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**ANNUAL REPORT 2012**

**JYOTHY CONSUMER PRODUCTS LIMITED**

[Formerly known as Henkel India Limited]



## **BOARD OF DIRECTORS**

<b>Mr. M.P. RAMACHANDRAN</b>	<b>CHAIRMAN</b>
<b>Mr. K. ULLAS KAMATH</b>	<b>DIRECTOR</b>
<b>Ms. M.R. JYOTHY</b>	<b>DIRECTOR</b>
<b>Mr. NILESH B. MEHTA</b>	<b>DIRECTOR</b>
<b>Mr. K.P. PADMAKUMAR</b>	<b>DIRECTOR</b>
<b>Mr. BIPIN R. SHAH</b>	<b>DIRECTOR</b>
<b>Mr. R. LAKSHMINARAYANAN</b>	<b>DIRECTOR</b>

## **REGISTERED OFFICE**

UJALA HOUSE,  
Ramakrishna Mandir Road, Kondivita,  
Andheri (East), Mumbai - 400 059

## **AUDITORS**

M/s. CNGSN & Associates  
Chartered Accountants  
Chennai - 600 017.

## **REGISTRARS & SHARE TRANSFER AGENTS**

Cameo Corporate Services Ltd.,  
Subramaniam Building, V Floor, 1, Club House Road, Chennai - 600 002.  
Tel : (044) 2846 0390 (5 Lines) Fax : (044) 2846 0129

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# NOTICE FOR THE NINETY-FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the 91st Annual General Meeting of Jyothy Consumer Products Limited (Formerly 'Henkel India Limited') will be 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 – 400 001 on Thursday, the 22nd day of November, 2012 at 12.00 p.m. to transact the following business:

## ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2012, Statement of Profit and Loss for the year ended on that date and the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. M. P. Ramachandran, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. K. Ullas Kamath, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Ms. M. R. Jyothy, who retires by rotation and being eligible offers herself for re-appointment.
5. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT M/s. CNGSN & Associates, Chartered Accountants (Firm Registration No. 004915S), Chennai, the retiring auditors and M/s. S. R. Batliboi & Associates, Chartered Accountants (Firm Registration No. 101049W) Mumbai, be and are hereby appointed as Statutory Auditors of the Company to hold office, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and the Board of Directors be and are hereby authorized to fix the terms of appointment including the remuneration of the Statutory Auditors, as they deem fit."

By order of the Board  
**For Jyothy Consumer Products Ltd.**  
(Formerly known as Henkel India Ltd.)

**M. P. Ramachandran**  
Chairman

Regd. Off: UJALA HOUSE,  
Ramakrishna Mandir Road, Kondivita,  
Andheri (East), Mumbai – 400 059

Date :15th September, 2012  
Place: Mumbai

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND, AND, ON A POLL, VOTE INSTEAD OF HIMSELF / HERSELF. A PROXY NEED NOT BE A MEMBER. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of Annual General Meeting.
2. The documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all days, except Saturdays, Sundays and holidays, up to the date of the Annual General Meeting.
3. The Book Closure Date for the purpose of Annual General Meeting will be from 23rd October, 2012 to 31st October, 2012 (both days inclusive).

4. Members holding shares in physical form and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 109A of the Companies Act, 1956, may fill Form 2B (in duplicate) and send the same to the office of the Registrars and Share Transfer Agents of the Company. In case of shares held in dematerialized form, the nomination / change in nomination should be lodged with their DPs.
5. Members are requested to correspond with Registrars and Share Transfer Agents of the Company for all matters relating to shareholding in the Company.
6. Corporate Members are requested to send to the Company's Registrars and Share Transfer Agents, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
7. Members are requested to hand over the enclosed Attendance Slip, duly filled in and signed in accordance with their specimen signature(s) registered with the Company for admission to the AGM hall. Members who hold shares in dematerialized form are requested to fill in their client ID and DP ID Numbers for identification.
8. Members desiring any information on the accounts are requested to write to the Company at least seven days in advance of the AGM.
9. Green Initiative
  - Ministry of Corporate Affairs ("MCA") has launched a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. MCA has issued circular nos. 17/2011 dated 21.04.2011 & 18/2011 dated 29.04.2011 stating that the service of a notice / documents by a company to its shareholders can now be made through electronic mode.
  - In view of the above, the Company proposes to henceforth send Annual Report (Audited Financial Statements, Directors' Report, Auditors' Report, etc.,) and documents such as the Notice of the Annual General Meeting, to the shareholders in Electronic Form to the email address registered with their Depository Participants.
  - Shareholders are requested to furnish their e-mail IDs to enable the Company forward all the requisite information in electronic mode. In case of shareholders holding shares in demat form, the email ids of the shareholders, registered with the DP and made available to the Company, shall be the registered email IDs unless communication is received to the contrary.
  - Shareholders requiring a printed copy of the Annual Report, should inform the details like name, PAN, DP ID and Client ID through an email at [henkel@cameoindia.com](mailto:henkel@cameoindia.com). or a letter to Registrars and Share Transfer Agents of the Company.
10. As required under Clause 49 of the Listing Agreement, executed with the stock exchanges, the details of Directors retiring by rotation and seeking re-appointment at the ensuing AGM are as below:

**Item No.2 of the Notice: Re-appointment of Mr.M. P. Ramachandran**

Age	: 66 years
Qualification	: Post Graduate degree in Financial Management
Expertise	: Industrialist
Date of appointment	: 31/5/2011

Mr. M. P. Ramachandran is the Chairman and Managing Director of Jyothy Laboratories Limited (JLL). He holds a postgraduate degree in Financial Management from University of Mumbai and began his career as an accountant in 1971 in Mumbai. He set up Jyothy Laboratories business in 1983. He has over 38 years of experience in sales, production and general management. In 2003 and 2004, he was nominated by The Economics Times for "Entrepreneur of the Year Award".

He is holding Directorship in the following Indian companies. This list does not include Directorship in Companies excluded as per Section 278 of the Companies Act, 1956.

Sl. No.	Company	Position	Committee Membership	
			Chairman	Member
1.	Jyothy Laboratories Limited	Chairman & Managing Director	-	Shareholders Grievance Committee
2.	Jyothy Fabricare Services Limited	Chairman & Managing Director	Audit Committee	-
3.	Sivasakthi Ayurvedic Research Centre Limited	Director	-	-
4.	Jyothy Consumer Products Marketing Limited	Chairman	-	-

**Item No.3 of the Notice: Re-appointment of Mr.K.Ullas Kamath**

Age : 49 years  
Qualification : Chartered Accountant, Company Secretary  
Bachelor's Degree in Law & Master's Degree in Commerce  
Expertise : Finance, Sales & General Management  
Date of appointment : 31/5/2011

Mr. K. Ullas Kamath is the Joint Managing Director of Jyothy Laboratories Limited (JLL). He is a qualified Chartered Accountant and Company Secretary and holds a bachelor's degree in Law and master's degree in Commerce. He has also participated in the Advanced Management Programme at Wharton Business School and at Harvard Business School. His responsibilities include business development, new projects, sales, financial management and supervision of day-to-day operations. He has been on Board of JLL since 1997. Prior to that, he was practicing as a Chartered Accountant. The Institute of Chartered Accountants of India gave him an Award "CA BUSINESS ACHIEVER – SME" at a function held on January 25, 2009.

He is holding Directorship in the following Indian companies. This list does not include Directorship in Companies excluded as per Section 278 of the Companies Act, 1956.

Sl. No.	Company	Position	Committee Membership	
			Chairman	Member
1.	Jyothy Laboratories Limited	Joint Managing Director	-	Audit Committee & Shareholders' Grievance Committee
2.	Jyothy Fabricare Services Limited	Director	-	Audit Committee
3.	Jyothy Consumer Products Marketing Limited	Director	-	-

**Item No.4 of the Notice: Re-appointment of Ms. M. R. Jyothy**

Age : 34 years  
Qualification : Bachelor's Degree in Commerce  
MBA from Wellingker's Management Institute  
Expertise : Management, Marketing  
Date of appointment : 31/5/2011

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

She is holding Directorship in the following Indian companies. This list does not include Directorship in Companies excluded as per Section 278 of the Companies Act, 1956.

Sl. No.	Company	Position	Committee Membership	
			Chairman	Member
1.	Jyothy Laboratories Limited	Executive Director	-	
2.	Jyothy Fabricare Services Limited	Director	-	-
3.	Sahyadri Agencies Limited	Director	-	-
4.	Jyothy Consumer Products Marketing Limited	Director	-	-

# DIRECTORS' REPORT

To,

## The Shareholders

Your Directors have pleasure in presenting the 91st Annual Report of the Company together with the Audited Accounts for the 15 months financial period ended 31st March, 2012.

## FINANCIALS

The financial period under review commenced from 1st January, 2011 and ended on 31st March, 2012 comprised of 15 months while the financial year 2010 comprised of 12 months commencing from 1st January, 2010 to 31st December, 2010. The closure of the financial year was deferred to match the financial year of Jyothy Laboratories Ltd. (JLL), holding company of the Company. The Company sold its Hair-Care Division SKP in the month of April, 2011 (before the take-over of the Company by JLL). Therefore, the figures for the previous financial year 2010 included the Sales generated under Hair-Care Division whereas, except for the period upto April, 2011, the figures for period under review does not include the figures in respect of Hair-Care Division. Hence, the absolute figures for financial performance for the year under review are not comparable with that of previous financial year.

The Financial highlights of the period under review are as below:

### Stand alone:

(₹ in lac)

Particulars	From 1st January, 2011 to 31st March, 2012 (15 Months)	From 1st January, 2010 to 31st December, 2010 (12 Months)
Sales (net)	44,800.85	45,017.15
Other Income	163.05	381.25
EBITDA	3,146.74	2,412.22
Financial Expense	1,958.16	1,696.14
Depreciation and Amortizations	780.01	603.39
Profit before Tax and Exceptional items	408.57	112.69
Exceptional items		
- Sale of Division	2,534.77	-
- Bad debt written off	(9,000.00)	-
Profit Before Tax	(6,056.66)	112.69
Tax expense		
- Current tax	-	20.28
- MAT credit entitlement	-	(20.28)
Profit After Tax	(6,056.66)	112.69
Balance in Profit and Loss Account as per last Balance Sheet Brought Forward	808.49	695.80
Add: Balance transferred from General Reserve	1,047.38	-
Balance at the end of the period Carried Forward (Profit and Loss Account)	(4,200.79)	808.49
Earnings Per Share (Basic and Diluted)	(5.20)	0.10

## Consolidated results

(₹ in lac)

Particulars	From 1st January, 2011 to 31st March, 2012 (15 Months)	From 1st January, 2010 to 31st December, 2010 (12 Months)
Sales (Net)	52,733.56	53,390.35
EBITDA	2,514.83	(1,748.26)
Financial Expense	5,822.61	2,832.61
Depreciation and Amortisations	780.01	603.39
<b>Loss before Tax and Exceptional items</b>	<b>(4,087.79)</b>	<b>(5,184.27)</b>
Exceptional items	2,534.77	-
<b>Loss before tax</b>	<b>(1,553.02)</b>	<b>(5,184.27)</b>
<b>Loss after tax</b>	<b>(1,553.02)</b>	<b>(5,184.27)</b>

The Net Sales for the period under review was ₹ 52,733.56 lacs as against ₹ 53,390.35 lacs during the previous year 2010. EBITDA margin for the period under review was 4.77% as against negative EBITDA margin of 3.27% in the year 2010. The Company incurred Net Loss after tax of ₹ 1,553.02 lacs as against ₹ 5,184.27 lacs during the year 2010.

## HUMAN RESOURCES

During the year under review, the production at the Karaikal factory was affected due to interruptions, labour unrest and shut-down for a period of 61 days which affected the performance of the Company during the respective quarter. Your Company supports the Employees with tools, systems, standards and individualized training programs to create an environment in which individual performance and teamwork can thrive. The Company believes in maintaining cordial relationship with all employees.

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

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

Foreign Exchange Earnings and Outgo:

(₹ in lac)

Particulars	From 1st January, 2011 to 31st March, 2012	From 1st January, 2010 to 31st December, 2010
Foreign exchange earnings	1,217.29	436.00
Foreign exchange outgo	2,331.58	3153.91

## SUBSIDIARY COMPANY

At the end of the Financial year, the Company had 1 (one) subsidiary viz., Henkel Marketing India Ltd.

As per General Circular No. 2/2012 dated 8th February, 2011, issued by the Ministry of Corporate Affairs, Govt. of India in terms of provisions of Section 212 of the Companies Act, 1956, the Central Government granted general exemption under Section 212(8) of the said Act from attaching to its Annual Report, the copies of the Balance Sheets, Statements of Profit & Loss, Directors' Reports and Auditors' Reports and other documents of all its subsidiary companies that are required to be attached under Section 212(1) of the said Act.

Accordingly, your Directors have pleasure in attaching the consolidated financial statements prepared in accordance with the Accounting Standard AS-21 on consolidated financial statements, which form part of this Annual Report. These consolidated financial reports provide financial information about your Company and its subsidiaries as a single entity. In view of the same, financial statements of subsidiary are not attached to the financial statements of the Company. A gist of the financial performance of the subsidiary is given in