



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



**PERFORMANCE
PAR EXCELLENCE**

The idea of creating value.

The idea of generating wealth.

The idea of sharing success.

The idea of growing together.

The idea of collective prosperity.

The idea of common wealth.

Ideas that are ideals for Jyothy Laboratories Limited.

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

INDEX

Corporate Identity	.....	1
Corporate Information	.....	2
Highlights of the year	.....	3
Milestones	.....	4
CMD's Value Statement	.....	6
Business Review	.....	10
Financial Review (Growth in Numbers)	.....	26
Board of Directors	.....	29
Peep into the Future	.....	32
Management Discussion & Analysis	.....	33
Director's Report	.....	47
Report on Corporate Governance	.....	52
Standalone Financials	.....	60
Consolidated Financials	.....	96



CORPORATE IDENTITY

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



Profile

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

Product segments

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

Prominent brands

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

Plants

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

People

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

Presence

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

**CORPORATE
INFORMATION**

Board of Directors

Executive Directors

M. P. Ramachandran

Chairman & Managing Director

K. Ullas Kamath

Deputy Managing Director

M. R. Jyothy

Whole-time Director

Non Executive Directors

Nilesh B. Mehta

Independent Director

K. P. Padmakumar

Independent Director

Bipin R. Shah

Independent Director

Company Secretary

M.L. Bansal

Statutory Auditors

S.R.Batliboi & Associates

Solicitors & Advocates

Law & Prudence

V Lakshmikumaran

Valsh Associates

Bankers

The Federal Bank Ltd.

ICICI Bank Ltd.

Axis Bank Ltd.

Registered Office

UJALA HOUSE

Ramkrishna Mandir Road

Kondivita, Andheri (East)

Mumbai – 400 059.

Registrars & Share Transfer Agent

Link Intime India Private Limited

C-13 Pannalal Silk Mill Compound

L. B. S. Marg, Bhandup (West)

Mumbai – 400 078.



HIGHLIGHTS OF THE YEAR

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



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

MILESTONES



1983

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



1984

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



1986

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



1987

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



1992

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



1994

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



1995

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



1997

- Launches Ujala all over India



2000

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



2001

- Launches Maya incense sticks in selected states



2002

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



2003

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



2005

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



2007

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



2008

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



2009

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

CMD'S VALUE STATEMENT

Dear Fellow Stakeholders,

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

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

The Tangibles

For the 12-month period (1st April, 2009- 31st March, 2010) , we registered Net Sales of Rs 57,476

lakhs, translating into a growth of 28% on a year-on-year (comparable 12-month) basis. The Operating Profits stood at Rs.11,213 lakhs, up 36 %, on account of overall efficiencies. This strong operating performance has translated into a bottomline of Rs. 8,005 lakhs, up by 38%, on a year-on-year (comparable 12-month) basis.

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

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