on service provided or value added to the commodity by the seller or service provider on behalf of the government. Accordingly, it is excluded from revenue.

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The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when control of the goods has transferred to the customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, incentives and rebates. Accumulated experience is used to estimate and provide for trade discounts, incentives and rebates. No element of financing is deemed present as the sales are made with credit terms.

Sale of Services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period provided no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. Service revenue are net of GST.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of consolidated profit and loss.

e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

f. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

Sales/ value added tax / Goods & Service Tax (GST) paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes / Goods & Service Tax (GST) paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

g. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant part of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance cost are recognised in profit and loss as incurred.

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Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category	Estimated useful life (in years)
Factory Buildings	10 - 30
Building (Other than Factory Building)	30 - 60
Building (Fences and temporary structure)	3-6
Plant and machinery	13 - 15
Furniture and fixtures	5 - 10
Leasehold Improvements (Outlets on Lease)	3
Dies and moulds	3
Computers	3-6
Office equipments	5
Vehicles	6 - 10

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed finite as per table below -

Category	Estimated useful life (in years)
Trademarks and Copyrights	9-10
Brands	10
Software and Licences	10

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

i. Borrowing costs

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

j. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a

specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. An operating lease is a lease other than a finance lease.

Operating lease payments are recognised as an expense in the statement of Consolidated statement of profit and loss on a straight-line basis over the lease term.

k. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

l. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. 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 Group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed

the long-term average growth rate for the products,industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognised in the consolidated statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. 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 asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually on reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

m. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding

debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and
- Net interest expense or income

o. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity- settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in employee stock option outstanding in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

p. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories -

1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI)
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
4 Equity instruments measured at fair value through other comprehensive income (FVTOCI)

The Group does not have any financial assets falling under category 2 and 4 above.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL and are measured at fair value with all changes recognised in the profit or loss. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of the Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) The Group has transferred substantially all the risks and rewards of the asset, or

(b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the consolidated statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

This category generally applies to borrowings.

The Group does not have any financial liabilities at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes

a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q. Trade Receivable

Trade receivables do not include uncollected debts which have been factored as the contractual term specifies that these debts are factored without recourse.

r. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

s. Cash dividend to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from April 1, 2019:

a. Ind AS 116, Leases

The Group is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.2

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

Leases in which the Group is a lessee

The Group will recognise new assets and liabilities for its operating leases of offices, warehouse and factory facilities. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Group will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

No significant impact is expected for the Group's finance leases.

b. Other Amendments

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial statements.

4 A PROPERTY, PLANT AND EQUIPMENTS

₹ in Lacs

	Freehold land @	Leasehold land @	Building # @	Plant and machinery	Dies and moulds	Furniture and fixture	Leasehold Improvements	Office equipments	Vehicle	Total tangible assets
Cost										
As at April 1, 2017	**4,657.02**	**352.19**	**13,849.00**	**14,531.02**	**781.09**	**578.44**	**84.34**	**629.83**	**607.97**	**36,070.90**
Additions	127.97	-	1,033.08	1,325.02	106.77	38.85	16.28	125.41	105.23	2,878.61
Disposals	239.21	97.26	141.32	413.14	5.10	17.82	-	6.23	10.61	930.69
As at March 31, 2018	**4,545.78**	**254.93**	**14,740.76**	**15,442.90**	**882.76**	**599.47**	**100.62**	**749.01**	**702.59**	**38,018.82**
Additions	5.36	-	419.24	3,115.42	384.29	36.02	17.99	95.72	105.65	4,179.69
Disposals	-	-	10.35	1,303.10	45.65	1.19	29.00	4.97	6.35	1,400.61
As at March 31, 2019	**4,551.14**	**254.93**	**15,149.65**	**17,255.22**	**1,221.40**	**634.30**	**89.61**	**839.76**	**801.89**	**40,797.90**
Depreciation and impairment										
As at April 1, 2017	**-**	**8.04**	**1,126.26**	**3,364.87**	**214.06**	**208.44**	**72.15**	**282.12**	**223.25**	**5,499.19**
Depreciation charge for the year	-	4.05	657.19	1,869.69	126.88	100.04	20.98	137.88	98.00	3,014.71
Disposals	-	0.02	13.34	231.45	5.05	11.09	-	5.94	7.44	274.33
As at March 31, 2018	**-**	**12.07**	**1,770.11**	**5,003.11**	**335.89**	**297.39**	**93.13**	**414.06**	**313.81**	**8,239.57**
Depreciation charge for the year	-	4.04	681.37	1,791.12	162.98	68.15	11.27	135.61	89.82	2,944.36
Disposals	-	-	10.35	1,100.32	45.54	1.16	29.00	3.40	4.12	1,193.89
As at March 31, 2019	**-**	**16.11**	**2,441.13**	**5,693.91**	**453.33**	**364.38**	**75.40**	**546.27**	**399.51**	**9,990.04**
Net book value										
As at March 31, 2019	**4,551.14**	**238.82**	**12,708.52**	**11,561.31**	**768.07**	**269.92**	**14.21**	**293.49**	**402.38**	**30,807.86**
As at March 31, 2018	**4,545.78**	**242.86**	**12,970.65**	**10,439.79**	**546.87**	**302.08**	**7.49**	**334.95**	**388.78**	**29,779.25**

@ Freehold land, leasehold land and building includes asset which are not transferred in the name of the company amounting to ₹ 871.22 (Gross block) (2018 - ₹ 835.05). These are held in the name of the entities which have been merged with the company in earlier years.

Includes ₹ 374.31 (2018 -Rs 374.31) represented by unquoted fully paid shares at cost in various co-operative societies.

The Group has not capitalised any borrowing cost in current and previous year.

Refer Note 17 for details of property, plant and equipment pledged as security for loans obtained.

For details of assets given on lease, refer Note 36A.

4B CAPITAL WORK IN PROGRESS

Capital work in progress as at March 31, 2019 is ₹ 1,434.61 (March 31, 2018 - ₹ 1,530.97).

For contractual commitment with respect to property, plant and equipment refer note 36 B.

₹ in Lacs

4 C INTANGIBLE ASSETS

	Goodwill	Other Intangible assets		Total Other intangible assets
		Trademarks and Copyrights $	Softwares and Licences	
Cost				
As at April 1, 2017	**78,633.19**	**104.77**	**600.42**	**705.19**
Additions	-	-	258.75	258.75
Disposals	-	-	-	-
As at March 31, 2018	**78,633.19**	**104.77**	**859.17**	**963.94**
Additions	-	-	73.40	73.40
Disposals	-	-	11.87	11.87
As at March 31, 2019	**78,633.19**	**104.77**	**920.70**	**1,025.47**
Amortisation and impairment				
As at April 1, 2017	**-**	**87.54**	**120.20**	**207.74**
Amortisation charge for the year	-	8.12	90.01	98.13
Disposals	-	-	-	-
As at March 31, 2018	**-**	**95.66**	**210.21**	**305.87**
Amortisation charge for the year	-	4.17	108.39	112.56
Disposals	-	-	11.87	11.87
As at March 31, 2019	**-**	**99.83**	**306.73**	**406.56**
Net book value				
As at March 31, 2019	**78,633.19**	**4.94**	**613.97**	**618.91**
As at March 31, 2018	**78,633.19**	**9.11**	**648.96**	**658.07**

$ Includes trademarks and copyrights of ₹ 81.22 (2018 - ₹ 81.22) pending for registration in the name of the Company and ₹ 20.23 (2018 - ₹ 20.23) pending for registration in the name of the Jyothy Fabricare Services Limited.

IMPAIRMENT

Goodwill is tested for impairment annually as at March 31st. No impairment charges were identified as at March 31, 2019.

A) Goodwill of ₹ 70,925.56 lacs relates to the acquisition of erstwhile business of Henkel India Limited. Since it is not practicable to allocate the goodwill to various reportable segments, the recoverable amount has been determined collectively for all brands acquired and compared with the carrying value of goodwill. Further, an amount of ₹ 250.10 lacs pertains to Fabric Care segment and has been entirely allocated to this reportable segment.

The following key assumptions were considered while performing the above impairment testing : -

Terminal value growth rate - 5%

Growth rate - 9% - 17%

Weighted Average Cost of Capital % (WACC) (Discount rate) - 13%

The projections cover a period of five years, as we believe this to be the most appropriate timescale over which to review and consider annual performances, before applying a fixed terminal value growth rate to the final year cash flows. The growth rates used to estimate future performance (revenue, cost of goods sold, expenses etc) are based on the conservative estimates from past performance.

The recoverable amounts of the above CGU's have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

4 C INTANGIBLE ASSETS (Continued)

We have performed sensitivity analysis around the base assumptions and have concluded that no reasonable change in key assumptions would cause the recoverable amount of CGU to be less than the carrying value.

B) Goodwill of ₹ 7,457.52 lacs relates to various acquisitions in the laundry services segment and has been entirely allocated to this segment.

The following key assumptions were considered while performing the above impairment testing : -

Terminal value growth rate - 5%

Growth rate - 35% - 90%

Weighted Average Cost of Capital % (WACC) (Discount rate) - 15%

The projections cover a period of five years, as we believe this to be the most appropriate timescale over which to review and consider annual performances, before applying a fixed terminal value growth rate to the final year cash flows. The growth rates used to estimate future performance (revenue, cost of services, expenses etc) are based on the conservative estimates from past performance.

The recoverable amounts of the above CGU's have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

We have performed sensitivity analysis around the base assumptions and have concluded that no reasonable change in key assumptions would cause the recoverable amount of CGU to be less than the carrying value.

5 INVESTMENTS

Particulars	As at March 31, 2019	As at March 31, 2018
Unquoted (fully paid)		
a) Investment in Others (at fair value through profit and loss) *		
Henkel SPIC Employees Co-operative Thrift and Credit Society Limited		
2,000 (2018 - 2,000) equity shares of ₹ 100 (2018 - ₹ 100) each fully paid up	2.00	2.00
Capexil (Agencies) Ltd		
5 (2018 - 5) equity shares of ₹ 10,000 (2018 - ₹ 10,000) each fully paid up	-	-
Madras Industrial Cooperative Analytical Laboratory Limited		
2 (2018 - 2) equity shares of ₹ 500 (2018 - ₹ 500) each fully paid up	-	-
	2.00	**2.00**
b) Investment in Government Securities (at fair value through profit and loss)		
Indira Vikas Patra	0.02	0.02
National Saving Certificates (Pledged with Government authorities)	0.57	0.57
	0.59	**0.59**
	2.59	**2.59**
Aggregate value of unquoted investments	2.59	2.59
Aggregate amount of impairment in value of investments	-	-

* Investment at fair value through profit or loss reflect investment in unquoted equity securities. Since the amount is not material, the fair value disclosure have not been made.

₹ in Lacs

6 TRADE RECEIVABLES (UNSECURED)

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Considered good	-	669.67	15,338.42	16,074.51
Credit impaired	-	-	1,188.79	1,219.53
Less: Loss allowance for doubtful trade receivable	-	-	(1,188.79)	(1,219.53)
	-	**669.67**	**15,338.42**	**16,074.51**

Movements of Loss allowance	As at March 31, 2019	As at March 31, 2018
Balance as at 1st April	(1,219.53)	(1,204.26)
Arising during the year	30.74	(15.27)
Reversal during the year	-	-
Balance as at 31st March	**(1,188.79)**	**(1,219.53)**

Trade receivable are non interest bearing and are generally on advance term or for a term of 15-30 days.

The Company exposure to credit and currency risk, and loss allowance related to trade receivables are disclose in note 45.

7 LOANS (UNSECURED, CONSIDERED GOOD)

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Security Deposits considered good	948.24	876.31	45.97	181.07
Security Deposits credit impaired	-	5.39	-	-
Less: Loss allowance on loans	-	(5.39)	-	-
	948.24	**876.31**	**45.97**	**181.07**

8 OTHER FINANCIAL ASSETS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Fixed deposit with Banks having remaining maturity of more than 12 months (Note 14b)	62.69	44.11	-	-
Investment Subsidy Receivable	-	-	568.51	568.51
Staff Loans	-	-	69.91	91.68
Other receivables	5.25	16.51	-	125.50
Less: Loss allowance	(5.25)	(5.25)	-	-
	62.69	**55.37**	**638.42**	**785.69**

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

8 OTHER FINANCIAL ASSETS (Continued)

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Breakup of financial assets carried at amortised cost				
Trade receivable (Note 6)	-	669.67	15,338.42	16,074.51
Loans (Note 7)	948.24	876.31	45.97	181.07
Other financial assets (Note 8)	62.69	55.37	638.42	785.69
Cash and cash equivalents and other bank balances (Note 14a & 14b)	-	-	9,637.43	13,666.69
Total financial assets carried at amortised cost	**1,010.93**	**1,601.35**	**25,660.24**	**30,707.96**

9 NON-CURRENT TAX ASSETS (NET)

Particulars	NON CURRENT	
	As at March 31, 2019	As at March 31, 2018
Advance income tax (net of provisions of ₹ 22,005.90) (2018 - ₹ 17,706.53)	406.99	1,172.23
	406.99	**1,172.23**

10 DEFERRED TAX ASSETS (NET)

Particulars	NON CURRENT	
	As at March 31, 2019	As at March 31, 2018
a) Deferred tax liability		
Depreciation	7,291.35	7,211.91
Fair value adjustments	4.22	15.74
	7,295.57	**7,227.65**
b) Deferred tax assets		
Provision for gratuity	1,150.88	926.55
Provision for leave encashment	417.12	357.08
Provision for doubtful debts	410.36	410.36
Provision for doubtful advances	172.92	174.80
Other provisions	721.99	760.24
Other disallowances	-	46.12
Tax Credits (MAT)	13,703.28	13,576.53
	16,576.55	**16,251.68**
Net deferred tax asset	**9,280.98**	**9,024.03**

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to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

11 OTHER ASSETS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Capital Advances	258.43	436.18	-	-
Advance to suppliers*	494.85	494.85	1,175.61	1,540.64
Balance with government authorities and protest payments (Note 38)	8,976.81	8,178.04	4,284.49	3,409.83
Prepaid Expenses	15.73	10.69	380.13	239.00
Other receivables	599.40	592.00	56.86	206.27
Less: Loss allowance	(494.85)	(494.85)	(47.40)	(44.92)
	9,850.37	**9,216.91**	**5,849.69**	**5,350.82**

* Advances to suppliers amounting to ₹ 542.25 (2018 - ₹ 539.77) is considered doubtful and fully provided for.

12 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

Particulars	CURRENT	
	As at March 31, 2019	As at March 31, 2018
Raw and packing materials	5,171.52	4,837.65
Work in progress	1,956.21	1,915.08
Finished goods	9,762.73	8,735.00
Stock in Trade (including goods in transit ₹ 278.54 (2018 - ₹ 272.82)	2,355.23	2,394.78
Promotion materials	493.04	478.73
Stores, Operating supplies and spare parts	490.27	473.52
	20,229.00	**18,834.76**

Inventories are net of provision of ₹ 916.13 (2018 - ₹ 1,718.23) on account of damage and slow moving inventories.

Inventories are pledged as securities for borrowings. (Refer Note 17)

13 INVESTMENTS

Particulars	CURRENT	
	As at March 31, 2019	As at March 31, 2018
Investment at fair value through profit and loss		
Axis Liquid Fund - Growth		
482,852.834 (2018 - 474,784.946) units of ₹ 1,000 (2018 - ₹ 1,000) each	10,012.07	9,151.63
Axis Liquid Fund - Direct Growth		
9,810.902 (2018 - Nil) units of ₹ 1000 (2018 - Nil) each	203.43	-
Axis Treasury Advantage Fund - Growth		
Nil (2018 - 41,342.91) units of ₹ Nil (2018 - ₹ 1,000) each	-	818.94
Axis Treasury Advantage Fund - Direct Growth		
332.837 (2018 - 10,730.645) units of ₹ 1,000 (2018 - ₹ 1,000) each	7.14	212.56
TSTG Tata Short Term Bond Fund Plan A - Growth		
Nil (2018 - 1,953,407.32) units of ₹ Nil (2018 - ₹ 10) each	-	630.75
TSTG Liquid Fund Regular Plan - Growth		
7497.841 (2018 - Nil) units of ₹ 1000 (2018 - Nil) each	219.73	-
HDFC High Interest Fund - Dynamic Plan - Growth		
Nil (2018 - 134,153.698) units of ₹ Nil (2018 - ₹ 10) each	-	79.04
Kotak Liquid Direct Plan Growth		
Nil (2018 - 11,988.2963) units of ₹ Nil (2018 - ₹ 1,000) each	-	422.22
	10,442.37	**11,315.14**
Aggregate book and market value of quoted investments	10,442.37	11,315.14

For determination of fair values, refer Note 43

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

14 CASH AND BANK BALANCES

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
a) Cash and cash equivalents				
Cash in hand	-	-	52.55	45.17
Balance with banks				
- Current account	-	-	6,959.99	5,703.18
- Deposit account (Original maturity of less than three months)	-	-	471.24	402.28
Unclaimed dividend accounts	-	-	160.70	142.41
	-	**-**	**7,644.48**	**6,293.04**
b) Other bank balances				
Deposits with original maturity for more than 3 months and upto 12 months*	-	-	1,117.27	4,858.50
Deposits with original maturity for more than 12 months and remaining maturity of less than 12 months*	-	-	875.68	2,515.15
Deposits with original and remaining maturity for more than 12 months*	62.69	44.11	-	-
Amount disclosed under 'Other financial assets' (Note 8)	(62.69)	(44.11)	-	-
	-	**-**	**1,992.95**	**7,373.65**
	-	**-**	**9,637.43**	**13,666.69**

* Includes deposits provided as securities against bank guarantees and towards debenture redemption reserves ₹ 1,734.90 (2018 - ₹ 5,745.23)

15 SHARE CAPITAL

Particulars	As at March 31, 2019	As at March 31, 2018
AUTHORISED CAPITAL		
2,720,000,000 (2018 - 2,720,000,000) equity shares of ₹ 1(2018 - ₹ 1) each	27,200.00	27,200.00
30,000 (2018 -30,000) 11% cumulative preference shares of ₹ 100 (2018 - ₹ 100) each	30.00	30.00
	27,230.00	**27,230.00**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of 1 Re per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

15 SHARE CAPITAL (Continued)

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	Amount	No.	Amount
ISSUED EQUITY CAPITAL				
At the beginning of the period	181,794,087	1,817.94	181,683,724	1,816.84
Issued during the year	185,414,557	1,854.15	110,363	1.10
Outstanding at the end of the period	**367,208,644**	**3,672.09**	**181,794,087**	**1,817.94**

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	% Holding in the class	No.	% Holding in the class
Equity shares of Re 1 each fully paid				
M. P. Ramachandran	143,640,871	39.12%	70,136,948	38.58%
Sahyadri Agencies Limited	30,000,000	8.17%	15,000,000	8.25%

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

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

Particulars	As at March 31, 2019 No.	As at March 31, 2018 No.
Equity shares allotted as fully paid bonus shares by capitalization of securities premium (FY 2013 - 2014)	2,379,748	2,379,748
Equity shares issued for consideration other than cash pursuant to scheme of amalgamation with erstwhile		
Jyothy Consumer Products Limited (JCPL) (FY 2013 - 2014)	2,379,748	2,379,748
Equity shares allotted as fully paid bonus shares by capitalization of securities premium (FY 2018 - 2019)	181,794,087	-
	186,553,583	**4,759,496**

In addition the company has issued 43,91,061 (2018 - 770,591) equity shares during the period of five years immediately preceding the reporting date on exercise of option granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

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to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

16 OTHER EQUITY

A. Other Equity consist of following :

Particulars	As at March 31, 2019	As at March 31, 2018
Retained earnings		
Balance, beginning of the year	49,503.21	7,709.35
Profit for the year	20,508.69	18,606.60
Other Comprehensive Income - Re-measurement gains/ (losses) of post employment benefit obligation	(149.10)	57.47
Transfer from general reserves *	-	35,000.00
Cash dividend (Note 16(B))	(1,817.94)	(10,901.02)
Dividend distributions tax (DDT) (Note 16(B))	(373.68)	(2,219.19)
Transfer from Debenture Redemption Reserve	5,000.00	5,000.00
Transfer to Debenture Redemption Reserve	-	(3,750.00)
Net surplus in the statement of profit and loss	**72,671.18**	**49,503.21**
Other Reserves		
Foreign Currency Translation Reserve		
Balance, beginning of the year	(20.35)	-
Add: Addition during the year	27.88	(20.35)
Balance, end of the year	**7.53**	**(20.35)**
Capital Reserve		
Balance, end of the year	**5,480.32**	**5,480.32**
Securities premium		
Balance, beginning of the year	49,025.83	48,836.81
Less: Issue of bonus share	(1,817.94)	-
Add: Increase on issuance of share capital under ESOP scheme (Note 47)	3,199.59	189.02
Balance, end of the year	**50,407.48**	**49,025.83**
Debenture Redemption Reserve		
Balance, beginning of the year	5,000.00	6,250.00
Add: Transferred from retained earning	-	3,750.00
Less: Transferred to retained earning	(5,000.00)	(5,000.00)
Balance, end of the year	**-**	**5,000.00**
General reserves		
Balance, beginning of the year	414.08	35,414.08
Less: Transferred to retained earning *	-	(35,000.00)
Balance, end of the year	**414.08**	**414.08**
Employee Stock Option Outstanding		
Balance, beginning of the year	3,199.59	3,393.70
Less: Transfer to securities premium on exercise of stock options	(3,199.59)	(189.02)
Less: Compensation on stock option cancelled during the year	-	(5.09)
Balance, end of the year	**-**	**3,199.59**
	128,980.59	**112,602.68**

* The Board of Directors of the Company in their meeting held on May 16, 2018 resolved to transfer from balance available in General Reserves of ₹ 35,000 Lacs to the Retained Earnings.

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

16 OTHER EQUITY (Continued)

B. Distribution made and Proposed

Particulars	As at March 31, 2019	As at March 31, 2018
Cash dividend on equity shares declared and paid		
Final dividend for the year ended March 31, 2018 ₹ 0.5 per share, (2017 - ₹ 6 per share)	1,817.94	10,901.02
Dividend distribution tax on final dividend	373.68	2,219.19
	2,191.62	**13,120.21**
Proposed dividends on equity shares*		
Final dividend for the year ended March 31, 2019 ₹ 3 per share, (2018 - ₹ 0.5 per share)	11,016.26	1,817.94
Dividend distribution tax on final dividend	2264.42	373.68
	13,280.68	**2,191.62**

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as liability (including DDT thereon) as at March 31, 2019.

17 BORROWINGS

Particulars	NON CURRENT		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Term loans from Bank (Secured) (Note (a) & (b) below)	202.44	377.44	10,241.25	10,239.89
Loan from Bank (Secured) (Note (c) below)	-	-	-	10,064.89
Unsecured Loans from Banks (Note (d) below)	-	-	-	7,550.32
Term Loan from Bank (Secured) (Note (e) below)	-	-	1,914.44	-
Term Loan from Bank (Secured) (Note (f) below)	-	-	7,555.10	-
Term Loan from Bank (Secured) (Note (g) below)	-	-	2,001.47	-
Secured Redeemable Non Convertible Debentures				
Nil (2018 - 4,000) Debentures of ₹ Nil (2018 - ₹ 5,00,000) each (Note (h) below)	-	20,000.00	-	-
Unsecured Redeemable Zero Coupon Non Convertible Debentures				
600 (2018 - 600) Debentures of ₹ 10,00,000 (2018 - ₹ 10,00,000) each (Note (i) below)	6,000.00	6,000.00	-	-
Deferred Payment Liability (Unsecured) (Note (j) below)	180.00	180.00	-	-
Amount disclosed under 'Other Financial Liabilities' (Note 21)	(6,180.00)	(26,180.00)	(175.00)	(175.00)
	202.44	**377.44**	**21,537.26**	**27,680.10**

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

17 BORROWINGS (Continued)

Details of loan:

a) Term loan of ₹ 202.44 lacs (2018 - ₹ 377.44 lacs) from bank has been taken in financial year 2012-13. The loan is repayable in 32 quarterly instalments beginning from August 2013. The loan is secured by exclusive first charge on the entire fixed assets and current assets of the JFSL-JLL (JV) and further secured by corporate guarantee given by the company.

b) The Company had taken secured term loan of ₹ 10,000 lacs at interest at 7.80% and repayable on February 05, 2023. The term loan terms give call option / put option to the issuer / holder and are secured by lien on fixed assets of the Company.

c) The Company had taken short term secured term loan of ₹ 10,000 lacs at interest at 7.64% and repaid on August 20, 2018. These loan were secured by stock and book debt of the Company.

d) The Company had taken secured short term loan of ₹ 7,500 lacs at interest at 7.9% p.a. and same was repaid on July 26, 2018. These loan were secured by stock and book debt of the Company.

e) During the year Company has taken secured term loan of ₹ 2,000 lacs at interest at 8.95% and out of which ₹ 100 lacs repaid on January 24, 2019 and balance repayable on October 24, 2023. The term loan terms give call option / put option to the issuer / holder and are secured by stock and book debt of the Company.

f) During the year Company has taken secured short term loan of ₹ 7,500 lacs at interest at 8.65% and repayable on May 17, 2019. These loan are secured by stock and book debt of the Company.

g) During the year Company has taken secured term loan of ₹ 2,000 lacs at interest at 8.95% and repayable on October 24, 2023. The term loan terms give call option / put option to the issuer / holder and are secured by stock and book debt of the Company.

h) The Company had issued 4,000 unlisted, non-convertible debentures of ₹ 10 lacs each aggregating to ₹ 40,000 lacs. These debentures carried an interest of 7.2% p.a upto March 31, 2017, 7.5% p.a from April 1, 2017 to November 30, 2017 and 8% p.a from December 1, 2017 to November 9, 2018. 25% of the debenture amount was repaid on February 1, 2018 and 25% on February 8, 2018, while the balance 50% was repaid during the year at par. The debenture terms give call option / put option to the issuer / holder, the exercise price being at par. However, these are embedded derivative which are closely related to the host contract and accordingly under IND AS 109, they have not been separately accounted for. These debenture are secured by negative lien on fixed assets of the Company and do not carry any debt covenant.

i) 600 Unsecured Zero Coupon Non Convertible Debentures of ₹ 10,00,000 each - Redeemable at a premium of ₹ 323,424 per debenture after 3 years from the date of allotment i.e. January 11, 2018. The debenture holders have a put option at the end of every 6 months from the date of allotment. Accordingly the debentures have been classified as current as at March 31, 2019. The Debentures are unsecured and covered by corporate guarantee given by the Company.

j) Deferred payment liability represent amount payable under the memorandum of understanding (MOU) entered into with the DRDE/DRDO of the Ministry Of Defence, Government of India for transfer of technology for certain products. These are due for payment as per the Agreement.

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

18 PROVISIONS

Particulars	Non current		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits				
Provision for leave encashment	239.80	203.25	1,051.16	902.55
Provision for gratuity (Note 32)	3,431.25	2,779.69	11.97	12.46
	3,671.05	**2,982.94**	**1,063.13**	**915.01**
Other provisions #				
Provision for litigation *	-	-	2,066.13	2,175.59
	-	**-**	**2,066.13**	**2,175.59**
	3,671.05	**2,982.94**	**3,129.26**	**3,090.60**

* Provision for litigation pertains to various disputed indirect tax matters

Particulars	CURRENT	
	As at March 31, 2019	As at March 31, 2018
# Movements in other provisions		
As at 1st April	2,175.59	2,179.76
Arising during the year	-	-
Reversal during the year	(109.46)	(4.17)
As at 31st March	**2,066.13**	**2,175.59**

19 OTHER LIABILITIES

Particulars	Non current		CURRENT	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Statutory Dues	-	-	2,005.56	1,348.55
Deferred Investment Subsidy (a)	353.92	425.45	71.53	71.53
Advances from customers	-	-	301.53	393.29
Advances towards assets held for sale	-	-	-	20.00
Contractual Obligation	-	-	3,419.89	3,489.21
	353.92	**425.45**	**5,798.51**	**5,322.58**

(a) The Company has been awarded grants on account of Central capial investment subsidy (CCIS) of ₹ 568.51 lacs and grants recognised as deferred income, is being amortised over the useful life of the assets in proportion to the usage of the related assets.

20 TRADE PAYABLES

Particulars	CURRENT	
	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises (refer note 41 for details of dues to micro and small enterprises)	3,821.56	2,817.28
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,061.64	12,261.51
	17,883.20	**15,078.79**

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to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

21 OTHER FINANCIAL LIABILITIES

Particulars	CURRENT	
	As at March 31, 2019	As at March 31, 2018
Interest accrued but not due on loans	789.90	639.96
Security deposits	22.60	66.47
Unclaimed dividend *	160.70	142.42
Creditors for capital goods	16.81	31.28
Current maturities of Long Term Borrowings (Note 17)	6,355.00	26,355.00
Payable Others - Employees	2,398.44	2,124.48
Payable to bank - Factoring arrangement @	1,055.70	-
	10,799.15	**29,359.61**

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

@ Money received from customer on behalf of bank in respect of factored debts

Particulars	CURRENT	
	As at March 31, 2019	As at March 31, 2018
Breakup of financial liabilities carried at amortised cost		
Borrowing (Note 17)	21,537.26	27,680.10
Trade payable (Note 20)	17,883.20	15,078.79
Other financial liabilities (Note 21)	10,799.15	29,359.61
Total financial liabilities carried at amortised cost	**50,219.61**	**72,118.50**

Terms and conditions of financial liabilities:

1) Trade payables are non-interest bearing and are normally settled on 07-60 days term.

2) Other payable are non interest bearing and are settled within a year.

3) Interest payable is settled as per the term of borrowings.

For explanation on the Group's credit risk management processes, refer Note 45.

22 CURRENT TAX LIABILITIES (NET)

Particulars	CURRENT	
	As at March 31, 2019	As at March 31, 2018
Provision for income tax (net of advance tax of ₹ 4,398.26 (2018 - ₹ 3,747.34)	346.72	552.03
	346.72	**552.03**

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

23 REVENUE FROM OPERATIONS

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Sale of goods (including excise duty) *	177,214.96	164,772.09
Sale of Services	4,024.95	4,102.27
	181,239.91	**168,874.36**
Other Operating Income		
Agricultural Income	-	2.85
Sale of scrap	100.41	71.86
Others	17.34	77.76
	117.75	**152.47**
	181,357.66	**169,026.83**

* Sale of goods includes excise duty collected from customer of ₹ Nil lacs (1st April 2017 - 30th June 2017 - ₹ 1,434.54 lacs).

24 OTHER INCOME

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Lease rent income (Note 36 A)	11.60	13.79
Foreign exchange fluctuation gain (net)	14.48	-
Net change in fair value of finacial assets measured at FVTPL	23.50	85.25
Profit on sale of current investments	170.51	312.19
Profit on sale of fixed assets	-	3,635.01
Investment subsidy income	71.53	71.53
Interest on fixed deposit	334.55	442.97
Interest on Income tax refund	264.76	118.95
Interest on Others	45.14	217.57
Budgetary support benefit under GST	1,746.22	1,287.51
Export incentives	75.65	47.35
Provision for Doubtful Advances written back	0.67	-
Provision for Doubtful Debts written back	14.94	-
Miscellaneous income	1.92	14.92
	2,775.47	**6,247.04**

25 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Inventory at the beginning of the year	4,837.65	5,402.51
Add: Purchases	71,650.76	56,752.82
	76,488.41	**62,155.33**
Less: Inventory at the end of the year	5,171.52	4,837.65
	71,316.89	**57,317.68**

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to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

26 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Closing inventory		
Finished goods	9,762.73	8,735.00
Traded Goods	2,355.23	2,394.78
Work in progress	1,956.21	1,915.08
Sub-total (A)	**14,074.17**	**13,044.86**
Opening inventory		
Finished goods	8,735.00	8,438.11
Traded Goods	2,394.78	3,437.89
Work in progress	1,915.08	1,525.59
Sub-total (B)	**13,044.86**	**13,401.59**
Total (A-B)	**(1,029.31)**	**356.73**

27 EMPLOYEE BENEFITS EXPENSE

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Salaries, wages and bonus	16,582.71	15,064.59
Contribution to provident and other funds	1,148.58	1,097.46
Gratuity (Note 32 I)	550.16	631.94
Staff welfare expenses	464.28	638.65
Directors' remuneration (Note 34)	1,414.39	1,263.63
Field staff incentives	602.70	386.75
Sub-total (A)	**20,762.82**	**19,083.02**
Employee stock option expenses (Note 47)	-	(4.72)
Sub-total (B)	**-**	**(4.72)**
Total (A+B)	**20,762.82**	**19,078.30**

28 FINANCE COST

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Interest on term loan and bank overdraft	2,634.01	1,229.98
Redemption premium / Interest accrued on debentures	797.51	3,287.05
Interest on Income tax	54.33	233.92
Other borrowing cost	36.14	55.85
	3,521.99	**4,806.80**

29 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Depreciation on tangible assets	2,944.36	3,014.71
Amortization of intangible assets	112.56	98.12
	3,056.92	**3,112.83**

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

30 OTHER EXPENSES

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Power and fuel expenses	2,931.34	2,774.20
Rent (Note 36A)	2,144.39	2,312.64
Insurance	188.93	175.64
Repairs and maintenance		
- Building	29.28	59.57
- Plant and machinery	283.46	315.42
- Others	245.65	310.73
Consumption of stores and spares	325.86	510.73
Research and development	128.79	76.74
Printing and stationery	95.84	61.70
Communication costs	254.10	267.92
Legal and professional fees (Note 39)	1,050.28	1,119.80
Rates and taxes	185.09	306.60
Directors' sitting fees (Note 34(c))	6.05	3.40
Vehicle maintenance	307.59	334.94
Donation	130.61	3.83
Loss on fixed assets discarded / sold	44.79	1.16
Conversion charges	14.22	322.92
Bad debt written off	-	6.46
Provision for doubtful advances	-	17.82
Advertisement and Sales Promotion expense	11,268.82	10,448.44
Freight, handling and forwarding charges	11,276.47	10,320.05
Field staff expenses	1,674.53	1,538.96
Travelling and conveyance	424.91	441.10
Royalty	327.76	298.85
Corporate social responsibility expenses (Note 35)	421.08	508.78
Miscellaneous expenses	1,658.63	2,344.89
	35,418.47	**34,883.29**

31 INCOME TAX

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are :

a. Profit or loss

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Income tax expense		
Current tax		
Current period	4,735.81	4,231.21
Adjustment of tax relating to earlier periods	3.51	(143.65)
	4,739.32	**4,087.56**
Deferred tax		
Relating to origination and reversal of temporary differences	(196.39)	2,098.85
	4,542.93	**6,186.41**
b. OCI		
Deferred tax related to items recognised in OCI during in the year		
Net loss /(gain) on remeasurements of defined benefit plans	60.56	(27.65)
	60.56	**(27.65)**

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

31 INCOME TAX (Continued)

c. Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Accounting profit before tax	24,302.77	24,073.43
Tax rate	34.944%	34.608%
Tax at statutory rate	8,492.36	8,331.33
Less:		
Tax impact : - Profit exempt from tax	(5,003.08)	(3,106.19)
Corporate social responsibility expenditure disallowed	147.14	176.08
Expenses not deductible for tax purposes	-	1.33
Deductions allowed under various section of Income Tax Act, 1961	-	(41.53)
Expenses/ losses disallowed under Income Tax Act, 1961	-	785.79
Long Term Capital Gains on sale of land taxed at different rate and unrecognised deferred tax assets	-	(591.56)
Adjustment to current tax of prior periods	3.51	(143.65)
Non deductible tax loss of subsidiaries	588.44	597.33
Others	314.56	177.49
Adjusted tax expense	**4,542.93**	**6,186.41**
Tax expense	**4,542.93**	**6,186.41**

d. Movement in Deferred Tax Assets and Liabilities

Movement during the year ended March 31, 2018	Opening Balance	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	Closing Balance
Depreciation	(6,207.67)	(1,004.24)	-	(7,211.91)
Freehold Land	(351.29)	351.29	-	-
Fair value adjustments	(69.55)	53.81	-	(15.74)
Provision for gratuity	797.95	156.25	(27.65)	926.55
Provision for leave encashment	346.17	10.91	-	357.08
Provision for doubtful debts	406.42	3.94	-	410.36
Provision for doubtful advances	652.49	(477.69)	-	174.80
Other provisions	752.93	7.31	-	760.24
Other disallowances	74.79	(28.67)	-	46.12
Carry forward losses and unabsorbed depreciation	2,905.80	(2,905.80)	-	-
Tax credit (MAT)	11,842.49	1,734.04	-	13,576.53
	11,150.53	**(2,098.85)**	**(27.65)**	**9,024.03**

₹ in Lacs

31 INCOME TAX (Continued)

Movement during the year ended March 31, 2019	Opening Balance	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	Closing Balance
Depreciation	(7,211.91)	(79.42)	-	(7,291.33)
Freehold Land	-	-	-	-
Fair value adjustments	(15.74)	11.52	-	(4.22)
Provision for gratuity	926.55	163.77	60.56	1,150.88
Provision for leave encashment	357.08	60.04	-	417.12
Provision for doubtful debts	410.36	-	-	410.36
Provision for doubtful advances	174.80	(1.88)	-	172.92
Other provisions	760.24	(38.25)	-	721.99
Other disallowances	46.12	(46.12)	-	-
Tax credit (MAT)	13,576.53	126.75	-	13,703.28
	9,024.03	**196.41**	**60.56**	**9,281.00**

e. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of losses in other subsidiaries as they cannot be used to offset taxable profits elsewhere in the group and there is no reasonable certainity of recoverability in the near future.

f. These unrecognised deferred tax assets of these subsidiaries as at the reporting dates are as given below:-

Particulars	As at 31 March 2019		As at 31 March 2018	
	Gross Amount	Tax	Gross Amount	Tax
Accumulated Tax Losses	17,211.19	4,431.88	16,386.51	4,219.52

Breakup of Tax losses

Particulars	As at 31 March 2019		Expiry Date (Assessment Year)	As at 31 March 2018		Expiry Date (Assessment Year)
	Gross amount	Unrecognised Tax effect		Gross amount	Unrecognised Tax effect	
Brought forward losses (allowed to carry forward for specific period)	1,924.75	495.62	2020-21	1,105.16	284.58	2019-20
Brought forward losses (allowed to carry forward for specific period)	1,974.89	508.53	2021-22	1,924.75	495.62	2020-21
Brought forward losses (allowed to carry forward for specific period)	2,163.40	557.08	2022-23	1,974.89	508.53	2021-22
Brought forward losses (allowed to carry forward for specific period)	1,701.24	438.07	2023-24	2,163.40	557.08	2022-23
Brought forward losses (allowed to carry forward for specific period)	1,040.96	268.05	2024-25	1,701.24	438.07	2023-24

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to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

31 INCOME TAX (Continued)

Particulars	As at 31 March 2019		Expiry Date (Assessment Year)	As at 31 March 2018		Expiry Date (Assessment Year)
	Gross amount	Unrecognised Tax effect		Gross amount	Unrecognised Tax effect	
Brought forward losses (allowed to carry forward for specific period)	1,164.74	299.92	2025-26	1,040.96	268.05	2024-25
Brought forward losses (allowed to carry forward for specific period)	1,433.26	369.06	2026-27	1,164.74	299.92	2025-26
Brought forward losses (allowed to carry forward for specific period)	1,683.95	433.62	2027-28	1,433.26	369.06	2026-27
Unabsorbed depreciation (allowed to carry forward for infinite period)	4,124.00	1,061.93	NA	3,878.11	998.61	NA
	17,211.19	**4,431.88**		**16,386.51**	**4,219.52**	

Further, as at 31st March 2019, there was no recognised deferred tax liability (2018 - ₹ Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries. The Group has determined that undistributed profits of the subsidiaries will not be distributed in the foreseeable future.

32 (I) GRATUITY

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

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

Particulars	March 31, 2019 Gratuity	March 31, 2018 Gratuity
	Funded, except for certain subsidiaries where it is non funded	
(A) Summary of the actuarial assumptions		
Mortality	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Discount rate	7.10% - 7.55%	7.5% - 7.9%
Rate of increase in compensation	8% - 10%	8% - 10%
Withdrawal rates	9% - 15%	9% - 15%
Rate of return (expected) on plan assets	7.59%	7.55%
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.		

₹ in Lacs

32 (I) GRATUITY (Continued)

Particulars	March 31, 2019 Gratuity	March 31, 2018 Gratuity
	Funded, except for certain subsidiaries where it is non funded	
(B) Changes in present value of obligations (PVO)		
PVO at beginning of period	3,066.90	2,653.52
Interest cost	241.52	187.88
Current Service Cost	282.43	247.47
Benefits Paid	(180.02)	(146.43)
Past Service Cost	-	213.22
Remeasurement gains/(losses) arising from changes in demographic assumptions	-	(0.63)
Remeasurement gains/(losses) arising from changes in financial assumptions	80.36	(139.27)
Experience adjustments	117.96	51.14
PVO at end of period	3,609.15	3,066.90
(C) Changes in fair value of plan assets		
Fair value of plan assets at the beginning of period	274.75	328.01
Investment Income	21.66	23.25
Benefit paid	(116.37)	(62.78)
Return on plan assets	(14.11)	(13.73)
Fair value of plan assets at end of period	165.93	274.75
(D) Expenses recognised in the statement of profit and loss		
Current service cost	282.43	247.47
Past Service Cost	-	213.22
Net Interest cost on the Net Defined Benefit Liability / (Asset)	219.86	164.63
Benefits paid directly paid by the group	47.87	6.63
Expense recognised in the statement of profit and loss	550.16	631.95
(E) Remeasurement gains/(losses) in other comprehensive income		
Return on plan assets	14.11	13.73
Remeasurement gains/(losses) arising from changes in demographic assumptions	-	(0.63)
Remeasurement gains/(losses) arising from changes in financial assumptions	80.36	(139.27)
Experience adjustments	117.96	51.14
Total amount recognised in OCI	212.43	(75.03)
(F) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investment with insurer	100.00%	100.00%
(G) Net assets/(liabilities) recognised in the balance sheet		
PVO at end of period	(3,609.15)	(3,066.90)
Fair value of plan assets at end of period	165.93	274.75
Funded status (deficit in fair value of plan assets over PVO)	(3,443.22)	(2,792.15)
Net asset / (liability) recognised in the balance sheet	(3,443.22)	(2,792.15)

These defined benefit plan exposed to acturial risk, such as longerity risk, currency risk, interest rate risk and market risk.

Fund is Managed by LIC as per Insurance Regulatory and Development Authority guidelines, category-wise composition of the plan assets is not available.

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to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

32 (I) GRATUITY (Continued)

(H) Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The results of sensitivity analysis is given below:

Particulars	March 31, 2019	March 31, 2018
Defined Benefit Obligation (Base)	3,609.15	3,066.90

Particulars	March 31, 2019		March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	3,855.64	3,388.44	3,278.72	2,877.47
(% change compared to base due to sensitivity)	6.83%	-6.12%	6.91%	-6.18%
Salary Growth Rate (- / + 1%)	3,399.84	3,835.03	2,886.77	3,263.85
(% change compared to base due to sensitivity)	-5.80%	6.26%	-5.87%	6.42%
Attrition Rate (- / + 50% of attrition rates)	3,645.22	3,586.79	3,077.32	3,061.20
(% change compared to base due to sensitivity)	1.00%	-0.62%	0.34%	-0.19%
Mortality Rate (- / + 10% of mortality rates)	3,609.20	3,609.14	3,066.85	3,066.99
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

(I) Asset Liability Matching Strategies

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity outgoes during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

(J) Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Group has purchased an insurance policy to meet the liability on account of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

b) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows)	6 years
Expected cash flows over the next (valued on undiscounted basis)	**Amount**
1 year	542.97
2 to 5 years	1,548.08
6 to 10 years	1,828.57
More than 10 years	2,540.30

₹ in Lacs

32 (I) GRATUITY (Continued)

c) The Group expects to contribute `Nil (2018 - `Nil) to gratuity fund.

(II) Superannuation

The Group contributed ₹ 39.79 lacs and ₹ 41.73 lacs to the superannuation plan during the years ended March 31 ,2019 and March 31, 2018, respectively and same has been recognized in the Statement of Profit and Loss under the head Employee benefit expense.

(III) Provident fund and other funds

The Group contributed ₹ 1,108.79 lacs and ₹ 1,055.73 lacs to the employee provident fund during the years ended March 31, 2019 and March 31, 2018, respectively and same has been recognized in the Statement of Profit and Loss under the head Employee benefit expense.

33 SEGMENT REPORTING

Based on the "management approach" as defined in Ind AS 108 - 'Operating Segments', the Chief Operating Decision Maker evaluates the Groups performance and allocate resources based on an analysis of various 'performance indicators by business segments and segment information is presented accordingly as follows :

1. Dishwashing includes dish wash scrubber and scrubber steel, dish wash bar, liquid and powder.
2. Fabric Care includes fabric whitener, fabric enhancer, bar soap and detergent powder.
3. Household Insecticides includes mosquito repellent coil, liquid and card and insect repellents.
4. Personal Care includes body soap, face wash, toothpaste, deodorants, talcum powder, after shave and moisturiser.
5. Laundry services includes drycleaning and laundry.
6. Others includes incense sticks and floor shine.

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

Goodwill identifiable to operating segments are included in segment assets. However, where goodwill relates to multiple operating segments and it is not practicable to allocate between segments, it is included in 'unallocated assets. Finance cost, finance income and fair value gains and loss on financial assets are not allocated to any operating segments as the Group reviews the treasury and finance cost at the group level.

Accordingly, borrowings are also considered in unallocated liabilities.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to segments as they are also managed on group basis.

Capital expenditure consists of addition of property, plant and equipment and intangible assets.

Transfer pricing between operating segments are on as arm length basis in a manner similar to transaction with third parties.

Intersegment revenue are eliminated upon consolidation and reflected in the 'adjustment and eliminations' column. All other adjustment and eliminations are part of detailed reconciliation presented further below.

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

33 SEGMENT REPORTINGY (Continued)

Year ended March 31, 2019

Particulars	Fabric care	Dishwash-ing	Household insecticides	Personal care	Laundry services	Other products	Total Operating segments	Adjustments and eliminations	Total segments
Revenue									
External revenue	72,968.31	58,728.30	22,424.52	19,185.97	4,024.95	4,025.61	181,357.66	-	181,357.66
Total revenue from operation	**72,968.31**	**58,728.30**	**22,424.52**	**19,185.97**	**4,024.95**	**4,025.61**	**181,357.66**	**-**	**181,357.66**
Income/ (Expenses)									
Depreciation and amortisation	(1,140.87)	(404.99)	(445.47)	(207.73)	(449.11)	(32.13)	(2,680.30)	(376.62)	(3,056.92)
Segment profit	**16,291.58**	**7,312.21**	**329.93**	**5,671.60**	**(959.89)**	**(266.35)**	**28,379.08**	**(4,076.32)**	**24,302.76**
Total assets	**31,665.28**	**18,415.49**	**14,929.92**	**6,831.09**	**12,573.47**	**1,383.43**	**85,798.68**	**108,429.05**	**194,227.73**
Total liabilities	**12,584.17**	**10,816.31**	**5,997.34**	**3,293.97**	**765.12**	**550.30**	**34,007.21**	**29,714.31**	**63,721.52**
Capital expenditure	1,849.84	1,131.15	275.93	385.50	77.94	24.79	3,745.15	248.30	3,993.45

Year ended March 31, 2018

Particulars	Fabric care	Dish-washing	Household insecticides	Personal care	Laundry services	Other products	Total Operating segments	Adjustments and eliminations	Total segments
Revenue									
External revenue	69,341.57	50,712.47	23,222.57	18,170.30	4,102.27	3,477.65	169,026.83	-	169,026.83
Inter segment revenue	29.52	1.36	4.06	-	-	-	34.94	(34.94)	-
Total revenue from operation	**69,371.09**	**50,713.83**	**23,226.63**	**18,170.30**	**4,102.27**	**3,477.65**	**169,061.77**	**(34.94)**	**169,026.83**
Income/ (Expenses)									
Depreciation and amortisation	(1,160.73)	(386.23)	(461.37)	(173.97)	(473.36)	(10.21)	(2,665.87)	(446.96)	(3,112.83)
Segment profit	**16,516.49**	**7,450.41**	**377.01**	**2,801.88**	**(1,248.05)**	**(97.62)**	**25,800.12**	**(1,726.69)**	**24,073.43**
Total assets	**30,796.17**	**16,560.72**	**14,867.04**	**6,998.13**	**13,187.22**	**1,368.19**	**83,777.47**	**114,117.85**	**197,895.32**
Total liabilities	**10,216.94**	**8,398.05**	**6,562.03**	**2,863.45**	**698.46**	**431.24**	**29,170.17**	**55,699.37**	**84,869.54**
Capital expenditure	1,021.94	1,762.89	292.43	355.61	229.99	126.13	3,788.99	68.22	3,857.21

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to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

33 SEGMENT REPORTING (Continued)

Reconciliations to amount reflected in the financial statements :

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
A) Reconciliation of profit		
Segment profit	28,379.09	25,800.12
Other Income (Note 24)	644.45	779.49
Other unallocable income	361.30	4,003.77
Gain on financial assets fair valued through profit or loss (Note 24)	23.50	85.25
Finance cost (Note 28)	(3,521.99)	(4,806.80)
Other unallocable expenses	(1,583.58)	(1,788.40)
Profit before tax	**24,302.77**	**24,073.43**
B) Reconciliations of assets		
Segment operating assets	85,798.70	83,777.47
Investment (Note 5 and 13)	10,444.96	11,317.73
Other financial assets (Note 8)	62.69	44.11
Non current tax assets (net) (Note 9)	406.99	1,172.23
Deferred tax asset (net) (Note 10)	9,281.00	9,024.03
Cash and cash equivalent	8,837.50	12,867.18
Other unallocable assets	1,464.14	1,696.81
Tangible and Intangible assets	77,931.78	77,995.76
Total assets	**194,227.76**	**197,895.32**
C) Reconciliations of liabilities		
Segment operating liabilities	34,007.21	29,170.17
Borrowings	27,914.70	54,232.54
Current tax liabilities (net) (Note 22)	346.72	552.03
Interest accrued but not due on loans (Note 21)	789.90	639.96
Other unallocable liabilities	662.99	274.84
Total liabilities	**63,721.52**	**84,869.54**
Revenue from external customers		
India	176,285.64	164,253.76
Outside India	5,072.02	4,773.07
Total revenue per consolidated statement of profit or loss	**181,357.66**	**169,026.83**

The revenue information above is based on the location of the customers.

Revenue from one customer amounted to ₹ 22,040.52 (2018 - ₹ 21,248.91) arising from sales in various segment.

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current operating assets		
India	111,494.10	110,565.29
Outside India	0.48	36.19
Total	**111,494.57**	**110,601.48**

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress and intangible assets.

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

34 RELATED PARTY DISCLOSURES

a) Parties where control exists

Individual having control

M.P. Ramachandran	Chairman and Managing Director

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

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

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

Quilon Trading Co.

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

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

Jaya Trust

Relative of individual having control

M.P. Sidharthan

M.R. Jyothy

M.R. Deepthi

Ananth Rao T

M.G.Santhakumari

Ravi Razdan

M.P. Divakaran

Enterprises significantly influenced by key management personnel or their relatives

Sahyadri Agencies Ltd.

Enterprises under common control

Kallol Trading Corporation

Key management personnel as per IND-AS / Companies Act, 2013

K. Ullas Kamath	Joint Managing Director & CFO upto May 16, 2018
Rajnikant Sabnavis	Chief Operating Officer
Sanjay Agarwal	Chief Financial Officer w.e.f. May 16, 2018
Nilesh B. Mehta	Independent Director
R. Lakshminarayanan	Independent Director
K. P. Padmakumar	Independent Director upto March 31, 2019
Bhumika Batra	Independent Director w.e.f. March 14, 2019
M.R. Jyothy	Whole time Director & Chief Marketing Officer
Shreyas Trivedi	Head-Legal & Company Secretary

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to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

34 RELATED PARTY DISCLOSURES (Continued)

c) Transactions with related parties during the year

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
M.P. Ramachandran		
Remuneration*	₹ 1 only	₹ 1 only
Commission	482.34	402.96
Dividend	701.37	4,208.22
Sahyadri Agencies Ltd.		
Dividend	150.00	900.00
Quilon Trading Company		
Rent Expense	1.20	1.20
M.P. Divakaran - H.U.F.		
Dividend	19.04	114.24
M.P. Sidharthan - H.U.F.		
Dividend	13.20	79.20
Jaya Trust		
Dividend	21.75	130.50
Kallol Trading Corporation		
Sale of finished goods	250.39	-
Relatives of individuals having control		
Remuneration*		
M R Jyothy	219.60	219.60
M P Sidharthan	24.00	24.00
M R Deepthi	54.36	39.82
Ananth Rao T	83.28	63.84
Ravi Razdan	62.23	53.09
M. P. Divakaran	12.00	24.00
Dividend - Relative of individual having control	260.19	1,561.13
Key management personnel		
Remuneration*		
K. Ullas Kamath	336.00	336.00
Sanjay Agarwal	185.82	-
Rajnikant Sabnavis	371.88	287.77
Shreyas Trivedi	71.97	68.97
Dividend		
K. Ullas Kamath	14.51	87.08
Contribution to Superannuation fund		
K. Ullas Kamath	30.00	30.00
Fee for attending board / committee meetings		
Nilesh B. Mehta	2.05	1.50
R. Lakshminarayanan	2.05	1.30
K. P. Padmakumar	1.45	0.60
Bhumika Batra	0.50	-
Commission		
K. Ullas Kamath	434.10	362.67
Nilesh B. Mehta	10.00	8.00
R. Lakshminarayanan	10.00	8.00
K. P. Padmakumar	10.00	8.00

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

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to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

34 RELATED PARTY DISCLOSURES (Continued)

d) Related party balances

Particulars	As at March 31, 2019	As at March 31, 2018
Amounts receivable		
Enterprises under common control		
Kallol Trading Corporation	62.01	-
Amounts payable		
Other financial liabilities		
Individual having control		
M.P. Ramachandran	482.34	402.96
Key management personnel		
K. Ullas Kamath	434.10	362.67
Nilesh B. Mehta	10.00	8.00
R. Lakshminarayanan	10.00	8.00
K. P. Padmakumar	10.00	8.00

Terms and conditions of transactions with related parties

The Sales to / purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

35 EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII IS AS GIVEN BELOW:

Particulars	April 1, 2018 to March 31, 2019			April 1, 2017 to March 31, 2018		
(a) Gross amount required to be spent during the year			**365.47**			**335.03**
	In Cash	**Yet to be paid in cash**	**Total**	**In Cash**	**Yet to be paid in cash**	**Total**
(b) Amount spent during the year						
Rural/slum area development	43.54	-	43.54	119.55	-	119.55
Imparting Skill Development Training	377.54	-	377.54	389.23	-	389.23
Total	**421.08**	**-**	**421.08**	**508.78**	**-**	**508.78**

₹ in Lacs

36 COMMITMENTS AND CONTINGENCIES

A) Operating Lease

In case of assets taken on lease

The Group has entered into Lease agreements for premises, which expire at various dates. Certain agreements provide for increase in rent. Lease rental expense for the year ended March 31, 2019 was ₹ 2,144.39 (2018 - ₹ 2,312.64). There are no restrictions imposed by lease arrangements. There are no subleases.

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Future lease payment under non - cancellable operating leases are as follows:		
Payable not later than one year	248.47	386.23
Payable later than one year and not later than five years	463.34	567.17
Payable later than five years	-	-
	711.81	**953.40**

In case of assets given on lease

The Group has leased out few of its premises on operating lease for part of the year. The gross carrying amount and accumulated depreciation as at March 31, 2019 is ₹ Nil and ₹ Nil (2018 - ₹ 157.89 and ₹ 27.90) respectively. Lease rent income for the year ended March 31, 2019 was ₹ 11.60 (2018 – ₹ 13.79). There is no escalation clause in the lease agreement and the lease is cancellable in nature. There are no restrictions imposed by lease arrangements.

B) Capital Commitments (Net of Advances)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	216.32	536.12
	216.32	**536.12**

C) Contingent Liabilities

In respect of the following, the Group has assessed that it is only possible, but not probable, that outflow of economic resources will be required :

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Tax matters		
(a) Disputed sales tax demands – matters under appeal	1,357.12	1,315.15
(b) Disputed excise duty and service tax demand - matter under appeal	4,083.22	4,955.42
(c) Disputed income tax demand - matter under appeal*	278.87	279.33
(ii) Claims against the Group not acknowledged as debts.	-	252.00

* The amount shown above does not include contingent liability for assessment years which have been reopened (unless demand order is raised) and those pending assessments.

The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

36 COMMITMENTS AND CONTINGENCIES (Continued)

In view of the management, the liability on account of this for the period from date of the SC order to 31 March 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not reliably ascertainable and consequently no effect has been given in the accounts.

The Group believes that all these matters have a strong possibility of being dismissed in favour of the Group and accordigly no provisions has been considered necessary.

The above disclosure does not cover matters where the exposure has been assessed to be remote.

37 INFORMATION REQUIRED FOR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013

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

Particulars	31-Mar-19							
	Net Assets, i.e. Total Asset minus Total Liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Parent								
Jyothy Laboratories Limited	93.85%	124,492.04	108.54%	21,447.06	90.94%	(112.76)	108.65%	21,334.30
Subsidiaries								
Indian								
Jyothy Fabricare Services Limited	3.29%	4,361.10	-5.53%	(1,092.31)	23.69%	(29.37)	-5.71%	(1,121.68)
Snoways Laundrers & Drycleaners Private Limited	0.14%	180.94	-0.03%	(5.27)	-	-	-0.03%	(5.27)
Four Seasons Drycleaning Company Private Limited	0.10%	127.72	-0.02%	(3.09)	-	-	-0.02%	(3.09)
M/s JFSL JLL JV (Partnership Firm)	0.50%	666.28	0.73%	145.03	-	-	0.74%	145.03
Foreign								
Jyothy Kallol Bangladesh Limited	0.51%	678.14	0.09%	17.27	-16.86%	20.91	0.19%	38.18
Non controlling interest	1.62%	2,146.46	-3.79%	(748.85)	2.23%	(2.77)	-3.83%	(751.62)
GRAND TOTAL	**100.00%**	**132,652.68**	**100.00%**	**19,759.84**	**100.00%**	**(123.99)**	**100.00%**	**19,635.85**

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to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

37 INFORMATION REQUIRED FOR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013 (Continued)

Particulars	31-Mar-18							
	Net Assets, i.e. Total Asset minus Total Liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
Parent								
Jyothy Laboratories Limited	92.04%	105,313.67	109.67%	19,614.58	185.15%	51.49	109.78%	19,666.07
Subsidiaries								
Indian								
Jyothy Fabricare Services Limited	5.46%	6,247.04	-5.39%	(963.87)	-11.15%	(3.90)	-5.40%	(967.77)
Snoways Laundrers & Drycleaners Private Limited	0.16%	185.95	-0.02%	(3.93)	-	-	-0.02%	(3.93)
Four Seasons Drycleaning Company Private Limited	0.11%	130.81	-0.06%	(11.04)	-	-	-0.06%	(11.04)
M/s JFSL JLL JV (Partnership Firm)	0.45%	519.26	-0.13%	(22.40)	-	-	-0.13%	(22.40)
Foreign								
Jyothy Kallol Bangladesh Limited	0.55%	629.05	-0.04%	(6.74)	-37.65%	(10.47)	-0.10%	(17.21)
Non controlling interest	1.22%	1,394.84	-4.02%	(719.58)	-36.35%	(10.11)	-4.07%	(729.69)
GRAND TOTAL	**100.00%**	**114,420.62**	**100.00%**	**17,887.02**	**100.00%**	**27.01**	**100.01%**	**17,914.03**

Net assets and share of profits and losses reported in the above table have been considered from the respective audited financial statements after making necessary changes for consolidation adjustments having impact on the consolidated net assets and net profits.

38 As per the Notification no. 32/99-CE dated July 8, 1999, the Company was entitled to refund of excise duty in Guwahati and Jammu units equivalent to 100% of the amount of the duty paid through Personal Ledger Account ('PLA'). During an earlier year, the Government issued notifications no. 17/2008-CE and 19/2008-CE dated March 27, 2008 restricting the refund amount to a maximum percentage specified in the notification and the Company has accrued only the specified amount. The Company has received a favourable order from the High Court of Guwahati & Jammu and Kashmir in earlier years. Accordingly, the Company has accrued an additional benefit of ₹ Nil (2018 - ₹ 95.17 lacs).

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

39 PAYMENT TO AUDITORS (EXCLUDING SERVICE TAX/GST)

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
As Auditors		
Audit fee	42.00	41.00
Tax audit fees and certification	9.04	7.00
Limited review of quarterly results	45.00	42.00
Reimbursement of expenses	4.51	2.26
Total	**100.55**	**92.26**

40 EARNING PER SHARE (₹)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Net Profit for calculation of basic and diluted EPS	20,508.69	18,606.60
Weighted average number of shares for calculation of basic EPS	**364,937,171**	**363,479,792**
Effect of dilution :		
Stock options outstanding	-	3,610,802
Weighted average number of shares for calculation of diluted EPS	**364,937,171**	**367,090,593**
Basic EPS (₹)	5.62	5.12
Diluted EPS (₹)	5.62	5.07
(i) Weighted average number of equity shares (Basic)		
Weighted average number of shares for calculation of basic EPS	363,588,174	363,367,448
Effect of share option exercised	1,348,997	112,344
Weighted average number of shares for calculation of basic EPS	**364,937,171**	**363,479,792**
(ii) Weighted average number of equity shares (Diluted)		
Weighted average number of shares for calculation of Diluted EPS	364,937,171	363,479,792
Effect of share option exercised	-	3,610,802
Weighted average number of shares for calculation of diluted EPS	**364,937,171**	**367,090,593**

₹ in Lacs

41 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ('MSMED')

The disclosure pursuant to the said Act is as under :

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers under MSMED Act	3,821.56	2,817.28
Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount, unpaid	1.21	5.51
Interest paid to suppliers under the MSMED Act	-	-
Interest due and payable towards suppliers under MSMED Act towards payment already made	-	-
Interest accrued and remaining unpaid at the end of accounting year	1.21	5.51

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

42 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Balance with government authorities and protest payment

The Group has significant receivable from government authorities in respect of protest payment made in earlier years towards Vat/Excise duty matters. The Group has received favourable orders from the Honourable Supreme Court / High Court in these matters and accordingly assessed that all the amounts are fully recoverable.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the Discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

42 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk , volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables . Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 47.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Further, the Group has recognised Minimum Alternate Tax Credit (MAT) which can utilised for a period of 15 years from the assessment year to which it relates to. Based on future projections of taxable profit and MAT, the Group has assessed that the entire MAT credit can be utilised.

43 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying values		Fair values	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets				
Investment	10,444.96	11,317.73	10,444.96	11,317.73
Deposits	948.24	876.31	948.24	876.31
Total	**11,393.20**	**12,194.04**	**11,393.20**	**12,194.04**
Financial Liabilities				
Borrowings	28,094.70	54,237.54	28,094.70	54,237.54
Total	**28,094.70**	**54,237.54**	**28,094.70**	**54,237.54**

₹ in Lacs

43 FAIR VALUES (Continued)

The management assessed that fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables/advances given are evaluated by the Group based on parameters such as interest rates and individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The same would be sensitive to a reasonably possible change in the forecast cash flows or the discount rate. There are no unobservable inputs that impact fair value.

There are no financial instruments which require recurring fair value measurements and are classified as Level 3 of the fair value hierarchy.

44 FAIR VALUES HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets :

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial assets disclosed					
Investment	**March 31, 2019**	**10,444.96**	**10,442.37**	**-**	**2.59**
	March 31, 2018	11,317.73	11,315.14	-	2.59

There have been no transfers between Level 1 and Level 2 during the period.

The Group does not have any financial liabilities fair valued through profit & loss.

45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for establishing and governing the Group's risk management framework. The Group has constituted a core Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee.

A. Liquidity risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2019 and 31st March, 2018. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated,

NOTES

to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

For long term borrowings, the Group also focuses on maintaining / improving its credit ratings to ensure that appropriate refinancing options are available on the respective due dates

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	Less than 1 Year	1 to 5 years	5 years and above	Total
As at March 31, 2019				
Borrowings and Other financial liabilities *	25,231.75	7,307.10	-	32,538.85
Trade and other payables	17,883.20	-	-	17,883.20
	43,114.95	**7,307.10**	**-**	**50,422.05**
As at March 31, 2018				
Borrowings and Other financial liabilities *	50,976.90	6,377.40	-	57,354.30
Trade and other payables	15,078.79	-	-	15,078.79
	66,055.69	**6,377.40**	**-**	**72,433.09**

* The above disclosure has been made as per the contractual due dates of the borrowings, however, due to the put option available to the holder (Note 17), the same has been presented as current maturities in the financial statements.

B. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk exist mainly on account of borrowings of the Group. However, all these borrowings are at fixed interest rate and hence the exposure to change in interest rate is insignificant.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is not exposed to significant foreign currency risk as at the respective reporting dates.

Price risk

The Group is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The Group has internal guidelines to ensure that the price risk arising from investment in mutual fund is kept minimal.

C. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and other financial assets.

₹ in Lacs

45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major trade receivables.

Other financial assets

Credit risk from balances with banks and financial institutions is managed by the Group in accordance with the Group's policy. Investments of surplus funds are made only in highly marketable debt instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

The Group's maximum exposure to credit risk as at March 31, 2019 and March 31, 2018 is the carrying value of each class of financial assets.

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

46 CAPITAL MANAGEMENT

For the purpose of the Group capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt is calculated as borrowing less cash and cash equivalent, other bank balances and mutual fund investments.

Particulars	March 31, 2019	March 31, 2018
Borrowings	28,094.70	54,237.54
Less: Cash and cash equivalents, other bank balances and mutual fund investments (Note 13, 14a and 14b)	(20,079.80)	(24,981.83)
Net debt (A)	**8,014.90**	**29,255.71**
Equity	132,652.68	114,420.62
Capital and net debt (B)	**140,667.58**	**143,676.33**
Gearing ratio (A/B)	6%	20%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

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to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

47 SHARE-BASED PAYMENTS

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

	(ESOS -2014) Grant – I	ESOS -2014 - A
Date of Grant	August 16, 2014	August 16, 2014
Number of options granted	503,445	2,715,352
Vesting period	33% - Year 1 33% - Year 2 34% - Year 3	66.67% - Year 1 16.67% - Year 2 16.66% - Year 3
Exercise period	5 years from the respective dates of vesting	
Exercise Price - Per share	₹ 1	₹ 1
Market price at grant date - Per share	₹ 188.70	₹ 188.70
Average life of option	3.5 years	

The fair value of option granted is estimated at the grant date using Black Scholes valuation model, taking into account the term and conditions upon which the share options were granted.

The following table illustrates the number and movements in share options during the year

	(ESOS -2014) Grant – I	ESOS -2014 - A
Outstanding at April 1, 2017	135,137	1,810,235
Granted during 2017-18	-	-
Forfeited during 2017-18	24,774	-
Exercised during 2017-18	110,363	-
Outstanding at March 31, 2018	-	1,810,235
Exercisable at March 31, 2018	-	1,810,235
Exercised during 2018-19	-	1,810,235
Outstanding at March 31, 2019	-	-
Exercisable at March 31, 2019	-	-

For option exercised during the period, weighted average exercise price was ₹ 1 (2018- ₹ 1) and for weighted average share price at the exercise date was ₹ 185.66 per share (2018 - ₹ 393.75).

No new stock option have been granted by the company in the current year.

The following table list inputs to the model used for the year ended March 31, 2019 and March 31, 2018 :

	("ESOS -2014")- Grant – I		
	Vest 1	**Vest 2**	**Vest 3**
	August 16, 2015	**August 16, 2016**	**August 16, 2017**
Volatility	36.19%	37.32%	40.33%
Riskfree Rate	8.73%	8.72%	8.72%
Exercise Price (₹)	1.00	1.00	1.00
Time To Maturity (In Years)	3.50	4.50	5.50
Dividend yield	1.59%	1.59%	1.59%
Option fair Value vest wise of per stock option granted (₹)	177.75	174.99	172.27

₹ in Lacs

47 SHARE-BASED PAYMENTS (Continued)

	("ESOS -2014 - A")		
	Vest 1	Vest 2	Vest 3
	August 16, 2015	August 16, 2016	August 16, 2017
Volatility	36.19%	37.32%	40.33%
Riskfree Rate	8.73%	8.72%	8.72%
Exercise Price (₹)	1.00	1.00	1.00
Time To Maturity (In Years)	3.50	4.50	5.50
Dividend yield	1.59%	1.59%	1.59%
Option fair Value vest wise of per stock option granted (₹)	177.75	174.99	172.27

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

Expenses recognised in statement of profit and loss.

For details on employee benefit expenses refer Note 27

48 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019

49 IND AS 115 : REVENUE FROM CONTRACTS WITH CUSTOMERS

a. Reconciliation the amount of revenue recognised in the statement of profit and loss

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Gross Sales	212,890.55	198,052.26
Sale of service	4,024.95	4,102.27
Less : Schemes, Discounts, Rebates, Price adjustments and returns	(35,675.59)	(33,280.17)
Net Sales	181,239.91	168,874.36

b. Disaggregation of revenue-Segment wise

Particulars	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
A. Fabric Care	72,968.31	69,371.09
B. Dishwashing	58,728.30	50,713.83
C. Household Insecticides	22,424.52	23,226.63
D. Personal Care	19,185.97	18,170.30
E. Laundry service	4,024.95	4,102.27
F. Others	3,907.86	3,325.18
Less: Inter Segment Revenue	-	(34.94)
	181,239.91	**168,874.36**

Revenue from one customer amounted to ₹ 22,040.52 (2018 - ₹ 21,248.91) arising from sales in various segment.

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to the Consolidated Financial Statements as at March 31, 2019

₹ in Lacs

49 IND AS 115 : REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

c. The Company has adopted Ind AS 115-Revenue from Contract with customers from 1 April 2018 which replaces earlier revenue recognition standard. Certain expenses in nature of variable consideration in a contract for sale of goods have been reclassified to revenue in the audited financial statements for the year ended 31 March 2018.

Particulars	As reported	Impact of Ind AS 115	Comparative amounts after adoption of Ind AS 115
Revenue from operation	176,375.13	-6,013.44	170,361.69
Other expenses	40,896.73	-6,013.44	34,883.29

50 PREVIOUS YEAR FIGURES HAVE BEEN REGROUPED / RECLASSIFIED , WHERE NECESSARY, TO CONFORM TO THIS YEAR CLASSIFICATION.

Particulars	Note no.	Amount as per previous period financials	Adjustments	Revised amount for previous year
Balance sheet				
Provision - Non Current	18	2,779.69	203.25	2,982.94
Provision - Current	18	3,293.85	-203.25	3,090.60
Trade payables	17	17,203.27	-2,124.48	15,078.79
Other financial liabilities	21	27,235.13	2,124.48	29,359.61
Statement of Profit & Loss				
Revenue from operations	23	176,375.13	-7,348.30	169,026.83
Other income	24	4,912.18	1,334.86	6,247.04
Other expenses	30	40,896.73	-6,013.44	34,883.29

Signatures to Notes 1 to 50

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

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sreeja Marar
Partner
Membership No: 111410

Mumbai
May 07, 2019

For and on behalf of the Board of Directors of
Jyothy Laboratories Limited
CIN: L24240MH1992PLC128651

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

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
May 07, 2019

FORM AOC - I

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

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

Part " A": Subsidiaries

(₹ in Lacs)

Sr. No	Name of the Subsidiary Company	Jyothy Fabricare Services Limited	Jyothy Kallol Bangladesh Limited	Snoways Laundrers & Drycleaners Private Limited#	Four Seasons Drycleaning Company Private Limited#
	Date since when subsidiary was acquired	September 10, 2008	October 14, 2010	May 8, 2009	February 17, 2012
	Country	India	Bangladesh	India	India
	Financial Year / Period	April 1, 2018 to March 31, 2019	April 1, 2018 to March 31, 2019	April 1, 2018 to March 31, 2019	April 1, 2018 to March 31, 2019
	Local Currency	INR	BDT	INR	INR
	Exchange rate as on March 31, 2019	-	1BDT = 0.82 INR	-	-
1	Share Capital	1,635.00	801.84	100.00	496.58
2	Reserves & Surplus	-15,636.58	-123.74	-18.94	-490.56
3	Total Assets	5,452.79	733.05	128.73	6.47
4	Total Liabilities	19,454.37	54.95	47.67	0.45
5	Investment	1,132.55	-	-	-
6	Turnover (Net)	2,861.09	548.02	-	-
7	Profit/(Loss) before taxation	-3,032.68	19.26	-5.01	-7.53
8	Provision for taxation	-	3.49	-	-
9	Profit/(Loss) after taxation	-3,032.68	15.77	-5.01	-7.53
10	Proposed/ Interim Dividend	Nil	Nil	Nil	Nil
11	% of shareholding	86.37%	75.00%	86.37%	86.37%

Snoways launderers & Drycleaners Private Limited and Four Seasons Drycleaning Company Private Limited are wholly owned Subsidiaries of Jyothy Fabricare Services Limited.

Notes:

1. None of the subsidiaries of the Company are yet to commence operations.
2. None of the subsidiaries have been liquidated or sold during the year under review.

Part ''B": Associates and Joint Ventures

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

(₹ in Lacs)

Name of Joint Venture	JFSL – JLL JV (Partnership firm)
Latest audited Balance Sheet Date	March 31, 2019
Date on which the Associate or Joint Venture was associated or acquired	November 15, 2011
Shares of Associate/Joint Ventures held by the company on the year end:	
1. No.	N.A.
2. Amount of Investment in Joint Venture	167.88
3. Extend of Holding (%)	25%
Description of how there is significant influence	Control of Business decisions under a Partnership deed
Reason why the joint venture is not consolidated	N.A
Networth attributable to Shareholding as per latest audited Balance Sheet	671.51
Profit/Loss for the year	127.27
i. Considered in Consolidation	127.27
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 under review.
3. The Company does not have any associate company.

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

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

K.Ullas Kamath
Joint Managing Director
DIN: 00506681

Shreyas Trivedi
Company Secretary
Membership No: A12739

Sanjay Agarwal
Chief Financial Officer

Mumbai
May 07, 2019

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NOW, SMELL
THE POWER OF
THE EXECUTIVE LOOK
INTRODUCING
THE GOLD COLLECTION
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• PERFECT COLLARS
• PERFECT CUFFS
• PERFECT SHINE
UJALA
CRISP & SHINE
POWER OF THE EXECUTIVE LOOK
GOLD collection
Bliss
UJALA
CRISP & SHINE
POWER OF THE EXECUTIVE LOOK
GOLD collection
Talente
AFTER-WASH FABRIC ENHANCER
PREMIUM FRAGRANCES

Jyothy Laboratories Limited
CIN: L24240MH1992PLC128651

Corporate & Registered Office
Ram Krishna Mandir Road, Kondivita,
Andheri (East), Mumbai-400 059, Maharashtra

Tel: +91-22-66892800 | Fax: +91-22-66892805
Email: info@jyothy.com
Website: www.jyothylaboratories.com

Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)

Jyothy labs

JYOTHY LABORATORIES LIMITED

CIN: L24240MH1992PLC128651

Regd. Office: 'UJALA HOUSE', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai- 400059;

Tel.: 91-22-66892800; Fax: 91-22-66892805;

Email: secretarial@jyothy.com; Website: www.jyothylaboratories.com

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the Members of Jyothy Laboratories Limited will be held on **Tuesday, July 23, 2019** at **11.00 a.m.** at **M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai – 400001** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019, comprising of Audited Balance Sheet as at March 31, 2019, the Statement of Profit & Loss and Cash Flow Statement for the Financial Year April 1, 2018 to March 31, 2019 including its Schedules and the Notes attached thereto and forming part thereof along with the reports of the Board of Directors and the Statutory Auditors thereon; and

   (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019, comprising of Audited Consolidated Balance Sheet as at March 31, 2019, the Statement of Consolidated Profit & Loss and Cash Flow Statement for the Financial Year April 1, 2018 to March 31, 2019 including its Schedules and the Notes attached thereto and forming part thereof along with the report of the Statutory Auditors thereon.

2. To declare dividend on equity shares of the Company for the Financial Year 2018-19.

3. To appoint a Director in place of Ms. M. R. Jyothy (DIN: 00571828), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of sections 149 and 152 of the Companies Act, 2013 (the Act) read with Schedule IV and other applicable provisions of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014, Articles of Association of the Company and Regulation 25 read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Bhumika Batra (DIN: 03502004), who was appointed by the Board of Directors of the Company as an Additional Director designated as an Independent Director of the Company with effect from March 14, 2019 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 (Five) years commencing from March 14, 2019 up to March 13, 2024 (both days inclusive);

   RESOLVED FURTHER THAT the Board of Directors or Key Managerial Personnel of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, incidental and/or ancillary thereto to give effect to the aforesaid resolution."

5. **To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:**

   "RESOLVED THAT in accordance with the provisions of sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company and pursuant to the recommendation of the Nomination, Remuneration and Compensation Committee of the Company, consent of the Members of the Company be and is hereby accorded for the appointment of Ms. M. R. Jyothy (DIN: 00571828) as the Managing Director of the Company for a period of 5 (Five) years with effect from April 1, 2020 to March 31, 2025 (both days inclusive) liable to retire by rotation on the

following key terms and conditions including remuneration:

1. **Term:** April 1, 2020 to March 31, 2025 (both days inclusive)

2. **Salary:** Overall Cost to the Company (CTC) is ₹ 3,00,00,000/- (Rupees Three Crore Only) per annum with effect from April 1, 2020 with an Annual Increment of 10% on the overall CTC in each of the subsequent years;

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any Financial Year during her tenure, the Company shall pay Ms. M. R. Jyothy, the remuneration by way of salary, perquisites or any other allowances as specified above in accordance with the limits specified under Section 197 and in Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard;

RESOLVED FURTHER THAT if any remuneration paid/payable or benefits provided/to be provided to Ms. M. R. Jyothy, is assessed to be in excess in terms of Section 197 and Schedule V of the Companies Act, 2013, for any Financial Years comprised in the tenure of her appointment, the Company shall waive the recovery of such excess remuneration/benefits from Ms. M. R. Jyothy;

RESOLVED FURTHER THAT the approval of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include the Nomination, Remuneration and Compensation Committee of the Board) to relocate, re-allocate, re-designate, vary, alter, increase, enhance or widen the terms and conditions of appointment and the remuneration payable to the appointee, from time to time, as they may in their discretion deem fit within the above limits and subject to the limits laid down in Section 197 and all other applicable provisions of the Companies Act, 2013 including any statutory modification(s) and re-enactment(s) thereof for the time being in force and the Rules framed thereunder read with Schedule V of the Companies Act, 2013;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any one of the Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, deeds, applications, returns, agreements including the draft agreement to be entered into between the Company and Ms. M. R. Jyothy setting out the detailed terms and conditions of her appointment as the Managing Director of the Company and such other writings as may be considered necessary, proper, desirable or expedient."

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and based on the recommendation of the Nomination, Remuneration and Compensation Committee, consent of the Members of the Company be and is hereby accorded to appoint Ms. M. R. Deepthi (DIN: 01746698) as the Director of the Company with effect from April 1, 2020, who shall be liable to retire by rotation;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any one of the Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, deeds, agreements, applications, returns and writings as may be considered necessary, proper, desirable or expedient."

7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

"**RESOLVED THAT** in accordance with the provisions of sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company and pursuant to the recommendation of the Nomination, Remuneration and Compensation Committee at their meeting held on May 7, 2019,

consent of the Members of the Company be and is hereby accorded for the appointment of Ms. M. R. Deepthi (DIN: 01746698) as the Whole-time Director of the Company for a period of 5 (five) years with effect from April 1, 2020 to March 31, 2025 (both days inclusive) on the following terms and conditions including remuneration:

1. **Term:** April 1, 2020 to March 31, 2025 (both days inclusive)
2. **Salary:** Overall Cost to the Company (CTC) is ₹ 75,00,000/- (Rupees Seventy Five Lakhs Only) per annum with effect from April 1, 2020 with an Annual Increment of 10% on the overall CTC in each of the subsequent years;

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any Financial Year during her tenure, the Company shall pay Ms. M. R. Deepthi, the remuneration by way of salary, perquisites or any other allowances as specified above in accordance with the limits specified under Section 197 and in Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard;

RESOLVED FURTHER THAT if any remuneration paid/payable or benefits provided/to be provided to Ms. M. R. Deepthi, is assessed to be in excess in terms of Section 197 and Schedule V of the Companies Act, 2013, for any Financial Years comprised in the tenure of her appointment, the Company shall waive the recovery of such excess remuneration/benefits from Ms. M. R. Deepthi;

RESOLVED FURTHER THAT the approval of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include the Nomination, Remuneration and Compensation Committee of the Board) to relocate, re-allocate, re-designate, vary, alter, increase, enhance or widen the terms and conditions of appointment and the remuneration payable to the appointee, from time to time, as they may in their discretion deem fit within the above limits and subject to the limits laid down in Section 197 and all other applicable provisions of the Companies Act, 2013 including any statutory modification(s) and re-enactment(s) thereof for the time being in force and the Rules framed thereunder read with Schedule V of the Companies Act, 2013;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any one of the Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, deeds, applications, returns, agreements including the draft agreement to be entered into between the Company and Ms. M. R. Deepthi setting out the detailed terms and conditions of her appointment as the Whole-time Director of the Company and such other writings as may be considered necessary, proper, desirable or expedient."

8. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration Number 000010) appointed as the Cost Auditors of the Company by the Board of Directors on recommendation of the Audit Committee of the Company for conducting audit of the cost accounting records of the Company for the financial year ending March 31, 2020, be paid a remuneration amounting to ₹ 3,50,000/- (Rupees Three Lacs Fifty Thousand only) per annum (plus Taxes as applicable and out of Pocket expenses on actual basis);

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, expedient or desirable to give effect to this Resolution."

By Order of the Board of Directors
For Jyothy Laboratories Limited

Sd/-
Shreyas Trivedi
Head – Legal & Company Secretary
Membership No.: A12739

Place: Mumbai
Date: May 7, 2019

Registered Office:
'Ujala House', Ram Krishna Mandir Road,
Kondivita, Andheri (East), Mumbai – 400059;
Tel.: +91-22-66892800; **Fax:** +91-22-66892805;
Email: secretarial@jyothy.com;
Website: www.jyothylaboratories.com
CIN: L24240MH1992PLC128651

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of total share capital of the Company. A Member holding more than ten percent of total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.**

   The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours (i.e. by 11:00 a.m. on July 21, 2019) before the commencement of the meeting. A Proxy form is sent herewith.

2. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution of the Company authorising their representative to attend and vote on their behalf at the Meeting.

4. **As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting (AGM), members are requested to bring their own copies of Annual Report which has been circulated by the Company.** Members are requested to hand over the Attendance Slip, duly filled in and signed in accordance with their specimen signature(s) registered with the Company for admission to the AGM hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for identification.

5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names as mentioned in the Register of Members of the Company will be entitled to vote.

6. Members may also note that the Notice of the 28th AGM and the Annual Report for the financial year 2018-19, in Portable Document Format (PDF), will also be available on the Company's website www.jyothylaboratories.com, website of CDSL i.e. www.evotingindia.com and on website of stock exchanges viz. www.bseindia.com and www.nseindia.com. The physical copies of the aforesaid documents along with all the relevant documents referred to in the Notice and the Statements will also be available at the Company's Registered Office for inspection during normal business hours on any working day except Saturdays, upto the date of the 28th AGM of the Company.

7. Those shareholders who have become the shareholders after June 14, 2019 the cut-off date for dispatch of the Annual Report may refer to the Notice and Annual Report which is available on the Company's website, on the website of CDSL and BSE and NSE.

8. The certificate from the Statutory Auditors of the Company certifying that the Company's Employee Stock Option Schemes are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolutions passed by the members of the Company will be available for inspection of Members at the AGM.

9. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, July 16, 2019 to Tuesday, July 23, 2019** (both days inclusive) for Annual General Meeting and determining the names of members eligible for dividend on equity shares for the Financial Year 2018-19.

10. In terms of Section 152 of the Companies Act, 2013, Ms. M. R. Jyothy (DIN: 00571828) Whole Time Director & Chief Marketing Officer of the Company, retires by rotation at the AGM and being eligible, offers herself for re-appointment. Further, in terms of Section 149 of the Companies Act, 2013, it is proposed to appoint Ms. Bhumika Batra (DIN: 03502004) as an Independent Director of the Company for a period of 5 years commencing from March 14, 2019 up to March 13, 2024 (both days inclusive). Also, based on the recommendation of the Nomination, Remuneration and Compensation Committee of the Company it is proposed to appoint Ms. M. R. Jyothy (DIN: 00571828) as the Managing Director of the Company and Ms. M. R. Deepthi (DIN: 01746698) as the Whole-time Director of the Company for a period of five years commencing from April 1, 2020 to March 31, 2025 (both days inclusive).

Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards on General Meetings (SS-2) in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the notice.

11. Dividend, if approved by the Members at the ensuing AGM, will be paid on or after July 29, 2019, to those:

    a) Members whose name appears in the Register of Members of the Company after giving effect to valid share transfers/transmission/ transposition in physical form lodged with the Company or its Registrar and Share Transfer Agents (RTA) on or before July 15, 2019; and

    b) Beneficial Owners whose name appears in the list of Beneficial Owners Position list as on the closing hours of July 15, 2019 furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for this purpose.

12. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and the Annual Report of the Company for the Financial Year 2018-19 are being sent by e-mail to those Members who have registered their e-mail address with the Company and/or its Registrar and Share Transfer Agent (in respect of shares held in physical form) or with their Depository Participants (DPs) (in respect of shares held in electronic form) and made available to the Company and/or its Registrar and Share Transfer Agent by NSDL and/or CDSL. For Members who have not registered their e-mail address, physical copies of the Notice and the Annual Report for the financial year 2018-19 is being sent through the permitted mode.

13. Members are requested to notify immediately, any change in their address registered with the Company or to the RTA for equity shares held in physical form and to their respective Depository Participants (DPs) in respect of equity shares held in electronic form.

    The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Further, as per SEBI Circular dated 20.04.2018 all securities holders holding securities in physical form should submit their PAN and Bank account details to the RTA.

    The Members may kindly note that as per the amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, w.e.f. April 1, 2019, transfer of the securities would be carried out in dematerialized form only. Accordingly, members holding shares in physical mode are advised to demat their physical share holdings at the earliest.

14. Members holding shares in electronic form may note that as per the circular issued by NSDL and CDSL, the Company is obliged to print on the dividend warrants, bank details of beneficiary owners/Members as furnished by these Depositories while making payment of dividend. The Company or its RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Members are requested to advise such changes only to their DPs.

15. SEBI & the Ministry of Corporate Affairs encourages paperless communication as a contribution to greener environment.

    Members are advised to register/update their address, e-mail address and bank mandates (i.e. bank account number, name of the bank and the branch, 9 digit MICR Bank/Branch code and account type) to their DPs in case of shares held in electronic form and to the Company and/ or its RTA in case of shares held in physical form for receiving dividend in their bank accounts and all communications, including Annual Report, Notices, Circulars etc. from the Company.

16. In case of remittance of dividend in electronic form, an intimation of the dividend payment would be sent to the shareholders. Shareholders who are not covered by NECS facility, the dividend amount will be remitted by means of dividend warrants/demand drafts which will be posted to their registered addresses.

17. Members who have not en-cashed their dividend warrants for the dividends declared for the financial years 2011-12 onwards upto 2017-18 are requested to send a letter along with unclaimed dividend warrant, if any or letter of undertaking for

issue of duplicate dividend warrant/demand draft. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF rules), the Company has uploaded the details of unpaid and unclaimed amounts in respect of dividends for the financial years 2010-11 to 2016-17 lying with the Company as on July 25, 2018 (date of last Annual General Meeting) on the website of the Company (www.jyothylaboratories.com) and also on the website of the Ministry of Corporate Affairs.

In terms of Section 124 of the Companies Act, 2013, dividend declared for the financial year 2011-12 will be due for transfer to Investor Education and Protection Fund (IEPF) (established by the Central Government) in September, 2019 as the same would remain unpaid for a period of seven years from the due date of payment. Members are requested to en-cash their Dividend Warrants promptly. It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie with the Company in respect of such amount.

18. Attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with IEPF rules, amended from time to time, which inter alia requires the Company to transfer the equity shares in respect of which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to a Demat account of the Authority to be opened by Investor Education and Protection Fund Authority ('IEPF Authority'). The said Shares, once transferred to the said Demat account of the IEPF Authority can be claimed only after following due procedure prescribed under the said IEPF rules.

    Therefore, members are requested to claim their unpaid dividend pertaining to the financial year 2011-12 to 2017-18 as soon as possible, so that shares in respect of which the dividend is pending are not transferred to the Demat Account of IEPF authority at appropriate date.

19. Members holding shares in physical form and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, may fill Form SH-13 and send the same to the office of the Company and/or its RTA. In case of shares held in dematerialized form, the nomination/change in nomination should be lodged with their respective DPs.

20. Members, who hold shares in multiple Demat accounts and those who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are advised to consolidate their holdings in single Demat account/Folio.

21. Members desiring any information on the annual financial statements are requested to write to the Company at least 48 (Forty eight) hours before the AGM.

22. Prevention of Frauds: Members are advised to exercise due diligence and notify their Depository Participant (DP) of any change in address, stay abroad or demise of any shareholder as soon as possible. Do not leave your Demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified to prevent frauds/misuse, if any.

23. Confidentiality of Security Details: Do not disclose Folio Nos./DP ID/Client ID to unknown persons. Do not hand over signed blank transfer deeds, delivery instruction slips to any unknown persons.

24. Dealing of Securities with Registered Intermediaries: Members must ensure that they deal with only SEBI registered intermediaries and must obtain a valid contract note/confirmation memo from the broker/sub-broker, within 24 hours of execution of the trade and it should be ensured that the Contract Note/Confirmation Memo contains order no., trade no., trade time, quantity, price and brokerage.

25. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If Members opt for e-voting then do not vote by Physical Ballot and vice versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.

    In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting or physical Ballot, the said resolutions will not be decided on a show of hands at the AGM. **The voting right of all shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. July 16, 2019.**

26. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members, facility to exercise their right to vote on resolutions proposed to be considered at the 28th AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The Company has appointed Mr. Himanshu S. Kamdar, Practising Company Secretary (Membership No. FCS 5171), Partner, M/s. Rathi & Associates as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The instructions for shareholders voting electronically are as under:

(i) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

(ii) The remote e-voting period begins on **Saturday, July 20, 2019 at 9:00 a.m.** and ends on **Monday, July 22, 2019 at 5:00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. July 16, 2019, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

(iii) A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

(iv) Members desiring to cast their vote through remote e-voting should follow the steps mentioned below:

a. The shareholders should log on to the e-voting website www.evotingindia.com.

b. Click on Shareholders tab.

c. Now Enter your User ID

- For CDSL Demat account holders : 16 digits beneficiary ID,
- For NSDL Demat account holders: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

d. Next enter the Image Verification as displayed and Click on Login.

e. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

f. If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number (SEQ NO.) which is printed on the sticker pasted on the envelope containing the Notice of 28th AGM and Annual Report 2018-19.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or with the Company in order to login. • If both the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (c) above.

g. After entering these details appropriately, click on "SUBMIT" tab.

h. Members holding shares in physical form will then directly reach to the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat account holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

j. Click on the EVSN for the relevant JYOTHY LABORATORIES LIMITED on which you choose to vote.

k. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option, "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

m. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

o. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

p. If a demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

q. Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(v) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(vi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com, under help

section or write an email to helpdesk.evoting@cdslindia.com. Alternatively, Members can contact Mr. Rakesh Dalvi, Manager, CDSL, by writing to him at A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compounds, N. M. Joshi Marg, Lower Parel (E) or contact at 1800225533.

The results on voting of resolutions will be declared not later than forty-eight hours from conclusion of the AGM. The results declared along with the scrutinizer's report will be placed on the website of the Company i.e. www.jyothylaboratories.com and website of CDSL i.e. www.evotingindia.com immediately after the result is declared by the Chairman or any other person authorized by him and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

As required under Section 102(1) of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out the material facts relating to the Special Business mentioned under item Nos. 4 to 8 in the accompanying Notice:

ITEM NO. 4:

The SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 requires top 500 listed entities to have at least one independent woman director by April 1, 2019. The Company being amongst the top 500 listed entities, the Board of Directors of the Company based on the recommendation of the Nomination, Remuneration and Compensation Committee has appointed Ms. Bhumika Batra (DIN - 03502004) as an Additional Director designated as an Independent Director of the Company w.e.f. March 14, 2019 pursuant to the provisions of sections 149 and 161 of the Companies Act, 2013 (the Act) and in accordance with the provisions of the Articles of Association of the Company.

Ms. Bhumika Batra is a member of Professional Associations like the Bar Council of Maharashtra & Goa and the Institute of Company Secretaries of India (ICSI) and has received scholarship from London School of Economics for Masters in Law. She is having over 17 years of rich experience in the field of Corporate Laws.

Details of the Independent Director as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (Listing Regulations), forms integral part of the Notice.

In the opinion of the Board, Ms. Bhumika Batra fulfils the conditions specified in sections 149 and 152 and Schedule IV of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Regulations. Further, she has given a declaration to the Board of Directors to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Appointment of Ms. Bhumika Batra as an Independent Director requires approval of the members in General Meeting and accordingly the Board recommends passing of Ordinary Resolution as set out in item no. 4 of the accompanying Notice for approval of members. The proposed appointment of Ms. Bhumika Batra as an Independent Director is for a tenure of 5 years commencing from March 14, 2019 up to March 13, 2024 (both days inclusive) and that she shall not be liable to retire by rotation.

Upon confirmation of the appointment as Independent Director by the members of the Company, the appointment shall be formalised by issue of a letter of appointment by the Company to Ms. Bhumika Batra.

Save and except the Independent Director and her relatives in their respective appointment, none of the other Directors, Key Managerial Personnel or their relatives are in any way concerned or interested or deemed to be concerned or interested, financially or otherwise in the proposed resolution as set out at item no. 4 of the Notice.

ITEM NO. 5:

Ms. M. R. Jyothy was appointed as the Whole Time Director for a period of three years with effect from June 1, 2014 to May 31, 2017 (both days inclusive) which was approved by the members of the Company at the 23rd Annual General Meeting held on August 13, 2014. Later on, she was designated as the Chief Marketing Officer in addition to Whole-time Director of the Company by the Board of Directors of the Company at their Meeting held on August 11, 2016 which was then approved by the members through Postal Ballot held on December 1, 2016. Further, Ms. M. R. Jyothy was re-appointed as the Whole-time Director and Chief Marketing Officer of the Company for a period of Five (5) years with effect from January 1, 2017 to December 31, 2022 (both days inclusive) and is liable to retire by rotation.

Mr. M. P. Ramachandran on May 7, 2019 placed his resignation as a Director before the Board of Directors of

the Company, which will be effective from April 1, 2020 and thereby he will also cease to be the Chairman & Managing Director of the Company from the said date. In view of his resignation as the Chairman & Managing Director and considering the qualification and vast experience of Ms. M. R. Jyothy in the Company and as a measure of the succession planning, it is proposed to appoint Ms. M. R. Jyothy (DIN – 00571828) as the Managing Director of the Company for a term of 5 years commencing from April 1, 2020 upto March 31, 2025 (both days inclusive). The said appointment was approved by the Board of Directors of the Company on May 7, 2019 on the recommendation of Nomination, Remuneration and Compensation Committee of the Company.

Details of the Managing Director as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms integral part of the Notice.

Appointment of Ms. Jyothy as the Managing Director of the Company requires approval of the members in General Meeting and accordingly the Board recommends passing of Special Resolution as set out in item no. 5 of the accompanying Notice for approval of members.

The draft agreement to be entered into between the Company and Ms. M. R. Jyothy as the Managing Director of the Company is open for inspection by the members during the normal working hours of the Company i.e. 9 a.m. to 5 p.m. on all working days except Saturdays, Sundays and Public Holidays at its Registered Office upto the date of the Annual General Meeting.

Other than Mr. M. P. Ramachandran and Ms. M. R. Jyothy, who are the Directors of the Company and their relatives, no other Director, Key Managerial Personnel or their respective relatives are in any way concerned or interested or deemed to be concerned or interested, financially or otherwise in the proposed resolution as set out at item no. 5 of the Notice.

ITEM NOS. 6 AND 7:

Ms. M. R. Deepthi (DIN - 01746698) was re-appointed as the General Manager – Finance and Assistant Company Secretary of the Company for a period of Three (3) years with effect from October 1, 2018 to September 30, 2021 (both days inclusive). Considering the qualification and experience of Ms. M. R. Deepthi in the Company, it is proposed to appoint Ms. M. R. Deepthi as the Whole-time Director of the Company for a term of 5 years commencing from April 1, 2020 upto March 31, 2025 (both days inclusive). Further, in order to appoint her as the Whole-time Director of the Company in terms of Section 196 of the Companies Act, 2013 (the Act), it is necessary to first appoint her as a Director of the Company in terms of Section 152 of the Act. The said appointment of Ms. M. R. Deepthi as the Director and consequent appointment as the Whole-time Director of the Company was approved by the Board of Directors based on the recommendation of the Nomination, Remuneration and Compensation Committee of the Company at their meeting held on May 7, 2019.

Ms. M. R. Deepthi is having an overall experience of 13 years in the field of Finance and Secretarial function. She has been playing a key role in budget formulation, preparation of MIS report, monitoring performance against the budget, raising and management of funds and other financial activities. She has been actively involved in handling day to day financial activities and fund management of the Company. Apart from finance functions, she has been actively participating in the Secretarial function of the Company. She has been liaising with the Internal and the Statutory Auditors of the Company.

Details of the Whole-time Director as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms integral part of the Notice.

Appointment of Ms. M. R. Deepthi as the Director and Whole-time Director of the Company requires approval of the members in General Meeting and accordingly the Board recommends passing of Ordinary Resolution as set out in item no. 6 and Special Resolution as set out in item no. 7 of the accompanying Notice for approval of members.

The draft agreement to be entered into between the Company and Ms. M. R. Deepthi as the Whole-time Director of the Company is open for inspection by the members during the normal working hours of the Company i.e. 9 a.m. to 5 p.m. on all working days except Saturdays, Sundays and Public Holidays at its Registered Office upto the date of the Annual General Meeting.

Other than Mr. M. P. Ramachandran and Ms. M. R. Jyothy, who are the Directors of the Company and their relatives, no other Director, Key Managerial Personnel or their respective relatives are in any way concerned or interested or deemed to be concerned or interested, financially or otherwise in the proposed resolution as set out at item nos. 6 and 7 of the Notice.

ITEM NO. 8:

The Board of Directors at its meeting held on May 7, 2019 appointed M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration No. 000010), as the Cost Auditors of the Company to conduct audit of the Cost Accounting Records of the Company for the financial year ended March 31, 2020, at a remuneration amounting to ₹ 3,50,000 (Rupees Three Lacs Fifty Thousand only) plus Taxes as applicable and out of pocket expenses, if any, on actual basis.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for approving the resolution as set out at item no. 8 of the Notice for ratification of remuneration payable to the Cost Auditors.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested or deemed to be concerned or interested, financially or otherwise in the proposed resolution as set out at item No. 8 of the Notice.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS:

Name of the Director	**Ms. Bhumika Batra**	**Ms. M. R. Jyothy**	**Ms. M. R. Deepthi**
Date of Birth	August 11, 1981	January 14, 1978	December 13, 1983
Date of Appointment on the Board	March 14, 2019	January 1, 2004	April 1, 2020
Qualifications	Member of Professional Associations like the Bar Council of Maharashtra & Goa and the Institute of Company Secretaries of India. She has also received scholarship from London School of Economics for Masters in Law.	B.Com, MBA from Wellingker's Institute of Management and Research, Family Managed Business Administration from S.P Jain Institute of Management, Mumbai and Owner/President Management Programme from Harvard University, USA.	A Member of the Institute of Company Secretaries of India (ICSI). She has also completed her Bachelors in Management Studies (BMS) from Chinai College of Commerce affiliated with Mumbai University and Masters in Management Studies (MMS) from S.I.E.S. College, Nerul, Navi Mumbai.
Experience and nature of her expertise	17 years of experience in field of Corporate Laws.	15 years of experience in Marketing and Brand Communication.	13 years in the field of Finance and Secretarial function.
Terms and conditions of appointment	Appointed for a period of 5 years commencing from March 14, 2019 to March 13, 2024 (both days inclusive). Other terms and conditions will be as per the Formal Letter of Appointment to be issued by the Company.	Appointed for a period of 5 years commencing from April 1, 2020 to March 31, 2025 (both days inclusive). Other terms and conditions will be as per the Agreement to be entered into with the Company.	Appointed for a period of 5 years commencing from April 1, 2020 to March 31, 2025 (both days inclusive). Other terms and conditions will be as per the Agreement to be entered into with the Company.
Details of remuneration sought to be paid	Sitting fees for attending each meeting of the Board/Committees and commission as may be decided by the Board of Directors of the Company for each of the Financial Year within the limits prescribed under the Companies Act, 2013.	As provided in item number 5 of the Notice dated May 7, 2019.	As provided in item number 7 of the Notice dated May 7, 2019.
Remuneration last drawn	Nil	₹ 2,19,60,000/- p.a.	₹ 59,23,200/- p.a.
Shareholding in the Company	Nil	95,37,874 Equity Shares	1,03,61,770 Equity Shares
Relationship with other Directors and Key Managerial Personnel	None	Daughter of Mr. M. P. Ramachandran, Chairman and Managing Director of the Company and sister of Ms. M. R. Deepthi, proposed to be appointed as Whole-time Director.	Daughter of Mr. M. P. Ramachandran, Chairman and Managing Director of the Company and sister of Ms. M. R. Jyothy, Whole-time Director and Chief Marketing Officer and proposed to be appointed as Managing Director of the Company.
Number of meetings of Board attended during the financial year 2018-19	N.A.	5 of 5	N.A.

Name of the Director	Ms. Bhumika Batra	Ms. M. R. Jyothy	Ms. M. R. Deepthi
Directorship held in other Public Company	1) Kancor Ingredients Limited 2) Repro India Limited 3) Hinduja Ventures Limited 4) Hinduja Tech Limited 5) Sharp India Limited 6) Kesar Enterprises Limited 7) Patel Integrated Logistics Limited (CN) 8) Hinduja Housing Finance Limited 9) ONEOTT Intertainment Limited	Sahyadri Agencies Limited	Gagangiri Containers Limited
Chairmanships/ Memberships of Committee across	- Chairperson of Stakeholders Relationship Committee in Repro India Limited and Hinduja Ventures Limited - Chairperson of Audit Committee in Sharp India Limited - Member of Stakeholders Relationship Committee in Sharp India Limited	None	None

By Order of the Board of Directors
For Jyothy Laboratories Limited

Sd/-
Shreyas Trivedi
Head – Legal & Company Secretary
Membership No.: A12739

Place: Mumbai
Date: May 7, 2019

Registered Office:
'Ujala House', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400059;
Tel.: +91-22-66892800; **Fax:** +91-22-66892805;
Email: secretarial@jyothy.com; **Website:** www.jyothylaboratories.com
CIN: L24240MH1992PLC128651

Route Map to the venue of AGM as per the requirements of Secretarial Standard – 2

Landmark:
Kala Ghoda

JYOTHY LABORATORIES LIMITED

CIN: L24240MH1992PLC128651
Regd. Office: 'UJALA HOUSE', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai- 400059;
Tel.: 91-22-66892800; **Fax:** 91-22-66892805;
Email: secretarial@jyothy.com; **Website:** www.jyothylaboratories.com

ENTRANCE PASS/ATTENDANCE SLIP

(To be presented at the entrance of the AGM Hall)

28TH ANNUAL GENERAL MEETING ON TUESDAY, JULY 23, 2019 AT 11.00 A.M.

at M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai – 400001

Name and Address of the Member(s) (In Block Letters)	
Joint Holder 1 **Joint Holder 2**	
Registered Folio No./DP ID/Client ID No.	
No. of Shares held	

I/We hereby record my/our presence at this 28th Annual General Meeting of the Company held on July 23, 2019 at 11.00 A.M.

Name of the Member/Proxy (In Block Letters)	

Signature of the Member/Proxy present	

Note: Only Members/proxies are allowed to attend the meeting. Members are requested to bring this Attendance Slip at the venue of Annual General Meeting.

Jyothy labs

CIN: L24240MH1992PLC128651
Regd. Office: 'UJALA HOUSE', Ram Krishna Mandir Road, Kondivita, Andheri (East), Mumbai- 400059;
Tel.: 91-22-66892800; **Fax:** 91-22-66892805;
Email: secretarial@jyothy.com; **Website:** www.jyothylaboratories.com

FORM NO. MGT – 11
PROXY FORM
[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) (IN BLOCK LETTERS)			
Joint Holder 1 **Joint Holder 2**			
Registered Address			
E-mail Id			
Folio No./Client Id		**DP Id**	

I/We, being the member(s) of the above named Company holding _____ shares, hereby appoint:

1	Name		
	Address		
	Email id	Signature	
	or failing him/her		
2	Name		
	Address		
	Email id	Signature	
	or failing him/her		
3	Name		
	Address		
	Email id	Signature	

as my/our proxy to attend and vote (on a poll) **for me/us and on my/our behalf at the 28th Annual General Meeting of Members of the Company to be held on Tuesday, July 23, 2019 at 11:00 a.m. at M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai – 400001** and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

**I/we wish my/our above Proxy to vote in the manner as indicated in the box below:

Resolutions	**For**	**Against**
1. Adoption of the Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2019 and the reports of the Board of Directors and Statutory Auditors thereon.		
2. Declaration of Dividend on equity shares of the Company for the Financial Year 2018-19.		
3. Appointment of Director in place of Ms. M. R. Jyothy (DIN – 00571828), who retires by rotation and being eligible, offers herself for re-appointment.		
4. Appointment of Ms. Bhumika Batra (DIN – 03502004), as an Independent Director of the Company for a period of 5 (Five) years with effect from March 14, 2019 up to March 13, 2024 (both days inclusive).		
5. Appointment of Ms. M. R. Jyothy (DIN – 00571828) as the Managing Director of the Company for a period of 5 years commencing from April 1, 2020 up to March 31, 2025 (both days inclusive).		
6. Appointment of Ms. M. R. Deepthi (DIN – 01746698) as a Director, liable to retire by rotation.		
7. Appointment of Ms. M. R. Deepthi (DIN – 01746698) as the Whole-time Director of the Company for a period of 5 years commencing from April 1, 2020 up to March 31, 2025 (both days inclusive).		
8. Ratification of remuneration of Cost Auditors.		

AFFIX ₹ 1/- REVENUE STAMP

Signed on this_____ day of _____, 2019

Signature of Proxy holder(s)_____ Signature of Shareholder(s)_____

NOTES:

1. This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. **This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as proxy holder thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.