SVENDGAARD LABORATORIES LIMITED

CIN : L24230HP2004PLC027558

August 23, 2016

The Bombay Stock Exchange Limited
Department of Corporate Services
25th Floor, P.J. Towers,
Dalal Street,
Mumbai-400001

Company Code No: 532771

The National Stock Exchange of India Limited
"Exchange Plaza",
Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai-400051

NSE Symbol: JHS

Sub: Submission of Annual Report under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we hereby submit 12th Annual Report of the Company. Annual General Meeting of the company was held on 22nd August, 2016 at the Registered Office of the Company for which Proceedings were duly filed.

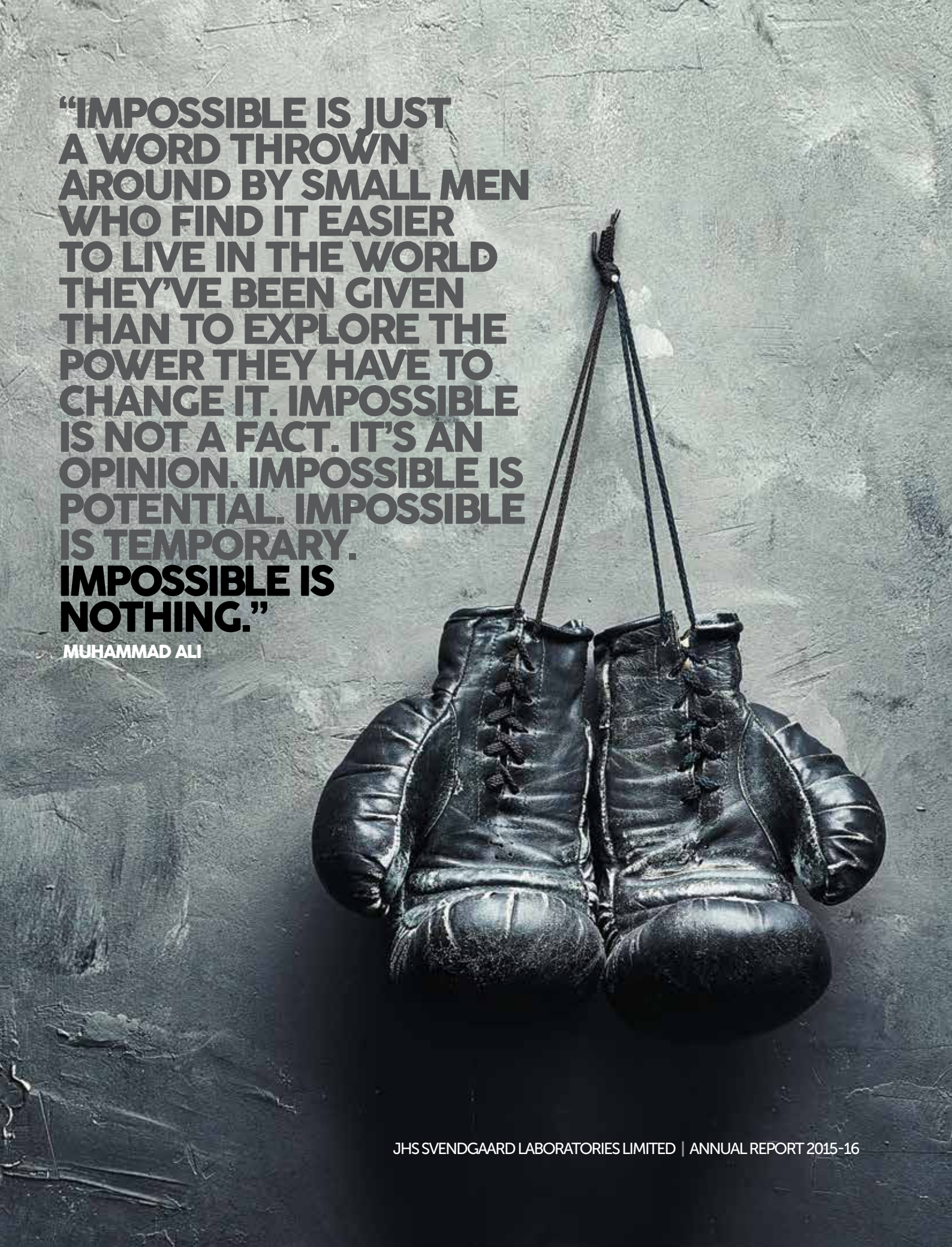
Enclosed herewith is the 12th Annual Report of the company for your ready reference and record.

Kindly note the compliance.

Thanking you,
Yours faithfully,
For **JHS Svendgaard Laboratories Limited**

New Delhi

Dhiraj Kumar Jha
(Company Secretary & Compliance Officer)
Mem. No. A29838


"IMPOSSIBLE IS JUST A WORD THROWN AROUND BY SMALL MEN WHO FIND IT EASIER TO LIVE IN THE WORLD THEY'VE BEEN GIVEN THAN TO EXPLORE THE POWER THEY HAVE TO CHANGE IT. IMPOSSIBLE IS NOT A FACT. IT'S AN OPINION. IMPOSSIBLE IS POTENTIAL. IMPOSSIBLE IS TEMPORARY. IMPOSSIBLE IS NOTHING."
MUHAMMAD ALI

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The principal message that we wish to send out to our shareholders is that JHS, having reported losses in the past few years, could have hung up its gloves. It resolved to fight one more round instead. The result is that the Company is at the cusp of a vigorous transformation.

This transformation is the result of a number of concurrent initiatives to build a world-class company,

The Company's performance during the last financial year began to showcase some of this hope.

- Our Company reported stable revenues every single quarter.
- Our Company reported a cash profit every single quarter.

At JHS Svendgaard, we believe that this transformation is significant because it provides the Company with a foundation for reinvestment, profitability and scalability.

This then represents our second coming.

It would have been easy for JHS to give up; *we selected to stay in the fight instead.*

It would have been easy for JHS to quit on account of large losses; *we selected to turn the Company around instead.*

It would have been easy to hand in the towel following the exit of our largest customer; *we selected to find new customers (external and internal) instead.*

It would have been easy saying we did not possess the funds; *we selected to find new long-term equity investors who trusted our vision instead.*

It would have been easy playing the game for profits; *we selected to hang in for pride instead.*

"I don't count the sit-ups. I only start counting when it starts hurting because they're the only

THE JHS STATEMENT OF INTENT

We intend to create a world-class consumer products company.

We intend to create a company servicing the growing needs of the fastest-growing customers.

We intend to create a research-led company delivering the best product and process standards in the world.

We intend to create a financially-derisked company, viable even in the most challenging business environments.

We intend to create a company that balances volume outsourcing with a growing quantum of proprietary products.

ones that count. That's what makes you a champion." – Muhammad Ali

1

THE JHS STRATEGY

BROADBASING DEPENDANCE FROM ONE CUSTOMER TO A NUMBER OF CUSTOMERS

UNTIL 2012-13, 80% OF OUR REVENUES WERE DERIVED FROM A SINGLE CUSTOMER.

When this customer discontinued the business relationship, our revenues declined and bottomline transformed into a loss.

In our second coming, we have consciously selected to broadbase our customer risk.

We have entered into multi-product relationships with large customers in fast-growing business spaces, with the objective to moderate our exposure to any single customer or product.

In the reinvented JHS, no customer will account for more than 20% of our consolidated topline.

Besides, we have embarked on the manufacture of proprietary products marketed under our own brand name, an effective shock absorber against unforeseen customer attrition; our international supplies to three countries will commence in 2016-17.

The result is that the JHS of the future will be an attractive proxy of the robust growth coming out of a number of large and prominent customers.

2

THE JHS STRATEGY

REPLACING SHORT-TERM SALES OUTLOOK WITH LONG-TERM REVENUE VISIBILITY

UNTIL 2012-13, THE MAJORITY OF OUR REVENUES WERE NOT JUST DERIVED FROM A SINGLE CUSTOMER; THE ENGAGEMENT WAS GUIDED BY A MEDIUM-TERM OFFTAKE ARRANGEMENT.

When this large customer discontinued the relationship, the Company suffered extensive revenue erosion that affected Balance Sheet integrity.

In our second coming, we have selected to secure our prospects with large, fast-growing and credible customers through longer engagement contracts.

In the reinvented JHS, our longer-term contracts (covering brands, prices and volumes) provide enhanced revenue visibility; we signed five-year deals with two large customers, virtually ensuring that a significant part of our expanded manufacturing capacity will be profitably utilised across market cycles.

The result is that the JHS of the future will be a volume-driven enterprise generating an attractive return on manufacturing assets.

3

THE JHS STRATEGY

FROM AN OUTSOURCING MODEL TO A COMBINATION OF OUTSOURCING-CUM-INSOURCING

UNTIL 2012-13, WE WERE AN OUTSOURCING-DRIVEN COMPANY THAT MANUFACTURED PRODUCTS FOR OUR SINGLE LARGE CUSTOMER.

When this large customer exited the engagement, the Company did not possess an alternative strategy.

In our second coming, we felt we needed a business model that would extend beyond outsourcing to the manufacture of products under our proprietary label as well.

We launched branded products. We increased brand promotion. We enhanced shelf-space visibility. The result: we grew proprietary brand revenues 4.5x in 24 months ending 31 March 2016.

Now, we are widening our market presence and launching products in West and South India as well as international destinations, protecting the Company from a substantial decline in revenues in the event of unforeseen customer attrition.

The JHS of the future will be a company with an ambitious 2020 target of generating 50% of revenues from proprietary brands.

4

THE JHS STRATEGY

SUPPLEMENTING AN EXISTING PLANT WITH A WORLD-CLASS MANUFACTURING SHOWPIECE

UNTIL 2015-16, WE DERIVED ALL OUR MANUFACTURING VOLUMES FROM FIVE TO EIGHT YEAR PLANTS THAT HAD BEEN DESIGNED AROUND THE NEEDS OF OUR ERSTWHILE CUSTOMER.

When this large customer abbreviated the relationship, the Company was left with a plant that was increasingly irrelevant in servicing the widening needs of new customers and inadequate in addressing the growing volumes of the day.

In our second coming, we recognised the need to do two things: retrofit this old plant in line with the prevailing standards of the day; commission an entirely new plant with adequate manufacturing flexibility.

Even as the Company is still engaged in transforming its financials from loss to profit, it has ventured to invest in a new manufacturing facility. This facility will be commissioned by the end of the current fiscal year, the full benefits translating into revenues, margins and profits 2017-18 onwards.

The JHS of the future will aggregate the power of these two manufacturing facilities and generate an estimated ₹500 crore in peak annual revenues at attractive corresponding margins that generate a healthy surplus translating to business sustainability.

THE BIG PICTURE **AT JHS**

Capacity utilisation
JHS manufacturing capacities have been largely booked out for 2016-17; about 50-60 % of the expanded capacity (to be commissioned from 2016-17 end) has also been covered by firm client manufacturing commitments

Revenue visibility
JHS contracts provide revenue visibility for the next five years; one contract enjoys two-year duration

Profitability
JHS incurred an operating loss in 2014-15 and an operating profit in 2015-16

Books cleaned
JHS divested the detergent manufacturing unit (non-performing asset) that could have been a drag on its profitability

Liquidity
JHS is a zero-debt company (no long-term loans) as on March 31, 2016.

Future-ready
JHS's planned capital expenditure of around ₹40 crore in 2016-17 is likely to be funded out of accruals, investment partners and net worth infusion – no debt.

INDIA. THE LARGEST UNDER-PENETRATED ECONOMY FOR ORAL CARE PRODUCTS.

JHS SVENDGAARD. INDIA'S LARGEST INTEGRATED MANUFACTURER OF ORAL CARE PRODUCTS.

JHS Svendgaard Laboratories Limited (headquartered in New Delhi, India) offers a one-stop shop solution for oral care products (toothbrushes, toothpastes, mouthwash, whitening gels, and denture products) for national and global FMCG brands. The Company also manufactures laundry products.

The Company was started as a small scale enterprise called Sunehari Svendgaard Laboratories in August 1997 and was incorporated as JHS Svendgaard Laboratories in October 2004.

The Company started with the manufacture of toothbrushes and gradually widened its product offering to the comprehensive range of oral care products. Apart from contract manufacturing partnerships with domestic oral care brands, the Company manufactures proprietary brands as well.

The Company's two ISO-certified manufacturing units are spread across Noida SEZ (Uttar Pradesh) and Kala Amb (Himachal Pradesh).

The Company is managed by an experienced and energetic team headed by Mr. Nikhil Nanda (Chairman).

The Company's equity shares are listed on the BSE Ltd. and the National Stock Exchange Limited. The Company's market capitalisation was ₹8,468 crore as on March 31, 2016.

Vision

Aim to be the most preferred Contract Manufacturer for National as well as Global Brands.

Mission

- Constantly driving innovations in our products
- Committed to customer delight by combining affordable pricing with best quality
- Increasing awareness for oral hygiene through products, services and media campaigns

33.05
Promoters' holding, March 31, 2016 (%)

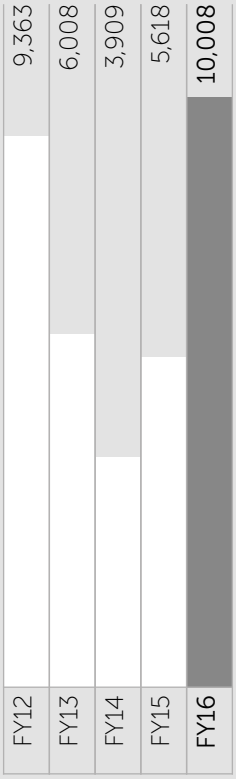
12.97
Institutional holding, March 31, 2016 (%)

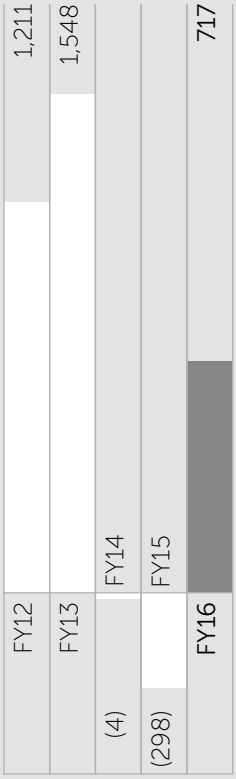
8,468
Market capitalisation, March 31, 2016 (₹ lakh)

10,099
Enterprise value, March 31, 2016 (₹ lakh)

235
Team size, March 31, 2016

Building a strong foundation

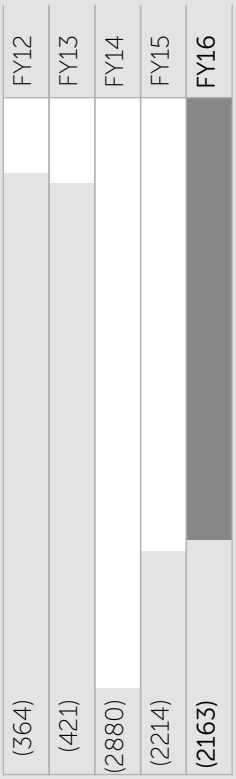




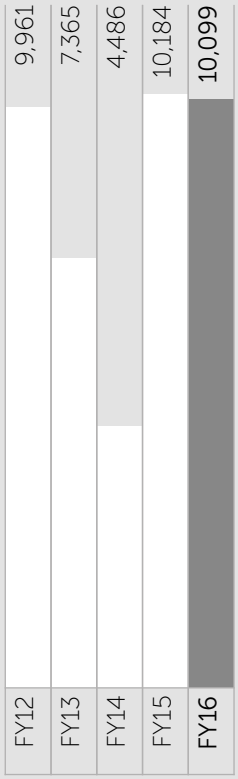
Why 2015-16 was an inflection point that promises profitable growth

- Received attractive business from Dabur for the manufacture of toothpastes and toothbrushes
- Received increased orders from Patanjali for the manufacture of toothbrushes and other product categories
- Increased proprietary business volumes from ₹631 lakh in 2014-15 to ₹971 lakh in 2015-16
- Divested the detergent manufacturing facility for ₹1625 lakh
- Developed 10-12 new SKUs (toothpaste and toothbrushes), widening the proprietary brand portfolio
- Initiated land development adjacent to the Kala Amb manufacturing facility for creating a warehousing facility and toothpaste packing line

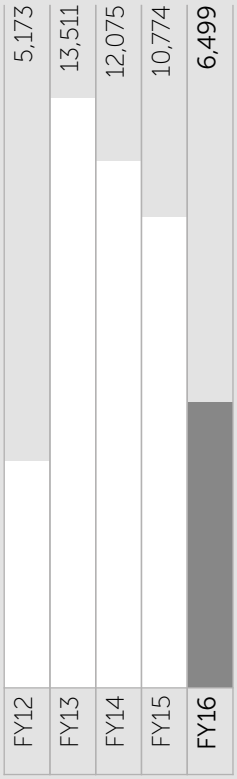
Profit after tax (₹ lakh)



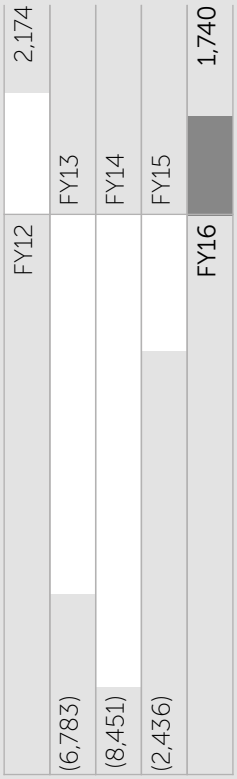
Net worth (₹ lakh)



Tangible fixed assets (₹ lakh)



Net current assets (₹ lakh)



79.44
Growth in net sales over 2014-15

340
Growth in EBIDTA over 2014-15 (%)

318.27
Growth in cash profit over 2014-15 (%)

Managing Director's statement

MY OVERVIEW CAN BE CONCISED IN JUST TWO WORDS: **'PRIDE' AND 'PREPAREDNESS'.**

Pride

Until not too long ago, there was a tendency to look down on everything Indian.

Consumers who went out to buy products generally gravitated towards the international at best and anything that even sounded remotely international at worst.

The general conclusion was that if it is international, then it must be superior; if it was Indian, then it must be mediocre.

The biggest transformation of the last half-decade is a new-found pride in a number of things Indian.

Let me talk of what is happening in our space. The emergence of a deeply Indian brand like Patanjali from virtually nowhere is more than a sign of product success; the robust growth of ITC's foods and FMCG businesses are pivoted around a business model that extends from farm to fork; the rapid strides made by Emami indicate a growing traction for ayurveda-based FMCG products; the rising trend for Dabur indicates a widening room for home-grown success.

Besides, there are a number of other developments at play: a growing scale achieved by these Indian companies, the manufacture of products that reconcile world-class standards with relevant customisation, the growing penetration of these products into rural India, the engagement of home-grown role models to endorse these products and increasing competitiveness. The result is that most of these companies are not merely content to play for incremental market share; through the introduction of innovative products, they are keen to create markets that never existed.

The result of this transformation in national identity and pride is captured in the response of friends to our decision to emerge from the outsourcing shadow of a global multinational. When we announced this decision a few years ago, the first response was 'How will you survive?' When I explain our business model today, the reaction has largely changed to 'Wow! It's so nice of an Indian company to take on international brands.'

The bottomline is that it is increasingly inconceivable that the second most populous consumption market in the world would need to depend on global brands for its everyday needs. On the contrary, the time has come for home-grown brands to capture a large slice of the Indian market, leverage the prevailing economies of scale and emerge as successful global brands in their own right.

Preparedness

It would be foolhardy to assume that a growing respect for Indian brands will raise the level of water for all ships.

In an Indian FMCG space populated by a variety of national and international brands, success will be derived through a convergence of diverse competencies.

One, a word-class standard. An increasing number of consumers will seek to buy products not because they are Indian, but because they are outstanding and Indian....in that order. And here, I must add that the time has come when a number of Indian FMCG products are not just as good as international brands; they are better. Take the instance of Patanjali's toothpaste; in the brief tenure of a couple of years, this single product has extensively transformed a decades-old habit of using white toothpaste into a respect for herb-based brown paste. What used to be so downmarket until not too long ago is now considered acceptable.

Two, future-readiness. Indian brands will need to invest in research with the objective to create world-beating products instead of conventional reverse-engineering. Besides, Indian brands will need to plan infrastructure from a decadal perspective instead of going back to the drawing board every couple of years.

Three, advertising and promotion. Indian companies will need to extend beyond merely putting products on shelf-spaces; they will need to create world-class brands that inspire trust and loyalty.

Four, wider portfolio. Indian companies will need to put a wide complement of products in the marketplace, so that the success of one feeds on the offtake of another – and vice versa.

At JHS Svendgaard, we have invested with the objective of creating a future-ready company.

Even as we are in the process of turning around in the current financial year – the Company was cash-positive in each of the quarters of the last financial year – we are already engaged in aggressive capacity creation and balancing. The Company is investing around ₹40 crore in additional investment in the creation of a second manufacturing unit and the balancing of capacity at its first unit. This capacity is expected to be commissioned by the end of 2016-17 with the potential to generate an aggregate ₹500 crore in revenues at peak utilisation.

I would like to assure shareholders that in this second coming, we have progressively invested in extensive business derisking.

The reinvented JHS will be debt-free coupled with patient equity investors who have provided a significant part of the Company's precious growth capital.

The reinvented JHS will not have any customer accounting for more than quarter of its revenues, compared to our previous incarnation when nearly 80% of our revenues were derived from our largest customer.

The reinvented JHS will generate half its revenues from proprietary brands, an excellent revenue shock absorber from unforeseen declines in outsourced volumes.

The reinvented JHS has entered into five-year outsourcing contracts with prominent downstream customers as against the erstwhile practice of entering into renewable two-year engagements.

The reinvented JHS has rationalised its product portfolio, enhancing focus, specialisation and consequent economies of scale.

The Company is investing around ₹40 crore in additional investment in the creation of a second manufacturing unit and the balancing of capacity at its first unit. This capacity is expected to be commissioned by the end of 2016-17.

Overview

I am optimistic that in this second coming, JHS Svendgaard will respond with speed and sensitivity to the great Indian consumption boom, not only as an anonymous back-end for some of the most visible Indian brands but as a proud visible player capturing the attractive upside of the Indian consumption journey.

Nikhil Nanda,
Managing Director

Our eminent Board

Mr. Nikhil Nanda,
Managing Director

Mr. Nikhil Nanda, 43, is a first generation entrepreneur with over 25 years of experience in the oral care industry. He holds a post graduate diploma in business management – finance and marketing from the Fore School of Management, New Delhi. Since 1996, Mr. Nanda has been actively involved in the day-to-day activities of this business. Before joining the family business in 1996, Mr. Nanda was associated with Gillette India Limited as a trainee during his PGDBM course. As the Managing Director of the Company he has been instrumental in growing the Company by devising investment plans, chalking out business strategies, mapping market orientations, widening its international presence and fortifying customer relations.

Vanamali Polavaram,
Non Executive Chairamn

Mr. P. Vanamali, Independent Director, (IAS Retired) aged 69 years, is a MA (English), MA (Political Science) MBA. He retired as Resident Commissioner, Government of West Bengal. He worked with the State Government of West Bengal and Government of India in various positions. He has administrative experience of over 30 years to his credit.

Nikhil Vora,
Nominee Director

Nikhil Vora is the founder and CEO of Sixth Sense Ventures; India's first domestic consumer-centric venture fund. Nikhil was earlier the Managing Director and Head of Research at IDFC Securities. Nikhil has been invited by leading consumer brands namely Nestle, Hindustan Unilever, Aditya Birla Group, Marico and Godrej for coming up with strategic roadmaps. Nikhil was rated by Asiamoney as the best analytical mind in the country as per a 2012 poll. He has also the rare distinction of being voted 'Asia's Best Analyst' by the Wall Street Journal in the same year. Along with advising clients, he also has been a venture capital investor and on the board of a few of his investee companies. A management postgraduate, Mr. Vora was a member participant at the Future Leaders Programme at the Saïd Business School, University of Oxford, London. He was also bestowed with the 'Thought Leadership' award by IDFC Limited.

Manisha Lath Gupta,
Independent Woman Director

Manisha Lath Gupta is an alumnus of IIM Bangalore (1997) and holds a master's degree in biotechnology from Jawaharlal Nehru University, New Delhi. Manisha started her career with an eight-year stint (1997-04) at Unilever in India addressing different issues like sales, consumer outreach, brand management and product development. Manisha spent six years (2004-10) at Colgate Palmolive looking after the marketing department. Subsequently, she switched to the banking industry by joining Axis Bank. After 18 years in the corporate sector, Manisha turned entrepreneur with her start-up venture IndianArtCollectors.com, an e-commerce portal aimed at growing the original art market in India. In 2015 this venture was acquired by NDTV.

Chhotu Ram Sharma,
Independent Director

Mr. Chhotu Ram Sharma, 73, manages his own financial consultancy company after having served as a senior advisor to the MD/CEO of Centurion Bank (from 2005 to 2008), the MD/CEO of Bank of Punjab Limited (from 2002 to 2005), executive director of Andhra Bank (from 2000 to 2002) and senior manager of Oriental Bank of Commerce in 1978. He has made significant contributions in devising system and procedures relating to credit dispensing, monitoring and updating documentations manuals and matters relating to credit policy guidelines. He presently holds directorships in companies like Sterling Tools Limited, Capital Trust Limited, PNC Infratech Limited and Daawat Foods Limited.

Mr. Mukul Pathak
Independent Director

Mr. Pathak is MA in Psychology and having an experience of over 20 years in teaching. Mr. Pathak possesses a wide ranging experience and knowledge of finance having been associated with the reputed institutions.

Piyush Goenka,
Nominee Director

Mr. Piyush Goenka, aged about 39 years is an Investment Director at Tano India private equity team and holds B.Com, PGDBA, CFA. Tano is a sector- agnostic growth stage fund which has been investing in India for over five years. Piyush is part of the investment team and is responsible for making investments for the Fund and also managing investee companies. He is currently serving on the board of several investee companies

The JHS competitive advantage

22
Experience (in years) in manufacturing oral care products

3
Diverse revenue verticals comprising contract manufacture for domestic brands, proprietary brand sales and exports

8
Number of clients including reputed FMCG brands (global and Indian).

10
The number years of entitlement to sales tax and excise exemption in Himachal Pradesh (not available to new establishments post March 31, 2010)

1
The largest toothbrush manufacturing capacity in India under a single roof, enhancing economies of scale

0
The quantum of long-term debt on the Company's books

Nuggets of sectoral optimism

97% of the population in developed countries brushes once a day; in India, 69% of the population brushes once a day only.

55% of India's population uses toothpaste; 23% of the population uses toothbrush and 22% of the population uses tooth powder.

73% of urban India uses toothpaste; only 35% of rural India does so

India's per capita toothpaste consumption of 147 g is among the lowest in the world. Credible estimates suggest that the Indian toothpaste market can grow by 90% if the per capita consumption of toothpaste matches that of China (277 g).

Dental cavities and other problems are prevalent in 63% of 15-year-olds in India, while approximately 8% adults in the age groups of 35-44 suffer from the same problems.

Corporate Information

Board of Directors

Executive Directors

Mr. Nikhil Nanda	Managing Director
Mr. Vishal Sarad Shah	Whole Time Director

Non Executive Directors

Mr. Vanamali Polavaram	Chairman
Mr. Piyush Goenka	Nominee Director
Mr. Nikhil Vora	Nominee Director
Mr. C R Sharma	Independent Director
Mr. Mukul Pathak	Independent Director
Mrs. Manisha Lath Gupta	Independent Director

Senior Management

Mr. Neeraj Kumar	Chief Financial Officer
Mr. Paramvir Singh	Chief Executive Officer
Mr. Dhiraj Kumar Jha	Company Secretary & Compliance Officer

Committees of Board	Statutory Auditors	Registrar & Transfer Agent:
Audit Committee Stakeholders Relationship Committee Nomination & Remuneration Committee Compensation Committee Risk Management Committee Allotment Committee	M/s S N Dhawan & Co. FRN: 000050N C 37, Connaught Place, New Delhi-110 001 Tel No.: +91 114368 4444 Fax: +91 114368 4445	M/s Alankit Assignments Limited 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi- 110 055

Listing Information	Bankers	Stock Code
The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and the national Stock Exchange of India Limited. Listing fees as prescribed have been paid to the respective stock exchanges for the financial year ended 31st March, 2016.	ICICI Bank Limited Bank of India	Bombay Stock Exchange Limited: **532771** National Stock Exchange of India Limited: **JHS** ISIN Code: **INE544H01014** Website: **www.svendgaard.com**

Registered Office	Corporate Office	
Trilokpur Road, Kheri (Kala Amb), Tehsil – Nahan, Distt-Sirmour, Himachal Pradesh-173030 Tel: +91 9218-400346 Fax: +91 1702-238831 Web: www. svendgaard.com	B1/E23, Mohan Co-Operative Industrial Area, Mathura Road, New Delhi-110 044 Tel: +91 11 2690 0411 Fax: +91 11 26900434 Web: www. svendgaard.com	**Unit I** Trilokpur Road, Kheri (Kala Amb), Tehsil – Nahan, Distt-Sirmour, Himachal Pradesh-173030 **Unit II** Jai Hanuman Exports H-3, SDF, NSEZ, Noida Phase-II, Dadri Road, Gautam Budh Nagar, Uttar Pradesh, 201305

Directors' Report

To
THE MEMBERS

Your Directors have pleasure in presenting the 12th Annual Report on the business and operation of your Company along with the standalone and consolidated financial statements for the year ended 31st March, 2016.

Financial Review

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Net sales / Income from Operation	10008.54	5532.39	10008.54	5532.39
Other Income	73.01	85.89	73.01	87.14
Interest & Finance Charges	36.48	14.08	36.48	14.08
Depreciation	1048.50	1234.63	1048.92	1235.56
Profit /(Loss) before Tax	-815.33	-2209.50	-816.65	-2213.27
Provision for Tax	0.16	4.42	0.16	4.42
Profit /(Loss) after Tax	-815.49	-2213.92	-816.81	-2217.69
Profit /(Loss) to be carried to the Balance Sheet	-815.49	-2213.92	-816.81	-2217.69
Paid up Equity Share Capital (Face Value of rs. 10/- each)	3763.50	2409.53	3763.50	2409.53
Reserve excluding revaluation reserve	-	7774.02	-	9550.38
Basic EPS (in Rupees not annualized) Excluding extra ordinary items	-3.17	-9.19	-3.18	-9.20
Diluted EPS (in Rupees not annualized) Excluding extra ordinary items	-3.17	-9.19	-3.18	-9.20

Review of Operations

The Turnover from the operation of the company during the financial year ended 31st March 2016 amounted to ₹1000 Million as compared to ₹553 Million during the previous year ended 31.03.2015. The Turnover of the company has increased by 80.91% from the previous year mainly on accounts of the Tooth paste Business of the contract manufacturing as well as company's own brand.

Dividend

The Directors hereby inform that in the financial year 2015-16, the Board of Directors has not recommended any dividend due to the acute financial distress faced by the Company.

Abridged Financial Statements

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Section 136 of the Companies Act, 2013 read with Rule 10 of the Companies (Accounts) Rules, 2014, the abridged Annual Report containing salient features of the financial statements, including Consolidated Financial Statements, for the financial year 2015-16, along with statement containing salient features of the Directors' Report (including Management Discussion & Analysis and Corporate Governance Report) is being sent to all shareholders who have not registered their email address(es) for the purpose of receiving documents/ communication from the Company in electronic mode. Please note that you will be entitled to be furnished, free of cost, the full Annual Report 2015-16, upon receipt of written request from you, as a member of the Company. Full version of the Annual Report 2015-16 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, including Consolidated Financial Statements, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis, and Corporate Governance Report is being sent via email to all shareholders who have provided their email address(es). Full version of Annual Report 2015-16 is also available for inspection at the corporate office of the Company during working hours up to the date of ensuing Annual general meeting (AGM). It is also available at the Company`s website at www.svendgaard.com.

Consolidated Financial Statements

In compliance with the applicable provisions of Companies Act, 2013 including the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2015- 16.

Operations and Business Performance

Kindly refer to Management Discussion & Analysis and Corporate Governance Report which forms part of this report.

Corporate Governance

Corporate Governance is all about ethical conduct, openness, integrity and accountability of an enterprise. Good Corporate Governance involves a commitment of the Company to run the business in a legal, ethical and transparent manner and runs from the top and permeates throughout the organization. It involves a set of relationships between a company's management, its Board, shareholders and Stakeholders. It is a key element in improving the economic efficiency of the enterprise. Credibility offered by Corporate Governance helps in improving the confidence of the investors – both domestic and foreign, and establishing productive and lasting business relationship with all stakeholders.

A certificate from M/s Mohit & Associates, Practising Company Secretary, regarding compliance of the conditions of Corporate Governance, as stipulated under Schedule V of the Listing Regulations is attached as **'Annexure 1'** and forms part of this report. Certificate of the CEO/CFO, inter-alia, confirming the correctness of the financial statements, compliance with Company`s Code of Conduct, adequacy of the internal control measures and reporting of matters to the auditors and the Audit committee in terms of Regulation 17 of the Listing Regulations is attached in the Corporate Governance report, and forms part of this report.

Directors and Key Managerial Personnel

Mr. Amarjit Singh and Mr. P.K Misra, Independent Directors, stepped down from the Board of the Company on 11th February, 2016. Mr. Amarjit Singh was appointed as an independent director at the Annual General Meeting of the Company held on December 29, 2014 and Mr. P K Misra was appointed as an Independent Director with effect from March, 25, 2015 in the general meeting held through postal ballot. The Board places on record its appreciation of the invaluable contribution and guidance provided by both of them.

Mrs. Kalyani Polavaram, Women Director of the Company also resigned from the Company in the Board meeting of the company held on 11th February, 2016. She was appointed as a Woman Director of the company at the Annual General Meeting of the company held on 29th December, 2014.

Mrs. Manisha Lath Gupta was appointed as an Additional Director with effect from February 11, 2016. Her appointment is to be confirmed by the members in the ensuing Annual General Meeting. The terms and conditions of her appointment as an independent director are as per Schedule IV of the Act. She has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect her status as independent director during the year.

The Board of Directors of the Company has appointed Mr. Nikhil Vora as a Nominee Director of the Company in the board meeting held on February 11, 2016. However his appointment is subject to the approval of the members of the Company in the ensuing Annual General Meeting.

Pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re appointment at every AGM. Consequently, Mr. Vanamali Polavaram, Non-Executive Director will retire by rotation at the ensuing AGM, and being eligible, offers himself for re-appointment in accordance with the provisions of the Companies Act, 2013.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

The key Managerial personnel (KMP) in the Company as per section 2(51) and 203 of the Companies Act, 2013 are as follows:

Mr. Nikhil Nanda - Managing Director

Mr. Vishal Sarad Shah - Whole Time Director

Mr. Neeraj Kumar - Chief Financial Officer

Mr. Paramvir Singh - Chief Executive Officer

Mr. Dhiraj Kumar Jha - Company Secretary & Compliance Officer

During the year accept reappointment of Mr. Nikhil Nanda as managing director, there was no change (appointment or cessation) in the office of KMP.

Policy on Directors' appointment and Policy on remuneration

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees is attached as **`Annexure 2 & 3`** respectively, which forms part of this report.

Particulars of remuneration of Directors/ KMP/ Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **'Annexure 4'** which forms part of this report. The information showing names and other particulars of employees as per Rule 5(2) and 5(3) of the aforesaid Rules forms part of this report. However, as per first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company and others entitled thereto. The said information is available for inspection by members at the corporate office of the Company during business hours on all working days upto the date of ensuing annual general meeting. Any member interested in obtaining a copy thereof, may also write to the Company Secretary at the corporate office of the Company.

Committees of the Board

Currently, the Board has six committees: the Audit Committee, the Nomination & Remuneration Committee, the Stakeholders Relationship Committee, the Risk Management Committee, the Compensation Committee and the Allotment Committee. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report section of this report.

Audit Committee

The Company has duly constituted an Audit Committee, whose detailed composition and powers are provided in the Corporate Governance Report. There were no recommendations of the Audit Committee which have not been accepted by the Board during the financial year.

Number of Board & Committee Meetings

During the year under review, Nine Board meetings, Six Audit Committee meetings, Four Stakeholders Relationship Committee meetings, Three Nomination & Remuneration Committee meetings and Two Allotment Committee meetings were convened and held. Details and attendance of such Board & Committees meetings are mentioned in Corporate Governance Report.

Pursuant to clause VII (1) of Schedule IV of the Companies Act, 2013, the Independent Directors had a separate meeting on 10.11.2015.

Declaration of Independence by Directors

Declaration given by Independent Directors meeting the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 is received and taken on record.

Performance Evaluation of the Board, its Committees and Individual Directors

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors.

A structured questionnaire, covering various aspects of the functioning of the board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meeting, Board`s focus, regulatory compliances and Corporate Governance, etc., is in place. Similarly, for evaluation of individual Director's performance, the questionnaire covering various aspects like his/her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc., is also in place.

Board members had submitted their response for evaluating the entire Board, respective committees of which they are members and of their peer Board members, including Chairman of the Board.

The Independent Directors had met separately on November 10, 2015 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of Non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non- Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director`s performance.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires.

The Directors expressed their satisfaction with the evaluation process.

Directors Responsibility Statement

Pursuant to the provision under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the directors confirm:

i. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. That they had prepared the annual accounts on a going concern basis;

v. That they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;

vi. That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statutory Auditors & their Report

M/s S. N. Dhawan & Co., Chartered Accountants, Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and being eligible have consented and offered themselves for re-appointment as Statutory Auditors for the financial year 2016-17. The Company has received confirmation from M/s S. N. Dhawan & Co., Chartered Accountants to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and relevant rules prescribed thereunder and that they are not disqualified for re-appointment.

The Auditors have vide their letter dated April 20, 2016 also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditor`s Report are self-explanatory.

Secretarial Auditors & their Report

The Board had appointed M/s Mohit & Associates, Practising Company Secretaries, as Secretarial Auditor to conduct the secretarial audit of the company for the financial year 2015-16, pursuant to the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as `**Annexure 5**` and forms part of this report.

There are no qualifications or observations or other remarks of the Secretarial Auditors in the Report issued by them for the financial year 2015-16 which call for any explanation from the Board of Directors.

Details in respect of frauds reported by auditors other than those which are reportable to the central government

The Statutory Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

Internal financial control systems and their adequacy

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company 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.

The Company has a well placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's IFC system also comprises due compliances with Company`s policies and Standard Operating Procedures (SOP`s) and audit and compliance, supplemented by internal audit checks from M/s VSD & Associates, Chartered Accountants, the Internal Auditors. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board. Additionally during the year 'M/s MAZARS Advisory Private Limited' have also been engaged for providing assistance in improvising IFC framework (including preparation of Risk & Control Matrices for various processes) and deployment of Self Assessment Tool.

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures. The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

Nature of business

There has been no change in the nature of business of the Company.

Risk Management Committee & Policy

Pursuant to the Regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness.

The current economic environment, in combination with significant growth ambitions of the company, carries with it an evolving set of risks. The company recognizes that these risks need to be managed to protect its customers, employees, shareholders and other stakeholders, to achieve its business objectives and enable sustainable growth. Your Company has developed a risk management policy and identified risks and taken appropriate steps for their mitigation. By identifying and proactively addressing risks and opportunities, stakeholder value is protected at all times. The Company has robust systems for Risk Assessment and mitigation which is reviewed periodically. The Company's risk identification and assessment process is dynamic and hence it has been able to identify, monitor and mitigate the most relevant strategic and operational risks, both during periods of accelerated growth and recessionary pressures.

The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which is reviewed by the Board from time to time.

Subsidiary Company

The Company has 2 subsidiaries i.e. M/s JHS Svendgaard Dental Care Limited and M/s JHS Svendgaard Mechanical and Warehouse Private Limited, as on March 31, 2016. During the year under review the Company has also disposed off its foreign subsidiary M/s Jones H Smith company by sale of shares held in the Company at a consolidated price of ₹11,00,000/- as per the agreement dated February 8, 2016.

There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

Pursuant to Section 129 (3) of the Companies Act, 2013 and Accounting Standard- 21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of its subsidiaries.

Further, a separate statement containing salient features of the financial statements of the subsidiaries in the prescribed form Form AOC-1 has been disclosed in the consolidated financial statements.

Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company www.svendgaard.com.

Disclosure on Audit Committee

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

Extract of annual return

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure-6** in the prescribed Form MGT-9, which forms part of this report.

Particulars of loans, guarantees and investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

Contracts/Arrangements with Related Parties

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis. The Company presents a Statement of all related party transactions before the Audit Committee on a quarterly basis specifying the nature, value and terms and conditions of transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company as utmost priority. Details of such transactions are given in the accompanying Financial Statements. The Company's policy on Related Party Transactions is available at our website www.svendgaard.com. Details of Related Party Transactions are given in **Annexure-7** i.e. in Form AOC-2.

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure '8'** and is attached to this report

Corporate Social Responsibility

The Provision of CSR as required by the Companies Act 2013 is not applicable to the company, as the company does not meet the basic criteria of the applicability of the relevant provision. However, the Company is committed to operate and grow in a socially responsible way. With Safety, health and environment protection high on its corporate

agenda, JHS is committed to conduct business with a strong environment conscience, so as to ensure sustainable development, safe work places and enrichment of life of employees, clients and the community.

Material Changes and Commitments

Change in Capital Structure and Listing of Shares

During the year under review, the company has allotted 3,49,74,748 Fully Convertible Warrants to the persons belonging to the promoter and non-promoter category on a Preferential basis at an issue price of ₹11/- per warrant in accordance with the provisions of the SEBI (ICDR) Regulations, 2009 read with relevant provisions of Companies Act, 2013. Equity shares allotted pursuant to conversion of Fully Convertible Warrants are as follows:

1. 32,80,000 equity shares allotted on 05.01.2016
2. 1,02,59,748 equity shares allotted on 03.03.2016

As on 31.03.2016, total paid up share capital of the company is 27,37,52,520 pursuant to allotment and listing of 32,80,000 FCWs. Although, the company has converted further 1,02,59,748 FCW's on 03rd March, 2016 which increased the paid up share capital to 37,63,50,000 but the listing approval of the same could be received in the month of April, 2016 from the stock exchanges. Hence those shares are not taken into consideration for calculating total listed paid up share capital as on 31.03.2016.

Disclosure on Deposit under chapter V

The Company has not accepted any deposits during the year under report nor did any deposits remain unpaid or unclaimed at the end of the year.

Vigil Mechanism

As per Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism which is overseen by the Audit Committee for the genuine concerns expressed by the employees and the Directors. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act. The said Policy provides adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company. The policy as approved by the Board is uploaded on the Company's website at http://svendgaard.com/download/invester/Vigil_Mechansim/VIGIL%20MECHANISM%20POLICY.pdf

Disclosure on Sexual Harassment of women at work place (Prevention, Prohibition & Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace. A policy has been adopted in line with the Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. During the year, no complaints pertaining to sexual harassment were received.

Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concerns status and company`s operations in future

The Company has not received any significant or material orders passed by any regulatory Authority, Court or Tribunal which shall impact the going concern status and Company`s operations in future.

Industrial Relations

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across organization.

Acknowledgements

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Government authorities, customers, vendors, financial institutions, banks and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers without which the Company would not have been able to undertake the challenging targets in all areas of operations. Your Directors acknowledge the exemplary contribution made by the employees of the Company.

The Directors value the trust shown by the shareholders in their ability to manage the Company. We expect that with the ongoing encouragement and support of our shareholders, we shall be successful in achieving the desired objectives in the near future

For and on behalf of the Board

Nikhil Nanda
Managing Director
DIN: 00051501

Date : 26.05.2016
Place : New Delhi

ANNEXURE-1

Report on Corporate Governance

To,
The Members of
JHS Svendgaard Laboratories Limited

We have examined the Compliance of conditions of Corporate Governance by JHS Svendgaard Laboratories Limited, for the year ended March 31, 2016, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination is limited to procedures, and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that all investor grievances were redressed within 30 days of lodgment of grievance and as on 31.03.2016 no investor complaint is pending against the Company as per the records maintained by the Stakeholders Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company, nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Mohit & Associates
(Company Secretaries)

CS Mohit
(M. No.: 30192, COP: 11722)

Place: Gurgaon (Haryana)
Date : May 18, 2016

ANNEXURE-2

Policy on Appointment of Board Members

Constitution & Size

Members

- Chairman
- Promoter Family nominee(s)
- Executive Members
- Independent Members

Profile

- Board should ideally comprise of 12 Members
- Not less than 50% of Members should be Independent
- The Chairman should be elected by the Board

The skill profile of Independent Board Members will be driven by the key tasks defined by the Board for them

- Independent Corporate Governance
- Guiding strategy and Enhancing Shareholders Value
- Monitoring Performance, Management Development &
- Compensation
- Control & Compliance

Skill profile of Independent Board Members (multiple skills could be combined in one individual)

Key Skill Area/ Qualification	Desirable Attributes
Strategy/ Business Leadership	FMCG experience
Corporate Strategy Consultant	Basic understanding of Finance
Sales and Marketing experience	Experience with FMCG or other consumer Products
Corporate Law	Experience in trade/ consumer related laws
Finance	FMCG experience
Trade Policy & Economics	FMCG experience
Administration & Government Relations	Basic understanding of Finance & Business

Other Directors could be based on Company's priority at a particular time.

Board Diversity

- There should not be concentration of Board Members based on a particular skill profile.
- Board member should be selected preferably from all the key skill areas defined earlier.
- Gender diversity: Board should have atleast one Women Director.

Criteria for Determining Independence of a Director

1. Should be a person of integrity and possesses relevant expertise and experience.
2. Should be a person other than a Managing Director or Whole Time Director or Nominee Director.
3. Should neither be nor have been a Promoter of the Company or its holding, subsidiary or associate Company.
4. Should not be related to Promoters or Directors in the Company, its holding, subsidiary or associate Company.
5. Apart from receiving sitting fees, should have or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current fi nancial year.
6. None of his/her relatives should have or had any pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
7. Neither himself nor any of his relatives –
   - holds or has held the position of a Key Managerial Personnel or is or has been an employee of the Company or its holding, subsidiary or associate Company in any of the three financial years

immediately preceding the Financial Year in which he is proposed to be appointed;

- is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the Financial Year in which he is proposed to be appointed, of –
- a firm of Statutory Auditors or Secretarial Auditors or Cost Auditors of the Company or its holding, subsidiary or associate Company; or
- any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten percent or more of the gross turnover of such firm;
- holds together with his relatives two percent or more of the total voting power of the Company.
- is a Chief Executive or Director, by whatever name called of any Non-Profit Organization that receives twenty-five percent or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company.
- is a material supplier, service provider, or customer or a lessor or lessee of the Company.

8. Should not be less than 21 years of age.
9. Shall possess such other qualifications as may be prescribed.
10. Shall not serve as Independent Director in
    - more than 7 listed companies;
    - more than 3 listed companies (if serving as a Whole Time Director in any listed Company).

ANNEXURE-3

Remuneration Policy

1. Objective:

We design our remuneration policy to attract, motivate and retain the Directors, KMP and other employees who are the drivers of organization success and help us to run the Company successfully and to retain our industry competitiveness. Pay mix is designed to reflect the performance and is aligned to the long term interest of the shareholders.

2. Policy:

Remuneration Design and Mix

a. **Total Fixed Pay: Enable us to attract, retain and develop the talent we need to succeed**
   1. is competitive with leading companies where we recruit for talent.
   2. reinforces roles and accountabilities.
   3. is flexible and supportive of our organization's growth.
   4. is responsive to specific market pressures in terms of getting key talent from the market.
   5. provides salary Management guidelines so that decisions are made with confidence, integrity and speed.

b. **Short term Incentive Plans (one year) : Create a process to effectively reward people for their contributions to the success of the Company in the short term**
   1. Utilizes Company, business unit/ department and individual- based metrics based on the principle of line of sight and impact.
   2. Is supported by clear, frequent communication and simple tools to administer.

c. **Long term Incentive Plans in form of performance based ESOP: Enable us to attract and retain key talent and create a process to effectively reward key talent for their contributions to the long term success of the Company**
   1. A significant portion of the key talent compensation delivered through restricted ESOP Plans with retention expectations in place to ensure alignment of the Executive interest with those of shareholders.
   2. Utilizes Company and business unit/department based metrics which are necessary for long term business sustenance and shareholder wealth creation.
   3. Utilizes measures that are clear, strategically focused, and easily supported by our systems.
   4. Provides suitable rewards to the performer, consistent with our strategy, and reinforce our culture.
   5. Helps to make our pay competitive with leading companies where we recruit for talent.

d. **Benefits: Provide programs that meet people's needs and are cost effective and utilize Innovative programs that make us distinctive as an organization**
   1. Be competitive with companies of our size and where we compete for talent.
   2. Provide benefits that are truly meaningful to people, supported by highly effective communication and easy administrative support.
   3. Provide benefits, services, or events that will make us distinctive in the marketplace and consistent with our culture and values.
   4. Provide benefits that are cost effective from both an individual and a Company perspective.

e. **Recognition: Utilize effective practices that are supported by innovative programs that reinforce our desired culture and make us a special place to work**
   1. Reinforces individual and team's behavior that makes us more competitive, efficient, and important to our customers.
   2. To create more employee touch points and recognition on formal and informal basis.
   3. Utilize a variety of programs, events and activities that keep the process exciting.

f. **Annual Performance Linked Enhancement that recognizes the performance of the resource keeping in view the achievement of organizational goals and Departmental goals.**

g. **Remuneration to Independent Directors:**
   1. Sitting Fee as approved by the Board.
   2. Travel Cost and other out of pocket expenses for attending the Board & Committee Meetings.
   3. No Stock options.

Tools for an effective Remuneration Policy implementation:

1. Remuneration Benchmark studies
2. Compilation of Live data while recruiting talent
3. Talent attrition studies
4. Benchmarking with Best Industry Practices
5. Participation in various forums

ANNEXURE-4

Details 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

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars		
(i)	Ratio of the remuneration of each director to the Median Remuneration to the employees of the company for the financial year	Ratio of the remuneration of Shri Nikhil Nanda, Managing Director to the median remuneration of employees - 24.26:1 and that of Mr Vishal Sarad Shah, Whole Time Director is 4.04:1		
(ii)	The percentage increase in remuneration of each director,CFO, CEO,Company Secretary or Manager, if any ,in the financial year.	There is no increase in remuneration of any director, CFO, CEO,Company Secretary in the financial year.		
(iii)	Percentage increase in median remuneration of employees in the financial year	-56.72%		
(iv)	Number of permanent employee on the rolls of the company.	231 Employees		
(v)	Explanation on the relationship between average increase in remuneration and company performance.	Average increase in remuneration - 56.72% Average increase in Profit before Tax - N.A* * Company has incurred losses in current and preceding financial year.		
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	KMP	Remuneration	Company Performance (PBT) ₹/Lacs
		Shri Nikhil Nanda, Managing Director (Refer note 1)	27	-2162.64
		Shri Vishal Sarad Shah,Whole-Time Director.	4.5	-2162.64
		Neeraj Kumar, Chief Financial Officer	6.48	-2162.64
		Dhiraj Kumar Jha, Company Secretary	4.48	-2162.64
		Paramvir Singh, Chief Executive Officer	15.08	-2162.64

(Vii)	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	Variations in market capitalisation. - Market Capitalisation as at 31.03.2015: 1963.76 lacs. - Market Capitalisation as at 31.03.2016: 8467.88 lacs. Variations in the PE Ratio PE Ratio as at 31.03.2015: Not Applicable PE Ratio as on 31.03.2016: Not Applicable 61 % decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.
(Viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There is no increase in the remuneration of the Managerial person as compare to the salary increase of the employee's salary in the last year in view of financial position of the company.
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Covered in sub clause VI above.
(x)	The key parameters for any variable component of remuneration availed by the directors	Financial and Operating performance of the company
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	None of the employee is receiving remuneration more than the director remuneration.
(xii)	Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration is as per the Nomination and Remuneration Policy for the Directors, KMP and other employees of the company , formulated pursuant to provisions of section 178 of the Companies Act, 2013

ANNEXURE-5

MR-3

Secretarial Audit Report

For the Financial Year Ended 31.03.2016

[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]

To,
The Board of Directors,
JHS Svendgaard Laboratories Limited
Trilokpur Road kalaAmb, Distt Sirmaur,
Himachal Pradesh-173030

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JHS Svendgaard Laboratories Limited CIN-L24230HP2004PLC027558 ("The Company").** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also their 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 31st March, 2016 complied with the statutory provisions listed here under 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 here in after-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of-

(i) The Companies Act, 2013(the Act) and the rules made thereunder and the provisions of the Companies Act, 1956 to the extent applicable;

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

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

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

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

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

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

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

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998*;

(i) Other Laws applicable specifically to the Company namely:
   a) Drugs and Cosmetics Act, 1940
   b) The Trade Marks Act, 1999

*** Not applicable because company did not carry out the activities covered by the regulations/guidelines during the audit period.**

As informed to us the following other Laws specifically applicable to the Company as under-

(i) The Air (Prevention and Control of Pollution) Act, 1981;

(ii) The Environment (Protection) Act, 1986 ;

(iii) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ;

(iv) Employees' State Insurance Act, 1948;

(v) Equal Remuneration Act, 1976 ;

(vi) The Factories Act,1948 ;

(vii) The Industrial Employment (Standing Orders) Act, 1946;

(viii) Maternity Benefit Act, 1961 ;

(ix) Legal Metrology Act, 2009 ;

(x) The Minimum Wages Act, 1948;

(xi) The Payment of Wages Act, 1936 ;

(xii) The Negotiable Instruments Act, 1881 ;

(xiii) The Water (Prevention and Control of Pollution) Act 1974;

(xiv) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013. The Company has not constituted an internal complaints Committee. However the Company, being certified under Worldwide Responsible Accredited Production (WRAP), has a committee for prevention of sexual harassment of women at work place.

We have also examined compliance with the applicable clauses of the following-

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I/We further report that-

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Director and Women Director. 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 except that **Form DIR 12** was filed after 30 days from the date of resignation/ appointment of Directors. Where these forms are filed with late fees, this should be reported as compliance by reference of payment of additional fees.

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.

Majority decision is carried through while the dissenting members' views are 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 adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

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

We further report that, during the audit period, except issue of fully convertible warrants on preferential basis and conversion of warrants into Equity Shares, there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the company's affairs.

For & on Behalf of Mohit & Associates

CS Mohit

Place: Gurgaon (Haryana) ACS No. 30192

Date: 18/05/2016 C.P No: 11722

ANNEXURE-6

Form No. MGT 9

Extract of Annual Return

As on financial year ended 31st March, 2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. Registration & Other Details

i	CIN	L24230HP2004PLC027558
ii	Registration Date	08th October, 2004
iii	Name of the Company	JHS Svendgaard Laboratories Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
v	Address of the Registered office & contact details	Trilokpur Road, Kheri (Kala-Amb), Tehsil: Nahan, Distt: Sirmaur, Himachal Pradesh - 173 030 +011 26900411
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Limited, 205-208, Alnkit Complex, Jhandewalan Extension, New Delhi-110055

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacturing of Oral Care Products	3050	100

III. Particulars of Holding, Subsidiary & Associate Companies

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	JHS Svendgaard Dental Care Ltd.	U85110DL2008PLC176320	Subsidiary	95%	2(87)(ii)
2	JHS Svendgaard Mechanical and Warehouse Private Limited	U29199DL2007PTC159125	Subsidiary	100%	2(87)(ii)

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of total Equity)

(i) Category-Wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	9047988	0	9047988	37.55	9047988	0	9047988	33.05	0	4.50
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0	0.00
Sub Total: (A) (1)	**9047988**	**0**	**9047988**	**37.55**	**9047988**	**0**	**9047988**	**33.05**	**0**	**4.50**
(2) Foreign										
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0	0.00
Sub Total (A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**9047988**	**0**	**9047988**	**37.55**	**9047988**	**0**	**9047988**	**33.05**	**0**	**4.50**
B. Public Shareholding										
(1) Institutions										
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Cenntral govt	0	0	0	0.00	0	0	0	0.00	0	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0	0.00
g) FIIS	50000	0	50000	0.21	50000	0	50000	0.18	0	0.02
h) Foreign Venture Capital Funds	3499999	0	3499999	14.53	3499999	0	3499999	12.79	0	1.74
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0	0.00
Sub Total (B)(1):	**3549999**	**0**	**3549999**	**14.73**	**3549999**	**0**	**3549999**	**12.97**	**0**	**1.77**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(2) Non Institutions										
a) Bodies corporates	2225645	0	2225645	9.24	4844224	0	4844224	17.70	-2618579	-8.46
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	5099596	6606	5106202	21.19	4822707	0	4822707	17.62	283495	3.57
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	3832589	10001	3842590	15.95	4868114	0	4868114	17.78	-1025524	-1.84
c) Others (specify)										0.00
NRI	178239	0	178239	0.74	241047	0	241047	0.88	-62808	-0.14
Foreign Nationals	1000	0	1000	0.00	1000	0	1000	0.00	0	0.00
NBFCs Registered with RBI	0	0	0	0	173	0	173	0.00	-173	0.00
Trusts	0	0	0	0						0.00
Foreign portfolio Investors (Corporate Category II)	143589	0	143589	0.60	0	0	0	0	143589	0.60
Sub Total (B)(2):	**11480658**	**16607**	**11497265**	**47.72**	**14777265**	**0**	**14777265**	**53.98**	**-3280000**	**-6.26**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**15030657**	**16607**	**15047264**	**62.45**	**18327264**	**0**	**18327264**	**66.95**	**-3280000**	**-4.50**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
Grand Total (A+B+C)	**24078645**	**16607**	**24095252**	**100.00**	**27375252**	**0**	**27375252**	**100.00**	**-3280000**	**0.00**

(ii) Share Holding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	Nikhil Nanda	8810774	36.57	0	8810774	32.19	0	4.38
2	Harish Chandra Nanda	19731	0.08	0	19731	0.07	0	0.01
3	Sushma Nanda	215983	0.90	0	215983	0.79	0	0.11
4	D S Grewal	1500	0.01	0	1500	0.01	0	0.00
	Total	**9047988**	**37.55**	**0**	**9047988**	**33.05**	**0**	**4.50**

(iii) Change in Promoters' Shareholding (Specify if there is no change)

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sushma Nanda*	215983	0.90	215983	0.79
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)				
	At the end of the year	**215983**	**0.90**	**215983**	**0.79**

*Note : In the Board Meeting dated 5th January, 2016, Mrs. Sushma Nanda was allotted 28,50,000 Fully Convertible Warrants on a preferential basis. In the Allotment Committee Meeting dated 3rd March, 2016, FCWs allotted to Mrs. Sushma Nanda were converted into equivalent no. of equity shares. But these equity shares were debited into her demat account in the month of april after obtaining BSE & NSE Trading Approval.

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Nikhil Nanda*	8810774	36.57	8810774	36.57
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)				
	At the end of the year	**8810774**	**32.19**	**8810774**	**32.19**

*Note: In the Allotment Committee Meeting dated 8th January, 2016, Mr. Nikhil Nanda was allotted 1,50,00,000 Fully Convertible Warrants on a preferential basis. In the Allotment Committee Meeting dated 3rd March, 2016, 24,00,000 FCWs were converted into equivalent no. of equity shares. But these equity shares were debited into his demat account in the month of april after obtaining BSE & NSE Trading Approval.

(iv) Shareholding Pattern of top ten Shareholders (other than Direcors, Promoters & Holders of GDRs & ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year 31st March, 2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Tano Mauritius India FVCI	3499999	14.53	3499999	12.79
2	Sixth Sense India Opportunities	0	0	3000000	10.96
3	Jude Magima	365132	1.52	365132	1.33
4	Raman Sobti	0	0	238142	0.87
5	Siddharth Bassi	0	0	236866	0.87
6	Nirav Prabodh Mehta	0	0	200000	0.73
7	Manish Kishor Ruparel	209199	0.87	194767	0.71
8	CNB Finwiz Private Limited	115209	0.48	158884	0.58
9	Raj Kumar Saggar	0	0	142990	0.52
10	Clara Maria Magima	140398	0.58	136677	0.5

(v) Shareholding of Directors & KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Nikhil Nanda (Managing Director)				
	At the beginning of the year	8810774	36.57		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change	No Change		
	At the end of the year	8810774	32.19	8810774	32.19
2	Vishal Sarad Shah (Whole-Time Director)*				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change	No Change		
	At the end of the year	1500	0.01	1500	0.01

*Note: In the Allotment Committee Meeting dated 8th January, 2016, Mr. Vishal Sarad Shah was allotted 1,00,000 Fully Convertible Warrants on a preferential basis.

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Neeraj Kumar (CFO)*				
	At the beginning of the year	2590	0.01		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change	No Change		
	At the end of the year	2590	0.01	2590	0.01

*Note : In the Allotment Committee Meeting dated 8th January, 2016, Mr. Neeraj Kumar was allotted 50,000 Fully Convertible Warrants on a preferential basis. In the Allotment Committee Meeting dated 3rd March, 2016, 25,000 FCWs were converted into equivalent no. of equity shares. But these equity shares were debited into his demat account in the month of april after obtaining BSE & NSE Trading Approval.

4	Paramvir Singh (CEO)*				
	At the beginning of the year	10	0.00		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change	No Change		
	At the end of the year	10	0.00	10	0.00

*Note: In the Allotment Committee Meeting dated 8th January, 2016, Mr.Paramvir Singh was allotted 1,25,000 Fully Convertible Warrants on a preferential basis. In the Allotment Committee Meeting dated 3rd March, 2016, 50,000 FCWs were converted into equivalent no. of equity shares. But these equity shares were debited into his demat account in the month of april after obtaining BSE & NSE Trading Approval.

5	Dhiraj Kumar Jha (Company Secretary)				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change	No Change		
	At the end of the year	0	0.00	0	0.00

V. Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness Aat the Beginning of the Financial Year				
i) Principal Amount	143,609,162.00	184,633,525.00	-	328,242,687.00
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	19,886.00	-	-	19,886.00
Total (i+ii+iii)	**143,629,048.00**	**184,633,525.00**		**328,262,573.00**
Change in Indebtedness during the financial year				
Additions	-	39,300,000.00	58,000,000.00	97,300,000.00
Reduction	142,548,761.00	200,360,000.00	58,000,000.00	400,908,761.00
Net Change	**142,548,761.00**	**161,060,000.00**	**-**	**498,208,761.00**
Indebtedness at the end of the financial year				
i) Principal Amount	1,062,846.00	23,573,525.00	-	24,636,371.00
ii) Interest due but not paid	-	243,443.00	-	243,443.00
iii) Interest accrued but not due	7,542.00	202,869.00	-	210,411.00
Total (i+ii+iii)	**1,070,388.00**	**24,019,837.00**	**-**	**25,090,225.00**

VI. Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Nikhil Nanda (Managing Director)	Vishal Sarad Shah (Whole-Time Director)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961	2,700,000.00	450,000.00	3,150,000.00
	(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	-	-	-
	Total (A)	**2,700,000.00**	**450,000.00**	**3,150,000.00**
	Ceiling as per the Act			

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount
		C R Sharma	Mukul Pathak	Amarjit Singh*	P K Misra*	Manisha Lath Gupta* (Additional Independent Director)	
1	(a) Fee for attending board committee meetings	160,000.00	20,000.00	-	160,000.00	-	340,000.00
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	**160,000.00**	**20,000.00**	**-**	**160,000.00**	**-**	**340,000.00**
2	**Other Non Executive Directors**	**Vanamali Polavaram**	**Kalyani Polavaram***	**Piyush Goenka (Nominee)**	**Nikhil Vora* (Nominee)**		
	(a) Fee for attending board committee meetings	60,000.00	60,000.00	-	-		120,000.00
	(b) Commission	-	-	-	-		-
	(c) Others, please specify	-	-	-	-	-	-
	Total (2)	60,000.00	60,000.00	-	-	-	120,000.00
	Total (B)=(1+2)	**220,000.00**	**80,000.00**	**-**	**160,000.00**	**-**	**460,000.00**
	Total Managerial Remuneration						
	Overall Cieling as per the Act.						

*Note: Mr. Amarjit Singh & P K Misra (Independent Directors resigned from the Company with effect from 12th February, 2016. Mrs. Kalyani Polavaram (Woman Non-Executive Non-Independent Director also stepped down from the Board of the Company with effect from 12th February, 2016. In the Board Meeting dated 11th February, 2016, Mrs. Manisha Lath Gupta and Mr. Nikhil Vora were appointed as Additional Independent Director and Nominee Director, respectively. The appointment of Mrs. Manisha Lath Gupta is to be confirmed by the members in the ensuing Annual General Meeting.

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1,508,328.00	448,661.00	648,891.00	2,605,880.00
	(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	-	-	-	-
	Total	**1508328**	**448661**	**648891**	**2605880**

VII. Penalties/Punishment/Comppounding 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	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
B. Directors					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
C. Other Officers In Default					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0

ANNEXURE-7

Form AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

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

1. Details of contracts or arrangements or transactions not at arm's length basis	NA
(a) Name(s) of the related party and nature of relationship	
(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 arrangement or transactions at arm's length basis	
(a) Name(s) of the related party and nature of relationship-	Nikhil Nanda, Managing Director
(b) Nature of contracts/arrangements/transaction –	Unsecured Loan
(c) Duration of the contracts/arrangements/transactions –	Repayable on demand.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Interest free loan. Loan taken: ₹1,73,00,000 Loan repaid: ₹18,03,60,000
(e) Date(s) of approval by the Board, if any:	From Time to Time
(f) Amount paid as advances, if any:	Nil

ANNEXURE-8

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

1. Conservation of Energy

Wherever possible, energy conservation measures have been implemented. However, efforts to conserve and optimize the use of energy through improved operational methods and other means are being continued on an on-going basis. The energy consumption and the cost of production are kept under control. Wastage of energy has been minimized to a negligible level by switching off the electronic equipments as and when not in use.

Requisite data in respect of energy conservation is given below:

Power and fuel Consumption	Units	2015-16	2014-15
1. Electricity			
(A) Purchased			
Units	Kwh	38,59,380	30,67,020
Total Amount	₹ In Lacs	265.56	231.99
Rate/Unit	₹	6.88	7.56
(B) Own Generator			
Through Diesel Generator Units	Kwh	166,329	1,60,405
Unit per litre of Diesel Oil	Kwh	3.3	2.94
Cost/Unit	₹	16.68	17.13
Through steam turbine/generator			
2. Other/ Internal generation light/diesel oil/furnace oil			
(A) Quantity			
Total Cost		-	-
Average Rate		-	-
(B) Consumption Per unit of Production			
1) Electricity			
Oral Care Products	Kwh/Per Unit	0.03	0.03
2) Through Diesel Generator			
Oral Care Products	Kwh/Per Unit	0.03	0.03

2. Research & Development (R&D) & Technology Absorption

The company has continued its endeavor to absorb best of the technologies for its products range to meet the requirements of globally competitive markets. The Company undertakes from time to time, various studies for process improvement, quality improvement and economies in production cost. The Company has a R&D team having good experience and well equipped with all the latest technologies and machines that help the Company to compete with the competitors who exist in both Organized and unorganized Sector.

Disclosure of Particulars With respect to Technology Absorption

i) **Specific areas in which R&D carried out by the Company :**

- Project of Global significance
- Technology upgradation
- Quality enhancement to achieve International Standards
- New Process Development
- Analysis of alternative raw materials

ii) **Benefits derived as a result of the above R&D and Future plans of action**

The R&D efforts are dedicated to development of new products and continuous improvement in process, quality and cost of existing products. The combined efforts ensured a strong portfolio in all categories including Oral Care, Health Care and Personal Care products.

iii) **Expenditure of R&D**

Sl. No.	Particulars	2015-16 (Amount in ₹)	2014-15 (Amount in ₹)
1	Capital	NIL	NIL
2	Recurring	NIL	NIL
3	Total	NIL	NIL
4	Total R&D Expenditure as a percentage of total turnover	NIL	NIL

3. Foreign exchange earnings and outgo

Particulars	2015-16	2014-15
Foreign Exchange Outgo		
Travelling	7,56,533	175,827.00
Raw Materials	1,75,97,695	13,690,273.00
Business Promotion	4,65,655	
WIP	6,40,378	
Spare Parts	2,36,664	
Capital Goods	24,15,773	-
Foreign Exchange Earning		
Earning in Foreign Exchange		-

Management Discussion and Analysis

Industry Structure and Developments

Businesses in India are more confident than ever about the growth of the country's rural consumer markets. Public sentiment significantly improved with resounding majority of a single political party in the National elections in May 2014. Although, there was a renewed optimism in the country, it did not translate immediately into an increase in demand. India's consumer confidence continues to be the highest globally and riding on a positive economic environment and low inflation. Global corporations view India as one of the key markets from where future growth is likely to emerge. The growth in India's consumer market would be primarily driven by a favourable population composition and increasing disposable incomes. India's market is consumer driven, with spending anticipated to more than double by 2025. Wholesale and Consumer price inflation moderated substantially in 2014 as compared to the previous year. Food inflation and crude oil prices also dropped significantly in 2014.

Market Size

The growing purchasing power and rising influence of the social media have enabled Indian consumers to splurge on good things. Fast moving consumer goods (FMCG) is the fourth largest sector in the Indian economy The overall FMCG market is expected to increase at a compound annual growth rate (CAGR) of 14.7 per cent to touch US$ 110.4 billion during 2012-2020, with the rural FMCG market anticipated to increase at a CAGR of 17.7 per cent to reach US$ 100 billion during 2012-2025. The FMCG sector has grown at an annual average of about 11 per cent over the last decade. Growing awareness, easier access, and changing lifestyles have been the key growth drivers for the sector.

There is a lot of scope for growth in the FMCG sector from rural markets with consumption expected to grow in these areas as penetration of brands increases. Also, with rising per capita income, which is projected to expand at a CAGR of 7.4 per cent over the period 2013-19, the FMCG sector is anticipated to witness some major growth.

Government Initiatives

The Government of India has allowed 100 per cent Foreign Direct Investment (FDI) in the electronics hardware-manufacturing sector through the automatic route. The government has also enabled 51 per cent FDI in multi-brand retail and 100 per cent in single-brand retail so as to attract more foreign investment into the country.

With the demand for skilled labour growing among Indian industries, the government plans to train 500 million people by 2022 and is also encouraging private players and entrepreneurs to invest in the venture. Many governments, corporate and educational organisations are working

towards providing training and education to create a skilled workforce.

Road Ahead

The Indian oral care market offers immense potential for growth, given its low penetration in most parts of the country, especially in rural areas. With people in general being largely unaware about oral hygiene, the industry has a major incentive to expand. Even consumers in rural areas are slowly switching over from toothpowders to toothpaste. The oral care industry has also benefitted from the government organizing the regular dental health camps, along with high frequency of advertising on behalf of companies selling oral care products.

Focus on Innovation and New Launches

Your Company has been continually pioneering innovation and development in the Oral Care category with best-in-class technologies. Your Company has been staying ahead of trends by identifying opportunities based on insights into consumer behavior and by leveraging the technology. Your Company has made successful innovative launches during the year.

Oral Care

Indian oral care industry, over the last few years, has been one of the fast growing FMCG sectors. The oral care industry is segmented into five categories which include toothpaste, toothbrush, toothpowder, mouthwashes; others oral care products such as dental flosses and oral care chewing gum. The oral care industry in India has been largely dominated by the toothpaste segment, which contributed around 72% share in the overall revenue of the industry in FY'2015. Toothbrush is the second largest oral care products segment in the industry after toothpaste and majorly including products such as manual and electric toothbrushes.

Toothpowder category, on the other hand has demurred in the industry. The decline in the toothpowder market revenue was mainly due to change in the consumer tastes and preferences towards easy to use oral care products in the market. Further, the mouthwashes segment has showcased high growth expansion in the Indian market. At present, the penetration percentage of mouthwashes is also in the single digit.

The long term growth potential of the industry remains optimistic of oral care products. Increasing disposable earnings, growing lower and upper middle class, incline in the population demography, rising oral awareness, convenient oral care products, growing distribution chain and logistics storage, increasing toothpaste penetration, development in oral care solution segments and others are some of the factors expected to drive the industry's growth in the next five years.

Future Outlook and Strategy:

The oral care products market includes products designed to improve oral hygiene and provide dental care. The oral care market is witnessing translational shift from conventional products (such as toothpaste and standard toothbrushes) to advanced ones (such as mouth washes and power brushes) owing to increasing awareness among consumers about dental aesthetics and hygiene.

The growth of the oral care market is propelled by the product innovations, growing incidences of caries and periodontal diseases, aging population, and poor dietary habits. Increasing demand of oral care products in the rural areas due to rising awareness about oral health and improving hygiene practices unfolds new growth opportunity in the oral care market. However, lack of awareness among end-users about advanced oral care products is hindering the growth of the market.

The market for oral care hygiene product has grown at a consistent rate with high future perspectives. The Company continued to focus on strengthening the Oral Care brands and the portfolio which has helped in the premiumisation of the brand. The Company has also put in place a robust plan to strengthen the toothbrush portfolio both at the premium as well as at the mass end of the market to enhance efficiencies and reduce cost to continue to yield strong, positive results and fund investment in building and strengthening brand equity and the business.

JHS Svendgaard Laboratories Limited ("the Company") has come up with its own brand "AQUAWHITE". The company is now manufacturing toothbrush and toothpaste under its own brand "AQUAWHITE" and continues to focus on creating new market segments of FMCG products.

The "Aquawhite" brand includes Complete Oral care range for every age group. Apart from working on its own brands the company also offers Contract Manufacturing Partnership to brands in the domestic and the international market.

The company is ready to supply Aquawhite Oral care range (that includes Toothbrushes, Toothpaste & Mouthwash) for the Retail Stores at PAN India level.

Although the Company has been confined to Oral Care category where it faces intense competition but it is hopeful that through a combination of powerful marketing strategies, innovative new products and market development and expansion, it would continue to grow strongly over the next several years.

The Company is planning to move ahead with a strategic way and is concentrating to capture the untapped market with its cost effective products. The Company expects that its continuing efforts and focused programs to enhance efficiencies and reduced cost will continue to yield strong, positive results and fund investments in building and strengthening brand equity and the business.

The Company believes in unwavering focus on both competitive growths in core categories as well as market development to build segments of future that are critical for sustained growth and long term value creation. While focusing on the core categories, the Company has also invested significantly in the segments of future, i.e. the segments which are expected to drive future growth.

Opportunities:

Opportunities abound in India's FMCG market with high annual growth rates and low penetration levels, across categories. The urban and rural consumers will have the same purchase drivers. The sector has a great opportunity for growth in the country, with the rising incomes and driving purchases, desire to experiment with the brand products, evolving consumer lifestyle, new product launches, growth of modern trade, availability of online channels to shop, increasing consumer demands, greater awareness of product brands, there exists a huge untapped opportunities.

Threats:

Increase in raw material prices and tough competition could force the Company to reduce prices or give value addition in existing products which in turn could effect the bottom-line. To counter this, the Company has already added Toothpaste/Mouthwash, Whitening Gels and other products and also plans to launch new products in the coming period. This would no longer keep the Company dependent on any one activity.

Risk and Concerns:

The Company, like any other organization has national as well as global business interests and is exposed to business risks which may be internal as well as external. To ensure long term corporate success, it is therefore essential that risks be effectively identified, analyzed and then migrated by means of appropriate control measures. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company has a comprehensive risk management system where the senior management team sets the overall tone and risk culture of the organization through defined and communicated corporate values, which enables us to recognize and analyze risks early and to take appropriate actions. This enables active monitoring of the business environment and identification, assessment and mitigation of potential internal or external risks. The Board provides oversight and reviews the Risk Management Policy. In addition, there are regular internal audit activities carried out by the team of Internal Auditors who give their independent assessment on the risk mitigating measures and provide recommendations for improvement.

Companies Performance Review:

The Turnover from the operation of the company during the financial year ended 31st March 2016 amounted to ₹1000 Million as compared to ₹553 Million during the previous year ended 31.03.2015. The Turnover of the company has increased by 80.91% from the previous year mainly on accounts of the Tooth paste Business of the contract manufacturing as well as company's own brand.

Internal Control System:

Company's internal control systems are well commensurate with the nature of business and the size and complexity of its operations. These are routinely tested and certified by

Statutory as well as internal Auditors, covering all the offices, factories and key areas of business.

The Audit Committee review the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of the Audit recommendations including those relating to the strengthening of the Company's risk management policies and system. The Company's ERP control mechanism has further strengthen the overall control on the business and accordingly, the audit observations and follow-up actions are discussed with the Management of the Company as well as the Audit Committee.

Environment Health And Safety:

The Company has a vision of being an 'Injury Free' and 'Zero Environment Incident' organization. The Company's strategic framework, integrates Safety as a non-negotiable value. Over the past many years, the Company has been progressing well in terms of reducing injury frequency rates and has improved the safety record in factories and facilities.

The Company has developed safer systems and procedures for work by implementing Core Design principles (e.g. in projects, in facilities design, in process safety, etc.) rolling out up-to-date engineering standards and investing in hardware and safety infrastructure across sites.

Company is actively involved in EHS to ensure the health and safety of all its employees, contractors, visitors and other persons at its workplace and protecting the environment. All locations of JHS Svendgaard Laboratories Limited shall ensure that the operations of the company are regularly assessed and planned to prevent pollution, injuries and ill-health. The EHS Management Standards for all sites of the Company and provides audit guidelines in order to assess the implementation of these Standards. The Company shall comply with applicable Environment and occupational Health and Safety Legislation and other requirements wherever the Company is working.

Human Resource:

JHS takes pride in the fact that our people, organizational culture and values enable us to be decentralized and entrepreneurial. JHS is committed in creating a transparent organization and a highly conducive environment that is focused on people and their capability, enabling them to deliver superior performances. At JHS, we have constantly focused on getting the top talent for our businesses. Human resource development happens through structured approaches for employee engagement, resourcing, performance and compensation management, competency based development, career and succession planning and organization building.

During the fiscal 2015-16, JHS focused on various strategic learning programmes, employee engagement and health management initiatives aimed at the overall development of our dynamic workforce. The belief that 'great people create great organizations' has been at the core of the Company's approach to its people. We consider our human resource to be our most important assets. We are continuously making efforts in the development of Human Resource through a series of employee-friendly measures aimed at talent acquisition, development, motivation and retention. Our endeavor is to develop a culture where a sense of belongingness and ownership of work are the key motivating factors and provide world class training to create a world-class work force. The aim is to lower the average employee age and invigorate the youth to take the Organization forward over the next few decades.

Segment-Wise Performance

The Segment wise Performance as on 31st March, 2016 is as mentioned below:

Segment Wise Revenue, Results And Capital Employed (Consolidated) (₹ In Lakhs)

Sl. No.	Particulars	Quarter Ended			Year Ended	Previous Year Ended
		3/31/2016	12/31/2015	31.03.2015	3/31/2016	3/31/2015
		Audited	Unaudited	Audited	Audited	Audited
A.	Segment Revenue					
	i) Full Service Goods Based - Contract Manufacturer- Oral care	2,248.86	2,354.28	2,009.43	9,037.99	4,901.87
	ii) Job work - Oral care and Hygiene care (Refer note 4)	-	-	-	-	-
	iii) Marketing & Distribution	-	-	-	-	-
	iv) Dental Care Clinics	-	-	-	-	-
	v) Manufacturing sale - Oral care	306.32	200.15	127.62	970.55	630.52
	Total	**2,555.18**	**2,554.43**	**2,137.05**	**10,008.54**	**5,532.39**
B.	**Segment Results (Profit before Tax & finance cost)**					
	i) Full Service Goods Based - Contract Manufacturer- Oral care	84.04	(78.06)	(129.00)	(13.13)	(1,152.19)
	ii) Job work - Oral care and Hygiene care (refer note no. 4)	(63.48)	(75.31)	(113.97)	(300.75)	(371.44)
	iii) Marketing & Distribution	(0.24)	(0.03)	(0.19)	(0.36)	(0.33)
	iv) Dental Care Clinics	(0.52)	(0.14)	(2.80)	(0.95)	(3.78)
	v) Manufacturing sale - Oral care (Refer note 7)	-	-	-	-	-
	vi) Unallocated	-	2.90		(17.90)	
	Total	19.80	(150.64)	(245.96)	(333.09)	(1,527.74)
	less:					
	i) Finance Costs	7.06	7.14	7.04	36.48	14.08
	ii) Prior period items	-	-	9.16	-	9.16
	iii) Exceptional items	429.18	(2.90)	633.78	447.08	662.30
	Profit/(Loss) from ordinary activities before Tax	(416.44)	(154.88)	(895.94)	(816.65)	(2,213.27)

Sl. No.	Particulars	Quarter Ended			Year Ended	Previous Year Ended
		3/31/2016	12/31/2015	31.03.2015	3/31/2016	3/31/2015
		Audited	Unaudited	Audited	Audited	Audited
C.	Capital Employed					
	Equity and long term borrowings (including current maturities of long term borrowings and interest accrued and due)					
	i) Full Service Goods Based - Contract Manufacturer- Oral care	9,743.18	9,581.14	9,738.74	9,743.18	9,738.74
	ii) Job work - Oral care and Hygiene care (refer note no.4)	-	217.34	455.43	-	455.43
	iii) Marketing & Distribution	-	1,932.57	1,816.02		1,816.02
	iv) Dental Care Clinics	-	-	-	-	-
	v) Manufacturing sale - Oral care (Refer note 7)	-	-	-	-	-
	Total Capital Employed	**9,743.18**	**11,731.05**	**12,010.19**	**9,743.18**	**12,010.19**

Cautionary Statement:

The projections made in this report may be forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ from those expressed in this report due to the influence of external and internal factors that are beyond the control of the Company such as demand, supply, climatic conditions, economic conditions, political scenario, Government regulations and policies, taxation, natural calamities and other conditions. All these conditions cumulatively can make a significant impact on the Company's performance. Owing to this, certain statements made in this Report pertaining to the projections, outlook, expectations, estimates etc. may differ from actuals.

Corporate Governance Report

Corporate Governance is the system by which corporate entities are directed and controlled. It provides the structure through which the company's objectives are set, and provides the means of attaining those objectives including monitoring of performance. It is the application of best management practices, compliance of law, adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for the sustainable development of all stakeholders. The essence of good Corporate Governance includes, inter-alia, transparency of corporate structures and operations, the accountability of managers and the Board to shareholders, and corporate responsibility towards stakeholders.

JHS beholds Corporate Governance measures as an integral part of business strategy which adds to considerable internal and external values and contributes to the business growth in ethical perspective. Besides complying with the prescribed corporate practices as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has voluntarily adopted various practices of governance conforming to highest ethical and responsible standard of business, globally benchmarked.

Company's Philosophy on Code of Corporate Governance

Transparency and accountability are the two basic tenets of Corporate Governance. At JHS, we feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business, as demonstrated in the words above.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Principles is an extension of our values and reflects our continued commitment to ethical business practices across our operations. We acknowledge our individual and collective responsibilities to manage our business activities with integrity. Our Code of Business Principles inspires us to set standards which not only meet applicable legislation but go beyond in many areas of our functioning.

Corporate Governance philosophy is put into practice at JHS through the following four layers, namely:

- Governance by Shareholders,
- Governance by Board of Directors
- Governance by Sub-committees of Board, and
- Governance through management process

To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

Board of Directors

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

Composition of the Board:

As on 31st March 2016, the Company's board consists of eight directors. The chairman of the board is a non-executive director. The Company has an optimum combination of executive and non-executive directors in accordance with the provisions of applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The board has two executive directors and six non-executive directors, of whom three are independent directors. All independent directors are persons of eminence and bring a wide range of expertise and experience to the board thereby ensuring the best interests of stakeholders and the Company.

Classification of Board:

Category	Number of Directors	% to total number of Directors
Executive Directors	2	25
Non-Executive Independent Directors (including Woman Director)	3	37.5
Other Non-Executive Directors	3	37.5
Total	**8**	**100**

Date of Board Meetings:

Minimum four Board meetings are held every year. Additional meetings are held to address specific needs of the Company. In case of any exigency/emergency, resolutions are passed by circulation. The Board of Directors met nine times during the year on 13th April, 2015, 05th May, 2015, 02nd July, 2015, 14th July, 2015, 28th July, 2015, 13th August, 2015, 10th November, 2015, 05th January, 2016 and 11th February, 2016. The maximum gap between any two meetings was less than 120 days.

The necessary quorum was present for all the meetings.

Directors' attendance record and their other Directorships/ Committee Memberships

The Name and categories of the Directors on the Board, their attendance at Board Meetings during the year and the number of Directorship and chairmanships/memberships of committee of each Director held in other public companies and Attendance at last Annual General Meeting are shown below in Table 1.1:

Name of Director	Category	Board Meetings Attended (No. of Meeting:9)	Attendance at the Last AGM	Directorships in other Companies	Committee positions held in other Cos.	
					Chairman	Member
P Vanamali	Chairman Non-Executive	3	Yes	3	-	-
Nikhil Nanda	Managing Director	9	Yes	4	-	-
P K Misra*	Independent Director	8	No	-	-	-
C R Sharma	Independent Director	8	Yes	4	2	-
Amarjit Singh*	Independent Director	0	No	4	-	-
Kalyani Polavaram*	Non Executive Women Director	3	No	-	-	-
Vishal Sarad Shah	Whole-Time Director	9	Yes	1	-	-
Mukul Pathak#	Independent Director	1	No	-	-	-
Piyush Goenka	Nominee Director	3	No	2	-	-
Nikhil Vora$	Nominee Director	NA	NA	4	-	-
Manisha Lath Gupta$	Independent Director - Women	NA	NA	1	-	-

Other than Mr. Nikhil Nanda and Mr. Vishal Sarad Shah, who holds 88,10,774 and 500 shares respectively, no other Director holds any shares in the Company.

* Mr. P K Misra, Mr. Amarjit Singh, Non-Executive Independent Director and Mrs. Kalyani Polavaram, Non-Executive Women Director have resigned from the office w.e.f 12th February, 2016.

Mr. Mukul Pathak was appointed as a Non-Executive Independent Director of the Company in the Annual General Meeting held on 01st September, 2015 w.e.f 14th July, 2015.

$ Mr. Nikhil Vora was appointed as an additional director (Nominee Director) and Mrs. Manisha Lath Gupta as an additional director (Non-Executive Independent Director) of the Company w.e.f 11th February, 2016.

The Board periodically reviews the compliance status of all laws applicable to the Company as certified by all the departmental heads as well as steps taken by to rectify instances of non-compliances. The Board also reviews the minutes of the meetings of the Board of all unlisted subsidiaries.

Independent Director

As mandated by Regulation 16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of JHS SVENDGAARD LABORATORIES LIMITED:

(i) All are people of integrity and possesses relevant expertise and experience;

(ii) Are not promoters of the company its holding, subsidiary or associate company;

(iii) Are not related to promoters or directors of the company its holding, subsidiary or associate company;

(iv) Apart from receiving their remuneration, has no material pecuniary relationship with the company, its holding, subsidiary or associate company, or its promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(v) Neither the Independent Directors nor any of their relatives has pecuniary relationship or transaction with company, its holding, subsidiary or associate company, or its promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(vi) Neither the Director nor any of their relatives (s) —

A. Holds or has held the position of a key managerial personnel or is or has been an employee of the Company, its holding, subsidiary or associate Company in any of the immediately preceding three financial years or in the current financial year;

B. Is or has been an employee or proprietor or a partner, in any of the immediately preceding three financial year of—

1) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or

2) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

C. Holds two percent or more of the total voting power of the Company; or

D. Is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company;

E. Is a material supplier, service provider or customer or a lessor or lessee of the company;

(vii) Who is not less than 21 years of age.

Separate Meeting of the Independent Directors

All Independent Directors of the Company met separately on November 10, 2015 without the presence of Non-Independent Directors and Members of Management. In accordance with the Listing Regulations, following matters were, inter-alia, reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board of Directors as a whole.
- Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors.
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Committees of the Board

The Board has constituted Six (6) Committees to focus effectively on the issues and ensure expedient resolution for diverse matters namely:

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Compensation Committee
- Risk Management Committee
- Allotment Committee

The Board is responsible for constituting, assigning, and fixing the terms of reference for the members of various committees. The role and composition of these committees, including the number of meetings held during the financial year are provided below:

Audit Committee

The Company's Audit Committee comprises of three members, out of whom two are Independent Non-Executive Directors and one is Executive Director. During the year under review total 6 (Six) meetings of Audit Committee were held on 05th May, 2015, 02nd July, 2015, 14th July, 2015, 13th August, 2015, 10th November, 2015 and 11th February, 2016.

Constitution and Attendance Record

Name of the Member	Category	No of Meetings Held	No of Meetings Attended
Mr. C R Sharma	Chairperson- Independent	6	6
Mr. Nikhil Nanda	Member-Executive	6	6
Mr. P K Misra*	Member-Independent	6	6
Mrs. Manisha Lath Gupta**	Member- Independent	6	NA

* Mr. P K Misra has resigned from the Board and thus Committee w.e.f. 12th February, 2016.

** Mrs. Manisha Lath Gupta was appointed as the member of the Committee w.e.f. 11th February, 2016.

The Director responsible for the finance function, the head of internal audit and the representative of the statutory auditors, internal auditors are permanent invitees to the Audit Committee. All the members of the committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance and corporate strategy. Minutes of each of the audit committee meetings were placed before the Board Meeting.

The powers and role of the Audit Committee is in accordance with the provisions of Regulation 18 and Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013, and includes oversight of the Companies financial process, reviewing the financial statements, review of related party transactions, adequacy of internal audit and look into such matters as mandated under the listing agreement as amended from time to time. The role of audit committee includes the discussion internal and statutory auditors periodically about their scope of audit and adequacy of internal control system.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of two Executive Directors and one Non-Executive director. Mr. Vanamali Polavaram acts as the Chairman of the Committee. During the year 2015-16, 4 (Four) meetings of the Committee were held on 05th May, 2015, 28th July, 2015, 10th November, 2015 and 11th February, 2016. Mr. Dhiraj Kumar Jha, Company Secretary & Compliance Officer of the company acts as the Secretary to the Committee.

Constitution of the committee:

Name of the Member	Status
Mr. Vanamali Polavaram	Chairperson- Non-Executive
Mr. Vishal Shah	Member- Executive
Mr. Nikhil Nanda	Member- Executive

The Committee is entrusted with the responsibility of addressing the shareholders' and investors' complaints with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc. and ensuring an expeditious share transfer process in line with the proceedings of the Share Transfer Committee. The Committee also evaluates performance and service standards of the Registrar and Share Transfer Agent of the Company and also provides continuous guidance to improve the service levels for the investors.

Number of complaints regarding shares for the financial year ended 31st March, 2016 is enumerated below:

Name of the Member	Status
Complaints outstanding as on 1st April, 2015	Nil
Complaints received during the year ended 31st March, 2016	Nil
Complaints resolved during the year ended 31st March, 2016	Nil
Complaints Outstanding as on 31st March, 2016	Nil

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of one Non-executive Directors and two independent directors. P. Vanamali acts as Chairman of the Committee. During the year under review 3 (Three) meetings of Remuneration Committee was held 02nd July, 2015, 14th July, 2015 and 11th February, 2016.

Constitution of the committee:-

Name of the Member	Status
Mr. C R Sharma	Chairperson- Independent
Mr. Mukul Pathak#	Member- Independent
Mr. Vanamali Polavaram	Member-Non-Executive
Mr. P K Misra*	Member- Independent

*Mr. P K Misra has resigned from the Board and thus Committee w.e.f. 12th February, 2016.

*Mr. Mukul Pathak, was appointed as a member of the committee w.e.f. 11th February, 2016.

The Terms of Reference of the Nomination & Remuneration Committee of the Company, inter-alia, evaluates, recommends to the Board and approves the Executive Directors compensation plans, policies and programmes of the Company.

Company has also formulated a policy containing familiarization programme and stating the performance evaluation criteria for independent directors. Details of the familiarization programme policy for the independent directors is available on the website of the Company www.svendgaard.com.

Remuneration of Directors

i) **Non-executive Directors:** The Company has no pecuniary relationship or transaction with its Non-executive Directors other than payment of sitting fees to them for attending Board and Committee meetings.

ii) **Executive Directors:** The remuneration policy is directed towards rewarding performance. It is aimed at attracting and retaining high caliber talent. The Company does have an incentive plan which is linked to performance and achievement of the Company's objectives.

Remuneration paid to the Directors of the Company during the year ended 31st March, 2016:

Particulars	(₹ in Lakhs)
Salary	31.50
Sitting Fees	4.60
Other Perquisites/Benefits	Nil
Total	**36.10**

Compensation Committee:

The Compensation Committee comprises of One Executive Director i.e. Mr. Nikhil Nanda, and One Non-Executive Director, Mr. Vanamali Polavaram. Mr. Nikhil Nanda acts as Chairman of the Committee. No Meeting was held during the Financial Year 2015-16.

Constitution of the committee: -

Name of the Member	Status
Nikhil Nanda	Chairman
Vanamali Polavaram	Member

The responsibilities of the Committee include framing the ESOP and recommending the same to the Board/ shareholders for their approval and implementing the Scheme approved by the shareholders, Suggesting to Board/ shareholders changes in the ESOP, deciding the terms and conditions of Employees Stock Option Scheme (ESOP) and all other issues incidental to the implementation of ESOP.

Risk Management Committee:

The Risk Management Committee comprises of One Executive Director. Mr. Vishal Sarad Shah, and two senior executive of the Company Mr. Neeraj Kumar, CFO and Mr. Ashish Goel, Vice President (Finance). Mr. Vishal Shah acts as the chairman of the Committee.

Name of the Member	Status
Mr. Vishal Sarad Shah	Chairman
Mr. Neeraj Kumar	Member
Mr. Ashish Goel	Member

Allotment Committee:

Board of Directors in their meeting held on 05th January, 2016 has formulated an Allotment Committee for issuance of Fully Convertible Warrants to the proposed allottees and conversion of the said warrants into equivalent number of equity shares. The Allotment Committee comprises of Two Executive Directors, Mr. Nikhil Nanda and Mr. Vishal Sarad Shah, and Two Non-Executive Non-Independent Directors, Mr. Chhotu Ram Sharma and Mr. Mukul Pathak. Mr. Chhotu Ram Sharma acts as the chairman of the Committee.

During the year under review 2 (Two) meetings of Allotment Committee was held on 08th January, 2016 and 03rd March, 2016.

Name of the Member	Status
Mr. C R Sharma	Chairman
Mr. Vishal Sarad Shah	Member
Mr. Nikhil Nanda	Member
Mr. Mukul Pathak	Member

General Body Meetings:

I. General Meeting:

a) Annual General Meeting

The last three Annual General Meetings of the Company:

Year	Venue	Date	Time	Special Resolution
2014-15	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	01.09.2015	11.00 AM	1. Appointment of Mr. Mukul Pathak as an Independent Director. 2. Appointment of Mr. Vishal Sarad Shah as Whole-Time Director. 3. Enhancement of Authorized Share Capital of the company to ₹60 Crores. 4. Preferential Issue of 3,59,04,748 Warrants of the Company.
2013-14	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	29.12.2014	10.00 AM	1. Appointment of C R Sharma as Independent Director 2. Appointment of Amarjit Singh as Independent Director 3. Appointment of P. Vanamali as Non-Executive Director 4. Preferential Issue of 2,46,00,000 Equity Shares of the Company.
2012-13	District Sirmour, Himachal Pradesh – 173 030	24.09.2013	10.00 AM	No Special resolution Passed

No special resolution requiring a postal ballot was passed last year or is being proposed at the ensuing Annual General Meeting.

b) Extra-Ordinary General Meeting

Year	Venue	Date	Special Resolution
2015	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173030	04.08.2015	**Special resolution was:** 1. Amendment of Memorandum of Association for increase of authorized capital upto 55 Crores. 2. Sell, Lease or otherwise dispose off whole or substantially the whole of the undertaking 3. Ratification of earlier resolution authorizing the Board to borrow upto 150 Crores. 4. Ratification of earlier resolution authorizing the Board to invest upto ₹50 Crores.
2016	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173030	15.03.2016	Ratification of the disclosure made with respect to the pre and post preferential holding of the proposed allottees of 3,59,04,748 FCWs on preferential basis at the 11th AGM dated 01.09.2015.

Role of the Company Secretary

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings. There is complete transparency in the working of the Secretarial department and all the Directors have access to the advice and services of the Company Secretary. The Secretarial Standards issued by the ICSI are followed on all important aspects of the Secretarial work. The provisions of the Companies Act, 2013, the SEBI (LODR) Regulations, 2015, various SEBI guidelines including The Substantial Acquisition of Shares and Takeovers Regulations, 2011 and The Prohibition of Insider Trading Regulations, 1992 and all other applicable Laws and Regulations in this regard are completely adhered to.

Disclosures

Related Party Transactions:

Disclosure on materially significant related party transactions, i.e., transactions of the Company of material nature, with its Promoters, the Directors and the Management, their relatives, of subsidiaries and so on, that may have potential conflict with interests of the Company at large. None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the members is drawn to the disclosure set out in Notes to Account - Schedule - forming a part of the Annual Report. All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interests. The Company's policy on Related Party Transactions is available at our website www.svendgaard.com

Details of Non-Compliance:

The Company has complied with the requirements of regulatory authorities in the capital markets. During the financial year 2014-15 the BSE and NSE had imposed penalty for non-filing of financial results with such Stock Exchanges for three quarters during that concerned year. The Company has approached the stock exchanges to waive the penalty imposed, since the non-compliance was due to some non-avoidable reasons beyond the control of the Company and purely non-intentional. There was no other penalty/stricture imposed on the company during the last three years. There was no non-compliance noted during the year 2015-16.

Disclosures on Compliance with Corporate Governance Requirements Specified Listing Regulation:

The Company has complied with the requirements of Part C (Corporate Governance Report) of Schedule V of the Listing Regulations.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report

Details Of Establishment of Vigil Mechanism/Whistle Blower Policy:

As per Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism which is overseen by the Audit Committee. No personnel has been denied access to the Audit Committee. The policy as approved by the Board is uploaded on the Company's website at www.svendgaard.com.

Compliance with Mandatory and Non Mandatory Requirements:

The Company is fully compliant with the applicable mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Disclosure in Respect of Policy for Determining Material Subsidiaries :

The Company has also formulated a policy for determining material subsidiaries in accordance with Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and it has placed the same on the website of the company at www.svendgaard.com.

Disclosure of Accounting Treatment in Preparation of Financial Statements:

In the preparation of financial statements, the Company has followed the Accounting Standards, as prescribed under the Companies (Accounting Standard) Rules, 2006, as applicable. The Accounting Policies followed by the Company, to the extent relevant, are set out in the Annual Report.

CEO/ CFO Certification:

As required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification is provided in this Annual Report.

Code for Prevention of Insider Trading Practices

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("the Code")** to its management staff. The Company Secretary is the compliance officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the prevention.

Code of Conduct

The Company has adopted a Code of Conduct for all its Directors and employees. This Code of Conduct has been communicated to all of them. The Code of Conduct has also been put on the Company's website i.e. www.svendgaard.com

Disclosures of Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards notified Section 133 of the Companies Act, 2013 ("the Companies Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Training of Directors

The Board members of JHS are eminent personalities having wide experience in the field of Business, Finance, Education, Industry, Commerce and Administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings.

The new Board members are also requested to access the necessary documents/brochures, Annual reports and internal policies available at our website www.svendgaard.com to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Directors.

Means of Communication:

All vital information relating to the Company and its performance, including quarterly results, official press releases are posted on the web site of the Company i.e. www.svendgaard.com. The quarterly and annual results of the Company's performance are published in Business Standard (English) circulated all over India, Himachal Dastak (Hindi) circulated in Regional Area. The quarterly results of the Company are also available on the websites of Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. viz. www.bseindia.com and www.nseindia.com respectively.

The Company also files the Corporate Governance report, Shareholding pattern and quarterly and financial results in the NSE Electronic Application Processing System (NEAPS) and BSE Electronic Filing.

Subsidiary Companies

The Company monitors performance of its subsidiary companies, inter alia, by the following means:

i) The Audit Committee reviews the Financial Statements of the subsidiary companies, along with investments made by them, on a quarterly basis.

ii) The Board of Directors reviews the Board meeting minutes and statements of all significant transactions and arrangements, if any, of the subsidiary companies.

Your Company does not have a material non-listed Indian subsidiary.

General Shareholder Information:

Company's Website:

The website of the Company is www.svendgaard.com contains all relevant information about the Company the Annual Report, Shareholding Pattern, Results and all other material information as and when prepared are updated on this site.

Ensuing Annual General Meeting

Date of AGM : Monday, August 22, 2016

Time : 12:00 P.M

Venue : Trilokpur Road, Kheri (Kala Amb) Tehsil- Nahan, Distt: Sirmour, Himachal Pradesh -173 030

Financial Calender

Financial year : 1st April, 2015 to 31st March, 2016

For the year ended 31st March, 2016 : 26th May, 2016 results were announced on

Book Closure

The books will be closed from 16th August, 2016 to 22nd August, 2016 (Both days inclusive) as annual book closure for the Annual General Meeting.

Listing Information:

The Company's shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Listing fees as prescribed have been paid to the respective Stock Exchanges for the financial year ended 31st March, 2016.

Stock Code

Bombay Stock Exchange Limited: 532771

National Stock Exchange of India Limited: JHS

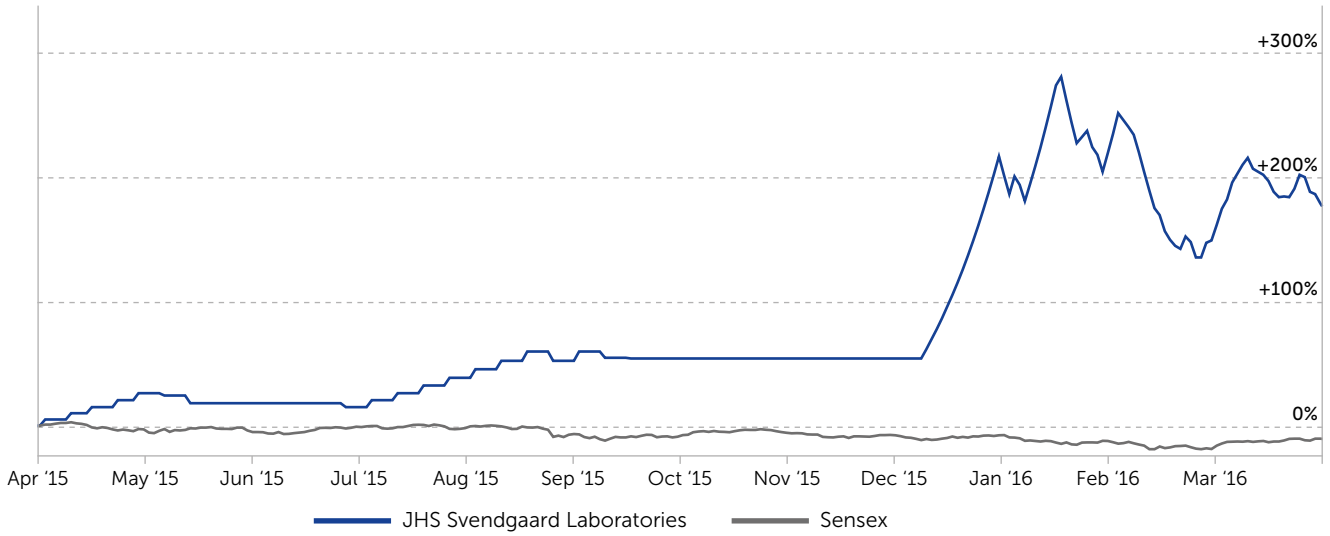
ISIN Code: INE544H01014

Market Price Data

Monthly high and low prices and volumes of equity shares of the Company at BSE and the NSE for the year ended 31st March, 2016. The below Chart compares the Company's share price at the BSE versus the Sensex.

Sl. No.	Month	BSE		NSE	
		High	Low	High	Low
1	Apr-15	9.18	7.95	9.80	8.50
2	May-15	10.11	9.01	10.75	9.40
3	Jun-15	9.4	7.9	10.00	9.15
4	Jul-15	10.99	9.51	11.25	9.80
5	Aug-15	13.72	11.53	13.55	11.80
6	Sep-15	13.06	11.78	13.55	12.00
7	Oct-15	-	-	-	-
8	Nov-15	-	-	-	-
9	Dec-15	25.09	12.71	25.60	13.10
10	Jan-16	31.95	22	31.85	22.00
11	Feb-16	29.8	18.4	29.80	18.30
12	Mar-16	26.55	20.90	26.60	20.80

Note: Company's share price (high and low) for the months October and November, 2015 is not mentioned above because NSE & BSE suspended the trading in the scrips of the company during that time period. But it revoked the same w.e.f. 10th December, 2015.



Registrars and Transfer Agents

Name and Address	M/s Alankit Assignments Limited, Alankit Complex, 205-208, Jhandewalan Extension, New Delhi – 110055
Telephone	+91-11-4254 1234
Fax	+ 91-11-4254 1201
Email	rta@alankit.com

Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. All valid transfers are processed and registered within 15 days from the date of receipt.

Shareholding Pattern as on 31st March 2016

Category	No. of Shareholders	No of Shares	% of Holding
Promoters Shareholding	4	9047988	33.052
Non-promoters holding			
Mutual funds and UTI	-	-	-
Banks, Financial Institutions, Insurance Companies ,Clearing Member	-	-	-
Foreign Portfolio Investors	1	50000	0.183
Foreign Venture Capital Investor	1	3499999	12.785
Bodies Corporate	274	4844224	17.696
India Public	8429	9690821	35.40
NBFCs registered with RBI	1	173	0.001
Non Resident Indians	102	241047	0.881
Foreign Nationals	1	1000	0.004
Trusts	-	-	-
Grand Total	**8813**	**27375252**	**100.00**

Distribution of Shareholding as on 31st March, 2016

No. of Shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
1 – 100	1,81,997	0.665	3104	35.317
101 - 500	9,46,647	3.458	3428	39.003
501 - 1000	8,45,718	3.089	1007	11.458
1001 - 5000	21,89,231	7.997	929	10.57
5001 - 10000	11,40,063	4.165	150	1.707
10001 - 20000	12,31,586	4.499	85	0.967
20001 - 30000	6,19,357	2.262	25	0.284
30001 - 40000	5,50,401	2.011	16	0.182
40001 - 50000	5,28,824	1.932	11	0.125
50001 - 100000	10,47,645	3.827	15	0.171
100001 - 500000	27,83,010	10.166	16	0.182
500001 - Above	1,53,10,773	55.929	3	0.034

Dematerialization of Shares

The equity shares of your Company are under compulsory dematerialization mode as on 31st March, 2016. 99.94 % of shares of the Company are dematerialized as on 31st March, 2016. Trading in Equity shares of the Company is permitted only in demat mode. The Equity shares of your company are frequently traded.

Outstanding GDRS/ ADRS/ Warrants or any Convertible Instruments

There were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments as at the end of the financial year ended on 31st March 2015.

Plant Locations

i) **Himachal Pradesh**
Trilokpur Road, Kheri Kala-Amb, Tehsil - Nahan,
Distt: Sirmaur, Himachal Pradesh-173030

ii) **Noida**
Jai Hanuman Exports
H- 3, SDF, NSEZ, Noida Phase II, Dadri Road,
Gautam Budh Nagar, Uttar Pradesh – 201305

Address For Investor Correspondence

All shareholders' correspondence should be forwarded to M/s. Alankit Assignments Limited, the Registrar and Transfer Agent of the Company or to the Investor Service Department at the Registered Office of the Company at the addresses mentioned below. An exclusive e-mail ID, investor@svendgaard.com for redressal of investor complaints has been created and the same is available on our website.

For Correspondence:
JHS Svendgaard Laboratories Limited - B-1/E-23,
Mohan Cooperative Industrial Area, New Delhi-110044,
Ph: 011-26900411; Fax: 011-26900434

Registered Office:
JHS Svendgaard Laboratories Limited Trilokpur Road,
Kheri Kala -Amb, Tehsil - Nahan, Distt: Sirmaur,
Himachal Pradesh-173030

Compliance Officer:
Mr. Dhiraj Kumar Jha, Company Secretary
Phone: 011-26900411; Fax: 011-26900434
e-mail: cs@svendgaard.com

CEO CFO Certification

We, Paramvir Singh, Chief Executive Officer and Neeraj Kumar, Chief Financial Officer, of JHS Svendgaard Laboratories Limited, to the best of our knowledge and belief certify that:

A. We have reviewed the financial statements and the Cash Flow Statement of the Company for the Financial Year ended 31.03.2016 and that to the best of our knowledge and belief:
   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. 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.

B. We also certify, that based on our knowledge and the information provided to us, 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.

C. The Company`s other certifying officers and we are responsible for establishing and maintaining internal controls for financial reporting and procedures for the Company and that we have evaluated the effectiveness of Company`s internal control systems and procedures pertaining to financial reporting.

D. The Company`s other certifying officers and we have indicated, based on our most recent evaluation, wherever applicable, to the Company`s Auditors and through them to the Audit Committee of the Company`s Board of Directors:
   1. Deficiencies in the design or operation of internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
   2. Significant changes in internal control over financial reporting during the year;
   3. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   4. Any 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.

Place: New Delhi
Date : 26.05.2016

Paramvir Singh
CEO

Neeraj Kumar
CFO

Certification by Chief Executive Officer of the Company

I declare that all Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the Financial Year 2015-16.

Place: New Delhi
Date : 26.05.2016

Paramvir Singh
CEO

Financial Statements

Independent Auditor's Report

To the Members of
JHS Svendgaard Laboratories Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of JHS Svendgaard Laboratories Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31(I) (c) to the financial statements.

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S. N. Dhawan & Co.**
Chartered Accountants
Firm's Registration No. 000050N

S. K. Khattar
Partner
M. No. 084993

Place: New Delhi
Date: May 26, 2016

Annexure "A" to the Independent Auditor's Report

Referred to in paragraph 1 of the Independent Auditor's Report of even date to the members of JHS Svendgaard Laboratories Limited on the standalone financial statements as of and for the year ended March 31, 2016.

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us physical verification of fixed assets is being conducted in a phased manner by the management under a programme designed to cover all the fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(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 are held in the name of the Company.

(ii) According to the information and explanations given to us the inventories have been physically verified by the management at reasonable intervals during the year. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us and based on our examination of the documents and records the Company has granted interest free unsecured loans, to companies covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of such loans;

a) Terms and conditions of loans so granted are not, prima facie, prejudicial to the interest of the Company.

b) According to the information and explanations given to us, no repayment schedule has been specified and accordingly the question of regularity in repayment of principal amount does not arise. Further, as stated above these loan are interest free and repayment of interest does not arise.

c) As stated above no repayment schedule have been specified, therefore there are no amount which is overdue for more than 90 days.

(iv) In our opinion and according to information and explanations given to us, the Company has, in respect of loans, investments, guarantees, and security, complied with the provisions of section 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

(vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of its products manufactured by the Company.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, cess and any other statutory dues to the appropriate authorities and no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2016 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, value added tax which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, banks, and government. The Company has not issued any debentures during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public

offer (including debt instruments). The term loans raised were applied for the purposes for which they have been raised.

(x) Based on our audit procedures and as per the information and explanations given by the management, we report that no fraud by the Company or 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 books of account and other records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with the schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) Based on our audit procedures and as per the information and explanations provided by the management, in our opinion, the Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the notes to the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records, the Company has made preferential allotment of shares during the year under review, which is in compliance with the requirement of section 42 of the Companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For **S. N. Dhawan & Co.**
Chartered Accountants
Firm's Registration No. 000050N

S. K. Khattar
Partner
M. No. 084993

Place: New Delhi
Date: May 26, 2016

Annexure "B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of JHS Svendgaard Laboratories Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JHS Svendgaard Laboratories Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("ICAI"). 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting was established and maintained and if 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting 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 ICAI.

For **S. N. Dhawan & Co.**
Chartered Accountants
Firm's Registration No. 000050N

S. K. Khattar
Partner
M. No. 084993

Place: New Delhi
Date: May 26, 2016

Balance Sheet as at March 31, 2016

(Amount in ₹)

	Notes	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	37,63,50,000	24,09,52,520
(b) Reserves and surplus	4	57,46,61,391	77,74,01,934
(c) Money received against share warrants		5,89,46,250	-
		1,00,99,57,641	**1,01,83,54,454**
(2) Deferred government grant	5	**15,00,000**	**18,00,000**
(3) Non-current liabilities			
(a) Long term borrowings	6	1,12,92,069	10,62,970
(b) Other Long Term liabilities	7	37,53,540	75,07,080
(c) Long term provisions	8	40,51,082	37,81,922
		1,90,96,691	**1,23,51,972**
(4) Current liabilities			
(a) Short term borrowings	9	15,73,525	18,46,33,525
(b) Trade payables	10		
- Total Outstanding dues of micro & small enterprises		-	-
- Total Outstanding dues of trade payables other than micro & small enterprises		13,36,06,506	11,69,19,431
(c) Other current liabilities	11	4,69,05,677	18,60,98,959
(d) Short term provisions	8	4,26,305	3,95,569
		18,25,12,013	**48,80,47,484**
TOTAL		**1,21,30,66,345**	**1,52,05,53,910**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
- Tangible assets	12	64,98,73,080	1,07,74,22,465
- Intangible assets	12	7,73,823	10,67,874
- Capital work-in-progress		64,72,053	-
- Intangible assets under development		3,16,012	3,16,012
(b) Non-current investments	13	99,990	99,990
(c) Long term loans and advances	14	19,71,88,098	19,65,01,389
(d) Other non-current assets	15	18,05,020	7,64,740
		85,65,28,076	**1,27,61,72,470**
(2) Current assets			
(a) Inventories	16	9,31,16,094	9,01,26,767
(b) Trade receivables	17	6,91,10,646	12,30,95,570
(c) Cash and bank balances	18	2,87,83,682	95,69,790
(d) Short term loans and advances	19	4,36,08,085	2,12,78,420
(e) Other current assets	20	12,19,19,762	3,10,893
		35,65,38,269	**24,43,81,440**
TOTAL		**1,21,30,66,345**	**1,52,05,53,910**
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date attached.

For S.N. Dhawan & Co.
Chartered Accountants
FRN: 000050N

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date :26.05.2016

For and on behalf of the Board of Directors of
JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director
DIN : 00051501

Vanamali Polavaram
Chairman
DIN : 01292305

Dhiraj Kumar Jha
Company Secretary &
Compliance Officer
Membership No. A29838

Neeraj Kumar
Chief Financial Officer

Statement of Profit and Loss for the year ended March 31, 2016

(Amount in ₹)

	Notes	Year ended March 31, 2016	Year ended March 31, 2015
INCOME			
Revenue from operations (Gross)	21	1,00,08,54,852	55,32,39,459
Less:Excise Duty		-	-
Revenue from operations (Net)		1,00,08,54,852	55,32,39,459
Other income	22	73,00,638	85,89,053
Total revenue		**1,00,81,55,490**	**56,18,28,512**
EXPENSES			
Cost of materials consumed	23	69,84,28,068	37,39,63,639
(Increase)/decrease in inventories of finished goods and work-in-progress	24	3,34,93,510	3,00,29,181
Employee benefits expense	25	7,23,12,075	5,79,00,374
Finance costs	26	36,47,789	14,07,754
Depreciation, amortisation and impairment	27	10,48,50,273	12,34,63,255
Other expenses	28	13,22,48,115	12,97,83,747
Total expenses		**1,04,49,79,830**	**71,65,47,950**
Profit/ (loss) before exceptional, extra ordinary items, prior period expenses		**(3,68,24,340)**	**(15,47,19,438)**
Less: Exceptional Items	29 (a)	4,47,07,573	6,53,13,567
Less: Extraordinary Items	29 (b)	13,47,32,059	-
Less: Prior period expenses (net)	30	-	9,16,437
Profit/ (loss) before tax		**(21,62,63,972)**	**(22,09,49,442)**
Tax Expense:			
- Current tax		-	-
- Deferred tax charge / (benefit) (refer note 37)		-	-
- Tax for earlier years		16,320	4,42,191
Total tax expense		16,320	4,42,191
Profit/ (loss) for the year		**(21,62,80,292)**	**(22,13,91,633)**
Earnings/ (loss) per share	38		
(Nominal value ₹10/- share)			
- Basic and Diluted EPS (Including extra ordinary items)		(8.42)	(9.19)
- Basic and Diluted EPS (Excluding extra ordinary items)		(3.17)	(9.19)
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date attached.
For S.N. Dhawan & Co.
Chartered Accountants
FRN: 000050N

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date :26.05.2016

For and on behalf of the Board of Directors of
JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director
DIN : 00051501

Vanamali Polavaram
Chairman
DIN : 01292305

Dhiraj Kumar Jha
Company Secretary &
Compliance Officer
Membership No. A29838

Neeraj Kumar
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2016

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before exceptional, extra ordinary items,	(3,68,24,341)	(15,47,19,438)
Adjustments for:		
Depreciation, amortisation and impairment	10,48,50,273	12,34,63,255
Interest income	(4,87,590)	(4,67,193)
Government grant amortisation (income)	(3,00,000)	(3,00,000)
Provisions no longer required written back	(12,78,059)	(24,48,578)
Security deposit written off	11,340	54,06,970
Turnover discount	(5,61,708)	(1,80,775)
Loss/(profit) on sale of fixed assets	8,66,811	
Provision for doubtful receivables (including exceptional items)	5,01,470	
Profit on sale of long term investment	(11,670)	
Provision for doubtful advances Written back	(18,37,945)	
Provision for doubtful advances	-	5,52,115
Provision for diminution in value of investments written back	(10,88,330)	
Provision for slow moving stock written back	(1,99,353)	
Advances written off	18,49,385	19,26,603
Provision for slow moving stock	-	39,89,549
Unrealised Loss (gain) on foreign currency receivables and payables	-	(6,93,000)
Dividend income from investment	(50,580)	
Interest and financial charges	36,47,789	14,07,754
Operating profit before working capital changes	**6,90,87,491**	**(2,20,62,738)**
Adjustment for:		
Increase in inventories	(27,89,974)	(3,59,22,866)
Decrease in trade receivables	5,34,83,454	4,05,76,605
Decrease/ (increase) in short term loans and advances	(2,23,29,665)	72,49,635
Decrease in other current assets	(4,39,000)	-
Decrease in long term loans and advances	(2,20,52,156)	1,76,02,824
Decrease in other non-current assets	(10,40,280)	-
Increase/ (decrease) in trade payables	1,72,48,783	6,92,82,379
(Decrease)/increase in provisions	2,99,896	16,29,844
Increase in Other long term & current liabilities	(15,10,77,733)	(87,42,795)
Cash generated from operations	**(5,96,09,184)**	**6,96,12,888**
Taxes paid	33,465	(23,327)
Net cash generated from operating activities	**(5,96,42,649)**	**6,95,89,561**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(76,75,099)	1,23,61,123
Proceeds from sale of investment	11,00,000	
Sale of fixed assets	15,00,000	-
Maturity/(investment) of/ in deposits of more than three months		5,42,054
Sale proceeds of wave hygiene products business	4,14,00,000	-
Dividend Income	50,580	-
Interest income received	4,17,720	2,53,583
Net cash used in investing activities	**3,67,93,201**	**1,31,56,759**

Cash Flow Statement for the year ended March 31, 2016

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/ (repayment of) long term borrowings	2,04,53,684	(14,37,84,952)
Dividend paid	-	90
Proceeds from/ (repayment of) short term borrowings	(18,30,60,000)	4,76,84,333
Proceed from Share Capital and securities premium	14,89,37,228	-
Proceed from Share Warrant	5,89,46,250	-
Interest and financial charges	(32,13,821)	(14,07,754)
Net cash used in financing activities	**4,20,63,340**	**(9,75,08,283)**
Net Increase/(decrease) in cash and cash equivalents	**1,92,13,892**	**(1,47,61,963)**
Opening balance of cash and cash equivalents	95,69,790	2,43,31,753
Closing balance of cash and cash equivalents	**2,87,83,682**	**95,69,790**
Components of cash and cash equivalents as at end of the year		
Cash on hand	1,16,859	22,11,552
Balances with banks		
- on current account	2,46,99,327	23,55,079
- term deposits with original maturity of 3 months or less	20,42,918	16,40,165
Other bank balances		
- in unpaid dividend account	1,67,691	1,67,601
- Term deposits with original maturity of more than 3 months but less than 12 months	17,56,887	31,95,393
Cash and bank balance (Refer note 18)	**2,87,83,682**	**95,69,790**

Note:

I. The accompanying notes form an integral part of the financial statements.

II. The above cash flow statement has been prepared under the indirect method set out in Accounting Standard 3 'Cash Flow Statement.

As per our report of even date attached.
For S.N. Dhawan & Co.
Chartered Accountants
FRN: 000050N

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date :26.05.2016

For and on behalf of the Board of Directors of
JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director
DIN : 00051501

Vanamali Polavaram
Chairman
DIN : 01292305

Dhiraj Kumar Jha
Company Secretary &
Compliance Officer
Membership No. A29838

Neeraj Kumar
Chief Financial Officer

Notes to the Financial Statements for the year ended March 31, 2016

1. BACKGROUND

JHS Svendgaard Laboratories Limited is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in manufacturing a range of oral and dental products for elite national and international brands. The main portfolio of the Company is to carry out manufacturing and exporting of oral care and hygiene products including toothbrushes, toothpastes, mouthwash, sanitizers and job work of detergent powder. The Company's shares are listed for trading on the National Stock Exchange and the Bombay Stock Exchange in India.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of Financial Statements

The financial statements have been prepared to comply in all material respects with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provision of the Companies Act, 2013 and guidelines issued by Securities and Exchange Board of India, to the extent applicable. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and consistent with those followed in the previous year.

b. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenue and expenses. Although such estimates and assumptions are made on reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are crystallized. Any revision to accounting estimates is recognized in the current and future periods.

c. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the above criteria, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

d. Tangible assets

Tangible assets are stated at the cost of acquisition or construction, less accumulated depreciation and impairment losses, if any. The cost of an item of tangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid towards acquisition of tangible assets outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the year end are shown as capital work-in-progress.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increases the future benefits from the existing asset beyond its previously assessed standard of performance.

A tangible asset is eliminated from the financial statements on disposal or when no further economic benefit is expected from its use or disposal.

Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net realisable value and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

e. Intangible assets

An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured.

Notes to the Financial Statements for the year ended March 31, 2016

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. The cost of an item of intangible asset comprises its purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net realisable value and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

f. **Depreciation / Amortization**

Depreciation on tangible assets except moulds and dies are provided on a pro-rata basis on Straight Line Method (SLM) based on the useful lives of assets specified in Part C of Schedule II of the Companies Act, 2013.

Based on internal assessment and technical evaluation, the management has assessed useful lives of moulds and dies as five years, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Intangible assets comprising of computer software are amortized over a period of five years.

Depreciation and amortization on addition to fixed assets is provided on pro-rata basis from the date the assets are ready for use. Depreciation and amortization on sale/discard from fixed assets is provided for upto the date of sale, deduction or discard of fixed assets as the case may be.

All assets costing ₹5,000 or below are depreciated/amortized by a one-time depreciation/amortization charge in the year of purchase.

g. **Impairment of assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

h. **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances on hand, cash balance with bank, and highly liquid investments with original maturities, at the date of purchase/investment, of three months or less.

i. **Inventories**

i. Raw materials, packaging materials and stores and spare parts are valued at the lower of cost and net realizable value. Cost includes purchase price, taxes (excluding levies or taxes subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

ii. Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

iii. Excise duty liability, wherever applicable, is included in the valuation of closing inventory of finished goods. Excise duty payable on finished goods is accounted for upon manufacture and transfer of finished goods to the stores. Payment of excise duty is deferred till the clearance of goods from the factory premises.

Notes to the Financial Statements for the year ended March 31, 2016

iv. Provision for obsolescence on inventories is made on the basis of management's estimate based on demand and market of the inventories.

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

vi. The comparison of cost and net realisable value is made on an item by item basis.

j. **Revenue recognition**

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

Sale of goods

Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership to the customer. Revenue is net of excise duty, sales tax, value added tax and other applicable discounts and allowances.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend income

Dividend is recognized when the right to receive the income is established.

Export incentives

Export incentives principally comprise of Duty Entitlement Pass Book Scheme (DEPB). The benefit under these incentive schemes are available based on the guideline formulated for respective schemes by the government authorities. DEPB is recognized as revenue on accrual basis to the extent it is probable that realization is certain.

Sale of scrap

Revenue from sale of scrap is recognized when the significant risks and rewards of ownership of goods have passed to the buyer.

Service income

Service income includes job work and its revenue is recognized on completion of services, based on service contracts.

Reimbursement Receipts

Reimbursement income is recognized on accrual basis on the basis of contracts.

k. **Borrowing cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition or construction or production of qualifying assets are capitalized as part of the cost of assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

l. **Foreign currency transactions**

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognized in the Statement of Profit and Loss. Non monetary assets and liabilities are recorded at the rates prevailing on the date

Notes to the Financial Statements for the year ended March 31, 2016

of the transaction.

Translation of integral and non integral foreign operations.

The Company classifies its foreign operations as either "integral foreign operations" or "non integral foreign operations".

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operations have been those of the Company itself. The assets and liabilities (except share capital which is taken at historical cost) both monetary and non monetary, of the non integral foreign operation are translated at the closing rate. Income and expense items of the non integral foreign operation are translated at average rates at the date of transaction. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment, at which time the accumulated amount is recognized as income or as expense.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classifications are applied from the date of the change in the classified.

m. Investments

Investments that are readily realizable and are intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. However that part of long term investments which is expected to be realized within 12 months after the reporting date is presented under "Current Assets" in consonance with current/non-current classification scheme of Schedule III of Companies Act, 2013. The cost of an investment includes acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Any reduction in the carrying amount and any reversals of such reduction are charged or credited to the Statement of Profit and Loss. Profit or loss on sale of individual investment is determined on the basis of weighted average carrying amount of investment disposed off.

n. Employee Benefits

Short term employee benefits:

All employee benefits payable wholly within twelve months of receiving employee service are classified as short term employee benefits. These benefit includes salaries, wages, short term compensated absence and bonus etc and are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

Long term employee benefits:

- Defined contribution plans: Provident Fund
  All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India.

- Defined contribution plans: Employee State Insurance
  Employees whose wages/salary is within the prescribed limit in accordance with the Employee State Insurance Act, 1948, are covered under this scheme. These contributions are made to the fund administered and managed by the Government of India.

  The Company's contributions to these schemes are expensed off in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

- Defined benefit plans: Gratuity
  The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees

of the Company with respect to gratuity, a defined benefit plan, are accounted for on the basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the Projected Unit Credit method and adjusted for past service cost. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is recognised as an income or expense in the Statement of Profit and Loss.

- Other long-term benefits: Leave benefits
  Benefits under the Company's leave benefits scheme constitute other employee benefits. The liability in respect of leave benefits is provided on the basis of an actuarial valuation done by an independent actuary at the end of the year. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

o. Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of product sold and service provided, with each segment representing a strategic business unit that offers different product/service. The analysis of geographical segments is based on geographical location of the customers.

Allocation of common cost

Common allocable costs are allocated to each segment according to relative contribution of each segment to the total common costs.

Unallocated items

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

Segment policies

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

p. Accounting for taxes on income

Income tax expenses comprises of current tax and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantially enacted as at the Balance Sheet date. Deferred tax assets are recognized for timing differences only to the extent there is reasonable certainty that sufficient future taxable income will be available against which these assets can be realized in future whereas, in cases of existence of carry forward of losses or unabsorbed depreciation, deferred tax assets are recognized only if, there is virtual certainty of realization supported by convincing evidence. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Notes to the Financial Statements for the year ended March 31, 2016

q. **Government grant**

Government grants available to the enterprise are recognized when both the following conditions are satisfied:

(a) where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and

(b) where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.

Grants related to depreciable assets are treated as deferred income which is recognized in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the assets which is estimated as 10 years. Grants related to non-depreciable assets are credited to capital reserve.

r. **Provisions, contingent liabilities and contingent assets**

Provision

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets

Contingent assets are neither recorded nor disclosed in the financial statements.

s. **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders after tax (and excluding post tax effect of any extra-ordinary item) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year, are adjusted for events of bonus issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares, if any, except when the results would be anti-dilutive.

The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

t. **Leases**

Operating lease

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as an operating lease. Lease payments under operating lease are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Finance lease

Assets taken on finance lease are capitalized at an amount equal to the fair value of the leased assets or the present value of minimum lease payments at the inception of the lease, whichever is lower. Such leased assets are depreciated over the lease tenure or the useful life, whichever is shorter. The lease payment is apportioned between the finance charges and reduction to principal, i.e., outstanding liability. The finance charge is allocated to the periods over the lease tenure to produce a constant periodic rate of interest on the remaining liability.

u. **Material events**

Material events occurring after the Balance Sheet date are taken into cognizance.

Notes to the Financial Statements for the year ended March 31, 2016

3 : SHARE CAPITAL

The Company has only one class of equity shares having a par value of ₹10/- per share referred to herein as equity share.

	As at March 31, 2016		As at March 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Authorised shares				
Equity shares of ₹10/- each (March 31, 2015 : ₹10/- each)	6,00,00,000	60,00,00,000	5,00,00,000	50,00,00,000
Issued, subscribed & fully paid up shares				
Equity shares of ₹10/- each (March 31, 2015 : ₹10/- each)	**3,76,35,000**	**37,63,50,000**	**2,40,95,252**	**24,09,52,520**

a) **Reconciliation of equity shares outstanding as at the beginning and at the end of the reporting period**

Particulars	As at March 31, 2016		As at March 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	2,40,95,252	24,09,52,520	2,40,95,252	24,09,52,520
Add : Shares issued during the year *	1,35,39,748	13,53,97,480	-	-
At the end of the year	**3,76,35,000**	**37,63,50,000**	**2,40,95,252**	**24,09,52,520**

* Pursuant to approval of shareholders by way of special resolution in accordance with section 42 & 62 of the Companies Act, 2013 and Rules made thereunder and as per SEBI (ICDR) Regulations, 2009 the Company approved preferential allotment of 34,974,748 fully convertible warrants of ₹10 each at an issue price of ₹11 per warrant. During the year, the Company has converted 32,80,000 on January 05, 2016 and 10,259,748 on March 03, 2016 fully convertible share warrants (out of total 34,974,748 share warrants) into the equal number of fully paid up equity shares after receiving full issue price at the rate of ₹11 per warrant from the respective allottees. The shares allotted by the Company on March 03, 2016 were listed on April 18, 2016.

b) **Terms / rights attached to equity shares**

Voting : Each holder of equity shares is entitled to one vote per share held.

Dividends : 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 except in the case where interim dividend is distributed. During the year ended March 31, 2016 and March 31, 2015, no dividend has been declared by the Company.

Liquidation : In the event of liquidation of the Company, the holders of equity shares will be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amount will be in proportion to the number of equity shares held by the shareholders.

c) **Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date:**

65,45,245 equity shares issued to the shareholders of merged entities pursuant to the scheme of amalgamation in the finacial year 2012-13

Notes to the Financial Statements for the year ended March 31, 2016

3 : SHARE CAPITAL (contd.)

d) Detail of shareholders holding more than 5% shares in the Company

	As at March 31, 2016			As at March 31, 2015		
	Numbers	% held	Amount in ₹	Numbers	% held	Amount in ₹
Nikhil Nanda *	1,12,10,774	29.79%	11,21,07,740	88,10,774	36.57%	8,81,07,740
Tano Mauritius India FVCI	34,99,999	9.30%	3,49,99,990	34,99,999	14.53%	3,49,99,990
Sixth Sense India Opportunities-I	30,00,000	7.97%	3,00,00,000	-	0.00%	-
Sushma Nanda *	30,65,983	8.15%	3,06,59,830	2,15,983	0.90%	21,59,830
Amit Saxena *	20,00,000	5.31%	2,00,00,000	-	0.00%	-

* The Company has alloted 24,00,000 nos., 28,50,000 nos. and 20,00,000 numbers of equity shares on March 3, 2016 to Mr. Nikhil Nanda, Mrs. Sushma Nanda and Mr. Amit Saxena respectively. The same has been listed on April 18, 2016.

4 : RESERVES AND SURPLUS

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
4.1 Capital Reserves		
Opening balance	33,24,01,257	2,41,12,040
Add: Amount transferred on account of waiver of term loan	-	30,82,89,217
Closing balance (A)	**33,24,01,257**	**33,24,01,257**
4.2 Securities premium account		
Opening balance	82,72,11,088	34,43,18,448
Add : Premium on warrant converted to shares	1,35,39,748	-
Add: Amount adjusted against setting off non recoverable trade receivables	-	48,28,92,640
Closing balance (B)	**84,07,50,836**	**82,72,11,088**
4.3 General reserves		
Opening balance	6,67,750	6,67,750
Addition during the year	-	-
Closing balance (C)	**6,67,750**	**6,67,750**
4.4 Deficit in the Statement of Profit and Loss		
Opening balance	(38,28,78,160)	(16,14,86,527)
Add: Loss for the year transferred from the Statement of Profit and Loss	(21,62,80,292)	(22,13,91,633)
Closing balance (D)	**(59,91,58,452)**	**(38,28,78,160)**
Total reserves and surplus (A+B+C+D)	**57,46,61,391**	**77,74,01,934**

5 : DEFERRED GOVERNMENT GRANT

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Opening balance (Refer footnote 5.1)	18,00,000	21,00,000
Less: Current year apportionment to Statement of Profit & Loss (Refer note 22)	3,00,000	3,00,000
Closing balance	**15,00,000**	**18,00,000**

5.1 During the financial year ended March 31, 2012, the Company had received capital subsidy under the Central Capital Investment Subsidy Scheme, 2003 of the Government of India. The subsidy received is being apportioned to Statement of Profit & Loss over the useful life of the assets which is estimated as 10 years.

Notes to the Financial Statements for the year ended March 31, 2016

6 : LONG TERM BORROWINGS

(Amount in ₹)

	Non-current portion		Current maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Secured				
Vehicle loans from banks *	2,92,069	10,62,970	7,70,777	15,46,192
	2,92,069	**10,62,970**	**7,70,777**	**15,46,192**
Amount disclosed under the head Other current liabilities (Refer note 11)	-	-	(7,70,777)	(15,46,192)
Net amount (A)	**2,92,069**	**10,62,970**	**-**	**-**
Unsecured				
Unsecured Loan from other **	1,10,00,000	-	1,10,00,000	-
	1,10,00,000	**-**	**1,10,00,000**	**-**
Amount disclosed under the head Other current liabilities (Refer note 11)	-	-	(1,10,00,000)	-
Net amount (B)	**1,10,00,000**	**-**	**-**	**-**
TOTAL (A+B)	**1,12,92,069**	**10,62,970**	**-**	**-**

* Respective assets are hypothecated against the loans taken to acquire such vehicles. Loan is repayable within a period of 60 months at interest rate in the range of 8% p.a. to 12% p.a.

**Repayable in 2 equal yearly installment commencing from 31st December 2016 @ interest rate of 15% p.a.

7 : OTHER LONG TERM LIABILITIES

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Payable for capital goods	37,53,540	75,07,080
	37,53,540	**75,07,080**

8 : PROVISIONS

(Amount in ₹)

	Long term		Short term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Provisions for employees benefits				
Provision for gratuity	32,23,998	29,81,830	2,16,026	2,04,069
Provision for leave benefits	8,27,084	8,00,092	2,10,279	1,91,500
	40,51,082	**37,81,922**	**4,26,305**	**3,95,569**

9 : SHORT TERM BORROWINGS

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Unsecured		
Interest free loan from related parties repayable on demand	15,73,525	16,46,33,525
Inter corporate deposit	-	2,00,00,000
	15,73,525	**18,46,33,525**

Notes to the Financial Statements for the year ended March 31, 2016

10 : TRADE PAYABLES

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Trade payables (Refer note 41)		
-Total Outstanding dues of micro & small Enterprises	-	-
-Total Outstanding dues of trade payables other than micro & small enterprises	13,36,06,506	11,68,14,149
Trade payables to related party	-	1,05,282
	13,36,06,506	**11,69,19,431**

11 : OTHER CURRENT LIABILITIES

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term Borrowings (Refer note 6)	1,17,70,777	15,46,192
Due towards One Time Settlement with banks		
Bank Of India	-	6,85,00,000
ICICI Bank	-	7,25,02,445
Interest accrued but not due on borrowings	2,10,411	19,886
Interest accrued and due on borrowings from others	2,43,443	-
Book overdraft	4,27,203	25,02,463
Payable for Capital goods	75,53,303	68,39,346
Advance received from customers	34,73,992	32,64,660
Advance received from related party	-	14,55,292
Unclaimed dividend *	1,67,602	1,67,602
Statutory dues	49,88,962	21,28,762
Expenses payables	78,52,516	1,14,16,113
Payable to employees	1,02,17,468	97,56,198
Other liabilities	-	60,00,000
	4,69,05,677	**18,60,98,959**

*There are no amounts due for payments to the Investor Education and Protection Fund.

Notes to the Financial Statements for the year ended March 31, 2016

12: FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at April 1, 2015	Additions	Disposals/ adjustments*	As at March 31, 2016	As at April 1, 2015	Depreciation & amortization for the year	Disposals/ adjustments*	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible assets										
Freehold Land	4,63,54,701	-	2,28,87,447	2,34,67,254	-		-	-	2,34,67,254	4,63,54,701
Factory Building	29,78,58,477	-	9,62,21,119	20,16,37,358	4,96,02,349	92,76,574	1,41,27,269	4,47,51,654	15,68,85,704	24,82,56,127
Office Building	1,71,16,367	-	-	1,71,16,367	22,10,060	6,05,645	-	28,15,705	1,43,00,662	1,49,06,308
Plant & Machinery	96,49,05,227	96,41,829	28,17,15,341	69,28,31,714	33,37,69,137	5,75,64,924	9,87,07,931	29,26,26,131	40,02,05,583	63,07,18,209
Moulds & Dies	28,34,78,994	34,01,031	9,69,15,411	18,99,64,613	22,00,70,748	2,09,36,073	6,57,44,197	17,52,62,624	1,47,01,989	6,32,19,167
Electronic Equipment	8,51,07,225	-	3,70,37,182	4,80,70,043	3,73,90,117	92,49,492	1,72,95,308	2,93,44,301	1,87,25,742	4,83,39,559
Lab Equipment	10,20,211	-	-	10,20,211	3,82,735	1,10,061	-	4,92,797	5,27,414	6,37,476
Furniture & fixtures	2,26,95,499	11,27,908	31,04,418	2,07,18,989	1,09,18,881	18,24,556	7,14,201	1,20,29,235	86,89,754	1,17,76,618
Office Equipments	1,47,39,431	1,50,500	43,24,016	1,05,65,915	1,22,35,802	16,92,527	40,56,351	98,71,977	6,93,938	25,03,630
Vehicles	2,20,57,731	40,50,000	-	2,61,07,731	1,16,13,949	31,46,372	-	1,47,60,320	1,13,47,411	1,04,43,783
Computers	34,15,614	2,19,900	1,81,154	34,54,360	31,88,632	1,37,221	1,72,096	31,53,757	3,00,603	2,26,958
Computer network	82,687	-	-	82,687	42,758	12,906	-	55,663	27,024	39,929
Total Tangible assets	**1,75,88,32,165**	**1,85,91,167**	**54,23,86,088**	**1,23,50,37,244**	**68,14,25,167**	**10,45,56,351**	**7,69,52,873**	**58,51,64,165**	**64,98,73,078**	**1,07,74,22,465**
Previous year	1,76,56,02,311	1,14,90,093		1,75,88,32,165	55,81,61,123	12,32,48,576	-	68,14,09,701	1,07,74,22,465	
Intangible assets										
Computer software	67,75,953			67,75,953	57,08,208	2,93,922		60,02,130	7,73,823	10,67,874
Total Intangible assets	**67,75,953**	**-**		**67,75,953**	**57,08,208**	**2,93,922**	**-**	**60,02,130**	**7,73,823**	**10,67,874**
Previous year	59,04,923	8,71,030		67,75,953	54,93,400	2,14,679	-	57,08,079	10,67,874	

Note : The Opening Gross block figures have been reclassified to conform with the correct category.

* Refer Note no. 29(ii) & (iii)

Notes to the Financial Statements for the year ended March 31, 2016

13 : NON CURRENT INVESTMENTS

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Unquoted, Non - trade investments (valued at cost unless stated otherwise)		
Investment in subsidiaries		
JHS Svendgaard Dental Care Limited		
3,89,901 (March 31, 2015 : 3,89,901) fully paid up equity shares of face value of ₹10 each	38,99,010	38,99,010
Less : Provision for diminution in value of investment	(38,99,010)	(38,99,010)
	-	-
Jones H Smith FZE, U.A.E. *		
Nil (March 31, 2015 : 1) fully paid equity shares of face value of 100,000 Arab Emirates Dirham	-	10,88,330
Less : Provision for diminution in value of investment	-	(10,88,330)
	-	-
JHS Mechanical and Warehousing Private Limited		
9,999 (March 31, 2015 : 9,999) fully paid up equity shares of face value of ₹10 each	99,990	99,990
	99,990	**99,990**
Aggregate amount of unquoted investments - ₹3,999,000 (March 31, 2015: ₹5,087,330)		
Aggregate provision for diminution in value of investments - ₹3,899,010 (March 31, 2015: ₹4,987,340)		

* During the year, the Company has sold its investment of one share valuing ₹1,088,330 in a foreign subsidiary namely Jones H Smith FZE, U.A.E at a consideration of ₹1,100,000.

Notes to the Financial Statements for the year ended March 31, 2016

14 : LONG TERM LOANS AND ADVANCES

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
(Unsecured considered good unless stated otherwise)		
Security deposit	9,72,039	9,58,979
Capital advances:		
- Considered good	3,71,50,516	5,85,10,332
- Considered doubtful	7,30,23,078	7,30,23,078
	11,01,73,594	13,15,33,410
Less: Provision for doubtful capital advances	(7,30,23,078)	(7,30,23,078)
	3,71,50,516	5,85,10,332
Advance tax including tax deducted at source	73,55,766	73,22,301
Loans and advances to related parties		
-Considered good	15,16,39,653	12,96,39,653
-Considered doubtful	4,38,445	19,44,167
	15,20,78,098	13,15,83,820
Less: Provision for doubtful advances to related parties	(4,38,445)	(19,44,167)
	15,16,39,653	12,96,39,653
Loans and advances to others		
-Considered doubtful	82,73,024	82,73,024
Less: Provision for doubtful advances to others	(82,73,024)	(82,73,024)
	-	-
Deposits with excise authorities	70,124	70,124
	19,71,88,098	**19,65,01,389**

15 : OTHER NON-CURRENT ASSETS

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
(Unsecured considered good unless stated otherwise)		
Deposits with Banks having maturity period of more than twelve months*	17,56,887	5,68,368
Interest accrued on non current fixed deposits	48,133	1,96,372
	18,05,020	**7,64,740**

*pledged & margin money deposits with various government authorities amounting to ₹17,56,887 (Previous year ₹5,68,368)

Notes to the Financial Statements for the year ended March 31, 2016

16 : INVENTORIES (Valued at lower of cost and net realisable value)

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Raw material (includes in transit ₹ Nil (Previous Year ₹492,886)	4,34,41,438	4,07,94,823
Packing material	3,27,85,299	4,03,33,089
Work-in-progress	1,63,08,333	94,99,687
Finished goods	1,31,60,750	1,36,94,035
Stores and spares	15,04,389	88,601
	10,72,00,209	10,44,10,235
Less: Provision for obsolete stock	1,40,84,115	1,42,83,468
	9,31,16,094	**9,01,26,767**

17 : TRADE RECEIVABLES

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
(Unsecured considered good unless stated otherwise)		
a) Outstanding for a period exceeding six months from the date they were due for payment		
Considered good	1,23,29,774	6,85,84,044
Considered doubtful	2,37,20,952	2,32,19,482
	3,60,50,726	9,18,03,526
Less: Provision for doubtful debts	(2,37,20,952)	(2,32,19,482)
	1,23,29,774	6,85,84,044
b) Other receivables (considered good)	5,67,80,872	5,45,11,526
Total (a+b)*	**6,91,10,646**	**12,30,95,570**

* Includes amount due from related parties (Refer note 35)

18 : CASH AND BANK BALANCES

(Amount in ₹)

		As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents			
Cash on hand		1,16,859	22,11,552
Balances with banks			
On current accounts		2,46,99,327	23,55,079
term deposits with original maturity of 3 months or less*		20,42,918	16,40,165
	(A)	**2,68,59,104**	**62,06,796**
Other bank balances			
Term deposits with original maturity of more than 3 months but less than 12 months*		17,56,887	31,95,393
Unpaid dividend		1,67,691	1,67,601
	(B)	**19,24,578**	**33,62,994**
Total	(A+B)	**2,87,83,682**	**95,69,790**

* includes pledged & margin money deposits with various government authorities amounting to ₹1,300,402 (Previous year ₹3,474,430)

Notes to the Financial Statements for the year ended March 31, 2016

19. SHORT TERM LOANS AND ADVANCES

(Amount in ₹)

		As at March 31, 2016		As at March 31, 2015
(Unsecured considered good unless stated otherwise)				
Loans and advances to employees		29,07,122		1,15,205
- Balances with statutory/government authorities				
Service tax receivable		339		3,976
Value Added tax		91,14,469		71,43,797
Prepaid expenses		12,14,139		6,85,418
- Advance to suppliers				
Considered good	3,03,72,016		1,33,30,024	
Considered doubtful	-		3,32,223	
Less: Provision for doubtful advances	-	3,03,72,016	(3,32,223)	1,33,30,024
- Loans and advances to corporates and others				
Considered doubtful	12,21,36,992		12,21,36,992	
Less: Provision for doubtful advances	(12,21,36,992)	-	(12,21,36,992)	-
		4,36,08,085		**2,12,78,420**

20 : OTHER CURRENT ASSETS

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Interest accrued but not due on fixed deposits with banks	3,80,762	3,10,893
Asset held for sale	4,39,000	-
Other receivables *	12,11,00,000	-
	12,19,19,762	**3,10,893**

* As per the terms of Business Transfer Agreement (BTA) on March 21, 2016 with Avalon Cosmetics Private Limited to sell/ transfer one of its undertakings known as "Waves Hygiene Products" on a 'slump sale' basis for a lump sum consideration without values being assigned to individual assets and liabilities. The agreed total consideration for sale of undertaking under slump sale was ₹162,500,000. Out of which ₹4,14,00,000 has been received and balance is receivable.

21. REVENUE FROM OPERATIONS

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from operations		
Sale of manufactured goods-Oral Care Products	98,10,51,360	54,44,99,241
Other operating revenue		
Scrap sales	71,65,215	31,73,225
Sale of packing material/raw material	1,26,38,277	55,66,993
Revenue from operations (gross)	1,00,08,54,852	55,32,39,459
Less:Excise duty(Refer Note 21.1)		-
Revenue from operations (net)	**1,00,08,54,852**	**55,32,39,459**

21.1 There is no production in taxable units of the Company in current and previous year hence excise duty is nil.

Notes to the Financial Statements for the year ended March 31, 2016

22. OTHER INCOME

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Interest income on fixed deposits	4,68,890	4,67,193
Interest income Others	18,700	
Provisions no longer required written back	12,78,059	24,48,578
Government grant (Refer note 5)	3,00,000	3,00,000
Foreign exchange gain (net)	3,11,952	4,74,793
Freight and forwarding recovered (net)	-	12,00,610
Profit on sale of long term investment	11,670	-
Dividend income from investment	50,580	-
Provision for diminition in investment written back	10,88,330	-
Provision for doubtful advances written back	18,37,945	-
Provision for slow moving inventories written back	1,99,353	-
Turnover and other discounts	5,61,708	1,80,775
Sale of obsolete stock	-	19,79,440
Bad Debts Recovered	-	15,00,000
Miscellaneous income	11,73,451	37,664
	73,00,638	**85,89,053**

23. COST OF MATERIALS CONSUMED

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Cost of Raw Materials Consumed		
Stock at the beginning of the year	4,07,94,823	3,16,35,025
Add: Purchases	40,18,01,530	24,35,87,582
	44,25,96,353	27,52,22,607
Less: Stock at the end of the year	4,34,41,438	4,07,94,823
	39,91,54,915	**23,44,27,784**
Cost of packing materials consumed		
Stock at the beginning of the year	4,03,33,089	91,42,810
Add: Purchases	29,17,25,362	17,07,26,134
	33,20,58,451	17,98,68,944
Less: Stock at the end of the year	3,27,85,299	4,03,33,089
	29,92,73,152	**13,95,35,855**
	69,84,28,068	**37,39,63,639**

Notes to the Financial Statements for the year ended March 31, 2016

24. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Finished goods		
At the beginning of the year	1,36,94,035	64,64,031
Less: At the end of the year	1,31,60,750	1,36,94,035
	5,33,285	(72,30,006)
Work-in-progress		
At the beginning of the year	94,99,687	1,63,69,104
Add: Purchases	3,97,68,871	3,03,89,770
Less: At the end of the year	1,63,08,333	94,99,687
	3,29,60,225	3,72,59,187
	3,34,93,510	**3,00,29,181**

25. EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, wages, bonus and other allowances	6,70,80,594	5,28,43,706
Contribution to provident and other funds	30,08,517	21,90,437
Workmen and staff welfare expenses	13,81,256	11,41,120
Gratuity	6,70,757	12,89,659
Leave encashment	1,70,951	4,35,452
	7,23,12,075	**5,79,00,374**

26. FINANCE COSTS

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Interest expense	34,89,928	13,74,412
Interest on delay in deposit of Stautory dues	1,57,861	33,342
	36,47,789	**14,07,754**

27. DEPRECIATION, AMORTISATION & IMPAIRMENT

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation of tangible assets	10,45,56,351	12,32,48,576
Amortisation of intangible assets	2,93,922	2,14,679
	10,48,50,273	**12,34,63,255**

Notes to the Financial Statements for the year ended March 31, 2016

28. OTHER EXPENSES

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Consumption of stores and spares	39,57,706	95,41,535
Power and fuel	2,99,60,703	2,64,44,585
Rent	21,16,172	28,91,581
Advertisement expenses	20,81,959	9,65,874
Business promotion expenses	42,73,243	27,44,707
Brokerage & Commission	6,66,159	-
Brand promotion expenses	12,38,941	1,77,037
Repairs and maintenance		
Plant and machinery	63,41,307	59,13,418
Building	16,43,553	14,94,001
Others	19,79,116	35,99,188
Provision for doubtful loan and advances	-	5,52,115
Provision for doubtful receivables	5,01,470	-
Provision for slow moving inventories	-	39,89,549
Freight and cartage outward	43,35,491	26,72,981
Insurance	6,46,096	7,92,997
Legal and professional fees	1,02,37,412	1,77,14,600
Rates and taxes	33,64,244	27,17,041
Telephone and postage	13,86,542	12,48,655
Printing and stationery	5,79,949	7,65,285
Travelling and conveyance expenses	1,76,92,776	1,48,67,064
Loss on sale of fixed assets (Net)	8,66,811	-
Directors' sitting fees	4,60,000	60,000
Job work charges	2,50,25,429	1,46,06,659
Testing charges	1,42,728	17,128
Auditor's remuneration (refer note 40)	12,17,762	11,70,675
Office maintenance	32,90,815	31,93,354
Advances written off	18,49,385	19,26,603
Security deposit written off	11,340	54,06,970
Service Tax Expenses	47,47,091	22,08,441
Miscellaneous expenses	16,33,913	21,01,704
	13,22,48,115	**12,97,83,747**

Notes to the Financial Statements for the year ended March 31, 2016

29. EXCEPTIONAL AND EXTRAORDINARY ITEMS

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
(A) EXCEPTIONAL ITEMS		
(a) Trade receivables written off		48,28,92,640
(b) Reversal of interest on the borrowings		(16,10,67,550)
(c) Waiver of working capital facilities		(24,99,20,869)
(d) Provision for doubtful trade receivables written back	-	(12,37,94,001)
(e) Provision for doubtful advances	-	12,21,36,992
(f) Payment / Provision for fines & penalties (refer footnote no. i)	17,90,000	46,51,900
(g) Liabilities no longer required written back	-	(95,85,544)
(h) Loss on asset discontinued from active use & held for sale (refer footnote no. ii)	4,29,17,573	
	4,47,07,573	**6,53,13,567**
(B) EXTRAORDINARY ITEMS		
Loss on sale of undertaking under slump sale (refer footnote no. iii)	13,47,32,059	-
	13,47,32,059	**-**

(i) The Company was unable to publish its quarterly financial results within the time as specified under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the listing agreement due to some unforeseen reasons beyond the control of the Company. The Company has paid /provided penalty amounting to ₹1,790,000 (previous year ₹4,651,900) levied by the Stock Exchanges (i.e. BSE & NSE) for non compliance of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

(ii) During the year the Management has carried out a detailed exercise to identify fixed assets which were not in active use and were lying idle. As a result, fixed assets having gross value and written down value of ₹119,615,649 and ₹43,356,573 respectively were identified as on March 31, 2016. Consequently these assets have been classified under the head "Other Current Assets" as assets held for sale/disposal at a estimated realisable value of ₹439,000. Therefore, loss of ₹42,917,573 has been charged to the statement of profit and loss shown as exceptional item.

(iii) The Company has entered into a Business Transfer Agreement (BTA) on March 21, 2016 with Avalon Cosmetics Private Limited to sell/transfer one of its undertakings known as "Waves Hygiene Products" on a 'slump sale' basis for a lump sum consideration without values being assigned to individual assets and liabilities. The agreed total consideration for sale of undertaking under slump sale was ₹162,500,000 against the net assets value of ₹297,232,059 as on 21st March 2016. Consequently, loss of ₹134,732,059 has been charged to the statement of profit and loss shown as an extraordinary item.

30. PRIOR PERIOD EXPENSE (NET)

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Legal and professional expenses	-	9,16,437
	-	**9,16,437**

Notes to the Financial Statements for the year ended March 31, 2016

31. Contingent liabilities

I. Claims/litigations made against the Company not acknowledged as debts:

a. Sales tax demand Nil (Previous Year Nil).

b. Winding up petition filed against the Company Nil (Previous Year Nil).

c. Matters under litigation:

(i) Claims against the Company by employees, vendors & customers amounting to ₹3,72,38,145 (Previous Year ₹3,05,78,000).

(ii) One of the major customers of the Company has wrongfully decided not to renew / terminate the contracts across all the business segments due to which certain assets got idle. However, in order to safeguard the interest of the shareholders, the Company has been pursuing litigation and has sought specific performance of the contract as well against these arbitrary and unjust acts of the multinational company. The Company has filed various suits against the said customer amounting to ₹6,29,99,80,817 (Previous Year ₹6,29,99,80,817) and vice versa said customer has also filed counter claims against the Company amounting to ₹2,06,14,52,365 (Previous Year ₹2,06,14,52,365).

The management of the Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial condition and results of operations.

II. Others:

Bank Guarantee issued by Bank amounting to ₹69,10,605 (Previous Year ₹69,10,605)

32. Capital commitments:

(Amount in ₹)

Particulars	March 31, 2016	March 31, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances ₹1,82,296 (March 31, 2015: ₹5,79,39,463).	11,08,368	21,61,20,545

33. Employee benefit obligations

As per Accounting Standard 15 "Employee Benefits" the disclosures relating to employee benefits obligations defined in the Accounting Standard are given below:

a) **Defined contribution plan** - Employer's contribution to provident fund and Employees' State Insurance Scheme recognized as expense in the Statement of Profit and Loss for the year are as under:

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Contribution to Provident fund*	23,71,733	16,91,745
Contribution to Employees' State Insurance Scheme*	6,36,784	4,98,643
Total	**30,08,517**	**21,90,388**

*Included in contribution to provident and other funds under employee benefit expenses (Refer Note 25)

Notes to the Financial Statements for the year ended March 31, 2016

33. Employee benefit obligations (contd.)

b) Defined benefit plan

Gratuity - The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit (PUC) method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations.

Leave benefits - Provision for leave benefits is made by the Company on the basis of actuarial valuation using the Projected Unit Credit (PUC) method.

I. Actuarial assumptions (Amount in ₹)

Particulars	Gratuity (unfunded)		Leave benefits (unfunded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Economic assumptions:				
Discount rate (p.a.)	7.90%	7.80%	7.90%	7.80%
Rate of escalation in salary (p.a.)	7.00%	7.00%	7.00%	7.00%
Rate of availing leave in the long run (p.a.)	-	-	11.00%	11.00%
Demographic assumptions:				
Retirement age	58 Years			
Mortality table (IALM)	IALM(2006-08) (March 31 2015 IALM 2006-08)			
Withdrawal rates (All ages)	7.00%			

Note:

The discount rate has been assumed at 7.9% (March 31, 2015: 7.80%) which is determined by reference to market yield at the Balance Sheet date on Government Securities. The estimate for rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

II. Reconciliation of opening and closing balances of defined benefit obligation (Amount in ₹)

Particulars	Gratuity (unfunded)		Leave benefits (unfunded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Defined benefit obligation at the beginning of the year	31,85,899	19,10,952	9,91,592	6,36,695
Interest cost	2,48,500	1,73,897	77,344	57,939
Past service cost	-	-	-	-
Current service cost	11,42,246	11,23,918	2,48,951	1,52,528
Actuarial (gain)/loss on obligation	(7,19,989)	(8,156)	(1,52,500)	2,24,985
Benefits paid	(4,16,632)	(14,712)	(1,28,024)	(80,555)
Present value of obligation at the end of the year	34,40,024	31,85,899	10,37,363	9,91,592
Short term provisions (Refer note 8)	2,16,026	2,04,069	2,10,279	1,91,500
Long term provisions (Refer note 8)	32,23,998	29,81,830	8,27,084	8,00,092

Notes to the Financial Statements for the year ended March 31, 2016

33. Employee benefit obligations (contd.)

III. Expense recognized during the year

(Amount in ₹)

Particulars	Gratuity (unfunded)		Leave benefits (unfunded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Current service cost	11,42,246	11,23,918	2,48,951	1,52,528
Interest cost	2,48,500	1,73,897	77,344	57,939
Curtailment cost/(credit)	-	-	-	-
Net Actuarial (gain)/loss recognized	(7,19,989)	(8156)	(1,52,500)	2,24,985
Expenses/ (income) recognized in the Statement of Profit and Loss (Refer note 25)	6,70,757	12,89,659	1,70,951	4,35,452

IV. Amount for current and previous periods on account of experience adjustment

(Amount in ₹)

Particulars	Gratuity (unfunded)				
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Present value of obligation	34,40,024	31,85,899	19,10,952	31,80,443	25,95,767
Deficit	(34,40,024)	(31,85,899)	(19,10,952)	(31,80,443)	(25,95,767)
Experience gain/ (loss) on present benefit obligation	6,86,472	3,82,841	17,08,615	12,89,250	(9,15,941)

Particulars	Leave benefits (Unfunded)				
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Present value of obligation	10,37,363	9,91,592	6,36,695	16,47,471	10,95,094
Deficit	(10,37,363)	(9,91,592)	(6,36,695)	(16,47,471)	(10,95,094)
Experience gain/ (loss) on present benefit obligation	1,48,195	(1,73,060)	6,91,759	4,57,773	27,721

V. Employer's best estimate of contribution towards gratuity during the next year is ₹14,29,332 (March 31, 2015: ₹15,71,745)

Employer's best estimate of contribution towards leave benefits during the next year is ₹3,22,681 (March 31, 2015: ₹3,27,161)

Notes to the Financial Statements for the year ended March 31, 2016

34. Segment reporting

The disclosures as required by Accounting Standard 17 "Segment Reporting" are as under. (Amount in ₹)

Particulars	March 31, 2016	March 31, 2015
A SEGMENT REVENUE		
i) Full service goods based-contract manufacturer - Oral care	90,37,98,877	49,01,87,526
ii) Manufacturing sale- Oral care	9,70,54,975	6,30,51,933
iii) Job work – Oral care and hygiene care	-	-
Total	100,08,53,852	55,32,39,459
B SEGMENT RESULTS		
i) Full service goods based-contract manufacturer - Oral care #	(13,12,064)	(11,52,51,113)
ii) Manufacturing sale- Oral care #	-	-
iii) Job work – Oral care and hygiene care	(3,00,75,486)	(3,71,43,701)
iv) Unallocated	(17,90,000)	-
Total	(3,31,77,550)	(15,23,94,814)
Less :		
Finance Cost	36,47,789	14,07,754
Prior period Expense	-	9,16,437
Exceptional Item	4,47,07,573	6,62,30,437
Total profit before Tax and Extraordinary Items	(8,15,32,912)	(22,09,49,442)
C Capital expenditure		
i) Full service goods based-contract manufacturer - Oral care #	2,50,63,220	16,36,702
ii) Manufacturing sale- Oral care #	-	-
iii) Job work – Oral care and hygiene care (Refer Note 29 (B) (viii))	-	1,07,24,421
Total	2,50,63,220	1,23,61,123
D Depreciation		
i) Full service goods based-contract manufacturer - Oral care #	8,25,93,735	10,20,47,142
ii) Manufacturing sale- Oral care #	-	-
iii) Job work – Oral care and hygiene care	2,22,56,538	2,14,16,113
Total	10,48,50,273	12,34,63,255
E Net segment assets*		
i) Full service goods based-contract manufacturer - Oral care #	97,43,17,682	97,38,74,096
ii) Manufacturing sale- Oral care #	-	-
iii) Job work – Oral care and hygiene care (Refer Note 29 (B) (viii))	-	4,55,42,904
Total	97,43,17,682	1,01,94,17,000

* Net Segment Assets = Segment Assets- Segment liabilities

The segmental information for reportable segments "Full service goods based-Oral Care " is currently not realistically ascertainable as the manufacturing process for this segment and that for full service goods based contract manufacturing is similar. The Company is in the process of making necessary changes in the accounting software to derive relevant details related to this new reportable segment.

Notes to the Financial Statements for the year ended March 31, 2016

35. Related party disclosures

The disclosures as required by the Accounting Standard -18 (Related party disclosures) are as under:

a. **Names of related parties and description of relationship:**

S. No.	Relationships	Name of Related Party
i.	Enterprise under control of the reporting enterprise (Subsidiary companies)	a) John H. Smith, FZE (United Arab Emirates) (upto 8.2.2016)
		b) JHS Svendgaard Dental Care Limited (India)
		c) JHS Mechanical and Warehousing Private Limited (India)
ii.	Individuals having significant influence over the Company and Key Management Personnel (KMP)	a) Mr. Nikhil Nanda (Managing Director)
		b) Mr. Vishal Sarad Shah (Whole Time Director)
		c) Mr. Paramveer Singh (Chief Executive Officer)
		d) Mr. Neeraj Kumar (Chief Financial Officer)
		e) Ms Isha Sablok (Company Secretary upto 13.04.2015)
		f) Mr Dheeraj Kumar Jha (Company Secretary w.e.f 13.04.2015)
iii.	Relatives of persons in (ii)	a) Mrs Sushma Nanda
iv.	Enterprises over which significant influence can be exercised by persons mentioned in (ii) and (iii) above or enterprise that have a member of key management in common with the reporting enterprise.	a) Berco Engineering Private Limited
		b) Dr. Fresh Inc, USA.
		c) Sunehari Exports Limited
		d) Number One Real Estate Private Limited
		e) JHS Svendgaard Infrastructure Private Limited
		f) Apogee Manufacturing Private Limited
		g) Dr. Fresh IT Parks Private Limited
		h) Magna Waves Impex Private Limited
		i) Secure Rail India Private Limited

b. **Transactions with related parties taken place during the year are disclosed as under:**

(Amount in ₹)

S. No.	Transactions	Key management personnel and relatives of key management personnel	Enterprises over which key management personnel and their relatives exercise significant influence	Subsidiary Companies
a.	**Revenue:**			
(i)	**Sales of products**			
	-Apogee Manufacturing Private Ltd	-	38,91,489	-
		(-)	(31,18,954)	(-)
b.	**Reimbursement of Expense:**			
	Freight Recovery	-	-	-
	-Apogee Manufacturing Private Ltd	(-)	(13,470)	(-)
c.	**Expenditure:**			
(i)	**Rent expenses**			
	-Nikhil Nanda	6,87,368	-	-
		(56,180)	(-)	(-)
	-Number One Real Estate Private Limited	-	-	-
		(-)	(20,39,334)	(-)
(ii)	**Electricity expenses**			
	-Nikhil Nanda	5,52,586	-	-
		(31,210)	(-)	(-)
	-Number One Real Estate Private Limited	-	-	-
		(-)	(9,14,035)	(-)

Notes to the Financial Statements for the year ended March 31, 2016

35. Related party disclosures (contd.)

(Amount in ₹)

S. No.	Transactions	Key management personnel and relatives of key management personnel	Enterprises over which key management personnel and their relatives exercise significant influence	Subsidiary Companies
(iii)	**Directors/KMP Remuneration #**			
	- Nikhil Nanda	27,00,000	-	-
		(10,00,000)	(-)	(-)
	-Paramveer Singh	15,08,328	-	-
		(14,88,328)	(-)	(-)
	-Vishal Sarad Shah	4,50,000	-	-
		(-)	(-)	(-)
	-Neeraj Mittal	6,48,891	-	-
		(6,50,640)	(-)	(-)
	-Isha Sablok	-	-	-
		(3,22,174)	(-)	(-)
	-Dhiraj Kumar Jha	4,48,661	-	-
		(-)	(-)	(-)
d.	**Unsecured loans/Advances:**			
(i)	**Loans/ Advances taken**			
	-Nikhil Nanda	1,73,00,000	-	-
		(6,64,00,000)	(-)	(-)
	-Apogee Manufacturing Private Limited	-	(-)	-
		(-)	(1,39,65,500)	(-)
(ii)	**Loans/ Advance repaid:**			
	-Apogee Manufacturing Private Limited	-	14,55,292	-
		(-)	(1,86,00,000)	(-)
	-Nikhil Nanda	18,03,60,000	-	-
		(3,99,50,000)	(-)	(-)
	-Sushma Nanda	-	-	-
		(12,34,333)	(-)	(-)
e.	**Loans and advances:**			
(i)	**Loans and advances given (including security deposits):**			
	-JHS Svendgaard Dental Care limited	-	-	-
		(-)	(-)	(35,000)
	-JHS Svendgaard Mechanical and Warehouse Private Limited	-	-	2,20,00,000
		(-)	(-)	(57,000)
	-Number One Real Estate Private Limited	-	-	-
		(-)	(10,00,000)	(-)
(ii)	**Repayment received:**			
	-Number One Real Estate Private Limited	-	-	-
		(-)	(1,60,40,000)	(-)
f.	**Security Deposit Recovered/Adjusted :**			
	-Number One Real Estate Private Limited	-	-	-
		(-)	(9,00,000)	(-)
g.	**Provision made- Loans and advances**			
	-JHS Svendgaard Dental Care Limited	-	-	-
		(-)	(-)	(35,000)

Notes to the Financial Statements for the year ended March 31, 2016

35. Related party disclosures (contd.)

(Amount in ₹)

S. No.	Transactions	Key management personnel and relatives of key management personnel	Enterprises over which key management personnel and their relatives exercise significant influence	Subsidiary Companies
(h)	Loan & Advance written Off			
	-Jones H Smith, FZE	-	-	15,05,722
		(-)	(-)	(-)
	Preferential allotment :			
(i)	Preferential allotment-Amount Received			
	-Nikhil Nanda	9,26,06,250	-	-
		(-)	(-)	(-)
	-Sushma Nanda	3,13,50,000	-	-
		(-)	(-)	(-)
(ii)	Preferential allotment-Amount Refunded			
	-Nikhil Nanda	3,15,56,250	-	-
		(-)	(-)	(-)
(iii)	Equity share capital issued of ₹10 each			
	-Nikhil Nanda	2,64,00,000	-	-
		(-)	(-)	(-)
	-Sushma Nanda	3,13,50,000	-	-
		(-)	(-)	(-)

The remuneration to the key management personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

c. Details of outstanding balances with Related parties are disclosed as under:

(Amount in ₹)

S. No.	Transactions	Key management personnel and their relatives	Enterprises over which key management personnel and their relatives exercise significant influence	Subsidiary Companies
a.	Payables			
(i)	Unsecured loan:			
	-Nikhil Nanda	15,73,525	-	-
		(16,46,33,525)	(-)	(-)
(ii)	Other liabilities:			
	-Nikhil Nanda	11,81,220	-	-
		(87,390)	(-)	(-)
	-Vishal Sarad Shah	36,610	-	-
		(-)	(-)	(-)
	-Number One Real Estate Private Limited	-	-	-
		(-)	(1,05,282)	(-)
	-Apogee Manufacturing Private Limited	-	-	-
		(-)	(14,55,292)	(-)
b.	Receivables:			
(i)	Loans and advances (including security deposits):			

Notes to the Financial Statements for the year ended March 31, 2016

35. Related party disclosures (contd.)

(Amount in ₹)

S. No.	Transactions	Key management personnel and their relatives	Enterprises over which key management personnel and their relatives exercise significant influence	Subsidiary Companies
	-JHS Svendgaard Dental Care limited	-	-	4,38,445
		(-)	(-)	(4,38,445)
	-Jones H Smith, FZE	-	-	-
		(-)	(-)	(15,05,722)
	-JHS Svendgaard Mechanical and Warehouse Private Limited	-	-	15,16,39,653
		(-)	(-)	(12,96,39,653)
	-Sunehari Exports Limited	-	-	-
		(-)	(4,36,125)	(-)
(ii)	**Trade receivables (excluding provision if any) :**			
	-Dr. Fresh Inc., USA	-	36,16,955	-
		(-)	(5,05,59,451)	(-)
	-Sunehari Exports Limited	-	-	-
		(-)	(9,714)	(-)
	-Apogee Manufacturing Private Limited	-	1,25,745	-
		(-)	(-)	(-)
c.	**Investments at cost (excluding provision if any):**			
	-JHS Svendgaard Dental Care Limited	-	-	38,99,010
		(-)	(-)	(38,99,010)
	-Jones H Smith, FZE, U.A.E	-	-	-
		(-)	(-)	(10,88,330)
	-JHS Svendgaard Mechanical and Warehouse Private Limited	-	-	99,990
		(-)	(-)	(99,990)
d.	**Provision:**			
(i)	**Provision for doubtful loans and advances**			
	-JHS Svendgaard Dental Care Limited	-	-	4,38,445
		(-)	(-)	(4,38,445)
	-Jones H. Smith	-	-	(-)
		(-)	(-)	(15,05,722)
(ii)	**Provision for doubtful trade receivables**			
	Dr Fresh Inc, USA	-	-	-
		(-)	(2,32,19,482)	(-)
(iii)	**Impairment of Investments**			
	-JHS Svendgaard Dental Care Limited	-	-	38,99,010
		(-)	(-)	(38,99,010)
	-Jones H. Smith, FZE, U.A.E	-	-	-
		(-)	(-)	(10,88,330)
(e)	**Money received against share warrants**			
	-Nikhil Nanda	3,46,50,000		
		(-)		

36. Balances shown under trade receivables, group companies, loans & advances, trade payables and other liabilities are subject to confirmation / reconciliation and respective consequential adjustments.

Notes to the Financial Statements for the year ended March 31, 2016

37. Deferred Tax

In accordance with Accounting Standard 22 'Accounting for taxes on income', in view of recurring losses and in absence of reasonable certainty, the Company has not recognized deferred tax assets amounting to ₹19,30,96,119/- during the year ended on March 31,2016. Further, there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized , as the Company is enjoying tax benefit under section 80-IC of the Income Tax Act, 1961. Therefore no deferred tax assets have been recognized on brought forward business losses and unabsorbed depreciation during the year ended on March 31, 2016. Consequently, the net deferred tax assets/liability as at March 31, 2016 is Nil. Deferred tax assets and liabilities are attributable to the following:

(Amount in ₹)

Particulars	As at March 31,2016	Charge/(benefit) for the year	As at March 31,2015
Deferred tax liability			
Depreciation and amortization	5,30,69,662	(4,72,02,438)	10,02,72,100
Total Deferred tax liability (A)	**5,30,69,662**	**(4,72,02,438)**	**10,02,72,100**
Deferred tax Asset			
Provision for bonus	2,71,239	33,433	2,37,806
Provision for doubtful receivables	73,29,774	23,07,400	50,22,374
Provision for obsolete stock	43,51,992	11,05,186	32,46,806
Provision for gratuity	10,62,967	2,70,158	7,92,809
Provision for leave encashment	3,20,545	1,01,353	2,19,192
Provision for doubtful advance	6,29,96,306	63,74,937	5,66,21,369
Provision for diminution in value of investments	12,04,794	1,26,032	10,78,762
Interest accrued but not due	65,016	60,035	4,981
Brought Forward losses	16,85,63,148	46,71,780	16,38,91,368
Total Deferred tax assets (B)	**24,61,65,781**	**1,50,50,314**	**23,11,15,467**
Deferred tax Asset (net) (B-A)	**19,30,96,119**	**6,22,52,752**	**13,08,43,367**

38. Earnings/(Loss) per share (EPS):

Statement on calculation of basic and diluted EPS is as under:

S. No.	Particulars	Units	Year ended March 31, 2016	Year ended March 31, 2015
A	Loss after tax	₹	(21,62,80,291)	(22,13,91,633)
B	Weighted average no. of equity shares	Nos.	2,56,87,855	2,40,95,252
C	Number of equity shares for Dilutive EPS*	Nos.	2,56,87,855	2,40,95,252
	Nominal value per share	₹	10	10
	Basic Earnings/(Loss) per share (A/B)	₹	(8.42)	(9.19)
	Dilutive Earnings/(Loss) per share (A/C)	₹	(8.42)	(9.19)

*Potential equity shares (money received against share warrants) are anti-dilutive hence not been considered for calculation of diluted EPS.

39. Obligation on long term, cancellable operating lease:

The Company has taken premises under cancellable operating leases with an option of renewal at the end of the lease term with mutual consent. There are scheduled escalation clauses. Lease rental expense of ₹21,16,172 (March 31, 2015: ₹28,91,581) charged to the Statement of Profit and Loss during the year.

Notes to the Financial Statements for the year ended March 31, 2016

40. Auditor's remuneration *

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Statutory audit fees	6,87,000	6,84,000
Tax audit fees	1,83,200	1,82,400
Other matters		
- Limited reviews	2,74,400	2,73,600
- Out of pocket expenses	73,162	30,675
Total	**12,17,762**	**11,70,675**

*Including service tax

41. The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED), promulgated by Government of India came into force with effect from 2 October 2006. As per the Act, the Company is required to identify the Micro and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The Company has not received information from any suppliers regarding their status under MSMED and hence disclosures relating to amount unpaid as at the year end together with interest paid/payable under this Act have not been given.

42. Transactions in foreign currency

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Expenditure		
Travelling	7,56,533	1,75,827
Business Promotion	4,65,655	-
Total	**12,22,188**	**1,75,827**

43. Details of derivative instruments and un hedged foreign currency exposures as at March 31, 2016 are as under:

(a) There are no derivative instruments during the year and as at March 31, 2016 and March 31, 2015.

(b) Particulars of unhedged foreign currency exposure as on March 31, 2016:

Particulars	March 31, 2016			March 31, 2015		
	Currency	Amount in Foreign Currency	Amount in ₹	Currency	Amount in Foreign Currency	Amount in ₹
A. Receivable in foreign currency						
Trade Receivables*	USD	3,74,983	2,33,32,927	USD	13,74,983	8,58,09,477
Advance to Suppliers	USD	22,566	15,23,553	USD	11,953	6,61,155
B. Payables in foreign currency						
Trade payables	USD	58,414	38,62,549	USD	Nil	Nil

* There is a provision of ₹2,33,32,927/- (March 31, 2015: ₹2,32,19,482/-) against these receivable balances.

Notes to the Financial Statements for the year ended March 31, 2016

44. Details of consumption and purchases

a. Raw material and packing material consumed

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Nylon bristles	4,17,58,827	4,42,42,483
Anchor wire	75,54,195	81,41,879
Polyproplene	6,09,17,047	10,42,19,955
Chemicals	14,85,34,506	4,69,37,668
Flavour	7,56,87,868	2,47,41,602
Empty Tube	13,10,84,030	5,46,90,433
Monocarton	6,26,93,154	2,57,52,306
Packing/other material	17,01,98,441	6,52,37,313
Total	**69,84,28,068**	**37,39,63,639**

b. Value of imported and indigenous raw material (including packing materials) consumed

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	%	Amount (₹)	%	Amount (₹)
Raw material (including packing material)				
Imported	2.57%	1,79,19,503	3.47	1,29,84,943
Indigenous	97.43%	68,05,08,565	96.53	36,09,78,696
Total	**100.00%**	**69,84,28,068**	**100.00**	**37,39,63,639**

c. Value of Imported and indigenous stores and spares and other consumable's consumed

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	%	Amount (₹)	%	Amount (₹)
Stores and Spares				
Imported	5.92%	2,34,321	-	-
Indigenous	94.08%	39,57,705	100.00	95,41,535
Total	**100.00%**	**39,57,706**	**100.00**	**95,41,535**

d. Value of imports on CIF basis

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Raw material	1,79,19,503	1,36,90,273
Capital goods	20,45,137	-
Spare Parts	2,34,321	-
WIP	6,17,137	-
Total	**2,08,16,098**	**1,36,90,273**

Notes to the Financial Statements for the year ended March 31, 2016

45. Information pursuant to Regulations 34(3) & 53(f) of the Listing Obligations and Disclosure Requirements with Stock Exchanges

A. Interest free loan and advances to subsidiaries, in the nature of loan with no specifies repayment schedule:

(Amount in ₹)

Particulars	Jones H Smith, FZE, U.A.E. (upto 8/2/2016)	JHS Svendgaard Dental Care Limited	JHS Mechanical and Warehouse Private Limited
Balance as at March 31, 2016 excluding provision	-	4,38,445	15,16,39,653
	(15,05,722)	(4,38,445)	(12,96,39,653)
Maximum balance during the year ended March 31, 2016	15,05,722	4,38,445	15,16,39,653
	(15,05,722)	(4,38,445)	(12,96,39,653)
Provision against loan balance as at March 31, 2016	-	4,38,445	-
	(15,05,722)	(4,38,445)	(-)

Figures in brackets represents previous year figure.

B. Loans and advances in the nature of loans to companies in which directors are interested.

Particulars	Number One Real Estate Pvt Limited
Balance as at March 31, 2016	-
	-
Maximum balance during the year ended March 31, 2016	-
	(1,67,84,158)

Figures in brackets represents previous year figure.

46. Disclosure required under section 186(4) of the Companies Act 2013 :-

Particulars of loan given

(Amount in ₹)

S.No.	Name	Outstanding Balances	Purpose
1	JHS Mechanical and Warehouse Private Limited	15,16,39,653 (12,96,39,653)	Purchase of land
2	A.R. Textiles Private Limited*	12,21,36,992 (12,21,36,992)	Intercorporate financing

*Doubtful of recovery and fully provided for.

Figures in brackets represents previous year figure.

Notes to the Financial Statements for the year ended March 31, 2016

46. Disclosure required under section 186(4) of the Companies Act 2013 :- (contd.)

Particulars of Investment Made (Amount in ₹)

S.No.	Name of Investee	Investment Made
1	JHS Svendgaard Dental Care Limited#	38,99,010 (38,99,010)
2	Jones H Smith FZE, U.A.E.	- (10,88,330)
3	JHS Mechanical and Warehousing Private Limited	99,990 (99,990)

#Provision for diminution in value of investment has been made in books of accounts for the entire investment.

Figures in brackets represents previous year figure.

47. The Company is not meeting the eligibility criteria as prescribed in section 135 of Companies Act 2013 for spending on corporate social responsibility and hence no such expenditure has been incurred during the year.

48. Previous year figures have been regrouped/ reclassified wherever considered necessary to confirm to the presentation of current year's financial statements.

As per our report of even date attached.
For S.N. Dhawan & Co.
Chartered Accountants
FRN: 000050N

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date :26.05.2016

For and on behalf of the Board of Directors of
JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director
DIN : 00051501

Vanamali Polavaram
Chairman
DIN : 01292305

Dhiraj Kumar Jha
Company Secretary &
Compliance Officer
Membership No. A29838

Neeraj Kumar
Chief Financial Officer

Independent Auditor's Report

To the Members of
JHS Svendgaard Laboratories Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of JHS Svendgaard Laboratories Limited (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the Group 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its subsidiaries as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financials statements of two

subsidiaries, whose financial statements reflect total assets of ₹14,86,40,377 as at March 31,2016, total revenues of ₹Nil and net cash outflows amounting to ₹44,483 for the year ended on that date, as considered in the consolidated financial statements. These financial statements 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 sections (3) and (11) of Section 143 of the act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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 matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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, and the Consolidated Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2016 and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiaries companies , none of the other directors of the Group's companies is disqualified as on March 31, 2016 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Consolidated financial statements disclose the impact of pending litigations on its financial position in its consolidated financial statements Refer note 31 to the consolidated financial statements.

      (ii) The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.

For **S. N. Dhawan & Co.**
Chartered Accountants
Firm's Registration No. 000050N

S. K. Khattar
Partner
M. No. 084993

Place: New Delhi
Date: May 26, 2016

Annexure "A" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of JHS Svendgaard Laboratories Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of JHS Svendgaard Laboratories Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("ICAI'). 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **S. N. Dhawan & Co.**
Chartered Accountants
Firm's Registration No. 000050N

S. K. Khattar
Partner
M. No. 084993

Place: New Delhi
Date: May 26, 2016

Consolidated Balance Sheet as at March 31, 2016

(Amount in ₹)

	Notes	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	37,63,50,000	24,09,52,520
(b) Reserves and surplus	4	57,05,63,573	95,50,38,387
(c) Money received against share warrants		5,89,46,250	-
		1,00,58,59,823	**1,19,59,90,907**
(2) Minority Interest	5	-	-
(3) Deferred government grant	6	**15,00,000**	**18,00,000**
(4) Non-current liabilities			
(a) Long term borrowings	7	1,12,92,069	10,62,970
(b) Other Long Term liabilities	9	37,53,540	75,07,080
(c) Long term provisions	8	40,51,082	37,81,922
		1,90,96,691	**1,23,51,972**
(5) Current liabilities			
(a) Short term borrowings	10	25,43,446	18,56,03,446
(b) Trade payables	11		
- Total Outstanding dues of micro & small enterprises		-	-
- Total Outstanding dues of trade payables other than micro & small enterprises		13,36,06,504	11,69,19,431
(c) Other current liabilities	12	4,69,34,315	18,61,73,422
(d) Short term provisions	8	4,26,305	3,95,569
		18,35,10,570	**48,90,91,868**
TOTAL		**1,20,99,67,084**	**1,69,92,34,747**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
- Tangible assets	13	65,02,20,555	1,07,78,11,495
- Intangible assets	13	7,73,823	10,67,874
- Capital work-in-progress		64,72,053	
- Intangible assets under development		3,16,012	3,16,012
(b) Long term loans and advances	14	19,37,48,445	19,30,61,733
(c) Other non-current assets	15	18,05,020	7,64,740
		85,33,35,908	**1,27,30,21,854**
(2) Current assets			
(a) Inventories	16	9,31,16,094	9,01,26,767
(b) Trade receivables	17	6,91,10,647	25,25,49,698
(c) Cash and bank balances	18	2,88,17,551	97,52,659
(d) Short term loans and advances	19	4,36,08,086	2,12,78,420
(e) Other current assets	20	12,19,78,798	5,25,05,349
		35,66,31,176	**42,62,12,893**
TOTAL		**1,20,99,67,084**	**1,69,92,34,747**
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date attached.
For S.N. Dhawan & Co.
Chartered Accountants
FRN: 000050N

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date :26.05.2016

For and on behalf of the Board of Directors of
JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director
DIN : 00051501

Vanamali Polavaram
Chairman
DIN : 01292305

Dhiraj Kumar Jha
Company Secretary &
Compliance Officer
Membership No. A29838

Neeraj Kumar
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(Amount in ₹)

	Notes	Year ended March 31, 2016	Year ended March 31, 2015
INCOME			
Revenue from operations (Gross)	21	1,00,08,54,852	55,32,39,459
Less:Excise Duty		-	
Revenue from operations (Net)		1,00,08,54,852	55,32,39,459
Other income	22	73,00,638	87,14,302
Total revenue		**1,00,81,55,490**	**56,19,53,761**
EXPENSES			
Cost of materials consumed	23	69,84,28,068	37,39,63,639
(Increase)/decrease in inventories of finished goods and work-in-progress	24	3,34,93,510	3,00,29,184
Employee benefits expense	25	7,23,12,075	5,79,00,374
Finance costs	26	36,47,789	14,07,754
Depreciation, amortisation and impairment	27	10,48,91,831	12,35,56,204
Other expenses	28	13,23,37,527	13,01,92,627
Total expenses		**1,04,51,10,799**	**71,70,49,782**
Profit/ (loss) before exceptional, extra ordinary items, prior period expenses		**(3,69,55,310)**	**(15,50,96,021)**
Less: Exceptional Items	29 (a)	4,47,07,573	6,53,13,567
Less: Extraordinary Items	29 (b)	13,47,32,059	-
Less: Prior period expenses (net)			9,16,437
Profit/ (loss) before tax		**(21,63,94,941)**	**(22,13,26,025)**
Tax Expense:			
- Current tax		-	-
- Deferred tax charge / (benefit) (refer note 37)		-	-
- Tax for earlier years		16,320	4,42,191
Total tax expense		16,320	4,42,191
Profit/ (loss) for the year		**(21,64,11,261)**	**(22,17,68,216)**
Earnings/ (loss) per share	38		
(Nominal value ₹10/- share)			
- Basic and Diluted EPS (Including extra ordinary items)		(8.42)	(9.19)
- Basic and Diluted EPS (Excluding extra ordinary items)		(3.18)	(9.19)
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date attached.
For S.N. Dhawan & Co.
Chartered Accountants
FRN: 000050N

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date :26.05.2016

For and on behalf of the Board of Directors of
JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director
DIN : 00051501

Vanamali Polavaram
Chairman
DIN : 01292305

Dhiraj Kumar Jha
Company Secretary &
Compliance Officer
Membership No. A29838

Neeraj Kumar
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2016

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before exceptional, extra ordinary items, prior period expenses and tax	(3,69,56,362)	(15,50,96,020)
Adjustments for:		
Exceptional item:		
Provision for doubtful trade receivable written back	-	12,37,94,001
Depreciation, amortisation and impairment	10,48,91,831	12,35,56,203
Interest income	(4,87,590)	(4,67,193)
Government grant amortisation (income)	(3,00,000)	(3,00,000)
Provisions no longer required written back	(12,78,059)	(24,48,578)
Security deposit written off	11,340	54,06,970
Provision for doubtful loans and advances	-	12,26,89,107
Turnover discount	(5,61,708)	(1,80,775)
Loss/(profit) on sale of fixed assets	8,66,811	3,67,025
Provision for doubtful receivables (including exceptional items)	5,01,470	(12,37,94,001)
Profit on sale of long term investment	(11,670)	-
Provision for doubtful advances Written back	(18,37,945)	-
Provision for doubtful advances	-	(12,21,36,992)
Provision for diminution in value of investments written back	(10,88,330)	-
Provision for slow moving stock written back	(1,99,353)	39,89,549
Advances written off	18,49,385	19,26,603
Unrealised Loss (gain) on foreign currency receivables and payables	-	64,39,642
Dividend income from investment	(50,580)	-
Interest and financial charges	36,48,488	14,09,773
Operating profit before working capital changes	**6,89,97,728**	**(1,48,44,686)**
Adjustment for:		
Increase in inventories	(27,89,974)	(3,59,22,866)
Decrease in trade receivables	5,35,46,367	3,53,97,851
Decrease/ (increase) in short term loans and advances	(2,23,29,665)	72,49,635
Decrease in other current assets	(4,37,955)	(20,68,494)
Decrease in long term loans and advances	(52,156)	2,07,98,217
Decrease in other non-current assets	(10,40,280)	-
Increase/ (decrease) in trade payables	1,72,48,783	6,92,59,231
(Decrease)/increase in provisions	2,92,150	17,96,613
Increase in Other long term & current liabilities	(15,10,87,965)	(87,41,690)
Cash generated from operations	**(3,76,52,967)**	**7,29,23,811**
Taxes paid	33,465	23,327
Net cash generated from operating activities	**(3,76,86,432)**	**7,29,00,484**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,96,75,099)	1,23,61,123
Proceeds from sale of investment	11,00,000	-
Sale of fixed assets	15,00,000	45,000
Maturity/(investment) of/in deposits of more than three months	-	5,42,054
Sale proceeds of Wave Hygiene Products Business	4,14,00,000	-
Dividend Income	50,580	-
Interest income received	4,17,720	2,53,583
Net cash used in investing activities	**1,47,93,201**	**1,32,01,760**

Consolidated Cash Flow Statement for the year ended March 31, 2016

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/ (repayment of) long term borrowings	2,04,53,684	(14,37,26,752)
Dividend paid	-	90
Proceeds from/ (repayment of) short term borrowings	(18,30,60,000)	4,76,84,333
Proceed from Share Capital and securities premium	14,89,37,228	-
Proceed from Share Warrant	5,89,46,250	-
Interest and financial charges	(32,14,521)	(14,09,773)
Net cash used in financing activities	**4,20,62,641**	**(9,74,52,102)**
Net Increase/(decrease) in cash and cash equivalents	**1,91,69,410**	**(1,13,49,858)**
Opening balance of cash and cash equivalents	96,48,141	2,11,02,517
Closing balance of cash and cash equivalents	**2,88,17,551**	**97,52,659**
Components of cash and cash equivalents as at end of the year		
Cash on hand	1,32,023	23,31,235
Balances with banks		
- on current account	2,47,18,032	24,18,265
- term deposits with original maturity of 3 months or less	20,42,918	16,40,165
Other bank balances		
- in unpaid dividend account	1,67,691	1,67,601
- Term deposits with original maturity of more than 3 months but less than 12 months	17,56,887	31,95,393
Cash and bank balance (Refer note 18)	**2,88,17,551**	**97,52,659**

Note:

I. The accompanying notes form an integral part of the financial statements.

II. The above cash flow statement has been prepared under the indirect method set out in Accounting Standard 3'Cash Flow Statement.

As per our report of even date attached.
For S.N. Dhawan & Co.
Chartered Accountants
FRN: 000050N

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date :26.05.2016

For and on behalf of the Board of Directors of
JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director
DIN : 00051501

Vanamali Polavaram
Chairman
DIN : 01292305

Dhiraj Kumar Jha
Company Secretary &
Compliance Officer
Membership No. A29838

Neeraj Kumar
Chief Financial Officer

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

1. BACKGROUND

JHS Svendgaard Laboratories Limited is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in manufacturing a range of oral and dental products for elite national and international brands. The main portfolio of the Company is to carry out manufacturing and exporting of oral care and hygiene products including toothbrushes, toothpastes, mouthwash, sanitizers and job work of detergent powder. The Company's shares are listed for trading on the National Stock Exchange and the Bombay Stock Exchange in India.

The Company along with its subsidiaries is hereinafter collectively referred to as a 'Group'. The entities under the group are engaged in trading of personal care products, providing dental care services and warehousing/renting services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of Consolidated Financial Statements

The consolidated financial statements have been prepared to comply in all material respects with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provision of the Companies Act, 2013 and guidelines issued by Securities and Exchange Board of India, to the extent applicable. The consolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies are consistent with those followed in the previous year.

b. Principles of Consolidation

i. The consolidated financial statements include the financial statements of JHS Svendgaard Laboratories Limited ("Parent company/company) and its subsidiaries (collectively known as "the group"):

Name of Subsidiaries	Country of Incorporation	Ownership Interest
JHS Svendgaard Dental Care Limited	India	95.12%
JHS Mechanical & Warehouse Private Limited	India	99.99%

ii. The consolidated financial statements have been prepared on the following basis:

- The consolidated financial statements have been prepared in accordance with the Accounting Standard 21, "Consolidated Financial Statements" specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- The financial statement have been consolidated on a line by line basis by adding together the book value of assets, liabilities, income & expenses, after fully eliminating intra group balances and intra group transaction resulting in unrealized profits/ losses, if any.
- The consolidated financial statements have been prepared by using uniform accounting policies for like transaction and other events in similar circumstances and are presented to the extent possible in the same manner as those of the Parent Company independent financial statements unless stated otherwise.
- The operations of the foreign subsidiaries have been considered by the management, as non integral operation.
- The difference between the cost to the company of its investments in its subsidiary and its portion of equity of subsidiary at the dates they become subsidiary, is recognized in the financial statements as goodwill or capital reserve, as the case may be. This is based upon determination of pre-acquisition profit/loss and of the net worth on the date of acquisition determined by the management on the basis of certain estimates which have been relied upon by the auditors.
- Minority interest in the consolidated financial statement is identified and recognized after taking into consideration, the minority share of movement in equity since the date parent-subsidiary relationship came into existence. The profit/loss attributable to the minorities is adjusted against the income of the group in order to arrive at the net income attributable to the company.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

- The consolidated financial statements are presented, to the extent possible and required, in the same format as that adopted by the Parent Company for its separate financial statements.

c. **Use of estimates**

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenue and expenses. Although such estimates and assumptions are made on reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are crystallized. Any revision to accounting estimates is recognized in the current and future periods.

d. **Operating Cycle**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the above criteria, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

e. **Tangible assets**

Tangible assets are stated at the cost of acquisition or construction, less accumulated depreciation and impairment losses, if any. The cost of an item of tangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid towards acquisition of tangible assets outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the year end are shown as capital work-in-progress.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increases the future benefits from the existing asset beyond its previously assessed standard of performance.

A tangible asset is eliminated from the financial statements on disposal or when no further economic benefit is expected from its use or disposal.

Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net realisable value and the carrying amount of the asset and are recognised in the Statement of consolidated Profit and Loss.

f. **Intangible assets**

An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured.

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. The cost of an item of intangible asset comprises its purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net realisable value and the carrying amount of the asset and are recognised in the Statement of consolidated Profit and Loss.

g. **Depreciation / Amortization**

Depreciation on tangible assets except moulds and dies are provided on a pro-rata basis on Straight Line Method (SLM) based on the useful lives of assets specified in Part C of Schedule II of the Companies Act, 2013.

Based on internal assessment and technical evaluation, the management has assessed useful lives of moulds and

dies as five years, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Intangible assets comprising of computer software are amortized over a period of five years.

Depreciation and amortization on addition to fixed assets is provided on pro-rata basis from the date the assets are ready for use. Depreciation and amortization on sale/discard from fixed assets is provided for upto the date of sale, deduction or discard of fixed assets as the case may be.

All assets costing ₹5,000 or below are depreciated/amortized by a one-time depreciation/amortization charge in the year of purchase.

h. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

i. Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash balance with bank, and highly liquid investments with original maturities, at the date of purchase/investment, of three months or less.

j. Inventories

i. Raw materials, packaging materials and stores and spare parts are valued at the lower of cost and net realizable value. Cost includes purchase price, taxes (excluding levies or taxes subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

ii. Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

iii. Excise duty liability, wherever applicable, is included in the valuation of closing inventory of finished goods. Excise duty payable on finished goods is accounted for upon manufacture and transfer of finished goods to the stores. Payment of excise duty is deferred till the clearance of goods from the factory premises.

iv. Provision for obsolescence on inventories is made on the basis of management's estimate based on demand and market of the inventories.

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

vi. The comparison of cost and net realisable value is made on an item by item basis.

k. Revenue recognition

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

Sale of goods

Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership to the customer.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

Revenue is net of excise duty, sales tax, value added tax and other applicable discounts and allowances.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend income

Dividend is recognized when the right to receive the income is established.

Export incentives

Export incentives principally comprise of Duty Entitlement Pass Book Scheme (DEPB). The benefit under these incentive schemes are available based on the guideline formulated for respective schemes by the government authorities. DEPB is recognized as revenue on accrual basis to the extent it is probable that realization is certain.

Sale of scrap

Revenue from sale of scrap is recognized when the significant risks and rewards of ownership of goods have passed to the buyer.

Service income

Service income includes job work and its revenue is recognized on completion of services, based on service contracts.

Reimbursement Receipts

Reimbursement income is recognized on accrual basis on the basis of contracts.

l. **Borrowing cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition or construction or production of qualifying assets are capitalized as part of the cost of assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the Statement of consolidated Profit and Loss in the period in which they are incurred.

m. **Foreign currency transactions**

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognized in the Statement of Profit and Loss. Non monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.

Translation of integral and non integral foreign operations

The Company classifies its foreign operations as either "integral foreign operations" or "non integral foreign operations".

The consolidated financial statements of an integral foreign operation are translated as if the transactions of the foreign operations have been those of the Company itself. The assets and liabilities (except share capital which is taken at historical cost) both monetary and non monetary, of the non integral foreign operation are translated at the closing rate. Income and expense items of the non integral foreign operation are translated at average rates at the date of transaction. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment, at which time the accumulated amount is recognized as income or as expense.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classifications are applied from the date of the change in the classified.

n. Investments

Investments that are readily realizable and are intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. However that part of long term investments which is expected to be realized within 12 months after the reporting date is presented under "Current Assets" in consonance with current/non current classification scheme of Schedule III of Companies Act, 2013. The cost of an investment includes acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Any reduction in the carrying amount and any reversals of such reduction are charged or credited to the Statement of Consolidated Profit and Loss. Profit or loss on sale of individual investment is determined on the basis of weighted average carrying amount of investment disposed off.

o. Employee Benefits

Short term employee benefits:

All employee benefits payable wholly within twelve months of receiving employee service are classified as short term employee benefits. These benefit includes salaries, wages, short term compensated absence and bonus etc and are recognized in the Statement of consolidated Profit and Loss in the period in which the employee renders the related service.

Long term employee benefits:

- Defined contribution plans: Provident Fund

  All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India.

- Defined contribution plans: Employee State Insurance

  Employees whose wages/salary is within the prescribed limit in accordance with the Employee State Insurance Act, 1948, are covered under this scheme. These contributions are made to the fund administered and managed by the Government of India.

  The Company's contributions to these schemes are expensed off in the Statement of Consolidated Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

- Defined benefit plans: Gratuity

  The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan, are accounted for on the basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the Projected Unit Credit method and adjusted for past service cost. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is recognised as an income or expense in the Statement of Consolidated Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

- Other long-term benefits: Leave benefits
  Benefits under the Company's leave benefits scheme constitute other employee benefits. The liability in respect of leave benefits is provided on the basis of an actuarial valuation done by an independent actuary at the end of the year. Actuarial gains and losses are recognized immediately in the Statement of Consolidated Profit and Loss.

p. Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of product sold and service provided, with each segment representing a strategic business unit that offers different product/service. The analysis of geographical segments is based on geographical location of the customers.

Allocation of common cost

Common allocable costs are allocated to each segment according to relative contribution of each segment to the total common costs.

Unallocated items

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

Segment policies

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

q. Accounting for taxes on income

Income tax expenses comprises of current tax and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantially enacted as at the Balance Sheet date. Deferred tax assets are recognized for timing differences only to the extent there is reasonable certainty that sufficient future taxable income will be available against which these assets can be realized in future whereas, in cases of existence of carry forward of losses or unabsorbed depreciation, deferred tax assets are recognized only if, there is virtual certainty of realization supported by convincing evidence. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

r. Government grant

Government grants available to the enterprise are recognized when both the following conditions are satisfied:

(a) where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and

(b) Where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

Grants related to depreciable assets are treated as deferred income which is recognized in the Statement of Profit and Loss on a systematic and rational basis over the remaining period of life of the assets. Grants related to non-depreciable assets are credited to capital reserve.

s. **Provisions, contingent liabilities and contingent assets**

Provision

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets

Contingent assets are neither recorded nor disclosed in the consolidated financial statements.

t. **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders after tax (and excluding post tax effect of any extra-ordinary item) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year, are adjusted for events of bonus issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares, if any, except when the results would be anti-dilutive.

The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

u. **Leases**

Operating lease

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as an operating lease. Lease payments under operating lease are recognized as an expense in the Statement of Consolidated Profit and Loss on a straight-line basis over the lease term.

Finance lease

Assets taken on finance lease are capitalized at an amount equal to the fair value of the leased assets or the present value of minimum lease payments at the inception of the lease, whichever is lower. Such leased assets are depreciated over the lease tenure or the useful life, whichever is shorter. The lease payment is apportioned between the finance charges and reduction to principal, i.e., outstanding liability. The finance charge is allocated to the periods over the lease tenure to produce a constant periodic rate of interest on the remaining liability.

v. **Material events**

Material events occurring after the Balance Sheet date are taken into cognizance.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

3 : SHARE CAPITAL

The Company has only one class of equity shares having a par value of ₹10/- per share referred to herein as equity share.

	As at March 31, 2016		As at March 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Authorised shares				
Equity shares of ₹10/- each (March 31, 2015 : ₹10/- each)	6,00,00,000	60,00,00,000	5,00,00,000	50,00,00,000
Issued, subscribed & fully paid up shares				
Equity shares of ₹10/- each (March 31, 2015 : ₹10/- each)	**3,76,35,000**	**37,63,50,000**	**2,40,95,252**	**24,09,52,520**

a) **Reconciliation of equity shares outstanding as at the beginning and at the end of the reporting period**

Particulars	As at March 31, 2016		As at March 31, 2015	
	Numbers	Amount in ₹	Numbers	Amount in ₹
At the beginning of the year	2,40,95,252	24,09,52,520	2,40,95,252	24,09,52,520
Add : Shares issued during the year *	1,35,39,748	13,53,97,480	-	-
At the end of the year	**3,76,35,000**	**37,63,50,000**	**2,40,95,252**	**24,09,52,520**

* Pursuant to approval of shareholders by way of special resolution in accordance with section 42 & 62 of the Companies Act, 2013 and Rules made thereunder and as per SEBI (ICDR) Regulations, 2009 the Company approved preferential allotment of 34,974,748 fully convertible warrants of ₹10 each at an issue price of ₹11 per warrant. During the year, the Company has converted 32,80,000 on January 05, 2016 and 10,259,748 on March 03, 2016 fully convertible share warrants (out of total 34,974,748 share warrants) into the equal number of fully paid up equity shares after receiving full issue price at the rate of ₹11 per warrant from the respective allottees. The shares allotted by the Company on March 03, 2016 were listed on April 18, 2016.

b) **Terms / rights attached to equity shares**

Voting : Each holder of equity shares is entitled to one vote per share held.

Dividends : 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 except in the case where interim dividend is distributed. During the year ended March 31, 2016 and March 31, 2015, no dividend has been declared by the Company.

Liquidation : In the event of liquidation of the Company, the holders of equity shares will be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amount will be in proportion to the number of equity shares held by the shareholders.

c) **Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date:**

65,45,245 equity shares issued to the shareholders of merged entities pursuant to the scheme of amalgamation in the finacial year 2012-13

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

3 : SHARE CAPITAL (contd.)

d) Detail of shareholders holding more than 5% shares in the Company

	As at March 31, 2016			As at March 31, 2015		
	Numbers	% held	Amount in ₹	Numbers	% held	Amount in ₹
Nikhil Nanda *	1,12,10,774	29.79%	11,21,07,740	88,10,774	36.57%	8,81,07,740
Tano Mauritius India FVCI	34,99,999	9.30%	3,49,99,990	34,99,999	14.53%	3,49,99,990
Sixth Sense India Opportunities-I	30,00,000	7.97%	3,00,00,000	-	0.00%	-
Sushma Nanda *	30,65,983	8.15%	3,06,59,830	2,15,983	0.90%	21,59,830
Amit Saxena *	20,00,000	5.31%	2,00,00,000	-	0.00%	-

* The company has alloted 2,400,000 nos., 2,850,000 nos. and 2,000,000 numbers of equity shares on March 3, 2016 to Mr. Nikhil Nanda, Mrs. Sushma Nanda and Mr. Amit Saxena respectively. The same has been listed on April 18, 2016.

4 : RESERVES AND SURPLUS

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
4.1 Capital Reserves		
Opening balance	33,24,01,257	2,41,12,040
Add: Amount transferred on account of waiver of term loan	-	30,82,89,217
Closing balance (A)	**33,24,01,257**	**33,24,01,257**
4.2 Securities premium account		
Opening balance	82,72,11,088	34,43,18,448
Add : Premium on warrant converted to shares	1,35,39,748	
Add: Amount adjusted against setting off non recoverable trade receivables	-	48,28,92,640
Closing balance (B)	**84,07,50,836**	**82,72,11,088**
4.3 General reserves		
Opening balance	6,67,750	6,67,750
Addition during the year	-	-
Closing balance (C)	**6,67,750**	**6,67,750**
4.4 Deficit in the Statement of Profit and Loss		
Opening balance	(25,10,99,051)	(2,97,64,333)
Less: Loss for the year transferred from the Statement of Profit and Loss	(21,64,11,261)	(22,17,68,216)
Add: Adjustment for Minority Interest	2,00,050	2,00,050
Less: Adjustement to the extent of borrowing	-	2,52,714
Less: Adjustement on a/c of depriciation carried to reserve	-	(19,266)
Less: Opening reserve of Foreign subsidiary	(13,59,46,008)	-
Closing balance (D)	**(60,32,56,270)**	**(25,10,99,051)**
4.5 Foreign Currency Translation Reserve		
Opening balance	4,58,57,342	3,86,52,053
Add: Addition during the year	-	72,05,289
Less : adjustment on a/c of sale of invetsment in subsidiary	4,58,57,342	-
Closing balance (E)	**-**	**4,58,57,342**
Total reserves and surplus (A+B+C+D)	**57,05,63,573**	**95,50,38,387**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

5 : MINORITY INTEREST

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Minority Interest	2,00,050	2,00,050
Less:Adjustment made during the year	2,00,050	2,00,050
	-	-

6 : DEFERRED GOVERNMENT GRANT

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Opening balance (Refer footnote 6.1)	18,00,000	21,00,000
Less: Current year apportionment to Statement of Profit & Loss (Refer note 22)	3,00,000	3,00,000
Closing balance	**15,00,000**	**18,00,000**

6.1 During the financial year ended March 31, 2012, the Company had received capital subsidy under the Central Capital Investment Subsidy Scheme, 2003 of the Government of India. The subsidy received is being apportioned to Statement of Profit & Loss over the useful life of the assets which is estimated as 10 years.

7 : LONG TERM BORROWINGS

(Amount in ₹)

	Non-current portion		Current maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Secured				
Vehicle loans from banks *	2,92,069	10,62,970	7,70,777	15,46,192
	2,92,069	**10,62,970**	**7,70,777**	**15,46,192**
Amount disclosed under the head Other current liabilities (Refer note 11)	-	-	(7,70,777)	(15,46,192)
Net amount (A)	**2,92,069**	**10,62,970**	**-**	**-**
Unsecured				
Unsecured Loan from other **	1,10,00,000	-	1,10,00,000	-
	1,10,00,000	**-**	**1,10,00,000**	**-**
Amount disclosed under the head Other current liabilities (Refer note 11)	-	-	(1,10,00,000)	-
Net amount (B)	**1,10,00,000**	**-**	**-**	**-**
TOTAL (A+B)	**1,12,92,069**	**10,62,970**	**-**	**-**

* Respective assets are hypothecated against the loans taken to acquire such vehicles. Loan is repayable within a period of 60 months at interest rate in the range of 8% p.a. to 12% p.a.

**Repayable in 2 equal yearly installment commencing from 31st December 2016 @ interest rate of 15% p.a.

8 : PROVISIONS

(Amount in ₹)

	Long term		Short term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Provisions for employees benefits				
Provision for gratuity	32,23,998	29,81,830	2,16,026	2,04,069
Provision for leave benefits	8,27,084	8,00,092	2,10,279	1,91,500
	40,51,082	**37,81,922**	**4,26,305**	**3,95,569**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

9 : OTHER LONG TERM LIABILITIES

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Payable for capital goods	37,53,540	75,07,080
	37,53,540	**75,07,080**

10 : SHORT TERM BORROWINGS

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Unsecured		
Interest free loan from related parties repayable on demand (Refer note 36)	25,43,446	16,56,03,446
Inter corporate deposit	-	2,00,00,000
	25,43,446	**18,56,03,446**

11 : TRADE PAYABLES

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Trade payables (Refer note 41)		
-Total Outstanding dues of micro & small Enterprises	-	-
-Total Outstanding dues of trade payables other than micro & small enterprises	13,36,06,504	11,68,14,149
Trade payables to related party	-	105282
	13,36,06,504	**11,69,19,431**

12 : OTHER CURRENT LIABILITIES

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term Borrowings (Refer note 6)	1,17,70,777	15,46,192
Due towards One Time Settlement with banks	-	
Bank Of India	-	6,85,00,000
ICICI Bank	-	7,25,02,445
Interest accrued but not due on borrowings	2,10,411	19,886
Interest accrued and due on borrowings from others	2,43,443	-
Book overdraft	4,27,203	25,02,463
Payable for Capital goods	75,53,303	68,39,346
Advance received from customers	34,73,992	32,64,660
Advance received from related party	-	14,55,292
Unclaimed dividend *	1,67,602	1,67,602
Statutory dues	49,88,962	21,28,762
Expenses payables	78,81,154	1,14,90,576
Payable to employees	1,02,17,468	97,56,198
Other liabilities	-	60,00,000
	4,69,34,315	**18,61,73,422**

*There are no amounts due for payments to the Investor Education and Protection Fund.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

13: FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at April 1, 2015	Additions	Disposals/ adjustments*	As at March 31, 2016	As at April 1, 2015	Depreciation & amortization for the year	Disposals/ adjustments*	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible assets										
Freehold Land	4,63,54,701	-	2,28,87,447	2,34,67,254	-		-	-	2,34,67,254	4,63,54,701
Factory Building	29,78,58,477	-	9,62,21,119	20,16,37,358	4,96,02,349	92,76,574	1,41,27,269	4,47,51,654	15,68,85,704	24,82,56,127
Office Building	1,71,16,367	-	-	1,71,16,367	22,10,060	6,05,645	-	28,15,705	1,43,00,662	1,49,06,308
Plant & Machinery	96,53,94,607	96,41,829	28,17,15,341	69,33,21,094	33,39,12,223	5,75,98,303	9,87,07,931	29,28,02,596	40,05,18,498	63,07,18,209
Moulds & Dies	28,34,78,994	34,01,031	9,69,15,411	18,99,64,613	22,00,70,748	2,09,36,073	6,57,44,197	17,52,62,624	1,47,01,989	6,32,19,167
Electronic Equipment	8,51,07,225	-	3,70,37,182	4,80,70,043	3,73,90,117	92,49,492	1,72,95,308	2,93,44,301	1,87,25,742	4,83,39,559
Lab Equipment	10,20,211	-	-	10,20,211	3,82,735	1,10,061	-	4,92,797	5,27,414	6,37,476
Furniture & fixtures	2,27,58,597	11,27,908	31,04,418	2,07,82,087	1,09,41,127	18,32,734	7,14,201	1,20,59,659	87,22,428	1,17,76,618
Office Equipments	1,47,39,431	1,50,500	43,24,016	1,05,65,915	1,22,35,802	16,92,527	40,56,351	98,71,977	6,93,938	25,03,630
Vehicles	2,20,57,731	40,50,000	-	2,61,07,731	1,16,13,949	31,46,372	-	1,47,60,320	1,13,47,411	1,04,43,783
Computers	34,53,366	2,19,900	1,81,154	34,92,112	32,24,496	1,37,221	1,72,096	31,89,621	3,02,491	2,26,958
Computer network	82,687	-	-	82,687	42,758	12,906	-	55,663	27,024	39,929
Total Tangible assets	**1,75,94,22,395**	**1,85,91,167**	**54,23,86,088**	**1,23,56,27,474**	**68,16,26,363**	**10,45,97,908**	**7,69,52,873**	**58,54,06,918**	**65,02,20,555**	**1,07,74,22,465**
Previous year	1,76,56,02,311	1,14,90,093		1,75,88,32,165	55,81,61,123	12,32,48,576	-	68,14,09,701	1,07,74,22,465	
Intangible assets										
Computer software	67,75,953			67,75,953	57,08,208	2,93,922		60,02,130	7,73,823	10,67,874
Total Intangible assets	**67,75,953**	**-**		**67,75,953**	**57,08,208**	**2,93,922**	**-**	**60,02,130**	**7,73,823**	**10,67,874**
Previous year	59,04,923	8,71,030		67,75,953	54,93,400	2,14,679	-	57,08,079	10,67,874	

Note : The Opening Gross block figures have been reclassified to conform with the correct category.

* Refer Note no. 29(ii) & (iii)

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

14 : LONG TERM LOANS AND ADVANCES

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
(Unsecured considered good unless stated otherwise)		
Security deposit (Refer note 36)	9,72,039	9,58,979
Capital advances:		
- Considered good	18,53,50,516	18,47,10,332
- Considered doubtful	7,30,23,078	7,30,23,078
	25,83,73,594	25,77,33,410
Less: Provision for doubtful capital advances	(7,30,23,078)	(7,30,23,078)
	18,53,50,516	18,47,10,332
Advance tax including tax deducted at source	73,55,766	73,22,301
(Net of provisions for income tax ₹ Nil) (March 31,2015: ₹ NIL)		
Loans and advances to related parties (Refer note 36)		
- Considered good	-	-
- Considered doubtful	-	-
	-	-
Less: Provision for doubtful advances to related parties	-	-
	-	-
Loans and advances to others		
-Considered doubtful	82,73,024	82,73,024
Less: Provision for doubtful advances to others	(82,73,024)	(82,73,024)
	-	-
Deposits with excise authorities	70,124	70,124
	19,37,48,445	**19,30,61,736**

15 : OTHER NON-CURRENT ASSETS

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
(Unsecured considered good unless stated otherwise)		
Deposits with Banks having maturity period of more than twelve months*	17,56,887	5,68,368
Interest accrued on non current fixed deposits	48,133	1,96,372
	18,05,020	**7,64,740**

* pledged & margin money deposits with various government authorities amounting to ₹17,56,887 (Previous year ₹5,68,368)

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

16 : INVENTORIES (Valued at lower of cost and net realisable value)

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Raw material (includes in transit ₹ Nil (Previous Year ₹492,886)	4,34,41,438	4,07,94,823
Packing material	3,27,85,299	4,03,33,089
Work-in-progress	1,63,08,333	94,99,687
Finished goods	1,31,60,750	1,36,94,035
Stores and spares	15,04,389	88,601
	10,72,00,209	10,44,10,235
Less: Provision for obsolete stock	1,40,84,115	1,42,83,468
	9,31,16,094	**9,01,26,767**

17 : TRADE RECEIVABLES

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
(Unsecured considered good unless stated otherwise)		
a) Outstanding for a period exceeding six months from the date they were due for payment (Refer footnote 17.2)		
Considered good	1,23,29,774	19,80,38,172
Considered doubtful	2,37,20,952	2,32,19,482
	3,60,50,727	22,12,57,654
Less: Provision for doubtful debts	(2,37,20,952)	(2,32,19,482)
	1,23,29,775	19,80,38,172
b) Other receivables (considered good)	5,67,80,872	5,45,11,526
Total (a+b)	**6,91,10,647**	**25,25,49,698**

18 : CASH AND BANK BALANCES

(Amount in ₹)

		As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents			
Cash on hand		1,32,023	23,31,235
Balances with banks			
On current accounts		2,47,18,032	24,18,265
term deposits with original maturity of 3 months or less*		20,42,918	16,40,165
	(A)	**2,68,92,973**	**63,89,665**
Other bank balances			
Term deposits with original maturity of more than 3 months but less than 12 months*		17,56,887	31,95,393
Unpaid dividend		1,67,691	1,67,601
	(B)	**19,24,578**	**33,62,994**
Total	(A+B)	**2,88,17,551**	**97,52,659**

* includes pledged & margin money deposits with various government authorities amounting to ₹1,300,402 (Previous year ₹3,474,430)

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

19. SHORT TERM LOANS AND ADVANCES

(Amount in ₹)

		As at March 31, 2016		As at March 31, 2015
(Unsecured considered good unless stated otherwise)				
Loans and advances to employees		29,07,122		1,15,205
- Balances with statutory/government authorities				
Service tax receivable		339		3,976
Value Added tax		91,14,469		71,43,797
Prepaid expenses		12,14,139		6,85,418
- Advance to suppliers				
Considered good	3,03,72,016		1,33,30,024	
Considered doubtful	-		3,32,223	
Less: Provision for doubtful advances	-	3,03,72,016	(3,32,223)	1,33,30,024
- Loans and advances to corporates and others				
Considered doubtful	12,21,36,992		12,21,36,992	
Less: Provision for doubtful advances	(12,21,36,992)	-	(12,21,36,992)	-
		4,36,08,085		**2,12,78,420**

20 : OTHER CURRENT ASSETS

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Interest accrued but not due on fixed deposits with banks	3,80,762	3,10,893
Asset held for sale	4,39,000	-
Other receivables *	12,11,59,036	5,21,94,456
	12,19,78,798	**5,25,05,349**

* As per the terms of Business Transfer Agreement (BTA) on March 21, 2016 with Avalon Cosmetics Private Limited to sell/ transfer one of its undertakings known as "Waves Hygiene Products" on a 'slump sale' basis for a lump sum consideration without values being assigned to individual assets and liabilities. The agreed total consideration for sale of undertaking under slump sale was ₹162,500,000. Out of which ₹4,14,00,000 has been received and balance is receivable.

21. REVENUE FROM OPERATIONS

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from operations		
Sale of manufactured goods-Oral Care Products	98,10,51,360	54,44,99,241
Other operating revenue		
Scrap sales	71,65,215	31,73,225
Sale of packing material/raw material	1,26,38,277	55,66,993
Revenue from operations (gross)	1,00,08,54,852	55,32,39,459
Less:Excise duty (Refer Note 21.1)		-
Revenue from operations (net)	**1,00,08,54,852**	**55,32,39,459**

21.1 There is no production in taxable units of the Company in current and previous year hence excise duty is nil.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

22. OTHER INCOME

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Interest income on fixed deposits	4,68,890	4,67,193
Interest income Others	18,700	
Provisions no longer required written back	12,78,059	24,73,028
Government grant (Refer note 6)	3,00,000	3,00,000
Foreign exchange gain (net)	3,11,952	4,74,793
Freight and forwarding recovered (net)	-	12,00,610
Liability no longer required written back	-	1,00,799
Profit on sale of long term investment	11,670	-
Dividend income from investment	50,580	-
Provision for diminition in investment written back	10,88,330	-
Provision for doubtful advances written back	18,37,945	-
Provision for slow moving inventories written back	1,99,353	-
Turnover and other discounts	5,61,708	1,80,775
Sale of obsolete stock	-	19,79,440
Bad Debts Recovered	-	15,00,000
Miscellaneous income	11,73,451	37,664
	73,00,638	**87,14,302**

23. COST OF MATERIALS CONSUMED

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Cost of Raw Materials Consumed		
Stock at the beginning of the year	4,07,94,823	3,16,35,025
Add: Purchases	40,18,01,530	24,35,87,582
	44,25,96,353	27,52,22,607
Less: Stock at the end of the year	4,34,41,438	4,07,94,823
	39,91,54,915	**23,44,27,784**
Cost of packing materials consumed		
Stock at the beginning of the year	4,03,33,089	91,42,810
Add: Purchases	29,17,25,362	17,07,26,134
	33,20,58,451	17,98,68,944
Less: Stock at the end of the year	3,27,85,299	4,03,33,089
	29,92,73,152	**13,95,35,855**
	69,84,28,068	**37,39,63,639**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

24. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Finished goods		
At the beginning of the year	1,36,94,035	64,64,031
Less: At the end of the year	1,31,60,750	1,36,94,035
	5,33,285	(72,30,004)
Work-in-progress		
At the beginning of the year	94,99,687	1,63,69,104
Add: Purchases	3,97,68,871	3,03,89,770
Less: At the end of the year	1,63,08,333	94,99,687
	3,29,60,225	3,72,59,187
	3,34,93,510	**3,00,29,183**

25. EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, wages, bonus and other allowances	6,70,80,594	5,28,43,706
Contribution to provident and other funds	30,08,517	21,90,437
Workmen and staff welfare expenses	13,81,256	11,41,120
Gratuity	6,70,757	12,89,659
Leave encashment	1,70,951	4,35,452
	7,23,12,075	**5,79,00,374**

26. FINANCE COSTS

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Interest expense	34,89,928	13,74,412
Interest on delay in deposit of Stautory dues	1,57,861	33,342
	36,47,789	**14,07,754**

27. DEPRECIATION, AMORTISATION & IMPAIRMENT

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation of tangible assets	10,45,97,909	12,33,41,525
Amortisation of intangible assets	2,93,922	2,14,679
	10,48,91,831	**12,35,56,204**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

28. OTHER EXPENSES

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Consumption of stores and spares	39,57,706	95,41,535
Power and fuel	2,99,60,703	2,64,44,585
Rent	21,16,172	28,91,581
Advertisement expenses	20,81,959	9,65,874
Business promotion expenses	42,73,243	27,44,707
Brokerage & Commission	6,66,159	-
Brand promotion expenses	12,38,941	1,77,037
Repairs and maintenance	-	
Plant and machinery	63,41,307	59,13,418
Building	16,43,553	14,94,001
Others	19,79,116	35,99,188
Provision for doubtful loan and advances	-	5,17,115
Provision for doubtful receivables	5,01,470	-
Provision for slow moving inventories	-	39,89,549
Freight and cartage outward	43,35,491	26,72,981
Insurance	6,46,096	7,92,997
Legal and professional fees	1,02,37,412	1,77,27,100
Rates and taxes	33,82,444	27,28,641
Telephone and postage	13,86,542	12,48,655
Printing and stationery	5,79,949	7,65,285
Travelling and conveyance expenses	1,76,92,776	1,48,67,064
Loss on sale of fixed assets (Net)	8,66,811	3,67,025
Directors' sitting fees	4,60,000	60,000
Job work charges	2,50,25,429	1,46,06,659
Testing charges	1,42,728	17,128
Auditor's remuneration	12,70,364	12,21,411
Office maintenance	32,90,815	31,93,354
Advances written off	18,49,385	19,26,603
Security deposit written off	11,340	54,06,970
Service Tax Expenses	47,47,091	22,08,441
Miscellaneous expenses	16,52,523	21,03,723
	13,23,37,527	**13,01,92,627**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

29. EXCEPTIONAL AND EXTRAORDINARY ITEMS

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
(A) EXCEPTIONAL ITEMS		
(a) Trade receivables written off		48,28,92,640
(b) Reversal of interest on the borrowings		(16,10,67,550)
(c) Waiver of working capital facilities		(24,99,20,869)
(d) Provision for doubtful trade receivables written back	-	(12,37,94,001)
(e) Provision for doubtful advances	-	12,21,36,992
(f) Payment / Provision for fines & penalties (refer footnote no. i)	17,90,000	46,51,900
(g) Liabilities no longer required written back	-	(95,85,544)
(h) Loss on asset discontinued from active use & held for sale (refer footnote no. ii)	4,29,17,573	
	4,47,07,573	**6,53,13,567**
(B) EXTRAORDINARY ITEMS		
Loss on sale of undertaking under slump sale (refer footnote no. iii)	13,47,32,059	-
	13,47,32,059	**-**

(i) The Company was unable to publish its quarterly financial results within the time as specified under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the listing agreement due to some unforeseen reasons beyond the control of the Company. The Company has paid /provided penalty amounting to ₹1,790,000 (previous year ₹4,651,900) levied by the Stock Exchanges (i.e. BSE & NSE) for non compliance of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

(ii) During the year the Management has carried out a detailed exercise to identify fixed assets which were not in active use and were lying idle. As a result, fixed assets having gross value and written down value of ₹119,615,649 and ₹43,356,573 respectively were identified as on March 31, 2016. Consequently these assets have been classified under the head "Other Current Assets" as assets held for sale/disposal at a estimated realisable value of ₹439,000. Therefore, loss of ₹42,917,573 has been charged to the statement of profit and loss shown as exceptional item.

(iii) The Company has entered into a Business Transfer Agreement (BTA) on March 21, 2016 with Avalon Cosmetics Private Limited to sell/transfer one of its undertakings known as "Waves Hygiene Products" on a 'slump sale' basis for a lump sum consideration without values being assigned to individual assets and liabilities. The agreed total consideration for sale of undertaking under slump sale was ₹162,500,000 against the net assets value of ₹297,232,059 as on 21st March 2016. Consequently, loss of ₹134,732,059 has been charged to the statement of profit and loss shown as an extraordinary item.

30. PRIOR PERIOD EXPENSE (NET)

(Amount in ₹)

	Year ended March 31, 2016	Year ended March 31, 2015
Legal and professional expenses	-	9,16,437
	-	**9,16,437**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

31. Contingent liabilities

I. Claims/litigations made against the Company not acknowledged as debts:

a. Sales tax demand Nil (Previous Year Nil).

b. Winding up petition filed against the Company Nil (Previous Year Nil).

c. Matters under litigation:

(i) Claims against the Company by employees, vendors & customers amounting to ₹3,72,38,145 (Previous Year ₹3,05,78,000).

(ii) One of the major customers of the Company has wrongfully decided not to renew / terminate the contracts across all the business segments due to which certain assets got idle. However, in order to safeguard the interest of the shareholders, the Company has been pursuing litigation and has sought specific performance of the contract as well against these arbitrary and unjust acts of the multinational company. The Company has filed various suits against the said customer amounting to ₹6,29,99,80,817 (Previous Year ₹6,29,99,80,817) and vice versa said customer has also filed counter claims against the Company amounting to ₹2,06,14,52,365 (Previous Year ₹2,06,14,52,365).

The management of the Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial condition and results of operations.

II. Others:

Bank Guarantee issued by Bank amounting to ₹69,10,605 (Previous Year ₹69,10,605)

32. Capital commitments:

(Amount in ₹)

Particulars	March 31, 2016	March 31, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances ₹1,82,296 (March 31, 2015: ₹5,79,39,463).	11,08,368	21,61,20,545

33. Employee benefit obligations

As per Accounting Standard 15 "Employee Benefits" the disclosures relating to employee benefits obligations defined in the Accounting Standard are given below:

a) **Defined contribution plan** - Employer's contribution to provident fund and Employees' State Insurance Scheme recognized as expense in the Statement of Profit and Loss for the year are as under:

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Contribution to Provident fund*	23,71,733	16,91,745
Contribution to Employees' State Insurance Scheme*	6,36,784	4,98,643
Total	**30,08,517**	**21,90,388**

*Included in contribution to provident and other funds under employee benefit expenses (Refer Note 25)

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

33. Employee benefit obligations (contd.)

b) Defined benefit plan

Gratuity - The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit (PUC) method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations.

Leave benefits - Provision for leave benefits is made by the Company on the basis of actuarial valuation using the Projected Unit Credit (PUC) method.

I. Actuarial assumptions (Amount in ₹)

Particulars	Gratuity (unfunded)		Leave benefits (unfunded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Economic assumptions:				
Discount rate (p.a.)	7.90%	7.80%	7.90%	7.80%
Rate of escalation in salary (p.a.)	7.00%	7.00%	7.00%	7.00%
Rate of availing leave in the long run (p.a.)	-	-	11.00%	11.00%
Demographic assumptions:				
Retirement age	58 Years			
Mortality table (IALM)	IALM(2006-08) (March 31 2015 IALM 2006-08)			
Withdrawal rates (All ages)	7.00%			

Note:

The discount rate has been assumed at 7.9% (March 31, 2015: 7.80%) which is determined by reference to market yield at the Balance Sheet date on Government Securities. The estimate for rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

II. Reconciliation of opening and closing balances of defined benefit obligation (Amount in ₹)

Particulars	Gratuity (unfunded)		Leave benefits (unfunded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Defined benefit obligation at the beginning of the year	31,85,899	19,10,952	9,91,592	6,36,695
Interest cost	2,48,500	1,73,897	77,344	57,939
Past service cost	-	-	-	-
Current service cost	11,42,246	11,23,918	2,48,951	1,52,528
Actuarial (gain)/loss on obligation	(7,19,989)	(8,156)	(1,52,500)	2,24,985
Benefits paid	(4,16,632)	(14,712)	(1,28,024)	(80,555)
Present value of obligation at the end of the year	34,40,024	31,85,899	10,37,363	9,91,592
Short term provisions (Refer note 8)	2,16,026	2,04,069	2,10,279	1,91,500
Long term provisions (Refer note 8)	32,23,998	29,81,830	8,27,084	8,00,092

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

33. Employee benefit obligations (contd.)

III. Expense recognized during the year

(Amount in ₹)

Particulars	Gratuity (unfunded)		Leave benefits (unfunded)	
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Current service cost	11,42,246	11,23,918	2,48,951	1,52,528
Interest cost	2,48,500	1,73,897	77,344	57,939
Curtailment cost/(credit)	-	-	-	-
Net Actuarial (gain)/loss recognized	(7,19,989)	(8156)	(1,52,500)	2,24,985
Expenses/ (income) recognized in the Statement of Profit and Loss (Refer note 25)	6,70,757	12,89,659	1,70,951	4,35,452

IV. Amount for current and previous periods on account of experience adjustment

(Amount in ₹)

Particulars	Gratuity (unfunded)				
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Present value of obligation	34,40,024	31,85,899	19,10,952	31,80,443	25,95,767
Deficit	(34,40,024)	(31,85,899)	(19,10,952)	(31,80,443)	(25,95,767)
Experience gain/ (loss) on present benefit obligation	6,86,472	3,82,841	17,08,615	12,89,250	(9,15,941)

Particulars	Leave benefits (Unfunded)				
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Present value of obligation	10,37,363	9,91,592	6,36,695	16,47,471	10,95,094
Deficit	(10,37,363)	(9,91,592)	(6,36,695)	(16,47,471)	(10,95,094)
Experience gain/ (loss) on present benefit obligation	1,48,195	(1,73,060)	6,91,759	4,57,773	27,721

V. Employer's best estimate of contribution towards gratuity during the next year is ₹14,29,332 (March 31, 2015: ₹15,71,745)

Employer's best estimate of contribution towards leave benefits during the next year is ₹3,22,681 (March 31, 2015: ₹3,27,161)

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

34. Segment reporting

The disclosures as required by Accounting Standard 17 "Segment Reporting" are as under.

a) **Primary Segment Reporting- Business Segment**

The group's business segments are classified as under:

i) Full services goods based contract manufacture –oral care: Includes manufacturing of oral care products as a contractor for other brands.

ii) Full services goods based contract manufacture sale –oral care: Includes manufacturing of own brand of toothbrush and toothpaste.

iii) Job Work- Oral care and hygiene care: Includes job work for customers on oral care and hygiene care products.

iv) Marketing and distribution: Includes trading of goods and distribution activities.

v) Dental care clinics: Includes dental care clinic services.

(Amount in ₹)

Particulars	March 31, 2016	March 31, 2015
A SEGMENT REVENUE		
i) Full service goods based-contract manufacturer - Oral care	90,37,98,877	49,01,87,526
ii) Manufacturing sale- Oral care	9,70,54,975	6,30,51,933
iii) Job work – Oral care and hygiene care	-	-
iv) Marketing & Distribution	-	-
v) Dental Care Clinics	-	-
Total	**100,08,53,852**	**55,32,39,459**
B SEGMENT RESULTS		
i) Full service goods based-contract manufacturer - Oral care #	(13,12,064)	(11,52,18,513)
ii) Manufacturing sale- Oral care #	-	-
iii) Job work – Oral care and hygiene care	(3,00,75,486)	(3,71,43,701)
iv) Marketing and distribution	(36,577)	(33,424)
v) Dental care clinics	(94,399)	(3,78,155)
vi) Unallocated	(17,90,000)	-
Total	**(3,33,08,526)**	**(15,27,73,793)**
Less :		
Finance Cost	36,47,789	14,07,754
Prior period Expense	-	9,16,437
Exceptional Item	4,47,07,573	6,62,30,437
Total profit before Tax and Extraordinary Items	**(8,16,63,888)**	**(22,13,28,421)**
C **Capital expenditure**		
i) Full service goods based-contract manufacturer - Oral care #	2,50,63,220	16,36,702
ii) Manufacturing sale- Oral care #	-	-
iii) Job work – Oral care and hygiene care (Refer Note 29 (B) (viii))	-	1,07,24,421
iv) Marketing & Distribution	-	-
v) Dental Care Clinics	-	-
Total	**2,50,63,220**	**1,23,61,123**

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

34. Segment reporting (contd.)

(Amount in ₹)

Particulars		March 31, 2016	March 31, 2015
D	Depreciation		
i)	Full service goods based-contract manufacturer - Oral care #	8,25,93,735	10,20,47,142
ii)	Manufacturing sale- Oral care #	-	-
iii)	Job work – Oral care and hygiene care	2,22,56,538	2,14,16,113
iv)	Marketing & Distribution	-	-
v)	Dental Care Clinics	41,558	92,948
	Total	10,48,91,831	12,35,56,303
E	Net segment assets*		
i)	Full service goods based-contract manufacturer - Oral care #	97,43,17,682	97,38,74,096
ii)	Manufacturing sale- Oral care #	-	-
iii)	Job work – Oral care and hygiene care (Refer Note 29 (B) (viii))	-	4,55,42,904
iv)	Marketing & Distribution	-	18,16,02,261
v)	Dental Care Clinics	-	-
	Total	97,43,17,682	1,20,10,19,261

* Net Segment Assets = Segment Assets- Segment liabilities

The segmental information for reportable segments "Full service goods based-Oral Care " is currently not realistically ascertainable as the manufacturing process for this segment and that for full service goods based contract manufacturing is similar. The company is in the process of making necessary changes in the accounting software to derive relevant details related to this new reportable segment.

b) Secondary Segment Reporting-Geographical Segments

The analysis of geographical segments is based on the geographical location of the customers.

Secondary Segment Information: Geographical Segment

(Amount in ₹)

Particulars	India	Dubai	Others	Total
**Segment Revenue	100, 08, 53,852	-	-	100, 08, 53,852
	(55, 32, 39,459)	-	-	(55, 32, 39,459)

Figures in bracket indicate previous year figures.

**Information on assets had not been provided by location of customers, as such information is not realistically allocable and identifiable.

Segment revenue is inclusive of excise duty.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

35. Related party disclosures

The disclosures as required by the Accounting Standard -18 (Related party disclosures) are as under:

a. **Names of related parties and description of relationship:**

S. No.	Relationships	Name of Related Party
i.	Individuals having significant influence over the Company and Key Management Personnel (KMP)	a) Mr. Nikhil Nanda (Managing Director)
		b) Mr. Vishal Sarad Shah (Whole Time Director)
		c) Mr. Paramveer Singh (Chief Executive Officer)
		d) Mr. Neeraj Kumar (Chief Financial Officer)
		e) Ms Isha Sablok (Company Secretary upto 13.04.2015)
		f) Mr Dheeraj Kumar Jha (Company Secretary w.e.f 13.04.2015)
ii.	Relatives of persons in (i)	a) Mrs Sushma Nanda
iii.	Enterprises over which significant influence can be exercised by persons mentioned in (i) and (ii) above or enterprise that have a member of key management in common with the reporting enterprise.	a) Berco Engineering Private Limited
		b) Dr. Fresh Inc, USA.
		c) Sunehari Exports Limited
		d) Number One Real Estate Private Limited
		e) JHS Svendgaard Infrastructure Private Limited
		f) Apogee Manufacturing Private Limited
		g) Dr. Fresh IT Parks Private Limited
		h) Magna Waves Impex Private Limited
		i) Secure Rail India Private Limited

b. **Transactions with related parties taken place during the year are disclosed as under:**

(Amount in ₹)

S. No.	Transactions	Key management personnel and relatives of key management personnel	Enterprises over which key management personnel and their relatives exercise significant influence
a.	**Revenue:**		
(i)	**Sales of products**		
	-Apogee Manufacturing Private Ltd	-	38,91,489
		(-)	(31,18,954)
b.	**Reimbursement of Expense:**		
	Freight Recovery	-	-
	-Apogee Manufacturing Private Ltd	(-)	(13,470)
c.	**Expenditure:**		
(i)	**Rent expenses**		
	-Nikhil Nanda	6,87,368	-
		(56,180)	(-)
	-Number One Real Estate Private Limited	-	-
		(-)	(20,39,334)
(ii)	**Electricity expenses**		
	-Nikhil Nanda	5,52,586	-
		(31,210)	(-)
	-Number One Real Estate Private Limited	-	-
		(-)	(9,14,035)
(iii)	**Directors/KMP Remuneration #**		
	- Nikhil Nanda	27,00,000	-
		(10,00,000)	(-)
	-Paramveer Singh	15,08,328	-
		(14,88,328)	(-)

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

35. Related party disclosures (contd.)

(Amount in ₹)

S. No.	Transactions	Key management personnel and relatives of key management personnel	Enterprises over which key management personnel and their relatives exercise significant influence
	-Vishal Sarad Shah	4,50,000	-
		(-)	(-)
	-Neeraj Mittal	6,48,891	-
		(6,50,640)	(-)
	-Isha Sablok	-	-
		(3,22,174)	(-)
	-Dhiraj Kumar Jha	4,48,661	-
		(-)	(-)
d.	**Unsecured loans/Advances:**		
(i)	**Loans/ Advances taken**		
	-Nikhil Nanda	1,73,00,000	-
		(6,64,00,000)	(-)
	-Apogee Manufacturing Private Limited	-	(-)
		(-)	(1,39,65,500)
(ii)	**Loans/ Advance repaid:**		
	-Apogee Manufacturing Private Limited	-	14,55,292
		(-)	(1,86,00,000)
	-Nikhil Nanda	18,03,60,000	-
		(3,99,50,000)	(-)
	-Sushma Nanda	-	-
		(12,34,333)	(-)
e.	**Loans and advances:**		
(i)	**Loans and advances given (including security deposits):**		
	-Number One Real Estate Private Limited	-	-
		(-)	(10,00,000)
(ii)	**Repayment received:**		
	-Number One Real Estate Private Limited	-	-
		(-)	(1,60,40,000)
f.	**Security Deposit Recovered/Adjusted :**		
	-Number One Real Estate Private Limited	-	-
		(-)	(9,00,000)
g.	**Preferential allotment :**		
(i)	**Preferential allotment-Amount Received (Refer foot note of Note 3(a))**		
	-Nikhil Nanda	9,26,06,250	-
		(-)	(-)
	-Sushma Nanda	3,13,50,000	-
		(-)	(-)
(ii)	**Preferential allotment-Amount Refunded**		
	-Nikhil Nanda	3,15,56,250	-
		(-)	(-)
(iii)	**Share warrants Issued (Refer foot note of Note 3(a))**		
	-Nikhil Nanda	2,64,00,000	-
		(-)	(-)
	-Sushma Nanda	3,13,50,000	-
		(-)	(-)

The remuneration to the key management personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

35. Related party disclosures (contd.)

c. Details of outstanding balances with Related parties are disclosed as under:

(Amount in ₹)

S. No.	Transactions	Key management personnel and their relatives	Enterprises over which key management personnel and their relatives exercise significant influence
a.	Payables		
(i)	Unsecured loan:		
	-Nikhil Nanda	15,73,525	-
		(16,46,33,525)	(-)
	-Sushma Nanda	-	-
		(-)	(-)
(ii)	Other liabilities:		
	-Nikhil Nanda	11,81,220	-
		(87,390)	(-)
	-Vishal Sarad Shah	36,610	-
		(-)	(-)
	-Number One Real Estate Private Limited	-	-
		(-)	(1,05,282)
	-Apogee Manufacturing Private Limited	-	-
		(-)	(14,55,292)
b.	Receivables:		
(i)	Loans and advances (including security deposits):		
	-Sunehari Exports Limited	-	-
		(-)	(4,36,125)
(ii)	Trade receivables (excluding provision if any) :		
	-Dr. Fresh Inc., USA	-	36,16,955
		(-)	(5,05,59,451)
	-Sunehari Exports Limited	-	-
		(-)	(9,714)
	-Apogee Manufacturing Private Limited	-	1,25,745
		(-)	(-)
c.	Provision:		
(i)	Provision for doubtful trade receivables		
	Dr Fresh Inc, USA	-	-
		(-)	(2,32,19,482)
d.	Money received against share warrants		
	-Nikhil Nanda	3,46,50,000	
		(-)	

36. Balances shown under trade receivables, group companies, loans & advances, trade payables and other liabilities are subject to confirmation / reconciliation and respective consequential adjustments.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

37. Deferred Tax

In accordance with Accounting Standard 22 'Accounting for taxes on income', in view of recurring losses and in absence of reasonable certainty, the Company has not recognized deferred tax assets amounting to ₹19,30,96,119/- during the year ended on March 31,2016 . Further, there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized , as the Company is enjoying tax benefit under section 80-IC of the Income Tax Act, 1961. Therefore no deferred tax assets have been recognized on brought forward business losses and unabsorbed depreciation during the year ended on March 31, 2016. Consequently, the net deferred tax assets/liability as at March 31, 2016 is Nil.

Deferred tax assets and liabilities are attributable to the following:

(Amount in ₹)

Particulars	As at March 31,2016	Charge/(benefit) for the year	As at March 31,2015
Deferred tax liability			
Depreciation and amortization	5,30,69,662	(4,72,02,438)	10,02,72,100
Total Deferred tax liability (A)	**5,30,69,662**	**(4,72,02,438)**	**10,02,72,100**
Deferred tax Asset			
Provision for bonus	2,71,239	33,433	2,37,806
Provision for doubtful receivables	73,29,774	23,07,400	50,22,374
Provision for obsolete stock	43,51,992	11,05,186	32,46,806
Provision for gratuity	10,62,967	2,70,158	7,92,809
Provision for leave encashment	3,20,545	1,01,353	2,19,192
Provision for doubtful advance	6,29,96,306	63,74,937	5,66,21,369
Provision for diminution in value of investments	12,04,794	1,26,032	10,78,762
Interest accrued but not due	65,016	60,035	4,981
Brought Forward losses	16,85,63,148	46,71,780	16,38,91,368
Total Deferred tax assets (B)	**24,61,65,781**	**1,50,50,314**	**23,11,15,467**
Deferred tax Asset (net) (B-A)	**19,30,96,119**	**6,22,52,752**	**13,08,43,367**

38. Earnings/(Loss) per share (EPS):

Statement on calculation of basic and diluted EPS is as under:

S. No.	Particulars	Units	Year ended March 31, 2016	Year ended March 31, 2015
A	Loss after tax	₹	(21,64,11,261)	(22,17,68,216)
B	Weighted average no. of equity shares	Nos.	2,56,87,855	2,40,95,252
C	Number of equity shares for Dilutive EPS*	Nos.	2,56,87,855	2,40,95,252
	Nominal value per share	₹	10	10
	Basic Earnings/(Loss) per share (A/B)	₹	(8.42)	(9.19)
	Dilutive Earnings/(Loss) per share (A/C)	₹	(8.42)	(9.19)

*Potential equity shares (money received against share warrants) are anti-dilutive hence not been considered for calculation of diluted EPS.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

39. Obligation on long term, cancellable operating lease:

The Company has taken premises under cancellable operating leases with an option of renewal at the end of the lease term with mutual consent. There are scheduled escalation clauses. Lease rental expense of ₹21,16,172 (March 31, 2015: ₹28,91,581) charged to the Statement of Profit and Loss during the year.

40. The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED), promulgated by Government of India came into force with effect from 2 October 2006. As per the Act, the Company is required to identify the Micro and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The Company has not received information from any suppliers regarding their status under MSMED and hence disclosures relating to amount unpaid as at the year end together with interest paid/payable under this Act have not been given.

41. Details of derivative instruments and un hedged foreign currency exposures as at March 31, 2016 are as under:

(a) There are no derivative instruments during the year and as at March 31, 2016 and March 31, 2015.

(b) Particulars of unhedged foreign currency exposure as on March 31, 2016:

Particulars	March 31, 2016			March 31, 2015		
	Currency	Amount in Foreign Currency	Amount in ₹	Currency	Amount in Foreign Currency	Amount in ₹
A. Receivable in foreign currency						
Trade Receivables*	USD	3,74,983	2,33,32,927	USD	13,74,983	8,58,09,477
Advance to Suppliers	USD	22,566	15,23,553	USD	11,953	6,61,155
B. Payables in foreign currency						
Trade payables	USD	58,414	38,62,549	USD	Nil	Nil

* There is a provision of ₹2,33,32,927/- (March 31, 2015: ₹2,32,19,482/-) against these receivable balances.

42. The Company is not meeting the eligibility criteria as prescribed in section 135 of Companies Act 2013 for spending on corporate social responsibility and hence no such expenditure has been incurred during the year.

43. JHS Svendgaard Mechanical and Warehouse Private Limited has accumulated losses of ₹35,33,922 as on 31st March 2016 and its net worth has been fully eroded. The company has incurred a net loss of ₹36,577 during the current year and ₹33,424 during the previous year.

JHS Svendgaard Dental Care Limited has accumulated losses of ₹51,01,408 as on 31st March 2016 and its net worth has been fully eroded. The company has incurred a net loss of ₹95,444 during the current year and ₹3,78,155 during the previous year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2016

44. Additional information regarding subsidiaries

Name of Entity	Net Assets*		Share in Profit or loss	
	% of consolidated net assets	Amount	% of consolidated net assets	Amount
Parent Subsidiaries: Indian				
JHS Svendgaard Mechanical and Warehouse Private Limited	14.32	14,82,05,731	-	(36,577)
JHS Svendgaard Dental Care Limited.	0.04	4,06,009		(95,444)
Minority Interest in all subsidiaries				

*Net Assets means total assets minus liabilities.

45. Previous year figures have been regrouped/ reclassified wherever considered necessary to confirm to the presentation of current year's financial statements.

As per our report of even date attached.
For S.N. Dhawan & Co.
Chartered Accountants
FRN: 000050N

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date :26.05.2016

For and on behalf of the Board of Directors of
JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director
DIN : 00051501

Vanamali Polavaram
Chairman
DIN : 01292305

Dhiraj Kumar Jha
Company Secretary &
Compliance Officer
Membership No. A29838

Neeraj Kumar
Chief Financial Officer

Form AOC1

Persuant to first provisio to sub-section (3) of 129 read with rule 5 of companies (Accounts) Rules, 2014

Statement Containing salient feature of the Financial Statement of Subsdiaries

PART "A" : Subsidiaries

Name of Subsidiary	Jhs Svendgaard Dental Care Limited	Jhs Svendgaard Mechnanical and Warehouse Private Limited
	Indian Subsidiary	Indian Subsidiary
Reporting Currency	INR	INR
Share Capital	4,099,050.00	100,000.00
Reserve and Surplus	(5,101,408.00)	(3,533,922.00)
Total Assets	420,333.00	148,220,044.00
Total Liabilities	1,422,691.00	151,653,966.00
Investments	-	-
Turnover	-	-
Profit Before Taxation	(95,444.00)	(36,577.00)
Provision For Taxation	-	-
Profit After Taxation	(95,444.00)	(36,577.00)
Proposed Dividend	-	-
% of Shareholding	95.12%	99.99%

For and on behalf of the Board of Directors of
JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director
DIN : 00051501

Vanamali Polavaram
Chairman
DIN : 01292305

Dhiraj Kumar Jha
Company Secretary

Neeraj Kumar
Chief Financial Officer

JHS Svendgaard Laboratories Limited
CIN: L24230HP2004PLC027558
Regd. Office: Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, Distt. Sirmour, Himachal Pradesh–173030
Tel: +91-1702-302100, **Fax:** +91-1702-238831
Website: www.svendgaard.com, **E-Mail:** enquiry@svendgaard.com, cs@svendgaard.com

Notice

To
The Members,

NOTICE is hereby given that the twelfth (12th) Annual General Meeting of the Members of **JHS SVENDGAARD LABORATORIES LIMITED** will be held on **Monday, 22nd August, 2016 at 12.00 P.M.** at the Registered Office of the Company at **Trilokpur Road, Kheri (Kala-Amb),Tehsil-Nahan, District: Sirmaur, Himachal Pradesh - 173030** to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Audited Statement of Balance Sheet and Profit and Loss for the financial year ended on 31st March, 2016 together with the Directors' & Auditors' Report thereon

2. To appoint a Director in place of Mr. Vanamali Polavaram (DIN: 01292305) who retires by rotation and being eligible offers himself for re-appointment.

3. To ratify the appointment of M/s S. N. Dhawan & Co. (F R N: 00050N) as the statutory auditors of the Company and to fix their remuneration by passing the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of section 139,142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and other applicable Rules, if any, framed thereunder, as amended from time to time, pursuant to the recommendation of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 01st September, 2015, the appointment of M/s S. N. Dhawan & Co., Chartered Accountants (Firm Registration No.00050N), as the statutory auditors of the company to hold the office till the conclusion of the next Annual General Meeting be and is hereby ratified and that the board of directors be and is hereby authorized to fix the remuneration payable to them for the financial year March 31, 2017 as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed between the auditors and the Board of Directors."

Special Business:

4. **Confirmation of the appointment of Mrs. Manisha Lath Gupta (DIN: 01598819), as an Independent Director of the Company.**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** consent of the members of the Company be and is hereby accorded pursuant to the provisions of Section 149, 150, 152 read with Schedule IV alongwith Companies (Appointment & Qualification of Directors) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), for confirmation of the appointment of Mrs. Manisha Lath Gupta (DIN: 01598819), additional Director of the Company, as an Independent Woman Director of the Company who shall not be liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from 11th February, 2016."

By order of the Board of Directors
For JHS Svendgaard Laboratories Limited

Sd/-
Nikhil Nanda
(Managing Director)
DIN: 00051501

Place: New Delhi
Date: 29th July, 2016

Notes

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the special businesses to be transacted at the Annual General Meeting is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

3. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than 10 percent Share capital of the Company. Members holding more than 10 percent of the total Share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member. The instrument appointing a proxy as per the format in the Annual Report should, however, be deposited at the registered office of the Company not later than 48 (forty eight) hours before the commencement of the meeting. Proxies submitted on behalf of Companies, societies, partnership firm, etc. must be supported by appropriate resolution / authority, as applicable, issued by the member of organization.

4. The Register of Members and Share Transfer Register of the Company shall remain closed from Tuesday, 16th August, 2016 to Monday, 22nd August, 2016 (both days inclusive).

5. The Notice of the AGM along with the Attendance slip and Proxy form is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice is being sent by the permitted mode.

6. Members may also note that the Notice of the AGM will be available on the Company's website, www.svendgaard.com. The Notice will also be available at the Company's registered office for inspection during normal business hours on working days. Members may write to us at cs@svendgaard.com if they have any queries or require communication in physical form in addition to electronic communication.

7. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.

8. **Voting through electronic means**

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the 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 National Securities Depository Limited (NSDL).

II. 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.

III. 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.

IV. The remote e-voting period commences on **19th August, 2016 (9:00 am)** and ends on **21st August, 2016 (5:00 pm)**. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **16th August, 2016**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting.

Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder – Login

(iv) Put user ID and password as initial password/ PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" "Name of the company".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@svendgaard.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)
USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **16th August, 2015**.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **16th August, 2016**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or cs@svendgaard.com/ rta@alankit.com.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. **Mr. Mohit (Membership No.-30192, COP: 11722)** of M/s. Mohit & Associates, Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.svendgaard.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

Details of Directors who are Proposed to be appointed/ reappointed at the ensuing Annual General Meeting, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are as Under:

Name of Director	Vanamali Polavoram	Manisha Lath Gupta
Date of Birth	24th September, 1946	26th December, 1972
Brief Resume	Mr. P. Vanamali, Non-Executive Director, (IAS Retired) aged 66 years, is a MA (English), MA (Political Science) MBA. He retired as Resident Commissioner, Government of West Bengal. He worked with the State Government of West Bengal and Government of India in various positions. He has administrative experience of over 30 years to his credit.	Mrs. Manisha Lath Gupta is M.Sc in Biotechnology and B.Sc in Biophysics and having an experience of over 18 years in the Corporate world across FMCG and Banking. Mrs. Gupta possesses a wide ranging experience and knowledge of sales and marketing having been associated with the reputed companies like Unilever, Colgate Palmolive and Axis Bank. She is co-founder and CEO at Mojarto, an online art platform which brings together artists, dealers, galleries and resellers onto a single online platform.
Date of Appointment	02nd February, 2007	11th February, 2016
Qualifications	IAS, MA (English), MA (Political Science),MBA	PGDBA from IIM, Bangalore, M.Sc, B.Sc
Expertise in specific Functional Area	Technical Guidance in Administration	Guidance Related to Sales & Marketing of consumer goods.
Directorship held in other public Companies	1. GTFS Multi Services Limited 2. ABIRA Securities Limited 3. ABIRA Commotrade Limited	NIL
Membership/chairmanship of other public companies	Nil	Nil
Shareholding in the Company	Nil	Nil
Relationship with other Directors and KMPs of the Company	Nil	Nil

Explanatory Statement Pursuant to the Provisions of Section 102 of the Companies Act, 2013

Item No. 4

As per section 149(4) of the Companies Act, 2013, every Listed Company is required to have atleast 1/3rd of the total number of Directors as Independent Directors. The Company had already appointed Mr. Chhotu Ram Sharma and Mr. Mukul Pathak as Independent Directors.

However, with a view to increase the independence of the Board, the management has decided to bring one woman independent director on the Board of the Company. The Board of Directors after consideration has recommended to appoint Mrs. Manisha Lath Gupta, (DIN: 01598819) as an Woman Independent Director within the meaning of section 149 read with rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 and section 152 of the Companies Act, 2013 read with Schedule IV and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years with effect from 11th February, 2016 to 10th February, 2021.

The Company has received declarations from Mrs. Manisha Lath Gupta that she meets the criteria of independence as prescribed under section 149 (6) of the Companies Act, 2013 and also under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has further confirmed that she is not disqualified from being appointed as Director under section 164 of the said Act. The Board of Directors are of the opinion that Mrs. Manisha Lath Gupta is a person of integrity and possess relevant expertise and experience and is eligible and fulfils the conditions specified by the Companies Act, 2013 for the position of an Independent Director. The Board considers that her association as Director will be beneficial to and in the interest of the Company.

A copy of respective draft letters of appointment of Mrs. Manisha Lath Gupta as Independent Director setting out the terms and conditions are available for inspection at the Registered Office of the Company during business working hours.

The Board of directors recommends the special resolutions for your approval. The said independent director is not related to any of the directors or key managerial personnel (including relatives of directors or key managerial personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013. None of the Directors and key managerial personnel of the Company (including relatives of directors or key managerial personnel) other than the respective Independent Director herself, is concerned or interested, financially or otherwise, in these resolutions.

By order of the Board of Directors
For JHS Svendgaard Laboratories Limited

Sd/-
Nikhil Nanda
(Managing Director)
DIN: 00051501

Place: New Delhi
Date: 29th July, 2016

JHS Svendgaard Laboratories Limited

CIN: L24230HP2004PLC027558
Regd. Office: Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, Distt. Sirmour, Himachal Pradesh–173030
Tel: +91-1702-302100, **Fax:** +91-1702-238831
Website: www.svendgaard.com, **E-Mail:** enquiry@svendgaard.com, cs@svendgaard.com

ATTENDANCE SLIP

(Please fill Attendance Slip and hand it over at the entrance of the Meeting Hall)

Name of the attending Member (In Block Letters)	
Member's Folio Number/Client ID & DP ID	
No. of shares held Name of Proxy (in Block Letters) to be filled in if the Proxy attends instead of the Member)	

I hereby record my presence at the 12TH Annual General Meeting of the Company at Trilokpur Road, Kheri (Kala-Amb),Tehsil-Nahan,Distt. Sirmour, Himachal Pradesh on Monday, August 22, 2016 at 12.00 P.M. and any adjournment thereof.

*To be signed at the time of handing over the slip

*Member's/Proxy's Signature

JHS Svendgaard Laboratories Limited

CIN: L24230HP2004PLC027558
Regd. Office: Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, Distt. Sirmour, Himachal Pradesh–173030
Tel: +91-1702-302100, **Fax:** +91-1702-238831
Website: www.svendgaard.com, **E-Mail:** enquiry@svendgaard.com, cs@svendgaard.com

PROXY FORM

(Please fill Attendance Slip and hand it over at the entrance of the Meeting Hall)

Name of the Member(s)		Email Id	
Address		Folio No./*Client Id (*DP Id):	

I / We, being the member(s) of _____ shares of JHS Svendgaard Laboratories limited, hereby appoint:

1) _____ of _____ having mail id _____ or failing him

2) _____ of _____ having mail id _____ or failing him

3) _____ of _____ having mail id _____

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12th Annual General Meeting of the Company to be held on Monday, August 22, 2016 at Trilokpur Road, Kheri (Kala-Amb),Tehsil-Nahan, Distt. Sirmour, Himachal Pradesh, at 12:00 p.m and at any adjournment thereof in respect of such resolutions as are indicated below:

*I wish my above proxy to vote in the manner as indicated in the box below

Resolution No.	Resolutions	Optional	
Ordinary Business		For	Against
1	Adoption of Audited Financial Statements for the year ended March 31, 2016		
2	Appointment of a Director in place of Mr. Vanamali Polavaram, Non-Executive Director who retires by rotation and being eligible offers himself for re-appointment.		
3	Ratification of the appointment of M/s S.N. Dhawan & Co., Chartered Accountants, (FRN:00050N), as Statutory Auditors and fixation of their remuneration		
Special Business			
4	Appointment of Mrs. Manisha Lath Gupta (DIN:01598819) as an Independent Director for a term of 5 Years w.e.f 11th February, 2016 till 10th February, 2021.		

*Applicable for investors holding shares in electronic form.

Signed this ..... day of ....., 2016

Affix Revenue stamp here

_____ Signature of the member

_____ Signature of the Proxy Holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed 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 single 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 Resolution indicated in the Box If you leave the 'For ' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he 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.

Notes

Notes

JHS Svendgaard Laboratories Limited
Registered office: Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, District- Sirmour, Himachal Pradesh -173030
Corporate Office: B-1/E-23, Mohan Co-operative Industrial Area, Mathura Road, New Delhi-110044