JHS SVENDGAARD LABORATORIES LIMITED

9th Annual Report (2012-13)

A simple desire

...that rewrote the destinies of

... 30+ FMCG brands and

... of one company behind the brands.

CONTENTS:-

CORPORATE INFORMATION

Members of the Board

Chairman:	Daljit Singh Grewal DIN 00051627
Managing Director:	Nikhil Nanda DIN 00051501
Non- Executive Director:	Rakesh Sharma DIN 05202265
Independent Directors:	Vanamali Polavaram DIN 01292305 Piyush Goenka DIN 02117859 Chhotu Ram Sharma DIN 00522678 Amarjit Singh DIN 01244897

Company Secretary & Compliance Officer

Sandhya Sethia

Registered Office:-

Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan
District-Sirmour, Himachal Pradesh-173030

Corporate Office:-

B-1/E-9, Mohan Co-operative Industrial Area
Mathura Road, New Delhi-110044
Ph: 011-30885601/06/40
Fax: 011-30885604

Statutory Auditors:-

Haribhakti & Company,
Chartered Accountants
42-43, Free Press House, 215,
Nariman Point
Mumbai 400 021
Tel 022-56308232
Fax 022-22876249

Registrar and Transfer Agent:-

Link Intime India Private Limited
44 Community Centre, 2nd Floor Naraina
Industrial Area Phase- I Near PVR Naraina
New Delhi 110 028
Ph: 011-41410592
Fax: 011-41410591
Email: **delhi@linkintime.co.in**

Bankers:-

ICICI Bank Limited
Bank of India

Unit I

JHS Svendgaard Laboratories Limited
Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan
District-Sirmour, Himachal Pradesh-173030

Unit II

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

To

The Members,

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of JHS Svendgaard Laboratories Limited will be held on 24th September, 2013 at 10.00 a.m. at the Registered Office of the Company at Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, District Sirmour, Himachal Pradesh, Pin - 173030 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account for the financial year ended on March 31, 2013 together with the Directors' Report & Auditors' Report thereon.
2. To appoint a Director in place of Mr. Daljit Singh Grewal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Amarjit Singh who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification (s), the following resolution for appointment and fixation of the remuneration for the Statutory Auditors for the Financial Year 2013-14 as Ordinary Resolution:

"RESOLVED THAT"- pursuant to the provisions of Section 224 of the Companies Act 1956 M/s Haribhakti & Co., Chartered Accountants (Firm Registration No. 103523W), be and is hereby re-appointed as Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors.

NOTES:-

- 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. 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.
- All Directors of the Company except Mr. Nikhil Nanda, and Mr. Piyush Goenka, are Rotational Directors in lieu of Section 255, 256 of the Companies Act, 1956 and one-third of the total of Rotational Directors, retire every year and, if eligible, offer themselves for re-appointment at the Annual General Meeting.
- The Register of Members and Share Transfer Register of the company shall remain closed from Tuesday, 17th September, 2013 to Monday, 23th September, 2013 (both days inclusive).
- Members are informed that in case of joint holders attending the meeting, only such joint holder who is first in the order of names will be entitled to vote.
- Shareholders holding the shares in physical form and desirous of making nominations are requested to send their requests in Form No.2B in duplicate (which will be made available on request).
- The communication address of our Registrar and Share Transfer Agent (RTA) is Link Intime India Private Limited 44 Community Centre, 2nd Floor Naraina Industrial Area Phase- I Near PVR Naraina New Delhi 110 028.
- For proper conduct of the Annual General Meeting, Members/ Proxies should fill the attendance slip for attending the Meeting. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue. Member who hold share(s) in electronic form are requested to write their DP ID and Client ID number and those who hold share(s) in physical form are requested to write their folio number in attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
- Members are advised to refer to the information for communication provided in the Annual Report.
- The Members desirous of any information on the Accounts are requested to write to the Company atleast a week before the meeting so as to enable the management keep the desired information ready.
- Pursuant to provisions of Section 205C of the Companies Act, 1956 the amount of the application moneys received by companies for allotment of any securities and due for refund remaining unclaimed and unpaid for a period of seven years from the date it is lying in the escrow account, is required to be transferred to the Investor Education and Protection Fund (IEPF). Members who have not yet encashed their application money due for refund from 17-10-2006 onwards are requested to make their claims to the Company immediately. Members may please note that no claim shall lie either against the Fund or the Company in respect of application moneys received by companies for allotment of any securities and due for refund which remain unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid escrow account and no payment shall be made in respect of such claims
- The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars allowing paperless compliances by Companies through electronic mode. Further, in line with circular issued by the Securities and Exchange Board of India (SEBI) and consequent changes in the listing agreement, Companies can send Annual Report in electronic mode to Members who have registered their e-mail addresses for the purpose. Members who have not registered their e-mail address with the Company making a request to M/s. Link Intime India Private Limited / Investor Service Department of the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participants only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form, upon request.

By order of the Board of Directors
For JHS Svendgaard Laboratories Limited

Sd/-
Nikhil Nanda
(Managing Director)

Place: New Delhi
Date: 27th May, 2013

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN ANNUAL GENERAL MEETING FIXED FOR 24th SEPTEMBER, 2013 AS PER CLAUSE 49 OF THE LISTING AGREEMENT

Particulars	Sh. Daljit Singh Grewal	Sh. Amarjit Singh
Date of Birth	15.11.1936	19.08.1963
Date of Appointment	08.10.2004	14.11.2011
Qualification	ICWAI, B.Sc	LL.B, M.B.A
Expertise in specific functional area	He has administrative and corporate experience of 40 years to his credit and exposure in varied industries from Chemical/ Fertilizers to Coal Mining, Ship Building, and Power Transmission etc. He has served illustrious organizations such as ICI group, Hindustan Shipyard, Coal India Limited and Mukut Pipes Ltd in the capacity of Director Finance and advisor. He was the Ex - Chairman of the Punjab Chapter of the Institute of Cost and Works Accountants of India, President of All India Management Association (AIMA), Visakhapatnam and has been an active member of Haryana Chamber of Commerce and Industry, Punjab and Confederation of Indian Industries (CII), Punjab.	He is a first generation technocrat and he has experience of more than 25 years in the industrial entrepreneurship and possess the ample knowledge in manufacturing activities and is man behind the vision of Intec group, the whole time director cum CEO of the Intec group and his performing ability including Strategic target, scheduling, monitoring, resource management, risk management, change in management, etc. He was awarded the "Best Young Entrepreneur" for the year 1999
List of public companies in which outside directorship held	Nil	Intec Appliances Private Limited Amargun Overseas Private Limited A G Aerovision Electronics private Limited Intec Electricals Private Limited
Chairman/Member of the Committee of Board of Directors of Companies	**a)** Remuneration Committee JHS Svendgaard Laboratories Limited **b)** Shareholders/ Investors Grievances Committee JHS Svendgaard Laboratories Limited	Nil
Shareholding in the Company	1500 equity shares	Nil

By order of the Board of Directors
For JHS Svendgaard Laboratories Limited

Sd/-
Nikhil Nanda
(Managing Director)

Place: New Delhi
Date: 27th May, 2013

Dear Shareholders,

To

The Members
JHS Svendgaard Laboratories Limited
Your Directors are pleased to present Ninth Annual Report and the Statements of Accounts for the financial year ended on March 31, 2013.

FINANCIAL PERFORMANCE SUMMARY:-

The Financial highlights of the Company are given below: -

(Amount in ₹ Lac)

	Standalone		*Consolidated*	
Particulars	***31.03.2013***	***31.03.2012***	***31.03.2013***	***31.03.2012***
Net Sales/Income from Operations	*4743.81*	*9,258.97*	*5,097.14*	*12,638.20*
Other Income	*861.91*	*21.23*	*861.91*	*21.23*
Interest & Finance Charges	*1034.08*	*610.80*	*1,034.35*	*611.45*
Depreciation	*1361.88*	*736.58*	*1,362.54*	*737.45*
Profit (Loss) before Tax	*(1076.59)*	*(149.19)*	*(1,031.80)*	*325.69*
Provision for Tax	*182.58*	*214.85*	*182.58*	*214.85*
Profit (loss) after Tax	*(1259.17)*	*(364.05)*	*(1,214.38)*	*110.84*
Profit (loss) to be carried to the Balance Sheet	*(420.93)*	*(364.04)*	*(376.13)*	*110.84*
Paid up Equity Share Capital (Face Value of Rs.10/- each)	*2409.53*	*1,755.00*	*2,409.53*	*1,755.00*
Reserves excluding revaluation reserves	*4,955.70*	*8205.52*	*6,512.45*	*9,686.92*
Basic EPS (in Rupees not annualized)	*(5.23)*	*(2.15)*	*(5.04)*	*0.66*
Diluted EPS (in Rupees not annualized)	*(5.23)*	*(2.15)*	*(5.04)*	*0.65*

DIVIDEND:-

Considering the Company's financial performance, the Directors have not recommended any dividend for the financial year ended on March 31, 2013.

SCHEME OF AMALGAMATION:-

The Board of Directors of your Company at its Board Meeting held on July 07, 2010, had considered and approved the Scheme of Amalgamation of the JHS Svendgaard Hygiene Products Limited (Transferor Company), Waves Hygiene Products (Transferor Firm) with your Company. Accordingly, the Scheme of Amalgamation of M/s JHS Svendgaard Hygiene Products Limited and M/s Waves Hygiene Products (a Partnership Firm) with M/s JHS Svendgaard Laboratories Limited had been approved by the Delhi High Court on 30th August, 2011 and by the Shimla High Court on 28th May, 2012.

As per the Scheme of Amalgamation, all the assets and liabilities of JHS Svendgaard Hygiene Products Limited (Transferor Company) and Waves Hygiene Products (Transferor Firm) has been transferred to your Company with effect from appointed date i.e. 31st March, 2010 .

The Amalgamation will thus now create a platform for value enhancing growth and reinforces the Company position as an integrated global Company. It will also enable the business of the company to obtain greater facilities, possessed and enjoyed by one large Company for securing and conducting its business on favorable terms and other benefits. The Company will additionally gain from reduced operating costs arising out of the Combined operations. Moreover, the Amalgamation will result in an integrated operation which qualifies the Company to participate in the market of Fast Moving Consumer Goods, besides providing synergy benefits to the existing operations.

INCREASE IN SHARE CAPITAL:-

The Board of Director of your company has issued and allotted the 65,45,245 (Sixty Five Lakhs Forty Five Thousand Two Hundred and Twenty Five Lac) Equity Shares to the shareholders of JHS Svendgaard Hygiene Products Limited and partners of Waves Hygiene Products pursuant to scheme of amalgamation at its Board Meeting held on 6th November, 2012 As on 31st March, 2013, the Issued and Paid-Up Share Capital of the Company was Rs. 2409.52 Lakhs comprising 2,40,95,252 Equity Shares of Rs. 10/- each fully paid-up.

PERFORMANCE REVIEW:-

During the reporting year there has been 25% increase in the EBIDTA from Rs. 120 Million in the year ended 31st March, 2012 to Rs. 150 Million in the year ended 31st March, 2013. The turnover from the operations of the Company during the financial year ended 31st March, 2013 amounted to Rs. 561 Million as compared to Rs.928 Million during the previous year ended 31st March, 2012 as in the previous year ended on 31st March, 2012 your company made income from trading business amounting to Rs. 390 million. The turnover of the Company has decreased by 39.55% from the previous year mainly on account of loss of trading income.

EMPLOYEE STOCK OPTION PLAN 2008:-

To motivate and retain the efficient employees, the Company has introduced employee stock option plan 2008. As on date no option is vested on any employee, therefore no option is in existence till date .The details regarding options granted; the pricing formula; options vested; options exercised; the total number of shares arising as a result of exercise of option and other details as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 are not reproduced since no ESOP has been exercised by the Employees and the relevant details are hence not available. Requisite information is given in the statements placed at Annexure "A

RECOGNITION/AWARD:

Your Company has received awarded a certificate of excellence in recognition to exemplary growth by Inc. India, Indian edition of Inc., the leading US magazine that focuses on entrepreneurship and growth. The Company is ranked 215 among the top 500 India' fastest growing midsized companies.

DIRECTORS:-

Appointments/ Re-appointment:-

Mr. Amarjit Singh, Director of the Company, liable to retire by rotation at the forthcoming Annual General Meeting on 24th September, 2013 and being eligible, offer himself for re-appointment.

Mr. Daljit Singh Grewal, Director of the Company, liable to retire by rotation at the forthcoming Annual General Meeting on 24th September, 2013 and being eligible, offer himself for re-appointment.

Necessary resolutions for re-appointment of Mr. Daljit Singh Grewal and Mr. Amarjit Singh on 24th September, 2013 are being included in the notice convening Annual General Meeting.

Brief resume, expertise and other details of Directors proposed to be appointed/re-appointed, as required by clause 49 of the Listing Agreement, are furnished in the explanatory statement to the notice convening Annual General Meeting.

AUDITORS:

M/s Haribhakti & Co., Chartered Accountants, Firm Registration Number: 103523W, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received letter from the Statutory Auditor that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

LISTING:

Since 21st October, 2006 your Company's Equity Shares got listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has paid the applicable listing fee to both the stock exchanges.

SUBSIDIARY COMPANIES:

Jones H Smith, FZE, was incorporated as Wholly Owned Subsidiary of your Company in 2007 in Ras Al Khaimah Free Trade Zone, UAE. The Company is established for the trading in all personal and oral care products, in the international market specially Middle-East Countries.

JHS Svendgaard Dental Care Limited was incorporated as a Subsidiary Company in the month of April 2008. Presently your Company holds 95.12% of total paid up share capital of the Subsidiary Company.

During the year we have acquired 99.99% shares of JHS Svendgaard Mechanical and Warehouse Private Limited has become subsidiary of you company w.e.f 21st June, 2012. Presently your Company holds 99.99% of total paid up share capital of the Subsidiary Company.

The statement in respect of each of subsidiary, giving the detail of reserve, total assets and liabilities, details of investment, turnover, profit after taxation pursuant to section 212 of the Companies Act, 1956, regarding subsidiary companies forms part of this Annual Report.

PARTICULARS OF EMPLOYEES:-

No information regarding particulars of employees required to be reported under Section 217(2A) of the Companies Act, 1956 is available since none of the employees of the Company is drawing remuneration in excess of the limits as prescribed therein.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:-

Requisite information is given in the statements placed at Annexure "B" & "C", respectively.

CORPORATE GOVERNANCE:-

A separate Section on Corporate Governance forming part of the Directors' Report and the Certificate confirming the compliance of the conditions stipulated in Clause 49 of Listing Agreement is included in the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT-

A report on Management Discussion and Analysis as required under clause 49 of the Listing Agreement forms part of the Annual Report.

DEPOSITS:-

The Company has not accepted any Deposits in pursuance of Section 58A of the Companies Act, 1956 and other applicable rules made there under.

DIRECTOR'S RESPONSIBILITY STATEMENT:-

Pursuant to Section 217(2AA) of the Companies Act, 1956, in relation to financial statements for the Financial Year ending on March 31, 2013, the Directors' report that: -

a) In the preparation of the annual accounts, the applicable accounting standards had been followed an that no material departures have been made from the same;
b) The Directors 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;
c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding of the assets of the Company and for preventing and detecting fraud and other irregularities;
d) The Directors had prepared the annual accounts on a going concern basis.

INDUSTRIAL RELATIONS:-

Your Company has taken significant steps in developing human resource and strengthening human resource systems. During the year under review, industrial relation in the Company continues to be cordial and peaceful.

As on March 31, 2013, in all there were 382 employees on the roll of the Company. Out of these, 72 were at the executive level and the remaining 310 were in non-executive level. Apart from them, the workers have been appointed through Contractors.

RISK MANAGEMENT:-

Your Company has a strong risk management framework that enables active monitoring of the business environment and identification, assessment and mitigation of potential internal or external risks. The senior management team sets the overall tone and risk culture of the organization through defined and communicated corporate values, clearly assigned risk responsibilities, appropriately delegated authority, and a set of processes and guidelines. There are laid down procedures to inform the Board members about the risk assessment and risk minimization procedures. Your Company promotes strong ethical values ad high level of integrity in all its activities, which in itself is significant risk mitigation.

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.

ACKNOWLEDGMENT:-

Your Directors takes this opportunity to express their gratitude and appreciation for the valuable support and cooperation received from its employees, esteemed customers, business associates, bank, financial institutions, various statutory authorities, agencies of Central and State Government, Suppliers and Stakeholders.

Your Directors also wish to place on records their appreciation for the contribution made by the Company's personnel, whose dedication and drive for excellence have helped your Company to achieve the desired performance and sustained growth in the year under review.

On the behalf of Board of Directors
For **JHS Svendgaard Laboratories Limited**

Place: New Delhi
Date: 27th May, 2013

(Nikhil Nanda)
Managing Director
DIN- 00051501

(Rakesh Sharma)
Director
DIN- 05202265

Corporate Governance is about commitment to values and ethical business conduct. A sound Corporate Governance process consists of a combination of business practices, which result in enhancement of Shareholder's value and enable the Company to fulfill its obligations to employees, customers, suppliers and other stakeholders with integrity, equity, transparency, fairness, disclosure, accountability and commitment.

COMPANY PHILOSPHY ON CODE OF GOVERNANCE:-

Your Company continues to lay great emphasis on Corporate Governance. Our pursuit towards achieving good governance is an ongoing process. The Company fully complies with the requirements under Clause 49 of the Stock Exchange Listing Agreement.

The aim of "Good Corporate Governance" is to ensure commitment of the board in managing the company in a transparent manner for maximizing long-term value of the company for its shareholders and all other partners.

In recent years, corporate governance has received increased attention because of recent global financial melt-down, mega corporate failures and frauds of high-profile scandals involving abuse of corporate power and in some cases, alleged criminal activity by corporate officers. An integral part of an effective corporate governance regime includes provisions for civil or criminal prosecution of individuals who conduct unethical or illegal acts in the name of the enterprise.

At JHS Svendgaard Laboratories Limited, corporate governance practices are based on the following broad principles with the objective of adhering to the highest standard of governance through continuous evaluation & benchmarking.

- Experienced and diverse board of directors, with expertise across global finance, banking, administrative services and consulting;
- Adoption of transparent procedures and practices and arriving at decisions on the strength of adequate information;
- Ensuring compliance with regulatory and fiduciary requirements in letter and spirit;
- High levels of disclosures for dissemination of corporate, financial and operational information to all its stakeholders;
- Adoption of policy on tenure of directors, rotation of auditors and a code of conduct for directors and senior management;
- Well defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organization, though the board remains in effective control of the affairs of the Company at all times.

BOARD OF DIRECTORS:-

The Board reviews, approves the Company's strategic, operational and financial plans, guides corporate strategy, takes key strategic decisions, reviews the major plans of action, i.e. decisions concerning the capital of the Company, including capital restructure, capital returns and security issue and buy backs etc., risk policy, review, approve annual budgets and business plans and monitor performance against corporate strategy.

COMPOSITION OF THE BOARD:-

The size and composition of the Board of Directors suffices the requirement of Listing Agreement. The Company's Board comprises of seven Directors. Mr. Daljit Singh Grewal, Chairman (Non-Executive) and Mr. Nikhil Nanda, Managing Director are the two promoter Directors, Mr. Rakesh Sharma is non executive director and there are four Non-Executive independent director, viz., Mr. P Vanamali, Mr. C.R. Sharma, Mr. Amarjit Singh and Mr. Piyush Goenka. All the Independent Directors meet the independence criteria as required under Clause 49 of the Listing Agreement. Table 1 gives the composition of the Board of Directors of the Company with the details of the number of meetings attended by them, the Directorship and membership in other companies.

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 five times during the year on May 26, 2012, August 14, 2012, November 6, 2012, February 11, 2013 and March 28, 2013. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

The necessary quorum was present for all the meeting.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS:-

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:

Name of Director	Category	Board Meetings attended	Attendance at the Last AGM	Directorship in other Cos.	Committee positions held in other Cos.	
					Chairman	Member
D. S. Grewal	Chairman(Non- Executive)	2	Yes	Nil	Nil	Nil
Nikhil Nanda	Managing Director	4	Yes	6	Nil	Nil
P Vanamali	Independent Director	4	No	1	Nil	Nil
Chhotu Ram Sharma	Independent Director	4	No	4	1	1
Amarjit Singh	Independent Director	2	No	4	Nil	Nil
Piyush Goenka	Independent Director	3	No	2	Nil	1
Rakesh Sharma	Non Executive Director	4	Yes	Nil	Nil	Nil

Other than Mr Nikhil Nanda who holds 88,10,774 shares and Mr. D.S. Grewal who holds 1,500 shares no other Director holds any shares in the Company. The Board of your company is presented with detailed notes along with the agenda papers, well in advance of the meeting.

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.

COMMITTEES OF THE BOARD:-

Your Company has four Board level committees:

A) Audit Committee

B) Shareholders/Investors Grievance Committee

C) Remuneration Committee

D) Compensation Committee.

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

(A) **AUDIT COMMITTEE-** The Company's Audit Committee comprises of four members out of whom two are Independent Non-Executive directors, one is Non Executive Director and one is Executive director. During the year under review total 4 (four) meetings of Audit Committee were held on 26.05.2012, 14.08.2012, 06.11.2012, 11.02.2013.

Table 1.2 gives the constitution and attendance record

Name of the Member	Status	No of Meetings Held	No of Meetings Attended
Mr. Rakesh Sharma	Chairman	4	3
Mr. Nikhil Nanda	Member	4	3
Mr. Vanamali Polavaram	Member	4	4
Mr. Chhotu Ram Sharma	Member	4	1

*Shri. Chhotu Ram Sharma was appointed as member in the audit committee meeting held on 11th February, 2013.

**Mr. Tarun Chhabra, Secretary to the Committee resigned w.e.f. 31st October, 2012 and Ms Sandhya Sethia, Company Secretary, is the Secretary to the Committee w.e.f 6th November, 2012.

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 are placed before the Board Meeting.

The powers and role of the Audit Committee is in accordance with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, and includes oversight of the Company's financial process, reviewing the financial statements, review of significant 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 discussions with internal and statutory auditors periodically about their scope of audit and adequacy of internal control systems

(B) SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE-

The Shareholders'/ Investors' Grievance Committee comprises of two Non-Executive Directors. Mr. Rakesh Sharma acts as Chairman of the Committee. During the year 2012-13 no meeting was held.

Table 1.3 Shows the Constitution of the committee:-

Name of the Member	Status
Rakesh Sharma	Chairman
Daljit Singh Grewal	Member

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 year ended March 31, 2013

Particulars	**Status**
Complaints outstanding as on April 1, 2012	Nil
Complaints received during the year ended March 31, 2013	Nil
Complaints resolved during the year ended March 31, 2013	Nil
Complaints Outstanding as on March 31, 2013	Nil

(C) REMUNERATION COMMITTEE:-

The Remuneration Committee comprises of three Non-executive Directors, Mr. Rakesh Sharma acts as Chairman of the Committee. During the year under review no meeting of Remuneration Committee was held

Table 1.5 gives the composition

Name of the Member	**Status**
Rakesh Sharma	Chairman
Daljit Singh Grewal	Member
Vanamali Polavaram	Member

The Terms of Reference of the 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.

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.

Table 1.6 illustrates details of remuneration paid to the Directors of the Company during the year ended March 31st, 2013:

Particulars	**(₹ In Lakhs)**
Salary	24.00
Sitting Fees	1.46
Other Perquisites/ Benefits	Nil
Total	**25.46**

(D) COMPENSATION COMMITTEE:-

The Compensation Committee comprises of two Non-executive Directors and one executive director. Mr. Nikhil Nanda, Executive Director acts as Chairman of the Committee. No Meeting was held during the Financial Year 2012-13.

Table 1.5 demonstrates the constitution of the committee: -

Name of the Member	Status
Nikhil Nanda	Chairman
Rakesh Sharma	Member
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.

GENERAL BODY MEETINGS:

The last three Annual General Meetings of the Company were held as under:

Year	Venue	Date	Time	Special Resolution
2011-12	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173030	06.09.2012	10.00 AM	Special resolution was passed for increase in remuneration of Mr. Nikhil Nanda, Managing Director of the Company.
2010-11	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173030	31.12.2011	10.00 AM	No Special resolution passed
2009-10	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173030	28.12.2010	10.00 AM	Re-appointment of Mr. Nikhil Nanda as Managing Director of the Company for the period of five year. And Modification in the terms of exiting Employees Stock options scheme (ESOP)

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

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, 1956, the Listing Agreement, 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:-

a) **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.

b) **Details of Non-Compliance-** The Company has complied with the requirements of regulatory authorities on capital markets and no penalty/stricture was imposed on the Company during the last three years.

c) **Compliance With Mandatory And Non Mandatory Requirements-** The Company is fully compliant with the applicable mandatory requirements of Clause 49 of the Listing Agreement. With regards to the non-mandatory requirements, the Company has formed a Remuneration Committee of the Board.

d) **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 elsewhere in this Annual Report.

e) **CEO/ CFO Certification:-** The Certificate as stipulated in clause 49(V) of the Listing Agreement was placed before the Board along with the financial statements for the Financial Year ended 31st March, 2013 and the Board reviewed the same. The said Certificate is provided elsewhere in the Annual Report

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES:-

In accordance with the guidelines specified under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading ("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 its Directors and employees. This Code of Conduct has been communicated to each of them. The Code of Conduct has also been put on the Company's website **www.svendgaard.com**

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, Jan Satta (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 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.

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 the AGM : Tuesday, 24th September,2013
- Time of the AGM : 10.00 AM
- Venue of the AGM : Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, District-Sirmour, Himachal Pradesh-173030

FINANCIAL CALENDAR-

Financial year: April 1 to March 31

For the year ended March 31, 2013, results were announced on:

August, 14, 2012 : First quarter

November 6, 2012 : Half year

February 11, 2013 : Third quarter

May 27, 2013 : Annual

BOOK CLOSURE-

The books will be closed from 17th September, 2013 to 23rd September, 2013 (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, 2013

Stock Code-

Bombay Stock Exchange Limited: 532771

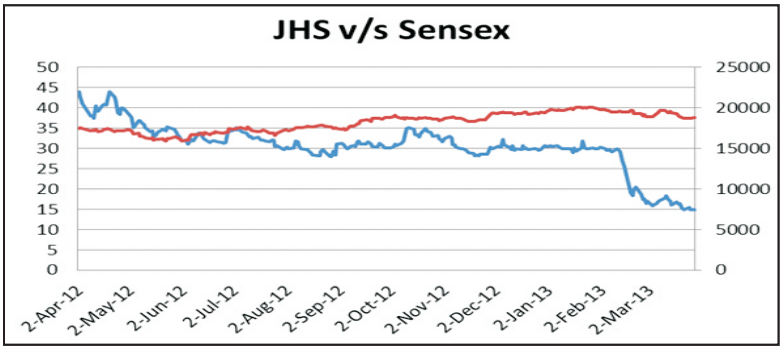
National Stock Exchange of India Limited: JHS

ISIN CODE: INE544H01014

Market Price Data -

Tables 1. respectively give the monthly high and low prices and volumes of equity shares of the Company at BSE and the NSE for the year ended March 31, 2013. Chart A compares the Company's share price at the BSE versus the Sensex.

S. No.	Month	NSE		BSE	
		High	Low	High	Low
1.	April – 12	48.65	37.05	48.20	36.90
2.	May – 12	39.75	32.00	39.40	32.20
3.	June – 12	36.70	30.50	36.65	30.60
4.	July – 12	36.50	29.00	36.50	29.00
5.	August – 12	32.70	27.70	32.75	27.70
6.	September – 12	33.40	29.50	33.05	29.10
7.	October – 12	37.00	29.65	37.00	29.70
8.	November – 12	33.45	27.95	33.40	28.00
9.	December – 12	32.90	29.20	33.00	29.15
10.	January – 13	32.50	28.60	32.50	28.85
11.	February – 13	35.30	16.25	30.90	30.95
12.	March – 13	19.45	14.25	18.75	14.30



Registrars and Transfer Agents:-

Link Intime India Private Limited

44 Community Centre, 2nd Floor Naraina Industrial Area Phase- I Near PVR Naraina New Delhi 110 028

Ph: 011-41410592, Fax: 011-41410591, Email: **delhi@linkintime.co.in**

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 March 31, 2013:-

Category	No of Shares	% of Holding
Promoters Shareholding	**9676693**	**40.16**
Non-promoters holding		
Mutual funds and UTI	342688	1.42
Banks, Financial Institutions, Insurance Companies ,Clearing Member	160483	.67
Foreign institutional investor	197763	.82

Shareholding Pattern as on March 31, 2013:-

Category	No of Shares	% of Holding
Foreign Venture Capital Investor	3499999	14.53
Bodies Corporate	2739149	11.37
India Public	7270896	30.17
Non resident Indians	201781	.84
Trusts	5500	.02
Grand Total	**24095252**	**100**

PATTERN OF SHAREHOLDING BY SHARE CLASS AS ON MARCH 31, 2013:-

Share holding of nominal value (Rs.)	Share Holders		Share Amount	
	Number	% to total	Shares	% to total
(1)	(2)	(3)	(4)	(5)
Upto 500	7148	78.6099	1211260	5.0270
501-1000	960	10.5576	790313	3.2800
1001-2000	445	4.8939	694928	2.8841
2001-3000	171	1.8806	441239	1.8312
3001-4000	80	0.8798	287722	1.1941
4001-5000	63	0.6928	300292	1.2463
5001-10000	111	1.2207	829931	3.4444
10001 and above	115	1.2647	19539567	81.0930
Total	9039	100	24095252	100

DEMATERIALIZATION OF SHARES:-

The equity shares of your company are under compulsory dematerialization mode as on March 31, 2013. 97.64% of shares of the Company is dematerialized as on March 31, 2013. 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 end March 2013.

Plant locations:-

HIMACHAL PRADESH
Trilokpur Road, Kheri Kala -Amb,
Tehsil - Nahan, Distt: Sirmaur,

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. Link In Time Private 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.

(i) For Correspondence:
JHS Svendgaard Laboratories Limited
B-1/E-9, Mohan Cooperative Industrial Area,
New Delhi-110044,
Ph : 011-26900411; Fax : 011-26900434

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

Compliance Officer:
Ms. Sandhya Sethia,
Company Secretary
Ph : 011-26900411; Fax : 011-26900434
e-mail : **cs@svendgaard.com**

DECLARATION:-

As provided under Clause 49 of the Listing Agreement with Stock Exchanges, the Board Members and the Senior Management Team have confirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2013

For **JHS Svendgaard Laboratories Limited**

Sd/-
Nikhil Nanda
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
JHS Svendgaard Laboratories Limited
B-1/E-09, Mohan Cooperative Industrial Area,
Mathura Road, New Delhi - 110044

I have examined all the relevant records of JHS Svendgaard Laboratories Limited for the purpose of certifying compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited & National Stock Exchange of India Limited, for the Financial Year ended on March 31, 2013. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review of the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanations and information furnished, I certify that the Company has complied with all the mandatory conditions of the said Clause 49 of the listing agreement.

(Deepti Srivastava)
(Practicing Company Secretary)
Membership No. (CP No. 10861)
Place: New Delhi
Date: 24th May, 2013

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT OF THE INDIAN STOCK EXCHANGES

We hereby certify that Financial Results for the fourth quarter and financial year ended on 31st March 2013, on the basis of the review of the financial statements and to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit to state a material fact or contain statement that might be misleading.
- 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.
- To the best of our knowledge and belief, no transactions entered into by the Company during the above said period are fraudulent, illegal or violate of the Company's Code of Conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company
- We further certify that :-
  a) There have been no significant changes in internal control over financial reporting during the period.
  b) There have been no significant changes in accounting policies during the period.
  c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

For **JHS Svendgaard Laboratories Limited**

Place: New Delhi
Date: 27th May, 2013

Sd/-
(Nikhil Nanda)
Managing Director

S/d-
(Ashok Kumar Tyagi)
Chief Financial Officer

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT-

FMCG sector story in India continues to be the fourth largest sector in the Indian economy and creates employment for three million people in downstream activities, The market size of FMCG in India is expected to grow from US$ 30 billion in 2011 to US$ 74 billion in 2018.

Demand for FMCG products is set to boom by almost 60 per cent by 2007 and more than 100 per cent by 2015. This will be driven by the rise in share of middle class (defined as the climbers and consuming class) from 67 per cent in 2003 to 88 per cent in 2015. The boom in various consumer categories, further, indicates a latent demand for various product segments. For example, the upper end of very rich and a part of the consuming class indicate a small but rapidly growing segment for branded products. The middle segment, on the other hand, indicates a large market for the mass end products. The BRICs report indicates that India's per capita disposable income, currently at US$ 556 per annum, will rise to US$ 1150 by 2015 - another FMCG demand driver. Spurt in the industrial and services sector growth is also likely to boost the urban consumption demand.

Labour cost in India is amongst the lowest in emerging Asian countries. Easy raw material availability and low labor costs have resulted in a lower cost of production. Many multi-nationals have set up large low cost production bases in India to outsource for domestic as well as export markets With rise in disposable incomes, mid- and high-income consumers in urban areas have shifted their purchasing trend from essential to premium products. In response, firms have started enhancing their premium products portfolio. Indian and multinational FMCG players are leveraging India as a strategic sourcing hub for cost-competitive product development and manufacturing to cater to international markets.

Oral Care-

In India, oral care segment holds a substantial share in the overall personal care market. On back of increasing awareness about oral hygiene, improving income, and high advertising expenditure by players, the Indian oral care market has shown stupendous growth. According to latest research report, tooth paste and tooth powders hold the majority share of the market, and this is expected to remain the major sub-segment in future. It is estimated that the Indian oral care market will register a strong CAGR of around 14% during 2011-2015.

As per the report, Indian Oral Care Market Forecast to 2015, there exists an immense potential for tooth brush market in rural areas.

Oral care industry is worth Rs. 4,200 Crores annually & comprises of:

- Toothpastes: 60 %: Rs. 2520 Crores
- Tooth powder: 23%: Rs 960 Crores
- Toothbrushes: 17%: Rs.715 Crores

KEY GROWTH DRIVERS OF FMCG INDUSTRY-

- The growth factors of the FMCG sector of Indian economy:
- Robust growth in India's GDP
- Growing urbanization
- Evolving consumer life style
- Increased income in rural areas
- Spending Pattern
- Changing Profile and Mind Set of Consumer

FUTURE OUTLOOK AND STRATEGIES-

The continuing uncertainty in global and domestic economy is a key concern. The economy and markets are unstable, which resulted in a decrease in the demand for sales and services.

For 2013-14, the company is determined to achieve higher growth rates, which would be generated through increased through puts and incremental volumes. Similarly, company also hopes to gain back the growth momentum in business with increased availability of inventory and improved business potential. It is also proposed to generate higher incomes from value added activities. However, inflation had an impact on consumer behaviour and thereafter, that had an impact on the outputs of the company.

The company's transition process is expected to reach a point where the investments will begin to pay themselves back in the form of increasing net sales and improved profitability during the year. The need for continuous services is expected to remain good in our customer base regardless of economic cycles and the challenging economic situation. It is one of the leading providers of scientifically proven wide range of Dental and Oral Care Products with multiple benefits at various price points and is contract manufacturer for many Domestic as well as Global Brands. The series of products manufactured by the company comprises Toothbrushes, Toothpastes, Washing Powders, Whitening Gel, Whitening Mouth Rinse etc. and many other productions, improvements and innovations are in the pipeline.

The predicted development of profitability is particularly based on the adoption of a scalable sales and delivery model and launching a global efficient production network at full steam.

OPPORTUNITIES AND THREATS-

Opportunities-The FMCG sector has a great opportunity for growth in the country, with the growing population, the rising disposable incomes, education, urbanization, the advent of modern retail, and a consumption-driven society. There is a potential for all the FMCG companies as the per capital consumption of almost all products in the country is very low compared to world standards, thee exists there huge untapped opportunities.

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

RISK AND CONCERNS-

Your Company, like other enterprise having national as well global business interests are exposed to business risks which may be internal as well as external. To ensure our 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. Your Company has 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 action. 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.

INTERNAL CONTROL-

Your Company has an adequate Internal Audit Control System commensurate with the size and nature of its business. The Management continuously reviews the Internal Control System and procedures to ensure orderly and efficient conduct of business, to safeguard properties of the Company and compliance with policies and statutes. The Company's ERP control mechanism has further strengthened the overall control on the business.

The Audit Committee of the Board of Directors approves the internal audit plan and internal audits are conducted at regular intervals across various locations and accordingly, audit observations and follow-up actions are discussed with the Management of the Company as well as the Audit Committee.

COMPANY PERFORMANCE REVIEW-

The Company provides an overview of the financial activities for the reporting year i.e. 2012-2013. Since this information is designed to focus on the performance of the Company, resulting in the vicissitudes and currently known facts.

Despite a challenging year in FY 2012-13, your Company has coped to overcome hurdles and moved towards the objective of stabilizing the business on its turn. This was possible due to the Company's continuous endeavor to assess the customers' needs and manufacturing the products accordingly which delivered better value to its customers.

During the reporting year there has been 25% increase in the EBIDTA from Rs. 120 Million in the year ended 31st March, 2012 to Rs. 150 Million in the year ended 31st March, 2013. During the year under review your company focused more on Job Work and contract manufacturing and did not engage into the trading business.

The turnover from the operations of the Company during the financial year ended 31st March, 2013 amounted to Rs. 561 Million as compared to Rs.928 Million during the previous year ended 31st March, 2012 as in the previous year ended on 31st March, 2012 your company made income from trading business amounting to Rs. 390 million. The turnover of the Company has decreased by 39.55% from the previous year mainly on account of loss of trading income. Therefore, due to this it resulted in challenging status quo this year and reported a loss of Rs. 42 Million as compared to Loss of Rs. 36.4 Million in the previous year.

It give us great pleasure to inform you that your company has during the reporting year entered into an agreement with Colgate Palmolive India Limited and Patanjali Ayurved Limited for contract manufacturer of toothbrushes.

ENVIRONMENT, HEALTH AND SAFETY-

JHS always considers Environment, Health and Safety (EHS) as a key management concern. Compliance with relevant regulations and effective management of these issues is an integral part of the Company's operating philosophy. EHS is managed and controlled in JHS through an integrated EHS Management System that provides continuous improvements in EHS Performance. EHS Management System is based on an "EHS Roadmap", which fulfils the objective of defining the EHS Management Standards for all sites of the Company and provides an audit guideline in order to assess the implementation of these standards.

HUMAN RESOURCES-

Company's Human Resource agenda for the year was focused on strengthening four key areas: building a robust and diverse talent pipeline, enhancing individual and organizational capabilities for future readiness, driving greater employee engagement and strengthening employee relations further through progressive people practices at the shop floor.

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-

SEGMENT-WISE PERFORMANCE:

The Segment wise Performance as on 31st March, 2013 is as mentioned below:

Segment Wise Revenue, Results and Capital Employed

S.No.	Particulars	Consolidated			
		Quarter Ended		Year Ended	
		31/03/2013	31/03/2012	31/03/2013	31/03/2012
		Audited	Audited	Audited	Audited
A.	**SEGMENT REVENUE**				
	i) FMCG	612.60	3082.52	2979.31	9280.20
	ii)Job Work – Oral care and Hygiene Care	663.82	0	2626.41	
	iii)Personal Care Products -Marketing & Distribution	0	309.96	350.92	3365.54
	iv) Dental Care Clinics	0	1.40	2.42	14.46
	Total	**1276.41**	**3393.88**	**5959.06**	**12660.20**
B.	**SEGMENT RESULTS:**				
	Profit/Loss Before tax and Interest				
	i) FMCG	(498.56)	202.96	(925.23)	694.30
	ii)Job Work – Oral care and Hygiene Care	261.58	0	1170.61	0
	iii) Personal Care Products -Marketing & Distribution	28.91	10.68	(22.08)	481.22
	iv) Dental Care Clinics	1.99	(2.88)	(1.20)	(5.73)
	Total	**(206.09)**	**210.76**	**222.10**	**1169.79**
	Less:				
	Interest	194.98	145.57	1034.35	611.45
	Other Unallocable Expenditure	(229.49)	7.60	219.54	7.60
	Total profit before Tax Exceptional Items	**(171.58)**	**57.59**	**(1031.79)**	**550.74**
C.	**CAPITAL EMPLOYED**				
	i) FMCG	7210.91	12922.23	7210.91	12922.23
	ii)Job Work – Oral care and Hygiene Care	5002.16	0	5002.16	0
	iii)Personal Care Products -Marketing & Distribution	2853.76	1539.40	2853.76	1539.40
	iv) Dental Care Clinics	-	-	-	-
	Total Capital Employed	**15066.83**	**14461.63**	**15066.83**	**14461.63**

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.

ANNEXURE "A"

The status of employee stock option, as on March 31, 2013 is as under:

S. No.	Particulars	2012-13
1	Options granted	Nil
2	Pricing formula	Nil
3	Options vested	Nil
4	Options exercised	Nil
5	Number of Shares arising as a result of exercise of Options	Nil
6	Options lapsed/ cancelled	Nil
7	Variation of terms of Options	Nil
8	Money realized by exercise of options (in Rs.)	Nil
9	Total No. of Options in force	Nil
10	Employee wise details of options granted	
(a)	Options granted to the Senior Managerial Persons, Promoter, Directors	Nil
(b)	Employees who have received Options in one year, amounting to 5% or more of Options granted during that year	Nil
(c)	Employees who were granted Options, during one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversations) of the Company at the time of grant	Nil
11	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option	NA
12	Difference between the employee compensation cost computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on EPS	NA
13	Weighted average exercise prices and weighted-average fair values of options	NA
14	Exercise price	NA

ANNEXURE "B"

1. **Conservation of Energy:**

The Company has always been conscious of the need for conservation of energy and has been steadily making progress towards this end. Energy conservation measures have been implemented at all units and offices of the Company and special efforts are being put on undertaking specific Energy Conservation. This has resulted in cost saving for the Company. The details of energy consumption during the year are as follows:

Power and fuel Consumption	Units	2012-13	2011-12
1. Electricity			
(A) Purchased			
✦ Units	Kwh	21,35,856	17,34,673
✦ Total Amount	Rs.in Lacs	117.00	78.06
✦ Rate/Unit	Rs.	5.48	4.50
(B) Own Generator			
✦ Through Diesel Generator Units	Kwh	55378	44,567
✦ Unit per litre of Diesel Oil	Kwh	4.08	4.12
✦ Cost/Unit	Rs.	8.23	8.15
✦ Through steam turbine/generator			-
2. Other/Internal generation light/diesel oil/ diesel oil/furnace oil			
(A) Quantity			
Total Cost			-
Average Rate			-
(B) Consumption Per unit of Production			
1) Electricity			
Oral Care Products	Kwh/Per Unit	0.02	0.02
2) Through Diesel Generator			
Oral Care Products	Kwh/Per Unit	0.00	0.00

It is not feasible to classify energy consumption data on the basis of product categories, since the Company manufactures a large range of Oral Care Products with different energy requirement.

1). **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 Organised 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 a strong portfolio in all categories including Oral Care, Health Care and Personal Care products.

(iii) Expenditure of R&D :

S. No	Particulars	2012-13 - (Amount in Rupees)
(a)	Capital	NIL
(b)	Recurring	16854
(c)	Total	16854
(d)	Total R&D Expenditure as	
	a percentage of total turnover	

2). **Foreign Exchange Earnings and Outgo :**

Particulars	2012-13	2011-12
Foreign Exchange Outgo		
Travelling	14,13,635	487340
Raw Materials	71,41,276	1,97,67,227
Finished Goods	-	
Capital Goods	9,94,01,073	21,68,50,380
Foreign Exchange Earnings	-	
Earning in Foreign Exchange	6,20,29,043	28,90,91,086

To the Members
JHS Svendgaard Laboratories Limited
Report on the Financial Statements.

We have audited the accompanying financial statements of JHS Svendgaard Laboratories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

(a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2013;

(b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion:-

[1] Attention is invited to note number 4.2 and 17 of financial statements in respect of management's decision to write off unrealisable trade receivables amounting 482,892,640 by utilising securities premium account. In this regard the Company has applied to Hon'ble High Court of Himachal Pradesh for an approval which is pending to be received till the date of this report.

[2] Attention is invited to note number 48 of financial statements with regard to non renewal of contract by a major customer. The Management does not expect significant impact of this on operations of the Company.

Report on Other Legal and Regulatory Requirements:-

[1] As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.

[2] As required by section 227(3) of the Act, we report that:

(a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit except for the matter described in the Basis for disclaimer of opinion paragraph;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

(e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Haribhakti & Co
Chartered Accountants
Firm Registration No.103523W

Raj Kumar Aggarwal
Partner
Membership No.074715

Place: New Delhi
Date: 27th May, 2013

[Referred to in paragraph 1 of Report on other legal and regulatory requirements of the Auditors' Report of even date to the members of JHS Svendgaard Laboratories Limited on the financial statements for the year ended March 31, 2013]

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

(b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner over a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.

(iii)(a) The Company has granted interest free unsecured loans to three parties covered under section 301 of the Act. The maximum amount involved during the year is ₹128,447,979 and the balance at the year end is ₹128,447,979. Related parties areas under:

- Jones H Smith, FZE- Wholly owned subsidiary ₹(1,505,722);
- JHS Svendgaard Dental Care Limited- Subsidiary ₹(349,050); and
- JHS Svendgaard Mechanical and Warehouse Private Limited -subsidiary w.e.f. June 21, 2012 ₹(126,593,207).

(b) *In our opinion and according to the information and explanation given to us, loan granted to first two subsidiaries referred above, are fully provided for in books of Company and therefore, the rate of interest and others terms and conditions thereof are prejudicial to the interest of the Company.* The rate of interest and others terms and conditions of loan granted to JHS Svendgaard Mechanical and Warehouse Private Limited are prima facie not prejudicial to the interest of the Company.

(c) *In our opinion and according to the information and explanation given to us, In respect of the interest free loan granted to first two subsidiaries referred above, the terms of principal repayment are not stipulated. Hence, we are unable to comment on principal repayment regularity of the same.* The interest free loan granted to JHS Svendgaard Mechanical and Warehouse Private Limited is not yet due for receipt as per the terms of agreement.

(d) *In the absence of repayment schedule for the first two subsidiaries referred above, we are unable to comment on whether the amount is overdue as at the Balance Sheet date.* In case of loan granted to JHS Svendgaard Mechanical and Warehouse Private Limited no amount is overdue on the Balance Sheet date.

(e) The Company has taken loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is `289,887,550 and the balance as at year end is ` 198,552,795.

(f) *In the absence of any agreement with the above said parties, we are unable to comment on whether the rate of interest and other terms and conditions for such loans are prima facie, prejudicial to the interest of the Company.*

(g) *In the absence of any agreement with the above said parties, we are unable to comment on the regularity of repayment of principal amounts and interest thereon.*

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regards to purchase of inventories, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system of the company.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

(b) The transactions referred in this clause were entered by one of the amalgamated company and form the part of company pursuant to amalgamation. We are unable to comment if the transactions made with the parties listed in section 301 of the Companies Act, 1956, in pursuance of such contracts or arrangements exceeding value rupees live lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices, at the relevant time, as market prices comparable to those transactions with similar terms are not available.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the rules framed there under.

(vii)*The Company has an internal audit system, the scope and coverage of which, in our opinion requires to be widened to commensurate with the size and nature of its business.*

(viii)We have broadly reviewed the books of account relating to the manufacture of toothpastes, mouthwash and room fresheners pursuant to the Rules made by the Central Government of India, for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central government has not prescribed maintenance of cost records for any other products of the Company.

(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Income tax, wealth tax, sales tax, customs duty and excise duty. undisputed statutory dues including provident fund, employees' state insurance, tax deducted at source, Service tax and tax collected at source have generally been deposited with delays with appropriate authorities. As explained, there is no amount due for deposit with Investor Education and Protection Fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth- tax, sales-tax, customs duty, excise duty, provident fund, employees' state insurance, tax deducted at source, service tax, tax collected at source, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

As explained, there is no amount due for deposit with Investor Education and Protection Fund.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess on account of any dispute which have not been deposited with the appropriate authorities.

(x) The Company does not have any accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, there are no dues to debenture holders or financial institutions. However, *there has been defaults in repayment of dues to the banks during the year:*

Name of Bank	Type of facility	Principal Due (Amount in Rs.)	Interest Due (Amount in Rs.)	Due date
ICICI Bank	Foreign currency loan from banks - External Commercial Borrowings (ECB)	53,954,186	2,443,775	August 27, 2012 and February 27, 2013
ICICI Bank	Foreign currency loan from banks- Foreign Currency Term Loan (FCTL)	16,534,347	886,039	July 31, 2012 and January 31, 2013
ICICI Bank	Indian rupee term loan from bank	37,776,000	16,555,278	June 29, 2012, September 29 2012, December 29 2012, March 29, 2013.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures another securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

(xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year.

(xx) The Company has not raised money by way of public issue during the year.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co
Chartered Accountants
Firm Registration No.103523W

Raj Kumar Aggarwal
Partner
Membership No.074715

Place: New Delhi
Date: 27th May, 2013

BALANCE SHEET AS AT MARCH 31, 2013

(Amount in ₹)

	Note	March 31, 2013	March 31, 2012
Equity And Liabilities			
Shareholders' funds			
Share capital	3	240,952,520	175,500,070
Reserves and surplus	4	495,569,535	820,552,430
		736,522,055	**996,052,500**
Deferred government grant	5	2,400,000	2,700,000
Non-current liabilities			
Long term borrowings	6	193,019,550	266,884,189
Deferred tax liabilities (net)	7	67,455,337	23,126,536
Long term provisions	8	4,554,763	3,460,152
		265,029,650	**293,470,877**
Current liabilities			
Short term borrowings	9	564,960,798	329,650,009
Trade payables	10	216,118,670	353,998,620
Other current liabilities	11	370,604,609	98,382,257
Short term provisions	12	273,151	230,709
		1,151,957,228	**782,261,595**
TOTAL		**2,155,908,933**	**2,074,484,972**
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	12(a)	1,351,084,085	517,303,913
- Intangible assets	12(b)	888,986	1,581,783
Capital work in progress	12(C)	-	244,483,953
-Intangible fixed assets under development		112,360	-
-Non-current investments	13	99,990	4,512,587
Long term loans and advances	14	329,406,974	308,664,242
Other non current assets	15	596,275	541,554
		1,682,188,670	**1,077,088,032**
Current assets			
Inventories	16	60,702,119	131,499,882
Trade receivables	17	246,096,158	811,098,528
Cash and bank balances	18	7,890,916	2,553,310
Short term loans and advances	19	158,847,160	48,866,638
Other current assets	20	183,910	3,378,582
		473,720,263	**997,396,940**
TOTAL		**2,155,908,933**	**2,074,484,972**

Summary of significant accounting policies
The notes form an integral part of the financial statements.
As per our report of even date attached

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: New Delhi
Date : 27 May, 2013

For and on behalf of board of directors of JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director

Rakesh Sharma
Director

Sandhya Sethia
Company Secretary

Ashok Tyagi
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in ₹)

	Note	Year ended March 31, 2013	Year ended March 31, 2012
Income:-			
Revenue from operations (gross)	21	560,572,353	929,206,552
Less: Excise duty		-	1,186,591
Revenue from operations (net)		560,572,353	928,019,961
Other income	22	40,262,396	8,326,502
Total revenue		**600,834,749**	**936,346,463**
Expenses:-			
Cost of materials consumed	23	182,729,799	240,494,318
Purchase of traded goods		-	393, 278,799
Decrease in inventories of finished goods work-in-progress and traded goods	24	38,636,594	22,974,448
Employee benefits expense	25	95,030,707	47,310,496
Finance cost	26	103,407,826	61,650,701
Depreciation, amortization and impairment	27	136,187,733	73,658,463
Other expenses	28	129,578,827	111,134,626
Total expenses		**685,571,486**	**950,501,851**
Loss before prior period items and tax		84,736,737	14,155,388
Less: Extra ordinary items (Refer note 47)		83,824,177	-
Prior period expense (net)	29	471,283	764,659
Loss before tax		**1,383,843**	**14,920,047**
Tax expense:-			
-Current tax		-	-
-Deferred tax charge / (benefit) (Refer note 7)		16,297,568	(947,772)
-Deferred tax charge / (benefit) for earlier years (Refer note 7)		22,450,848	26,849,402
- Tax for earlier years		1,960,926	(4,417,116)
Total tax expense		**40,709,342**	**21,484,514**
Loss for the year		42,093,185	36,404,561
Earnings per share (in amount): (nominal value of 10 per share)			
-Basic EPS	37	(5.22)	(2.15)
-Diluted EPS	2	(5.22)	(2.15)

Summary of significant accounting policies
The notes form an integral part of the financial statements.
As per our report of even date attached

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: New Delhi
Date : 27 May, 2013

For and on behalf of board of directors of JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director

Rakesh Sharma
Director

Sandhya Sethia
Company Secretary

Ashok Tyagi
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(Amount in ₹)

	Year ended March 31, 2013	Year ended March 31, 2012
A. Cash flow from operating activities:-		
Loss before prior period items and tax	(84,736,737)	(14,155,388)
Adjustments for:		
Depreciation, amortisation and impairment	136,187,733	73,658,463
Interest income	(443,976)	(3,489,156)
Government grant amortisation (income)	(300,000)	(300,000)
Prior period expenses	(471,283)	(26,472)
Excess provision written back	(372,173)	-
Wealth tax (written back)	-	(30,000)
(Profit)/Loss on sale of fixed assets	(4,314,039)	1,010,755
Advance from customers written back	-	(1,599,510)
Provision for doubtful debts written back	(1,219,449)	(967,332)
Bad debts written off	-	11,368,019
Creditors written off	-	(618,456)
Provision for doubtful advances	10,127,795	845,229
Provision for diminution in value of investment	4,012,587	674,793
	3,040,057	-
Provision for slow moving inventory		
Advances written off	5,324,037	-
	(7,968,210)	-
Unrealised loss/ (gain) on foreign exchange on trade receivable and trade payables		8,166,184
Unrealised loss/ (gain) on foreign exchange on borrowing	15,474,028	13,502,592
Interest and financial charges	103,407,826	61,079,991
Operating profit before working capital changes	**177,748,196**	**149,119,712**
Adjustment for:		
Decrease in inventories	72,847,946	57,990,879
Decrease/ (increase) in trade receivables	197,744,132	(328,783,754)
(Increase)/Decrease in short term loans and advances	(69,594,620)	15,842,814
Decrease in other current assets	4,677,471	-
Decrease/ (increase) in Long term Loan and advances	90,672,010	(173,972,087)
Increase in other non-current assets	(54,721)	-
Increase/ (decrease) in Trade payables	(221,300,990)	207,686,488
Increase in provisions	180,380	2,100,042
Increase/ (decrease) in Current liabilities	175,321,889	(23,238,538)
Profits of merged entities for the year 2010-11 and 2011-12	83,824,177	-
Cash generated from / (used in) operations	512,065,870	(93,254,444)
Taxes paid	8,744,722	(16,667,197)
Net Cash generated from /(used in) operating activities	**503,321,148**	**(109,921,641)**
B. Cash flow from investing activities:-		
Purchase of fixed assets including capital advances	(147,721,764)	(262,179,002)
Sale of fixed assets	27,644,653	2,817,680
(Investment in)/proceeds from fixed deposits	(1,514,280)	660,697
Purchase of Investments	(99,990)	(3,599,050)
Interest and dividend income received	443,976	34,89,156
Decrease in investment on account of merger *	500,000	-
Net Cash used in Investing Activities	**(120,747,404)**	**(262,232,594**
Cash flow from financing activities		
Proceeds from issue of share capital (including premium & amalgamation reserve)	-	270,685,430
Increase in share capital on account of amalgamation *	(65,452,450)	-
Increase in reserves on account of amalgamation *	(19,840,350)	-
Government grant received	-	3,000,000
Proceeds from/(Repayment of) long term borrowing	(155,649,058)	105,262,366
Dividend Paid	(3,500)	(12,686,629)
(Repayment of)/ proceeds from short term borrowing	(55,945,728)	64,737,414
Interest and financial charges	(103,407,826)	(59,758,628)

(Amount in ₹)

	Year ended March 31, 2013	Year ended March 31, 2012
Net Cash (flow from) /used in financing activities	(400,298,911)	371,239,951
Net decrease in Cash and Cash Equivalents (A+B+C)	**(17,725,167)**	**(914,282)**
Opening balance of Cash and Cash Equivalents *	20,952,387	1,910,022
Closing balance of Cash and Cash Equivalents	3,227,220	995,740
Add: Margin money, Deposits with original maturity of more than three months but realizable within twelve months from Balance Sheet date and unclaimed dividend account	4,663,696	1,557,570
Cash and bank balance (Refer note 18)	7,890,916	2,553,310

* Increase in amounts is on account of amalgamation as explained in Note 47.

1. The notes form an integral part of the financial statements.
2. The above Cash flow statement has been prepared under the indirect method set out in AS-3 the Companies (Accounting Standard) Rules, 2006 (as amended).

As per our report of even date attached

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: New Delhi
Date : 27 May, 2013

For and on behalf of board of directors of
JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director

Rakesh Sharma
Director

Sandhya Sethia
Company Secretary

Ashok Tyagi
Chief Financial Officer

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, senitizers 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 notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provision of the Companies Act, 1956 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 Revised Schedule VI to the Companies Act, 1956. 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 fixed assets:-

Tangible fixed 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 fixed 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 fixed 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 expenditure related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

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

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

[e] Intangible fixed assets:-

Intangible fixed assets comprise computer software and are stated at cost less accumulated amortization and impairment losses, if any. The cost of an item of intangible fixed 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. Cost of assets not ready for intended use before the year end, are shown as intangible fixed assets under development.

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

[f] Depreciation and Amortization:-

Depreciation:- Depreciation on tangible fixed assets is provided at rates prescribed in Schedule XIV of the Companies Act, 1956 on straight line basis on pro rata basis from the respective number of days after addition/before discard or sale of fixed assets by leaving residual value of Rs 1 except in case of moulds and dies which are depreciated over the usefullife of five years as estimated by the management. Assets costing 5,000 or less are fully depreciated in the year of purchase.

Amortization:- Intangible assets comprise of computer software and are amortized over a period of five years. Assets costing to 5,000 or less are fully depreciated in the year of purchase. Depreciation/ amortization method, useful lives and residual values are reviewed at each balance sheet date.

[g] Impairment of tangible and intangible assets:-

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Assessment is done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

[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:-

Inventories which comprises of raw materials, packaging materials and stores and spare parts are carried at cost. Cost includes purchase price, (excluding those 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. The carrying cost of raw materials, packaging materials and stores and spare parts are appropriately written down when there is a decline in replacement cost of such materials and finished products in which these will be incorporated are expected to sell below cost.

Work in progress, finished goods and traded goods are valued at the lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress, finished goods and traded 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. Finished products and work in progress includes appropriate production overheads.

Excise duty liability 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.

[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 in the course of ordinary activities is recognized on transfer of significant risk and rewards of ownership to the customer. Revenue is net of 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. Interest income is included under the head "other income" in the Statement of Profit and Loss.

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 basedon 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 risk and rewards of ownership of goods have passed to the buyer.

Service Income:- Service income including job work in the course of ordinary activities is recognized on completed services basis and is recognized on the basis of 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 cost incurred in connection with the arrangement of borrowing and exchange differences arising from foreign currency borrowing 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 period in which they are incurred and charged to revenue.

[l] Foreign currency transactions:-

Initial Recognition:- Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction.

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

Exchange Differences:- Subsidiaries located outside India are classified as non-integral operations. 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 should be accumulated in a foreign currency translation reserve until the disposal of the net investment.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

[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 Asset" in consonance with current/non current classification scheme of Revised Schedule VI. 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 investments 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 rendering the service are classified as short term employee benefits. These benefit includes such as salaries, wages, short term compensated absence and bonus etc are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

Long term employee benefits:-

I. Defined contribution plans:

Provident Fund Contribution:- In accordance with the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the company are entitled to receive benefits with respect to provident fund, a defined contribution plan in which both the company and the employee contribute monthly at a determined rate (currently 12% of employee's basic salary). Company's contribution to Provident Fund is charged to the Statement of Profit and Loss, when due.

Employee State Insurance Contribution:-The Contributions for Employee State Insurance are deposited with the appropriate government authorities and are recognized in the Statement of Profit and Loss in the financial year to which they relate.

II. Defined Benefit Plans:

Gratuity:- The Company provides for retirement benefits in the form of Gratuity. The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined plan is determined based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit 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 obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under the defined benefit plans, is based on the market yields on government securities as at the valuation date having maturity periods approximating to the terms of the related obligations. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

III. Other long term employee benefits:

Earned leave encashment:- Liability for earned leave encasement payable to employees with respect to accumulated leaves outstanding at the year end is provided for based on the actuarial valuation using the projected unit cost method.

[o] Segment Reporting:-

The Companies 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 accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the company. Revenue and expenses which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated items".

[p] Accounting for taxes on income:-

Income tax expenses comprises of current tax, deferred tax. Current income tax is measured at the amount expected to be paid to the tax

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 law 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 where as 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 backed by convincing evidence. Deferred tax assets are reviewed at each Balance Sheet date.

Minimum Alternate Tax ('MAT') under the provisions of the Income -tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

[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 remaining period of life of the assets. Grants related to non-depreciable assets are credited to capital reserve.

[r] Provisions, Contingent Liabilities and Contingent Assets:-

A provision is recognized when there is a 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 the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognize assets which are of contingent nature until there is virtual certainty of reliability of such assets. However, subsequently, if it becomes virtually certain that an inflow of economic benefits will arise, asset and related income is recognized in the financial statements of the period in which the change occurs.

[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 including 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 period, 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 delusive potential equity shares, if any, except when the results would be anti-dilutive.

The delusive 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 and till the date of signing of the financials are taken into cognizance.

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.

Particulars	March 31, 2013 Numbers	March 31, 2013 In Amount	March 31, 2012 Numbers	March 31, 2012 In Amount
Authorised shares Equity shares of 10/- each (March 31, 2012 : 10/- each)	28,000,000	280,000,000	18,000,000	180,000,000
Issued, subscribed and fully paid up shares Equity shares of 10/- each (March 31, 2012 : 10/- each)	24,095,252	240,952,520	17,550,007	175,500,070

[a] Reconciliation of shares outstanding as at the beginning and at the end of the reporting period:-

Particulars	March 31, 2013 Numbers	March 31, 2013 In Amount	March 31, 2012 Numbers	March 31, 2012 In Amount
At the beginning of the year	17,550,007	175,500,070	14,550,007	145,500,070
Add : Shares Issued during the year to shareholders/ partners of merged entities*	6,545,245	65,452,450	3,000,000	30,000,000
Outstanding at the end of the year	24,095,252	240,952,520	17,550,007	175,500,070

**** Issued consequent to the scheme of amalgamation (Refer note 47).***

[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 approval of the shareholders in ensuing Annual General Meeting, except in the case where interim dividend is distributed. During the year ended March 31, 2013 and March 31, 2012, no dividend has been declared by the Company.

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

[c] No shares have been allotted as fully paid up pursuant to any contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back ,except shares issued consequent to the scheme of amalgamation (Refer note 47).

[d] Detail of shareholders holding more than 5% shares in the company.

Equity share of 10 each fully paid	March 31, 2013			March 31, 2012		
	Numbers	In Amount	% held	Numbers	In Amount	% held
Nikhil Nanda	8,810,774	88,107,740	36.57%	5,885,520	58,855,200	33.54%
no Mauritius India FVCI	3,499,999	34,999,990	14.53%	2,500,000	25,000,000	14.25%

4. Reserves and surplus

[4.1] Capital reserves (forfeiture of equity share warrants)

(Amount in ₹)

	March 31, 2013	March 31, 2012
Opening balance (forfeiture of equity share warrants)	230,000	230,000
Add: Amalgamation reserve on account of amalgamation (Refer note 47)	23,882,040	-
Closing balance (A)	**24,112,040**	**230,000**

[4.2] Securities premium

(Amount in ₹)

	March 31, 2013	March 31, 2012
Opening balance	651,090,198	410,404,768
Add: Premium transferred consequent to amalgamation (Refer note 47)	176,120,890	-
Add: Premium on issue of equity shares on referential basis*	-	263,250,000
Less : Amount utilized towards issue of equity shares on preferential basis #	-	22,564,570
Less: Amount utilized towards setting off non recoverable trade receivables (Refer footnote # to note 17)	482,892,640	
Closing balance (B)	**344,318,448**	**651,090,198**

** Premium on issue of shares during the previous year.*

** Premium utilised for writing off share issue expenses during the previous year.*

[4.3] General reserves

(Amount in ₹)

	March 31, 2013	March 31, 2012
Opening balance	667,750	667,750
Add: Adjustment during the year	-	-
Closing balance (C)	**667,750**	**667,750**

[4.4] Surplus/ (deficit) in the Statement of Profit and Loss

(Amount in ₹)

	March 31, 2013	March 31, 2012
Opening balance	168,564,482	204,969,043
Less: Loss for the year transferred from the Statement of Profit and Loss	42,093,185	36,404,561
Closing balance (D)	**126,471,297**	**168,564,482**
Total Reserves and Surplus (A+B+C+D)	**495,569,535**	**820,552,430**

5. Deferred government grant

(Amount in ₹)

	March 31, 2013	March 31, 2012
Government grant received #	2,700,000	3,000,000
Less: Current year amortisation over the balance life of the assets (Refer note 22)	300,000	300,000
Closing balance	**2,400,000**	**2,700,000**

 # During the previous 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 to be amortised over the balance useful life of the assets being 10 years.

6. Long term barrowings

(Amount in ₹)

Secured:	Non -current portion		Current maturities	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Indian rupee loan from banks (term loan)	52,756,122	30,774,086	81,525,800	-
Foreign currency loan from banks (buyers credit)	134,543,693	164,129,265	32,889,752	-
Foreign currency loan from banks (External Commercial Borrowings (ECB) and Foreign Currency Term Loan (FCTL))	-	66,298,824	140,977,066	66,298,824
	187,299,815	**261,202,175**	**255,392,618**	**66,298,824**
Vehicle loans	5,719,735	5,682,014	3,075,392	2,271,994
	193,019,550	**266,884,189**	**258,468,010**	**68,570,818**
Amount disclosed under the head other current liabilities (Refer note 11)	-	-	(258,468,010)	(68,570,818)
Net amount	**193,019,550**	**266,884,189**	**-**	**-**

** Our bankers ICICI Bank Limited & Bank of India have declared our account as Non Performing Assets (NPA) as at September 30, 2012 and March 30, 2013 respectively due to non payment of interest and principal on various facilities availed by us. The Company is in discussion with both the existing Bankers and some financial institutions for appropriate solution to work out necessary plan so that Company's normal functioning should not get effected.*

Particulars	Indian rupee loan from banks (term loan)	Foreign currency loan from banks (buyers credit)	Foreign currency loan from banks (External Commercial Borrowing (ECB))	Foreign Currency Term Loan (FCTL)
Rate of Interest	A) 30,393,030 @ 3.25% over Base Rate plus Tenor Premium 0.75%, B) 103,888,892 @ 13.5%.	6 months LIBOR plus applicable, margin	LIBOR is hedged @ 2.98% Plus 1.50% as Margin. Refer note 41 (a) as Margin. Refer	LIBOR is hedged @ 2.98% Plus 1.60% note 41 (a)
Repayment terms	**A)** 20 Quarterly Instalments of 9,715,000 each from April, 2013. **B)** 4 quarterly Instalments of 9,444,444 each are due as at March 31, 2013 and 7 quarterly instalments of same amount are payable in next two years.		Two Semi Annual instalments of USD 496,000 each are due as at March 31, 2013 and two instalments are payable in next one year.	Two Semi Annual instalments of USD 152,000 each are due as at March 31, 2013 and two instalments are payable in next one year.
Security	[A] Exclusive charge on movable and non-movable assets financed by bank. [B] First pari passu charge on uncharged net block and second charge on current assets of the company. [C] Collateral security to the following properties of the Company mortgaged with ICICI Bank: • Khata Khatauni No. 13/14, Khasra No. 420/353 measuring 2.05 bighas • Khasra no.89 measuring 4.18 bighas • Khata Khatauni No. 6/6, Khasra No. 179/82 measuring 3.15 bighas • Khata no. 85/1, measuring 4 bighas • Khata Khatauni No. 27/28, Khasra No. 418/67 measuring 4.60 bighas situated at Mouza Kheri, Kala-Amb, Tehsil Nahan, District Sirmour, HP (total land measuring 19.04 bighas) in the name of Company.		[A] Exclusive charge on all the movable fixed assets of the Company being financed by the facility. [B] First Charge on all the immovable (subject to RBI approval) fixed assets of the Company being financed by the facility. [C] Equitable mortgage of the following properties: • Khata Khatauni No. 13/14, Khasra No. 420/353 measuring 2.05 bighas • Khasra no. 89 measuring 4.18 bighas • Khata Khatauni No. 6/6, Khasra No. 179/82 measuring 3.15 bighas • Khata no. 85/1, measuring 4 bighas • Khata Khatauni No. 27/28, Khasra No. 418/67 measuring 4.60 bighas situated at Mouza Kheri, Kala-Amb, Tehsil Nahan, District Sirmour, HP (total land measuring 19.04 bighas) in the name of Company (subject to RBI approval).	[A] Exclusive charge on all the movable fixed assets of the Company under Noida SEZ Unit, both present and future. [B] First Charge on the current assets of the Company pari passu with ICICI Bank Limited. [C] Personal guarantee of Mr. Nikhil Nanda limited to the value of 4,204,446 shares of the Company.

Particulars	Indian rupee loan from banks (term loan)	Foreign currency loan from banks (buyers credit)	Foreign currency loan from banks (External Commercial Borrowing (ECB))	Foreign Currency Term Loan (FCTL)
	Equitable mortgage of free hold project land measuring in Khata Khatauni no. 19 min/20 min, Khasra no 86 measuring 3-3 bighas, Khata Khatauni no 21/22, Khasra No. 417/67, measuring 3 bigha and khatra khatauni no 23/24, Khasra no 173/60 measuring 2-18 bighas 3 kites, total measuring 9-1 bighas, situated at Mauza Kheri, Tehsil Nahan, District – Sirmour, Himachal Pradesh. [D] Personal guarantee of Mr. Nikhil Nanda limited to the value of 500,000 shares of the Company.		[D] Second Charge on the current assets of the Company. [E] Personal guarantee of Mr. Nikhil Nanda limited to the value of 4,204,446 shares of the Company	

Vehicle loans are secured against hypothecation of specific vehicles.

7. Deferred tax liabilities (net)

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the deferred tax liabilities of 38,748,416* has been recognised as charge in the Statement of Profit and Loss. The effect of significant timing differences as at March 31, 2013 that reverse in one or more subsequent years give rise to the following net deferred tax liability as at 31 March, 2013.

Deferred tax assets and liabilities are attributable to the following:

(Amount in ₹)

	March 31, 2013	Benefit/ (charge) for the year	March 31, 2012
Deferred tax liability :-			
On account of written down value of fixed assets as per the Income Tax Act, 1961 and total of net block of tangible and intangible fixed assets as per financial statements	87,088,993	(52,426,879)	34,662,114
	87,088,993	(52,426,879)	34,662,114
Transferred pursuant to Amalgamation (Refer note 47)	-	5,580,385	-
Total deferred tax liability	**87,088,993**	**(46,846,494)**	**34,662,114**
Deferred tax assets :-			
Provision for bonus	85,686	68,355	17,331
Provision for doubtful debts	1,878,928	993,103	885,825
Provision for obsolete stock	2,336,664	277,421	2,059,243
Provision for gratuity	417,421	(258,691)	676,112
Provision for leave encasement	216,911	216,911	-
Provision for doubtful advances	862,567	862,567	-
Provision for diminution in the value of investment	1,132,700	1,132,700	-
Realised exchange loss on capex loans	12,702,779	4,807,955	7,894,824
Interest disallowed	-	(2,243)	2,243
Total deferred tax assets	**19,633,656**	**8,098,078**	**11,535,578**
Deferred tax liabilities (net)	**67,455,337**	**(38,748,416)**	**23,126,536**

** 38,748,416 is net deferred tax charge. This is inclusive of deferred tax charge amounting to 22,450,848 related to earlier years.*

8. Provision

	Long-Term		Short-Term	
	March 31, 2013	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**
Provision for employee benefits				
Provision for gratuity (Refer note 33)	3,079,734	2,493,388	100,709	102,379
Provision for leave benefits (Refer note 33)	1,475,029	966,764	172,442	128,330
	4,554,763	3,460,152	273,151	230,709

9. Short term borrowings

(Amount in ₹)

	March 31, 2013	March 31, 2012
Secured:-		
Loan repayable on demand		
★ Cash credit from banks in Indian rupee	276,604,300	255,230,193
★ Buyers credit from banks in foreign currency	2,460,722	6,932,359
★ Packing credit from banks in foreign currency	61,356,777	57,709,843
★ Temporary overdraft from ICICI Bank	25,986,204	-
★ **Unsecured:-**		
★ Interest free loan from related parties repayable on demand (Refer note 35)	198,552,795	9,777,614
	564,960,798	**329,650,009**

Particulars	Cash credit from bank in Indian Rupee (ICICI Bank) , Buyers credit and Packing credit from banks in foreign currency	Cash credit from bank in Indian rupee (Bank of India)	Temporary overdraft (ICICI Bank)
Rate of interest	Cash credit from bank in Indian Rupee (ICICI Bank)- Base rate plus applicable margin. Buyers credit and Packing credit from banks in foreign currency-6 months LIBOR Plus Applicable Margin.	Base rate plus applicable margin.	19.25% per annum
Security	**[A]** First charge in favour of the bank by the way of hypothecation of the Company's entire stock of raw materials, semi-finished and finished goods, consumable stores, packing material and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank pari passu with ICICI Bank Ltd. SEEPZ OBU and Bank of India. **[B]** Second Charge on the following properties: ★ Khata Khatauni No. 13/14, Khasra No. 420/353 measuring 2.05 bighas ★ Khasra no.89 measuring 4.18 bighas ★ Khata Khatauni No. 6/6, Khasra No. 179/82 measuring 3.15 bighas ★ Khata no. 85/1, measuring 4 bighas ★ Khata Khatauni No. 27/28, Khasra No. 418/67 measuring 4.60 bighas situated at Mouza Kheri, Kala-Amb, Tehsil Nahan, District Sirmour, Himachal Pradesh measuring 19.04 bighas (subject to RBI approval) also sharing second charge with Bank of India-for working capital facilities. **[C]** Personal guarantee of Mr. Nikhil Nanda limited to the value of 4,704,446 shares of the Company.	**[A]** First pari passu charge on current assets of the Company by the way of hypothecation. **[B]** Second pari passu charge on fixed assets on reciprocal basis.	No separate security charged i. e. security is common as in cash credit from bank in Indian rupee (ICICI Bank).

10. Trade payables

(Amount in ₹)

	March 31, 2013	March 31, 2012
Trade payables (Refer note 39 for details of dues to Micro Small and Medium Enterprises)	216,118,670	353,998,620
	216,118,670	353,998,620

11. Other current liabilities

(Amount in ₹)

	March 31, 2013	March 31, 2012
Current maturities of long-term borrowings *(Refer note 6)	255,392,618	66,298,824
Current maturities of Vehicle Loans (refer note 6)	3,075,392	2,271,994
Interest accrued but not due on borrowings	4,992,884	2,770,682
Interest accrued and due on borrowings * (Refer note 6)	33,297,248	303,257
Book overdraft	8,710,066	283,087
Creditors for fixed assets (Refer note 39)	31,558,507	11,453,293
Advance received from customers	11,982,460	3,470,000

(Amount in ₹)

	March 31, 2013	March 31, 2012
Expenses payables (Refer note 39)	9,657,936	2,949,239
Payable to employees (Refer note 35)	9,739,379	7,175,965
Unclaimed dividend on equity shares	167,691	171,196
Others:		
★ Tax Deducted at Source (TDS) and Work Contract		
★ Tax (WCT) payable	471,351	734,700
★ Provident Fund (PF) and Employees' State		
★ Insurance (ESI) Payable	396,664	216,502
★ Sales tax payable	1,088,689	239,285
★ Wealth tax payable	73,724	44,233
	370,604,609	**98,382,257**

12A. Tangible assets

(Amount in ₹)

Particulars	Gross block (at cost)				Accumulated depreciation and impairment				Net block	
	As at April 1, 2012	Additions	Disposals/ Adjustments	As at March 31, 2013	As at April 1, 2012	Depreciation for the year	Disposals/ Adjustments	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Owned assets										
Land	9,105,752	37,248,949	-	46,354,701	-	-	-	-	46,354,701	9,105,752
Factory building	126,717,966	186,519,415	-	313,237,381	14,176,525	17,997,510	-	32,174,035	281,063,346	112,541,441
Office building	17,116,367	-	-	17,116,367	1,047,647	278,997	-	1,326,644	15,789,723	16,068,720
Plant and machinery	378,245,944	678,720,143 (Note b)	859,201	1,056,106,886	123,651,752	109,410,546	386,388	232,675,910	823,430,976	254,594,192
Moulds and dies	185,849,868	119,636,028 (Note b)	26,124,296	279,361,600	87,635,346	47,879,402	5,260,071	130,254,677	149,106,923	98,214,522
Furniture and fixtures	16,018,933	9,325,182	1,603,457	23,740,658	5,825,218	1,759,465	539,322	7,045,361	16,695,297	10,193,715
Vehicles	21,247,681	5,117,919	2,810,271	23,555,32	5,670,650	2,397,480	1,848,153	6,219,977	17,335,352	15,577,031
Computers	2,574,633	880,039	-	3,454,672	1,566,093	580,812	-	2,146,905	1,307,767	1,008,540
Total tangible assets	**756,877,144**	**1,037,447,675 (note a)**	**3,13,97,225**	**1,762,927,594**	**239,573,231**	**180,304,212 (note a)**	**8,033,934**	**411,843,509**	**1,351,084,085**	**517,303,913**
Previous Year	744,264,089	19,617,467	7,004,411	756,877,144	170,114,740	72,634,466 #	3,175,975	239,573,231	517,303,913	-

(Note a)- Addition to gross block includes Rs 604,101,400 and depreciation for the year includes Rs 45,230,144 pursuant to amalgamation (Refer note 47)

(Note b)- Includes Rs 12,855,561 (March 31, 2012 Rs Nil) of interest on borrowed funds.

Depreciation for the previous year includes Rs 41,521 pertaining to assets costing less than ` 5,000 which were not fully depreciated in prior years (Refer note 29) and impairment loss of Rs1,504,263 on furniture and fixtures and Plant and machinery (Previous year: Rs 1,313,217).

The impairment loss recognized during the years is given here under:

Year Ending March 31, 2013	Description	Gross block	Accumulated depreciation	Impairment loss	Net block
	Furniture and fixtures	1,603,457	539,322	1,064,129	6
	Plant & Machinery	859,201	419,067	440,134	Nil
	Furniture and fixtures	2,335,429	1,042,211	1,313,217	1
Year Ending Mar 31, 2013					

The impairment loss has been determined using the net selling price of assets for the current and previous year.

12B. Intangible assets

(Amount in ₹)

Particular	Gross block (at cost)				Accumulated amortisation				Net block	
	As at April 1, 2012	Additions	Disposals/ Adjustments	As at March 31, 2013	As at April 1, 2012	Amortisation for the year	Disposals/ Adjustments	As at March 31, 2013	As at March 31, 2013	As at April 1, 2012
Computer Software	5,484,055	420,868	-	5,904,923	3,902,272	11,13,665	-	5,015,937	888,986	1,581,783
Total intangible assets	5,484,055	420,868	-	5,904,923	3,902,272	11,13,665	-	50,15,937	888,986	1,581,783
Previous Year	5,320,555*	163,500	-	5,484,055*	2,836,754*	1,065,518	-	3,902,272*	1,581,783	-

* In previous year an amount of ₹ 124,888 and ₹ 119,426 pertaining to gross block and accumulated depreciation respectively has been re classed from computers to computer software.

12C. Capital work in progress (refer note 32)

(Amount in ₹)

As at March 31, 2013	As at April 1, 2012
-	244,483,953

13. Non current investments

(Amount in ₹)

Unquoted, non - trade investments (valued at cost unless stated otherwise)	March 31, 2013	March 31, 2012
Investment in subsidiaries		
JHS Svendgaard Dental Care Limited		
389,901 (March 31, 2012 : 389,901) fully paid up equity shares of face value of ₹10 each	3,899,010	3,899,010
Less : Provision for diminution in value of Investment	3,899,010	974,753
	-	**2,924,257**
Jones H Smith FZE, U.A.E.		
1 (March 31, 2012 : 1) fully paid up equity share of face value of 100,000 Arab Emirates Dirham	1,088,330	1,088,330
Less : Provision for diminution in value of Investment	1,088,330	-
	-	**1,088,330**
Investment in shares of others		
JHS Svendgaard Hygiene Products Limited (Refer note 47)		
Nil(March 31, 2012 : 50,000) fully paid equity shares of face value of ₹ 10 each	-	500,000
JHS Mechanical and Warehousing Private Limited		
9,999(March 31, 2012: Nil) fully paid equity shares of face value of ` 10 each	99,990	-
	99,990	**4,512,587**

14. Long term loans and advances

(Amount in ₹)

Unsecured, considered good, unless otherwise stated	March 31, 2013	March 31, 2012
Capital advances:		
Unsecured, Considered good	158,660,357	263,000,491
Unsecured, Considered doubtful	845,229	845,229
	159,505,586	**263,845,720**
Less: Provision for doubtful advances	845,229	845,229
	158,660,357	**263,000,491**
Security deposit (Refer note 35)	8,096,810	2,360,799
Advance tax (Net of provisions ₹ 6,119,106 (March 31, 2012: ₹ 29,148,890))	9,208,777	1,767,230
Loans and advances to related parties (Refer note 35)		
Unsecured, considered good	153,370,906	41,535,722
Unsecured, considered doubtful	1,854,772	-
	154,225,678	**41,535,722**
Less: Provision for doubtful advances	1,854,772	-
	153,370,906	41,535,722
Deposits with excise authorities	70,124	-
Loans and advances to others		
Unsecured, considered doubtful	8,273,023	-
	8,273,023	**-**
Less: Provision for doubtful advances	8,273,023	
	-	-
	329,406,974	**308,664,242**

15. Other non current assets

(Amount in ₹)

	March 31, 2013	March 31, 2012
Unsecured, considered good, unless otherwise stated		
Margin Money * (Refer footnote to note 18)	493,061	493,061
Deposits having maturity period of more than twelve months @ (Refer footnote to note 18)	5,000	5,000
Interest accrued on non current fixed deposits	98,214	43,493
	596,275	**541,554**

16. Inventories * (Valued at lower of cost or net realisable value)

(Amount in ₹)

	March 31, 2013	March 31, 2012
Raw material	25,381,194	66,777,732
Packing material	8,057,616	10,149,285
Work-in-progress	26,291,336	50,129,210
Finished goods @	5,243,744	10,482,660
Stores and spares	5,115,159	307,868
	70,089,049	137,846,755
Less: Provision for obsolete stock	9,386,930	6,346,873
	60,702,119	**131,499,882**

* Inventories include material on job work which comprises of raw materials amounting to ₹ Nil (March 31, 2012: ₹ 24,872,317), work in progress amounting ₹ Nil (March 31, 2012: ₹ 1,679,550) and finished goods amounting ₹ Nil (March 31, 2012: ₹ 42,166,946).

@ Finished goods include excise duty amounting to ₹ 50,278 (March 31, 2012: 157,345)

Obsolete stock amounting ₹ 4,509,027 has been written off from the books (March 31, 2012: ₹ 8,452,963)

17. Trade receivables

(Amount in ₹)

Unsecured, considered good, unless otherwise stated	March 31, 2013	March 31, 2012
Outstanding for a period exceeding six months from the date they were due for payment		
Considered good *	154,952,010	130,698,948
Considered doubtful	1,627,780	2,847,229
	156,579,790	**133,546,177**
Less: Provision for doubtful debts	1,627,780	2,847,229
	154,952,010	**130,698,948**
Other receivables		
Considered good	91,144,148	680,399,580
	246,096,158	**811,098,528**

* Includes amount due from related parties. Refer note 35.

With a view to present a true and fair view in the financial statements for the year, trade receivable amounting ₹ 482,892,640 are reduced by setting off, against the securities premium account for which the company has passed a special resolution on April 25th 2013, in an extraordinary general meeting. This setoff was proposed on account of non recoverability of debtors adjudge, inspite of persistent efforts and legal action against some of them. Such utilisation of securities premium does not involve diminishing of any liability. This arrangement was proposed in light of sections 78, 100 and 101 of the Companies Act 1956. The Company has filed the relevant petition with the Honourable High Court of Himachal Pradesh, on May 24th 2013 for necessary approval.

18. Cash and bank balances

(Amount in ₹)

	March 31, 2013	March 31, 2012
Cash on hand	84,917	11,614
Balances with banks		
-Current accounts	1,331,363	851,190
Deposits with original maturity of less than three months	1,810,940	132,936
	3,227,220	**995,740**
Other bank balances		
Margin money*	2,603,499	827,594
Deposits with original maturity of more than three months but realizable within twelve months from	1,892,506	558,780
Balance Sheet date @ Unclaimed dividend amount	167,691	171,196
	4,663,696	1,557,570
	7,890,916	**2,553,310**

*Margin money deposits with a carrying amount of 3,096,560 (March 31, 2012: 827,594) with various government authorities.

@ Fixed deposits pledged with government authorities.

19. Short term loans and advances

(Amount in ₹)

	March 31, 2013	March 31, 2012
Unsecured, considered good, unless otherwise stated		
Security deposit	-	25,330
Loans and advances to related parties (refer note 35)	1,107,000	-
Loans and advances to employees	874,751	2,683,845

(Amount in ₹)

	March 31, 2013	March 31, 2012
Other loans and advances		
• Balances with statutory/government authorities		
Cenvat	3,976	5,916,088
Value added tax	6,170,745	690,075
• Prepaid expenses	1,388,299	2,607,389
• Advance to suppliers (Refer note 35)	1,365,397	13,443,911
• Advance to suppliers- Considered doubtful	824,250	824,250
• Loans and advances to others	147,936,992	23,500,000
	157,689,659	**46,981,713**
Less: Provision for doubtful advances	824,250	824,250
	156,865,409	**46,157,463**
	158,847,160	**48,866,638**

20. Other current assets

(Amount in ₹)

	March 31, 2013	March 31, 2012
Interest accrued on loans granted (Refer note 35)	-	3,322,459
Interest accrued but not due on fixed deposits	183,910	56,123
	183,910	**3,378,582**

21. Revenue from operations

(Amount in ₹)

	March 31, 2013	March 31, 2012
Revenue from operations		
Sale of products (Refer note 45 and 35)		
Domestic		
Manufactured goods	229,980,330	232,792,042
Traded goods	-	392,489,970
Export		
Manufactured gaoods	65,616,923	301,801,574
Service Income-Job work	178,784,290	-
	474,381,543	**927,083,586**
Other operating revenue		
Reimbursement receipts	83,856,833	-
Scrap sales	2,333,977	2,122,966
Revenue from operations (gross)	**560,572,353**	**929,206,552**
Less: Excise duty*	-	1,186,591
Revenue from operations (net)	**560,572,353**	**928,019,961**

*Excise duty on sales amounting to Nil (March 31, 2012: 1,186,591) has been reduced from sales in Statement of Profit and Loss and (increase)/decrease in excise duty on inventory amounting to 107,067 (March 31, 2012: 153,274) has been considered as (income) / expense in note 28 of financial statements.

22. Other Income

(Amount in ₹)

	March 31, 2013	March 31, 2012
Interest income on		
Fixed deposits	387,055	166,696
Loan to related parties (Refer note 35)	-	3,322,459
	387,055	**3,489,155**
Other non operating income		
Excess provision written back	372,173	1,834,404
Government grant (Refer note 5)	300,000	300,000
Foreign exchange gain (net)	34,121,019	-
Profit on sale of fixed assets (net)	4,314,039	
Sundry balances written back	-	1,629,510
Miscellaneous income	768,110	1,073,433
	39,875,341	**4,837,347**
	40,262,396	**8,326,502**

23. Cost of materials consumed

(Amount in ₹)

	March 31, 2013	March 31, 2012
Cost of raw materials consumed		
At the beginning of the year	66,777,732	107,739,799
Add: Balance transferred pursuant to amalgamation (Refer note 47)	2,227,543	-
Add: Purchases	82,836,180	147,529,652
	151,841,455	255,269,451
Less: At the end of the year	25,381,194	66,777,732
	126,460,261	**188,491,719**
Cost of packing material consumed		
At the beginning of the year	10,149,285	7,222,288
Add: Balance transferred pursuant to amalgamation (Refer note 47)	2,147,698	-
Add: Purchases	51,007,303	48,374,272
	63,304,286	55,596,560
Less: At the end of the year	8,057,616	10,149,285
	55,246,670	**45,447,275**
Cost of stores and spares consumed		
At the beginning of the year	307,867	270,649
Add: Balance transferred pursuant to Amalgamation (Refer note 47)	714,999	-
Add: Purchases	5,115,161	6,592,542
	6,138,027	6,863,191
Less: At the end of the year	5,115,159	307,867
	1,022,868	**6,555,324**
	182,729,799	**240,494,318**

24. Decrease in inventories of finished goods and work-in-progress

(Amount in ₹)

	March 31, 2013	March 31, 2012
Finished goods		
At the beginning of the year	10,482,660	55,917,645
Less: At the end of the year	5,243,744	10,482,660
	5,238,916	**45,434,985**
Work in progress		
At the beginning of the year	50,129,210	11,094,296
Add: Purchases	9,559,804	2,981,420
Less: At the end of the year	26,291,336	50,129,210
	33,397,678	**(36,053,494)**
Stock-in-trade		
At the beginning of the year	-	13,592,957
Less: At the end of the year	-	-
	-	**13,592,957**
	38,636,594	**22,974,448**

25. Employee benefits expense

(Amount in ₹)

	March 31, 2013	March 31, 2012
Salaries, wages, bonus and allowances	90,006,519	42,807,455
Contribution to provident and other funds (Refer note 33)	2,810,158	1,237,144
Gratuity expense (Refer note 33)	360,855	1,774,501
Leave encashment (Refer note 33)	310,246	422,723
Workmen and staff welfare expenses	1,542,929	1,068,673
	95,030,707	**47,310,496**

26. Finance cost

(Amount in ₹)

	March 31, 2013	March 31, 2012
Interest expense*	87,585,514	44,562,773
Bank charges	100,000	4,680,629
Interest on late deposition of tax deducted at source	412,122	570,710
Exchange differences to the extent considered as an	15,310,190	11,836,589
Adjustment to borrowing cost	**103,407,826**	**61,650,701**

* This is exclusive of interest expense amounting to ₹ 2,696,794 capitalised during the year (March 31, 2012: ₹ 8,072,849).

27. Depreciation, amortisation and impairment

(Amount in ₹)

	March 31, 2013	March 31, 2012
Depreciation of tangible assets	135,074,068	72,592,945
Amortisation of intangible assets	1,113,665	1,065,518
	136,187,733	**73,658,463**

Exclude prior period depreciation and includes impairment loss (Refer Note 12 & 29)

28. Other Expense

(Amount in ₹)

	March 31, 2013	March 31, 2012
Rent (Refer note 36)	3,084,036	2,590,686
Advertisement	382,795	7,365,677
Bank charges	946,673	859,675
Business promotion	4,818,253	733,971
Repairs and maintenance		
★ Plant & machinery	8,064,324	3,062,571
★ Building	4,878,545	2,902,225
★ Others	3,903,829	1,306,666
Provision for doubtful advances	10,127,795	845,229
Bad debts written off	-	11,368,019
Provision for slow moving stock	3,040,057	-
Advances written off	5,324,037	-
Export incentive receivable written off	-	3,544,519
Provision for diminution in investment	4,012,587	674,793
Freight and cartage outward	8,136,586	3,623,230
Insurance	1,893,689	1,991,760
Legal and professional	6,609,740	7,647,797
Foreign exchange loss (net)	-	22,504,159
Fees rates and taxes	2,301,975	1,193,263
Wealth tax	55,665	48,000
Decrease/(increase) in excise duty on inventory	-	153,274
Communication	1,959,161	1,639,405
Printing and stationery	1,908,980	1,139,377
Travelling and conveyance	10,147,242	5,432,148
Loss on sale of fixed assets	-	1,010,755
Directors' sitting fees	146,000	26,000
Job work charges	17,996,247	10,268,107
State excise duty	-	447,563
Consumable expenses	2,877,983	-
Power & fuel	20,426,568	13,719,619
Testing charges	776,863	102,097
Auditor's remuneration (Refer note 38)	1,197,472	1,115,434
Office maintenance	3,311,514	2,267,134
Miscellaneous expenses	1,250,211	1,551,473
	129,578,827	**111,134,626**

29. Prior period expense (net)

(Amount in ₹)

	March 31, 2013	March 31, 2012
Repair and maintenance	49,635	-
Travelling and conveyance	359,210	-
Wages	102,883	-
Conveyance expenses	84,370	-
Depreciation pertaining to assets costing less than ` 5,000/- which were not fully depreciated in prior years	-	41,521
Legal and professional	24,891	26,472
Insurance	76,239	-
Other income	(225,945)	-
Leave encashment	-	719,981
Interest on foreign currency loan from bank (External Commercial Borrowings)	-	(23,315)
	471,283	**764,659**

30. Contingent liabilities

(Amount in ₹)

	Particulars	March 31, 2013	March 31, 2012
(I)	Claims made against the company not acknowledged as debts	473,011	946,021
	Sales tax demands (paid under protest ` 473,011) for * **1,461,000 non submission of statutory forms.***	**1,461,000**	
	* **Case filed by fixed as**sets vendor for moulds and legal charges.		**1,461,000**
(ii)	Bank Guarantee:		
(a)	Bank guarantee issued by bank (margin money kept by way of fixed deposit of ` 3,096,560 (March 31, 2012: ` 827,594)	11,910,605	5,327,594
(b)	Corporate guarantees given by the Company to banks on behalf of others.**	-	134,314,729

*The Company has preferred an appeal before the Commissioner of Sales tax and deposited the same under protest.

*In previous year the Company has provided a corporate guarantee in favour of ICICI Bank Limited for credit facilities sanctioned by the bank to M/s JHS Svendgaard Hygiene Products Limited which has now been merged with the Company. (Refer note 47)

Note: Based on the past experience, interpretations of the provisions of Sales tax, the Company is of the view that the above demands are likely to be deleted or substantially reduced and accordingly no provision has been considered in books of accounts.

31. Capital commitments

(Amount in ₹)

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Capital Advances ₹ 83,840,417 (March 31, 2012: ₹ 263,845,720)).	195,084,999	17,651,006

32. Capital work in progress

Particulars	March 31, 2013	March 31, 2012
Capital work in progress		
Opening balance (A)	**244,483,953**	**2,085,918**
Add: Additions during the year		
Building*	27,939,213	124,004
Plant and machinery*	20,111,035	207,618,614
Mould and dies	71,076,192	21,478,687
Furniture and fixture*	700,315	5,044,818
Computer	113,934	59,063
Interest on borrowed capital	2,696,794	8,072,849
(B)	**122,637,483**	**242,398,035**
Less : Capitalisation during the Year		
Building	27,939,213	-
Plant and machinery	239,708,360	-
Mould and dies	93,371,724	-
Furniture and fixture	5,745,072	-
Computer	172,997	-
Less: Debited to repair and maintenance	184,070	-
(C)	**367,121,436**	**-**
Balance at the year end (A) + (B) –(C)	**-**	**244,483,953**

*figures include the amount of balances pursuant to amalgamation (Refer note 47):

Particulars	JHS Svendgaard Hygiene Products Limited	Wave Hygiene Products	Total
Building	17,708,018	7,044,914	24,752,932
Plant and machinery	3,113,439	13,494,878	16,608,317
Furniture and fixture	-	279,861	279,861
Total	**20,821,457**	**20,819,653**	**41,641,110**

33. Employee benefit obligations

As per Accounting Standard 15 "Employee Benefits" the disclosures relating to Employees 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, 2013	Year Ended March 31, 2012
Contribution to Provident fund*	2,020,193	943,814
Contribution to Employees' State Insurance Scheme*	789,965	293,330

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

(b) **Defined benefit plan-**

Gratuity - The present value of obligation is determined based on actuarial valuation using the projected unit credit 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 encashment- Provision for leave encashment is made by the Company on the basis of actuarial valuation using the projected unit cost method.

I. Reconciliation of opening and closing balances of defined benefit obligation:-

(Amount in ₹)

Particulars	Gratuity (unfunded)		Leave encashment (unfunded)	
	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2013	Year Ended March 31, 2012
Defined benefit obligation at the beginning of the year	2,595,767	870,838	1,095,094	751,241
Defined benefit obligation of merged entity	505,316	-	451,357	-
Interest cost	266,693	70,538	132,995	64,607
Past service cost	-	-	-	-
Current service cost	1,219,609	788,022	574,870	385,837
Actuarial (gain)/loss on obligation	(1,125,447)	915,941	(397,619)	(27,721)
Benefits paid	(281,495)	(49,572)	(209,226)	(78,870)
Present value of obligation at the end of the year	3,180,443	2,595,767	1,647,471	1,095,094
Current portion (Refer note 8)	100,709	102,379	172,442	128,330
Non Current Portion (Refer note 8)	3,079,734	2,493,388	1,475,029	966,764

II. Expense recognized during the year:-

(Amount in ₹)

Particulars	Gratuity (unfunded)		Leave encashment (unfunded)	
	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2013	Year Ended March 31, 2012
Current service cost	1,219,609	788,022	574,870	385,837
Interest cost	266,693	70,538	132,995	64,607
Net Actuarial (gain)/loss recognized	(1,125,447)	915,941	(397,619)	(27,721)
Expenses recognized in the Statement of Profit and Loss (Refer note 24)	360,855	1,774,501	310,246	422,723

III. Experience adjustment:-

(Amount in ₹)

Particulars	Gratuity (unfunded)				
	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009
Present value of obligation	3,180,443	2,595,767	870,838	1,191,509	925,078
Deficit	(3,180,443)	(2,595,767)	(870,838)	(1,191,509)	(925,078)
Experience adjustments on plan liability- gain or on account of actuarial gain/ (loss)*	1,289,250	(915,941)	645,937	132,256	(85,556)

(Amount in ₹)

Leave encashment (unfunded)					
Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009
Present value of obligation	1,647,471	1,095,094	-	-	-
Deficit	(1,647,471)	(1,095,094)	-	-	-
Experience adjustments on plan liability- gain or on account of actuarial gain/ (loss)*	457,773	27,721	-	-	-

**Assuming all actuarial (gain)/loss comprises of experience adjustments only.*

IV. Actuarial assumptions:-

(Amount in ₹)

Particulars	Gratuity (unfunded)		Leave encashment (unfunded)	
	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2013	Year Ended March 31, 2012
Economic assumptions:				
Discount rate (p.a.)	8.10%	8.60%	8.10%	8.60%
Rate of escalation in salary (p.a.)	7.00%	7.00%	7.00%	7.00%
Demographic assumptions:				
Retirement age	58 Years			
Mortality table (LIC)	LIC(1994-96)duly modified			
Withdrawal rates (All ages)	7.00%			

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. The above information is certified by the actuary.

The discount rate has been assessed at 8.10% (previous year 8.60%) which is determined by reference to market yield on Government Securities as on the Balance Sheet date.

34. Segment reporting (As per AS – 17 Segment Reporting)

In accordance with AS-17 "Segment Reporting", segment information has been given in the consolidated financial statements of JHS Svendgaard Laboratories Limited, and therefore, no separate disclosure on segment information is given in these financial statements.

35. Segment reporting (As per AS – 17 Segment Reporting)

The disclosures as required by the Accounting Standard -18 (Related Party Disclosure) 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) Jones H. Smith, FZE (United Arab Emirates) b) JHS Svendgaard Dental Care Limited (India) c) JHS Mechanical & Warehousing Private Limited (formerly known as JHS Svendgaard Entertainment Private Limited) (has become subsidiary with effect from 21.06.2012)
ii.	Individual having significant influence over the company and Key Management Personnel (KMP)	a) Mr. Nikhil Nanda (Managing Director) b) Mr. Gopal Krishna Nanda* (Whole Time Director)
iii.	Relatives of persons in (ii)	a) Mr. H C Nanda (Father of Mr. Nikhil Nanda) b) Mrs Sushma Nanda (Mother of Mr. Nikhil Nanda) c) Mr. Sumit Nanda (Brother of Mr. Nikhil Nanda) d) Mr. Puneet Nanda (Brother of Mr. Nikhil Nanda)
iv.	Enterprises over which significant influence can be exercised by persons mentioned in (ii) & (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

S. No.	Relationships	Name of Related Party
		g) Dr. Fresh IT Parks Private Limited h) JHS Svendgaard Hygiene Products Limited (Amalgamated entity-refer note 47) i) Wave Hygiene Products(Amalgamated entity -refer note 47) j) Magna Waves Impex Private Limited

Mr. Gopal Krishna Nanda has resigned from directorship w.e.f. March 23, 2012.

B **Transactions with related parties taken place during the year. Details of material transactions are not shown separately as the details of related parties are already disclosed under:**

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**			
	* Dr. Fresh Inc., USA	-	62,293,743	-
		(-)	(173,295,258)	(-)
	* Sunehari Exports Limited	-	-	-
		(-)	(3,244,654)	(-)
	* JHS Svendgaard Hygiene Products Limited	-	-	-
		(-)	(1,569,763)	(-)
	* JHS Svendgaard Dental Care Limited	-	-	-
		(-)	(-)	(788)
(ii)	**Sale of Fixed Assets:**			
	* JHS Svendgaard Hygiene Products Limited	-	-	-
		(-)	(154,757)	(-)
(iii)	**Interest Income :**			
	* JHS Svendgaard Mechanical & Warehouse Private Limited (Formerly known as JHS Svendgaard Entertainment Private Limited)	-	-	-
		(-)	**(-)**	**(3,322,459)**
B.	Purchases:			
(i)	**Purchase of raw /packing material:**			
	* Sunehari Exports Limited	-	-	-
		(-)	(2,490,617)	(-)
(ii)	* **Purchase of Fixed Assets:**			
	Sunehari Exports Limited	-	-	-
		(-)	(7,817,912)	(-)
C.	Expenditure:			
(i)	**Rent Paid:**			
	* Nikhil Nanda	337,080	-	-
		(1,323,600)	(-)	(-)
	* Number One Real Estate Private Limited	-	2,073,042	-
		(-)	(496,350)	(-)
(ii)	**Electricity Expenses**			
	Nikhil Nanda	203,440	-	-
		(1,263,408)	(-)	(-)
	Number One Real Estate	-	883,826	-
	Private Limited	(-)	(-)	(-)
(iii)	**Directors**			
	Remuneration: Gopal Krishna Nanda	-	-	-
		(120,000)	(-)	(-)

	* Nikhil Nanda	2,400,000	-	-
		(1,918,658)	(-)	(-)
D.	**Unsecured Loans:**			
(i)	**Loans taken:**			
	* Nikhil Nanda	9,050,000	-	-
		(41,082,468)	(-)	(-)
	* Sushma Nanda	49,990	-	-
		(-)	(-)	(-)
	* JHS Svendgaard Hygiene Products Limited	-	-	-
		(-)	(5,429,089)	(-)
(ii)	**Loans Repaid:**			
	* Apogee Manufacturing Private Limited	-	87,043,280	-
		(-)	(-)	(-)
	* Nikhil Nanda	10,540,000	-	-
		(48,883,943)	(-)	(-)
	* Sushma Nanda	49,990	-	-
		(-)	(-)	(-)
	* JHS Svendgaard Hygiene Products Limited	-	-	-
		(-)	(1,600,000)	(-)
E.	**Loans and Advances:**			
(i)	**Loans and Advances given (including security deposits):**			
	* JHS Svendgaard Dental Care limited	-	-	349,050
		(-)	(-)	(483,788)
	* JHS Svendgaard Mechanical & Warehouse Private Limited (Formerly Known as JHS Svendgaard Entertainment Private Limited)	-	-	3,322,459
		(-)	(-)	(40,030,000)
	* Number One Real Estate Private Limited	-	20,390,000	-
		(-)	(900,000)	(-)
(ii)	**Repayment received**			
	* JHS Svendgaard Dental Care Private Limited	-	-	-
		(-)	(-)	(3,692,838)
	* JHS Svendgaard Hygiene Products Limited	-	-	-
		(-)	(1,850,000)	(-)
F.	**Investment made:**			
	* JHS Svendgaard Dental Care Private Limited	-	-	-
		(-)	(-)	(3,599,050)
	* JHS Mechanical & Ware housing Private Limited	-	-	99,990
		(-)	(-)	(-)
G.	**Corporate guarantees**			
	released (refer note 30 (ii) (b): * JHS Svendgaard Hygiene Products Limited	-	-	-
		(-)	(51,685,271)	(-)
	* Wave Hygiene Products	-	-	-
		(-)	(250,000,000)	(-)
H.	**Equity shares issued :**			
	* Nikhil Nanda	29,252,540^	-	-
		(48,875,000)	(-)	(-)
	* Harish Chander Nanda	179,270^	-	-
		(-)	(-)	(-)
	* Sushma Nanda	179,270^	-	-
		(-)	(-)	(-)

C. Balances with Related parties- Details of material balances are not shown separately as the balances of related parties are already disclosed below:

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.	**Payables**			
(i)	**Unsecured Loan**			
	* Nikhil Nanda	149,443,525	-	-
		(6,198,525)	(-)	(-)
	* JHS Svendgaard Hygiene Products Limited	-	-	-
		(-)	(3,579,089)	(-)
	Apogee Manufacturing Private Limited *	-	49,109,270	-
		(-)	(-)	(-)
(ii)	**Trade Payables:**			
	Dr. Fresh Inc., USA	-	-	-
		(-)	(12,926,391)	(-)
	JHS Svendgaard Hygiene Products Limited	-	-	-
		(-)	(4,196,219)	(-)
(iii)	**Other liabilities**			
	Nikhil Nanda	1,079,986	-	-
		(1,441,925)	(-)	(-)
	Gopal Krishna Nanda	210,000	-	-
		(90,000)	(-)	(-)
B.	**Receivables:**			
(i)	**Loans & advances (including security deposits):**			
	JHS Svendgaard Dental Care limited	-	-	349,050
		(-)	(-)	(-)
	Jones H Smith, FZE	-	-	1,505,722
		(-)	(-)	(1,505,722)
	JHS Svendgaard Mechanical & Warehouse Private Limited (Formerly Known as JHS Svendgaard Entertainment Private Limited)*	-	-	129,534,353
		(-)	(-)	(40,030,000)
	Number One Real Estate Private Limited	-	19,736,553	-
		(-)	(900,000)	(-)
	JHS Svendgaard Infrastructure Private Limited*	-	5,000,000	-
	Sunehari Exports Limited	-	436,125	-
		(-)	(436,125)	(-)
	Magna Waves Impex Private Limited *	-	1,107,000	-
		(-)	(-)	(-)
(ii)	**Trade receivables**			
	Dr. Fresh Inc., USA	-	118,442,467	-
		(-)	(178,428,746)	(-)
	Sunehari Exports Limited	-	9,714	-
		(-)	(9,714)	(-)
	JHS Svendgaard Hygiene Products Limited	-	-	-
		(-)	(1,724,520)	-

(iii)	**Interest accrued on loans granted**			
	* JHS Svendgaard Mechanical &Warehouse Private Limited (Formerly Known as JHS Svendgaard Entertainment Private Limited)	-	-	-
		(-)		(3,322,459)
C.	**Investments:**			
	* Jones H Smith, FZE, U.A.E	-	-	1,088,330
		(-)	(-)	(1,088,330)
	* HS Svendgaard Dental Care Limited	-	-	-
		(-)	(-)	(3,899,010)
	* JHS Svendgaard Hygiene Products Limited	-	-	-
		(-)	(500,000)	(-)
	* JHS Svendgaard Mechanical & Warehouse Private Limited (Formerly Known as JHS Svendgaard Entertainment Private Limited)	-	-	99,990
		(-)	(-)	(-)
D.	Corporate Guarantee			
	* JHS Svendgaard Hygiene Products Limited (refer note 30 A II b)	-	-	-
		(-)	(134,314,729)	(-)

* Figures include the amount of balances of the amalgamated entities for following parties:

Party Name	Amount
Nikhil Nanda	144,735,000
Apogee Manufacturing Private Limited	136,152,550
JHS Svendgaard Mechanical & Warehouse Private Limited (Formerly Known as JHS Svendgaard Entertainment Private Limited)	86,200,000
JHS Svendgaard Infrastructure Private Limited	5,000,000
Magna Waves Impex Private Limited	1,107,000

36. Obligation on long term, conciliable operating lease

The company has taken premises under conciliable operating leases with an option of renewal at the end of the lease term with mutual consent. There are schedule escalation clauses. Lease rental expense of ₹ 3,084,036 (March 31, 2012: ₹ 2,590,686) charged to the Statement of Profit & Loss during the year

37. Earnings per share

The calculation of Earnings per share (EPS) has been made in accordance with Accounting Standard (AS)-20 notified in Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. A statement on calculation of basic and diluted EPS is as under:

(Amount in ₹)

S. No.	Particulars	Units	Year Ended March 31, 2013	Year Ended March 31, 2012
A	Loss after tax (Excluding extra ordinary item)	`	(125,917,362)	(36,404,561)
B	Weighted average no. of equity shares	Nos.	24,095,252	16,907,930
	Add: Dilutive potential equity shares	Nos.	-	20,492
C	Number of equity shares for Dilutive EPS	Nos.	24,095,252	16,928,422
	Nominal value per share	`	10	10
	Basic Earnings Per Share (A/B)	`	(5.22)	(2.15)
	Diluted Earnings Per Share (A/C)	`	(5.22)	(2.15)

38. Auditor's remuneration includes

(Amount in ₹)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Statutory audit fees	533,710	561,800
Tax audit fees	140,450	140,450
Other Matter		
Limited Review	252,810	222,520
Certification fees	192,697	39,488
Out of pocket expenses	77,805	151,176
Total	**1,197,472**	**1,115,434**

**Including service tax, where applicable*

39. In accordance with Micro, Small and Medium Enterprises Development Act, 2006 which came into force with effect from October 2, 2006, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue amount beyond the specified period irrespective of the terms agreed with the suppliers. The Company has sent the written letters to all vendors. However, in absence of written response from all vendors, the liability of interest, if any, cannot be reliably estimated. Management is of opinion that there will be no liability in view of supplier profile of the Company.

40. Transactions in foreign currency

(Amount in ₹)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Expenditure		
Traveling	1,413,635	487,340
Total	**1,413,635**	**487,340**
Earnings		
FOB value of exports	62,029,043	289,091,086
Total	**62,029,043**	**289,091,086**

41. Derivative Instruments and un hedged foreign currency exposures as on March 31, 2013 are:

(A) Interest rate swaps :-

The Interest on External Commercial Borrowings (ECB) and Foreign Currency Term Loan (FCTL) is agreed at Libor + 1.50% spread on ECB and Libor + 1.60% spread on FCTL. A hedging agreement was entered by the Company with ICICI Bank through which it was swapped to pay fixed Libor at 2.98 % for both ECB and FCTL fixing the total cost of interest to the Company at 4.48% for ECB and 4.58% for FCTL (i.e. 2.98% Libor + the spread of respective loans). The same has been closed as at the Balance Sheet date.

(B) Particulars of Un hedged foreign currency exposure as on March 31, 2013 :-

S. No.	Particulars	March 31, 2013 (INR)	March 31, 2013 (Foreign currency)
a.	**Receivable in foreign currency**		
(i)	Trade receivables	172,202,735 (296,957,553)	(USD 3,166,134) (USD 5,715,686)
(ii)	Advance to Suppliers	82,688,284 (17,087,804)	(USD 1,820,422) (USD 3,772,556)
	Total	**218,025,395** **(314,045,357)**	**(USD 4,986,556)** **(USD 9,488,282)**
b.	**Payable in foreign currency.**		
(i)	Trade payable	54,144 (18,765,534) (3,240,067)	USD 995 (USD 369,977) (EURO 51,284)
(ii)	Foreign currency loan including interest	217,971,211 158,844,911 (206,317,575) (155,051,544)	USD 4,007,612 EUR 2,284,099 (USD 4,033,066) (EUR 2,268,815)
	Total	**218,025,395** **158,844,911** **(225,083,109)** **(158,291,611)**	**USD 4,008,607** **EUR 2,284,099** **(USD 4,403,043)** **(EUR 2,320,099)**

**Figures in bracket pertain to previous year.*

42. Details of consumption and purchases

(A). Purchases of traded goods:-

(Amount in ₹)

Product	Year Ended March 31, 2013	Year Ended March 31, 2012
Infect-guard	-	2,199,406
Tooth brush	-	391,079,393
Total	**-**	**393,278,799**

(B). Raw Material and packing material consumed:-

(Amount in ₹)

Product	Year Ended March 31, 2013	Year Ended March 31, 2012
Nylon bristles	40,948,532	23,566,251
Anchor wire	7,061,152	8,729,703
Plastic granules	74,420,106	121,929,900
Packing/other material	59,277,142	79,713,140
Total	**181,706,932**	**233,938,994**

(C). Value of imported and indigenous raw material (including packing materials) consumed:-

(Amount in ₹)

Particulars	Year Ended March 31, 2013		Year Ended March 31, 2012	
	% age	Value (₹)	% age	Value (₹)
Raw Material (including packing material)				
Imported	3.93	7,141,276	8.45	19,767,227
Indigenous	96.07	174,565,656	91.55	214,171,707
TOTAL	**100.00**	**181,706,932**	**100.00**	**233,938,994**

(D). Value of Imported and indigenous stores and spares and other consumable's consumed:-

(Amount in ₹)

Particulars	Year Ended March 31, 2013		Year Ended March 31, 2012	
	% age	Value (₹)	% age	Value (₹)
Stores & Spares				
Imported	-	-	-	-
Indigenous	100.00	16,399,320	100.00	65,55,324
TOTAL	**100.00**	**16,399,320**	**100.00**	**65,55,324**

(E). Value of imports on CIF basis:-

(Amount in ₹)

Product	Year Ended March 31, 2013	Year Ended March 31, 2012
Raw material	7,141,276	19,767,227
Capital goods	99,401,073	216,850,380
Total	**106,542,349**	**236,617,607**

43. Information pursuant to Clause 32 of the Listing Agreement with Stock Exchanges

(A). Loan and advances in the nature of loan to subsidiary, interest free and with no specifies repayment schedule:

(Amount in ₹)

Particulars	Jones H Smith, FZE, U.A.E.Dental Care	JHS Svendgaard Laboratories Limited	JHS Mechanical & Warehouse Pvt. Ltd.
Balance as at March 31, 2013	-	-	129,534,353
	(1,505,722)	(3,209,050)	(-)
Maximum balance during the year ended March 31, 2013	1,505,722	3,209,050	129,534,353
	(-)	(3,899,050)	(-)

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

(Amount in ₹)

Particulars	Number One Real Estate Private Limited
Balance as at March 31, 2013@	18,836,553
	(-)
Maximum balance during the year ended March 31, 2013	18,836,553
	(-)

*figures in bracket pertains to previous year.

@ Amount outstanding as loan to Number One Real Estate Private Limited and JHS Svendgaard Infrastructure Private Limited are taken at book value pursuant to amalgamation of two entities (Refer note 47).

44. Remittance in foreign currencies for dividend

The particulars of Dividend paid to non-resident shareholders and FII per the year are as under :

(Amount in ₹)

Particulars	Number of Shareholders	Number of Equity Shares held	Gross Amount of Dividend	
			Year Ended March 31, 2013	Year Ended March 31, 2012
Non-Resident Share holder	126	210,969	-	158,227
FII	3	2,693,589	-	2,020,192
Foreign Nationals	1	1,000	-	750
TOTAL	**130**	**2,905,558**	**-**	**2,179,169**

Final dividend for 2010-11 declared on December 31, 2011.

45. Details of sale of products:

(Amount in ₹)

Product	Year Ended March 31, 2013	Year Ended March 31, 2012
Oral care products	291,449,259	534,593,616
Other products	4,147,994	392,489,970
TOTAL	**295,597,253**	**927,083,586**

46. In the opinion of the management all transactions with the related parties are made on the basis of arm length price and / or at comparatives/ benefit assessment basis. The Report of Chartered Accountant under section 92E (Transfer Pricing) of the Income Tax Act, 1961 will be submitted along with the Income Tax Return. The Company is in process of updating records for this purpose. The Company does not expect liability. Also Intercompany balances are in agreement with the balances of respective companies. The transfer pricing audit for the year ended March 31, 2012 has been completed, which did not result in any adjustment.

47. During the year JHS Svendgaard Hygiene Products Limited (Transferor Entity No-1) and Waves Hygiene Products (Transferor Entity No-2), have been amalgamated into JHS Svendgaard Laboratories Limited (Transferee), on a going concern basis with effect from appointed date i.e. March 31, 2010 pursuant to the order of Hon'ble High Court of Delhi and Hon'ble High Court Himachal Pradesh:

a) The scheme of amalgamation was sanctioned by the Hon'ble High Court of Delhi vide its order dated August 30, 2011 and the Hon'ble High Court of Himachal Pradesh at Shimla, vide its order dated May 28, 2012.

b) The order of Hon'ble High Court of Himachal Pradesh was submitted to Registrar of Companies, Chandigarh on June 25, 2012.

c) After receipt of final order of Hon'ble High Court of Himachal Pradesh approving merger the Company applied for certified copy of Delhi High Court order as it is required to be filed with Registrar of Companies, Delhi. Accordingly the said copy was obtained on August 6, 2012.

d) The order of Hon'ble High Court of Delhi was submitted to Registrar of Companies, Delhi on August 8, 2012.

e) The operations of erstwhile JHS Svendgaard Hygiene Products Limited and Waves Hygiene Products were also engaged in the similar line of business into which JHS Svendgaard Laboratories Limited is engaged i.e. manufacturing of dental, oral care & hygiene products etc.

f) Pursuant to the scheme of amalgamation, JHS Svendgaard Laboratories Limited has issued shares to the shareholders of the transferor entities in the following manner:

i. The equity shareholders of JHS Svendgaard Hygiene Products Limited have been allotted 158 fully paid up equity shares of ₹ 10 each for every 100 fully paid up equity shares of ₹10 each held in Transferor Company No. 1.

ii. The partners of Waves Hygiene Products have been allotted 1,792,746 fully paid up equity shares of ₹ 10 each in their capital contribution ratio.

g) In terms of the scheme, the assets and liabilities of the transferor entities have been accounted for at their book value as it stood in their books of accounts. Accordingly the difference of ₹ 19,973,776 in JHS Svendgaard Hygiene Products Limited and ₹ 44,824,437 in Waves Hygiene Products between the value of net assets acquired and the consideration as mentioned in para f above has been (debited)/ credited to the amalgamation reserve.

h) The amalgamation has been accounted for pooling of interest methods as referred to in paragraph 3(e) of 'Accounting Standard 14' issued by The Institute of Chartered Accountants of India for an amalgamation in the nature of merger.

Pursuant to the scheme of amalgamation the following arrangements/ adjustments has been made in the books of the Company:

[A] As a result of order of Hon'ble High court of Delhi & Hon'ble High court of Himachal Pradesh, the assets and liabilities and income and expenditure of transferor companies as in table 1 below stand vested in transferee company w.e.f March 31, 2010 till March 31, 2012. Since the figures could not be incorporated with the assets and liabilities of the year ended March 31, 2012 or prior years as the order of High courts were received after the finalization of financial statements of both the Companies, The assets and liabilities as at March 31, 2012 (Table 2 below) have been added with the figures of transferee company and profits of two years in transferor companies ` 83,824,177 have been shown as extra ordinary item in the Statement of Profit and Loss.

The following table summarizes the value of assets and liabilities taken over and the amount of consideration paid:

Table 1: Book value of assets acquired and liabilities taken			
Particulars	Amount as at March 31, 2010		
	JHS Svendgaard Hygiene Products Limited	Waves Hygiene Products	Total
Assets:			
Fixed assets	266,788,646	22,887,447	289,676,093
Capital work in progress	7,013,920	35,098,616	42,112,536
Current assets , loans & advances	78,543,894	9,891,127	88,435,021
Miscellaneous expenditure and Profit and Loss (Dr.)	1,501,593	1,604,949	3,106,542
Deferred tax assets	15,826	-	15,826
Assets against capital issued in 2011 to Tano Mauritius India FVCI	6,329,110	-	6,329,110
Total (A)	**360,192,989**	**69,482,139**	**429,675,128**
Liabilities			
Current liabilities & provisions	24,291,393	3,308,139	27,599,532
Loan fund	219,900,382	3,422,103	223,322,485
Reserve & surplus	87,950,000	-	87,950,000
Cancellation of investment in Hygiene Products Limited	500,000	-	500,000
Total (B)	**332,641,775**	**6,730,242**	**339,372,017**
Net assets taken over (A) –(B)	**27,551,214**	**62,751,897**	**90,303,111**
Amount of Consideration			
6,545,245 shares of ₹ 10 each (Refer note 3 a)	47,524,990	17,927,460	65,452,450
Amalgamation reserve- Adjustment to reserves	(19,973,776)	44,824,437	24,850,661
Less: Post merger adjustment of loss up to March 31, 2010 with capital reserve	587,247	381,374	968,621
Net Balance taken to Balance sheet (Refer note 4.1)	**(20,561,023)**	**44,443,063**	**23,882,040**

Table 2: BALANCE SHEET OF MERGED ENITITIES AS AT MARCH 31, 2012 IS PRODUCE BELOW			
Particulars	JHS Svendgaard Hygiene Products Limited	Waves Hygiene Products	Total
(I) Equity and Liabilities			
1. Shareholder's Funds :			
a) Share capital	30,579,110	59,842,626	90,421,736
b) Reserve and surplus			
Securities premium (Refer note 4.2)	176,120,890	-	176,120,890
Profits of year ended March 31, 2011 and 2012 – shown as extra ordinary item in the Statement of Profit and Loss	22,004,733	61,819,444	83,824,177
Debit balance of profit and loss	(587,247)	-	(587,247)
2. Non – Current Liabilities:			
a) Long term borrowing	66,310,392	280,887,550	347,197,942
b) Deferred tax liabilities	5,580,385	-	5,580,385
c) Long term provisions	906,487	-	906,487
3. Current Liabilities:			
a) Short term borrowing	10,368,966	-	1,036,966
b) Trade payable	58,437,672	24,978,673	83,416,345
c) Other current liabilities	95,702,733	1,201,236	96,903,969
d) Short term provisions	50,186	-	50,186
Total	**465,474,307**	**428,729,529**	**894,203,836**
(II) ASSETS			
1. Non – current assets			
a) Fixed assets			
i) Tangible assets	261,100,218	297,771,038	558,871,256
ii)Capital work in progress	20,821,457	20,819,654	41,641,111
	281,921,675	**318,590,692**	**600,512,367**

Table 2: BALANCE SHEET OF MERGED ENITITIES AS AT MARCH 31, 2012 IS PRODUCE BELOW			
Particulars	**JHS Svendgaard Hygiene Products Limited**	**Waves Hygiene Products**	**Total**
b) Long term loans and advances	120,082,778	25,394,135	145,476,913
c) Current assets			
i) Inventories	5,090,240	-	5,090,240
ii) Trade receivable	21,760,177	84,309,700	106,069,877
iii) Cash and bank balances	21,113,491	435,002	21,548,493
iv) Short term loan and advances	14,991,767	-	14,991,767
v) Other current assets	514,179	-	514,179
Total	**465,474,307**	**428,729,529**	**894,203,836**

[B] Since during the year ended March 31, 2011 and March 31, 2012, the transferor entities JHS Svendgaard Hygiene Products Limited and Waves Hygiene Products were carrying on the business of the transferee company, profits made during that year have been shown as the extraordinary item in the statement of Profit and Loss account for the year ended March 31, 2013. Also, all the items of expenses and sales during the current year have been included in the books of the Company on nature basis.

[C] Changes in respect of certain documents, papers etc. are pending for transfer in the name of the transferee Company.

[D] Additions in Gross block and depreciation for the year-accumulated depreciation includes the below figures added on account of amalgamation of Svendgaard Hygiene Products Limited and Wave Hygiene Products.

Particulars	**JHS Svendgaard Hygiene Products Limited**		**Waves Hygiene Products**		**Total gross block**	**Total accumulated depreciation**
Land	14,361,502	-	22,887,447	-	37,248,949	-
Factory building	86,297,876	5,851,080	69,616,882	2,325,204	155,914,758	8,176,284
Plant & machinery	190,843,708	27,513,082	215,495,081	8,902,641	406,338,789	36,415,723
Mould & dies	-	-	-	-	-	-
Computer	396,808	94,395	13,745	2,228	410,553	96,623
Computer software	-	-	-	-	-	-
Furniture & fixture	2,730,306	415,502	422,548	26,747	3,152,854	442,249
Vehicle	381,182	37,105	654,315	62,160	1,035,497	99,265
Total	**295,011,383**	**33,911,164**	**309,090,018**	**11,318,980**	**604,101,400**	**45,230,144**
Capital work in progress		**20,821,457**		**20,819,654**		

48. One of the customers for which the Company does processing job has decided not to renew the contract with effect from June 30, 2013. However, the management is confident that the matter will be resolved amicably and even otherwise the Company can continue with alternate business plans. Accordingly, the management do not expect any significant impact on the Company's operation due to this event.

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

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: New Delhi
Date : 27 May, 2013

For and on behalf of board of directors of JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director

Rakesh Sharma
Director

Sandhya Sethia
Company Secretary

Ashok Tyagi
Chief Financial Officer

We have audited the accompanying financial statements of JHS Svendgaard Laboratories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

(a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2013;

(b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets (net) of ` 286,601,096 as at March 31, 2013 and total revenues of ` 35,333,261 for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For Haribhakti & Co
Chartered Accountants
Firm Registration No.103523W

Raj Kumar Aggarwal
Partner
Membership No.074715

Place: New Delhi
Date: 27th May, 2013

CONOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(Amount in ₹)

	Note	March 31, 2013	March 31, 2012
Equity And Liabilities			
Shareholders' funds			
Share capital	3	240,952,520	175,500,070
Reserves and surplus	4	651,245,811	968,691,797
		892,198,331	1,144,191,867
Deferred government grant	5	2,400,000	2,700,000
Non-current liabilities			
Long term borrowings	6	193,019,550	266,884,189
Deferred tax liabilities (net)	7	67,455,337	23,126,536
Long term provisions	8	4,554,763	3,460,152
		265,029,650	**293,470,877**
Current liabilities			
Short term borrowings	9	565,980,169	330,719,930
Trade payables	10	216,249,228	457,411,246
Other current liabilities	11	370,745,160	98,826,275
Short term provisions	12	273,151	230,709
		1,15,32,47,708	**887,188,160**
TOTAL		**2,312,875,689**	**2,327,550,904**
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	12(a)	1,352,063,228	518,351,502
- Intangible assets	12(b)	888,986	1,581,783
Capital work in progress	12(C)	-	244,483,953
-Intangible fixed assets under development		112,360	-
-Non-current investments	13	-	500,000
Long term loans and advances	14	326,140,326	307,158,520
Other non current assets	15	596,275	541,554
		1,679,801,175	**1,072,617,312**
Current assets			
Inventories	16	60,702,118	132,171,681
Trade receivables	17	359,610,362	1,024,630,581
Cash and bank balances	18	8,053,553	7,132,336
Short term loans and advances	19	158,847,161	87,620,412
Other current assets	20	45,861,320	3,378,582
		633,074,513	**1,254,933,592**
TOTAL		**2,312,875,689**	**2,327,550,904**

Summary of significant accounting policies
The notes form an integral part of the financial statements.
As per our report of even date attached

For **Haribhakti & Co.**
Chartered Accountants
Firm Registration No. 103523W

Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: New Delhi
Date : 27 May, 2013

For and on behalf of board of directors of
JHS Svendgaard Laboratories Limited

Nikhil Nanda Managing Director	**Rakesh Sharma** Director
Sandhya Sethia Company Secretary	**Ashok Tyagi** Chief Financial Officer

JHS SVENDGAARD LABORATORIES LIMITED

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in ₹)

	Note	Year ended March 31, 2013	Year ended March 31, 2012
Income:-			
Revenue from operations (gross)	21	595,905,613	1,267,206,788
Less: Excise duty		-	1,186,591
Revenue from operations (net)		595,905,613	1,266,020,197
Other income	22	40,493,135	8,605,812
Total revenue		**636,398,748**	**1,274,626,009**
Expenses:-			
Cost of materials consumed	23	182,753,551	240,624,958
Purchase of traded goods		28,584,522	653,622,980
Decrease in inventories of finished goods work-in-progress and traded goods	24	38,636,594	33,783,446
Employee benefits expense	25	98,562,534	50,959,826
Finance cost	26	103,434,304	61,716,133
Depreciation, amortization and impairment	27	136,253,607	73,744,988
Other expenses	28	129,398,500	126,845,121
Total expenses		**717,623,612**	**1,241,297,452**
Loss before prior period items and tax		(81,224,864)	33,328,557
Less: Extra ordinary items (Refer note 47)		(83,824,177)	-
Prior period expense (net)	29	(496,670)	(760,214)
Loss before tax		3,095,983	32,568,343
Tax expense:-			
-Current tax		-	-
-Deferred tax charge / (benefit) (Refer note 7)		16,297,568	(947,772)
-Deferred tax charge / (benefit) for earlier years (Refer note 7)		22,450,848	26,849,402
- Tax for earlier years		1,960,926	(4,417,116)
Total tax expense		**40,709,342**	**21,484,514**
Loss for the year		**(37,613,359)**	**11,083,829**
Earnings per share (in amount): (nominal value of 10 per share)			
-Basic EPS	30	(5.04)	0.66
-Diluted EPS		(5.04)	0.65
Summary of significant accounting policies			

The notes form an integral part of the financial statements.
As per our report of even date attached

For **Haribhakti & Co.**
Chartered Accountants
Firm Registration No. 103523W

Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: New Delhi
Date : 27 May, 2013

For and on behalf of board of directors of JHS Svendgaard Laboratories Limited

Nikhil Nanda Managing Director	**Rakesh Sharma** Director
Sandhya Sethia Company Secretary	**Ashok Tyagi** Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(Amount in ₹)

		Year ended March 31, 2013	Year ended March 31, 2012
[A]	**Cash flow from operating activities**		
	Loss before prior period items and tax	(81,224,864)	33,328,557
	Adjustments for:		
	Depreciation, amortisation and impairment	136,253,606	73,744,988
	Interest income	(443,976)	(3,489,156)
	Government grant amortisation (income)	(300,000)	(300,000)
	Prior period expenses	(478,083)	(22,027)
	Excess provision written back	(372,173)	-
	Wealth tax (written back)	-	(30,000)
	(Profit)/Loss on sale of fixed assets	(4,314,039)	1,010,755
	Advance from customers written back	-	(1,599,510)
	Provision for doubtful debts written back	(1,219,449)	(967,332)
	Bad debts written off	-	11,368,019
	Creditors written off	-	(618,456)
	Provision for doubtful advances	8,273,023	845,229
	Provision for diminution in value of investment	-	674,793
	Provision for slow moving inventory	3,040,057	-
	Advances written off	5,324,037	-
	Unrealised loss/ (gain) on foreign exchange on trade receivable and trade payables	(7,968,210)	8,166,185
	Unrealised loss/ (gain) on foreign exchange on borrowings	22,907,884	13,502,588
	Interest and financial charges	103,449,801	61,083,051
	Operating profit before working capital changes	**182,927,614**	**196,697,684**
	Adjustment for:		
	Decrease in inventories	73,519,745	69,862,435
	Decrease/ (increase) in trade receivables	297,756,301	(467,720,840)
	(Increase)/Decrease in short term loans and advances	(69,587,699)	3,992,615
	Decrease in other current assets	(2,315,109)	-
	Decrease/ (increase) in Long term Loan and advances	90,672,010	(173,972,087)
	Increase in other non-current assets	(54,721)	-
	Increase/ (decrease) in Trade payables	(324,642,541)	291,982,047
	Increase in provisions	(3,397,528)	1,560,192
	Increase/ (decrease) in Current liabilities	175,381,369	(23,238,538)
	Profits of merged entities for the year 2010-11 and 2011-12	**83,824,177**	**-**
	Cash generated from / (used in) operations	**504,083,618**	**(100,836,492)**
	Taxes paid	8,744,722	(16,667,197)
	Net Cash generated from /(used in) operating activities	**495,338,896**	**(117,503,689)**
[B]	**Cash flow from investing activities**		
	Purchase of fixed assets including capital advances	(147,721,764)	(262,179,002)
	Sale of fixed assets	27,644,653	4,038,371
	(Investment in)/proceeds from fixed deposits	(1,514,280)	660,697
	Purchase of Investments	(99,990)	-
	Interest and dividend income received	443,976	67,081
	Decrease in investment on account of merger *	500,000	-
	Net Cash used in Investing Activities	**(120,747,404)**	**(257,412,853)**
[C]	**Cash flow from financing activities-**		
	Proceeds from issue of share capital (including premium & amalgamation reserve)	-	270,685,430
	Increase in share capital on account of amalgamation *	(65,452,450)	-
	Increase in reserves on account of amalgamation *	(19,840,350)	-
	Government grant received	-	3,000,000
	Proceeds from/(Repayment of) long term borrowings	(152,396,371)	105,260,300
	Dividend Paid	(3,500)	(12,686,629)
	(Repayment of)/ proceeds from short term borrowings	(55,647,228)	60,797,755
	Interest and financial charges	(103,449,801)	(59,761,688)

	Year ended March 31, 2013	Year ended March 31, 2012
		(Amount in ₹)
Net Cash (flow from) /used in financing activities	**(396,789,700)**	**367,295,168**
Net decrease in Cash and Cash Equivalents (A+B+C)	**(22,198,208)**	**(7,621,374)**
Opening balance of Cash and Cash Equivalents *	25,588,064	12,985,741
Effect of exchange difference on translation of foreign currency cash flows	-	210,399
Closing balance of Cash and Cash Equivalents	**3,389,856**	**5,574,766**
Add: Margin money, Deposits with original maturity of more than three months but realizable within twelve months from Balance Sheet date and unclaimed dividend account	4,663,697	1,557,750
Cash and bank balance (Refer note 18)	**8,053,553**	**7,132,336**

* Increase in amounts is on account of amalgamation as explained in Note 47 to Standalone financial statements.

i. The 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 AS-3 the Companies (Accounting Standard) Rules, 2006 (as amended).

For **Haribhakti & Co.**
Chartered Accountants
Firm Registration No. 103523W

Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: New Delhi
Date : 27 May, 2013

For and on behalf of board of directors of
JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director

Rakesh Sharma
Director

Sandhya Sethia
Company Secretary

Ashok Tyagi
Chief Financial Officer

1. BACKGROUND

JHS Svendgaard Laboratories Limited (“The Company”) domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. 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, exporting, importing and trading of oral care and hygiene products including toothbrushes, toothpastes, mouthwash, denture tablets, senitizers etc.

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

[v] Basis of preparation of Financial Statements:-

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provision of the Companies Act, 1956 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.

[w] Principles of Consolidation:-

(a) 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 the Subsidiaries	Country of Incorporation	Ownership Interest
Jones H. Smith, FZE	United Arab Emirates ('U.A.E')	100%
JHS Svendgaard Dental Care Limited	India	95.12.%
JHS Mechanical & Warehouse Private Limited	India	99.99.%

(b) The consolidated financial statements have been prepared on the following basis:

i) The consolidated financial statements have been prepared in accordance with the Accounting Standard 21, “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India and notified by Companies (Accounting Standards) Rules, 2006, (as amended).

ii) 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.

iii) 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.

iv) The operations of the foreign subsidiaries have been considered by the management, as non integral operation.

v) 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.

vi) 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.

vii) 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.

[x] 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.

[y] 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 Revised Schedule VI to the Companies Act, 1956. 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.

[z] Tangible fixed assets:-

Tangible fixed 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 fixed 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 fixed 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 expenditure related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

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

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

[aa] Intangible fixed assets :-

Intangible fixed assets comprise computer software and are stated at cost less accumulated amortization and impairment losses, if any. The cost of an item of intangible fixed 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. Cost of assets not ready for intended use before the year end, are shown as intangible fixed assets under development.

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

[bb] Depreciation and Amortization:-

Depreciation- Depreciation on tangible fixed assets is provided at rates prescribed in Schedule XIV of the Companies Act, 1956 on straight line basis on pro rata basis from the respective number of days after addition/before discard or sale of fixed assets by leaving residual value of Rs 1 except in case of moulds and dies which are depreciated over ₹ the useful life of five years as estimated by the management.

Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

Amortization- Intangible assets comprise of computer software and are amortized over a period of five years.

Assets costing to ₹ 5,000 or less are fully depreciated in the year of purchase.

Depreciation/amortization method, useful lives and residual values are reviewed at each balance sheet date.

[cc] Impairment of tangible and intangible assets:-

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Assessment is done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

[dd] 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.

[ee] Inventories:-

Inventories which comprises of raw materials, packaging materials and stores & spare parts are carried at cost. Cost includes purchase price, (excluding those 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. The carrying cost of raw materials, packaging materials and stores and spare parts are appropriately written down when there is a decline in replacement cost of such materials and finished products in which these will be incorporated are expected to sell below cost.

Work in progress, finished goods and traded goods are valued at the lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress, finished goods and traded 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. Finished products and work in progress includes appropriate production overheads.

Excise duty liability is included in the valuation of closing inventory of finished goods. Excise duty payable onfinished 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.

[ff] 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 in the course of ordinary activities is recognized on transfer of significant risk and rewards of ownership to the customer. Revenue is net of 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. Interest income is included under the head "other income" in the Statement of Profit and Loss

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 risk and rewards of ownership of goods have passed to the buyer.

Service Income - Service income including job work in the course of ordinary activities is recognized on completed services basis and is recognized on the basis of service contracts.

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

[gg] Borrowing Cost:

Borrowing cost includes interest, amortization of ancillary cost 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 period in which they are incurred and charged to revenue.

[hh] Foreign currency transactions:-

Initial Recognition: Transactions in foreign currency are recorded at the exchange rate prevailing at the date of thetransaction.

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

Exchange Differences:- Subsidiaries located outside India are classified as non-integral operations. 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 should be accumulated in a foreign currency translation reserve until the disposal of the net investment.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

Translation of Integral and Non-integral foreign operation:- The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself. In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, 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 exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

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

[ii] 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 Asset" in consonance with current/non current classification scheme of Revised Schedule VI. The cost of an investment includes acquisition charges such as brokerage, fees and duties.

Work in progress, finished goods and traded goods are 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 investments is determined on the basis of weighted average carrying amount of investment disposed off.

[jj] Employee Benefits:-

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

Long term employee benefits:-

I. Defined contribution plans:

Provident Fund Contribution:- In accordance with the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the company are entitled to receive benefits with respect to provident fund, a defined contribution plan in which both the company and the employee contribute monthly at a determined rate (currently 12% of employee's basic salary). Company's contribution to Provident Fund is charged to the Statement of Profit and Loss, when due.

Employee State Insurance Contribution:- The Contributions for Employee State Insurance are deposited with the appropriate government authorities and are recognized in the Statement of Profit and Loss in the financial year to which they relate.

II. Defined Benefit Plans:

Gratuity:- The Company provides for retirement benefits in the form of Gratuity. The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined plan is determined based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit 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 obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under the defined benefit plans, is based on the market yields on government securities as at the valuation date having maturity periods approximating to the terms of the related obligations. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

III. Other long term employee benefits:

Earned leave encashment:- Liability for earned leave encashment payable to employees with respect to accumulated leaves outstanding at the year end is provided for based on the actuarial valuation using the projected unit cost method.

[kk] Segment Reporting:-

The Companies 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 accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated items".

[ll] 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 law 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 where as 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 backed by convincing evidence. Deferred tax assets are reviewed at each Balance Sheet date.

Minimum Alternate Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

[mm] 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 remaining period of life of the assets. Grants related to non-depreciable assets are credited to capital reserve.

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 remaining period of life of the assets. Grants related to non-depreciable assets are credited to capital reserve.

[nn] Provisions, Contingent Liabilities and Contingent Assets:-

A provision is recognized when there is a 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 the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognize assets which are of contingent nature until there is virtual certainty of realisability of such assets. However, subsequently, if it becomes virtually certain that an inflow of economic benefits will arise, asset and related income is recognized n the financial statements of the period in which the change occurs.

[oo] 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 including 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 period, 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.

[pp] 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.

IV. Material events :

Material events occurring after the Balance Sheet date and till the date of signing of the financials are taken into cognizance.

3. Share capital

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

	March 31, 2013		March 31, 2012	
	Numbers	(Amount in Rs)	Numbers	(Amount in Rs)
Authorised shares				
Equity shares of ₹10/- each (March 31, 2012 : ₹10/-each)	28,000,000	280,000,000	18,000,000	180,000,000
Issued, subscribed and fully paid up shares				
Equity shares of ₹ 10/- each (March 31, 2012 : ₹10/-each)	24,095,252	240,952,520	17,550,007	175,500,070

[b] Reconciliation of shares outstanding as at the beginning and at the end of the reporting period-

	March 31, 2013		March 31, 2012	
	Numbers	**(Amount in ₹)**	**Numbers**	**(Amount in ₹)**
At the beginning of the year	17,550,007	175,500,070	14,550,007	145,500,070
Add : Shares Issued during the year to shareholders /partners of merged entities*	6,545,245	65,452,450	3,000,000	30,000,000
Outstanding at the end of the year	24,095,252	240,952,520	17,550,007	175,500,070

* Issued consequent to the scheme of amalgamation (Refer note 47 of the standalone financial statement).

[c] 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 approval of the shareholders in ensuing Annual General Meeting, except in the case where interim dividend is distributed. During the year ended March 31, 2013 and March 31, 2012, no dividend has been declared by the Company.

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

[d] No shares have been allotted as fully paid up pursuant to any contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back ,except shares issued consequent to the scheme of amalgamation (Refer note 47 of the standalone financial statement).

[e] Detail of shareholders holding more than 5% shares in the company-

Equity share of ₹ 10 each fully paid	March 31, 2013			March 31, 2012		
	Numbers	**(Amount in ₹)**	**% Held**	**Numbers**	**(Amount in ₹)**	**% Held**
Nikhil Nanda	8,810,774	88,107,740	36.57%	5,885,520	58,855,200	33.54%
Tano Mauritius India FVCI	3,499,999	34,999,990	14.53%	2,500,000	25,000,000	14.25%

4. Reserves and surplus

(Amount in ₹)

4.1 Capital reserves:-

	March 31, 2013	**March 31, 2012**
Opening balance (forfeiture of equity share warrants)	230,000	230,000
Add: Amalgamation reserve on account of amalgamation (Refer note 47 of Standalone Financial Statements)	23,882,040	-
Closing balance (A)	**24,112,040**	**230,000**

4.2 Securities premium:-

(Amount in ₹)

	March 31, 2013	**March 31, 2012**
Opening balance	651,090,198	410,404,768
Add: Premium transferred consequent to amalgamation (Refer note 47 of Standalone Financial Statements)	176,120,890	-
Add: Premium on issue of equity shares on preferential basis*	-	263,250,000
Less : Amount utilized towards issue of equity shares on preferential basis #	-	22,564,570
Less: Amount utilized to set off unrealizable trade receivable (refer note 17)	482,892,640	-
Closing balance (B)	**344,318,448**	**651,090,198**

* Premium on issue of shares during the previous year.

\# Premium utilised for writing off share issue expenses during the previous year.

4.3 Foreign Currency Translation Reserve:-

(Amount in ₹)

	March 31, 2013	**March 31, 2012**
Foreign Currency Translation Reserve	23,614,826	17,182,153
Closing balance (C)	**23,614,826**	**17,182,153**

4.4 General reserves:-

(Amount in ₹)

	March 31, 2013	March 31, 2012
Opening balance	667,750	667,750
Add: Adjustment during the year	-	-
Closing balance (D)	667,750	667,750

4.5 Minority interest:-

(Amount in ₹)

	March 31, 2013	March 31, 2012
Minority interest	200,050	200,040
Closing balance (E)	200,050	200,040

4.6 Surplus/ (deficit) in the Statement of Profit and Loss:-

(Amount in ₹)

	March 31, 2013	March 31, 2012
Opening balance	299,321,656	288,645,330
Add: (Loss)/Profit for the year transferred from the Statement of Profit and Loss	(37,613,359)	11,083,829
Add: Opening reserves of JHS Mechanical & Warehouse Pvt. Ltd.	(3,375,600)	-
Add: Provision for diminution in the value of investment	-	674,793
Less: Deferred tax assets provision written back	-	1,082,292
Closing balance (F)	258,332,697	299,321,656
Total Reserves and Surplus (A+B+C+D+E+F)	**651,245,811**	**968,691,797**

5. Deferred government grant

(Amount in ₹)

	March 31, 2013	March 31, 2012
Government grant received #	2,700,000	3,000,000
Less: Current year amortisation over the balance life of the assets (Refer note 22)	300,000	300,000
Closing balance	**2,400,000**	**2,700,000**

 # During the previous 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 to be amortised over the balance useful life of the assets being 10 years.

6. Long term borrowings

(Amount in ₹)

Secured:	Non -current portion		Current maturities	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Indian rupee loan from banks (term loan)	52,756,122	30,774,086	81,525,800	-
Foreign currency loan from banks (buyers credit)	134,543,693	164,129,265	32,889,752	-
Foreign currency loan from banks (External Commercial Borrowings (ECB) and Foreign Currency Term Loan (FCTL))	-	66,298,824	140,977,066	66,298,824
	187,299,815	**261,202,175**	**255,392,618**	**66,298,824**
Vehicle loans	5,719,735	5,682,014	3,075,392	2,271,994
	193,019,550	**266,884,189**	**258,468,010**	**68,570,818**
Amount disclosed under the head other current liabilities (Refer note 11)	-	-	(258,468,010)	(68,570,818)
Net amount	**193,019,550**	**266,884,189**	**-**	**-**

* Our bankers ICICI Bank Limited & Bank of India have declared our account as Non Performing Assets (NPA) as at September 30, 2012 and March 30, 2013 respectively due to non payment of interest and principal on various facilities availed by us. The Company is in discussion with both the existing Bankers and some financial institutions for appropriate solution to work out necessary plan so that Company's normal functioning should not get effected.

Particulars	Indian rupee loan from banks (term loan)	Foreign currency loan from banks (buyers credit)	Foreign currency loan from banks (External Commercial Borrowing (ECB))	Foreign Currency Term Loan (FCTL)
Rate of Interest	A) 30,393,030 @ 3.25% over Base Rate plus Tenor Premium 0.75%, B) 103,888,892 @ 13.5%.	6 months LIBOR plus applicable, margin	LIBOR is hedged @ 2.98% Plus 1.50% as Margin. Refer note 41 (a) as Margin. Refer	LIBOR is hedged @ 2.98% Plus 1.60% note 41 (a)
Repayment terms	A) 20 Quarterly Instalments of 9,715,000 each from April, 2013. B) 4 quarterly Instalments of 9,444,444 each are due as at March 31, 2013 and 7 quarterly instalments of same amount are payable in next two years.		Two Semi Annual instalments of USD 496,000 each are due as at March 31, 2013 and two instalments are payable in next one year.	Two Semi Annual instalments of USD 152,000 each are due as at March 31, 2013 and two instalments are payable in next one year.
Security	[A] Exclusive charge on movable and non-movable assets financed by bank. [B] First pari passu charge on uncharged net block and second charge on current assets of the company. [C] Collateral security to the following properties of the Company mortgaged with ICICI Bank: • Khata Khatauni No. 13/14, Khasra No. 420/353 measuring 2.05 bighas • Khasra no.89 measuring 4.18 bighas • Khata Khatauni No. 6/6, Khasra No. 179/82 measuring 3.15 bighas • Khata no. 85/1, measuring 4 bighas • Khata Khatauni No. 27/28, Khasra No. 418/67 measuring 4.60 bighas situated at Mouza Kheri, Kala-Amb, Tehsil Nahan, District Sirmour, HP (total land measuring 19.04 bighas) in the name of Company. • Equitable mortgage of free hold project land measuring in Khata Khatauni no. 19 min/20 min, Khasra no 86 measuring 3-3 bighas, Khata Khatauni no 21/22, Khasra No. 417/67, measuring 3 bigha and khatra khatauni no 23/24, Khasra no 173/60 measuring 2-18 bighas 3 kites, total measuring 9-1 bighas, situated at Mauza Kheri, Tehsil Nahan, District – Sirmour, Himachal Pradesh. [D] Personal guarantee of Mr. Nikhil Nanda limited to the value of 500,000 shares of the Company.		[A] Exclusive charge on all the movable fixed assets of the Company being financed by the facility. [B] First Charge on all the immovable (subject to RBI approval) fixed assets of the Company being financed by the facility. [C] Equitable mortgage of the following properties: • Khata Khatauni No. 13/14, Khasra No. 420/353 measuring 2.05 bighas • Khasra no. 89 measuring 4.18 bighas • Khata Khatauni No. 6/6, Khasra No. 179/82 measuring 3.15 bighas • Khata no. 85/1, measuring 4 bighas • Khata Khatauni No. 27/28, Khasra No. 418/67 measuring 4.60 bighas situated at Mouza Kheri, Kala-Amb, Tehsil Nahan, District Sirmour, HP (total land measuring 19.04 bighas) in the name of Company (subject to RBI approval). [D] Second Charge on the current assets of the Company. [E] Personal guarantee of Mr. Nikhil Nanda limited to the value of 4,204,446 shares of the Company	[A] Exclusive charge on all the movable fixed assets of the Company under Noida SEZ Unit, both present and future. [B] First Charge on the current assets of the Company pari passu with ICICI Bank Limited. [C] Personal guarantee of Mr. Nikhil Nanda limited to the value of 4,204,446 shares of the Company.

Vehicle loans are secured against hypothecation of specific vehicles.

7. Deferred tax liabilities (net)

In accordance with Accounting Standard 22 on 'Accounting for Taxes on Income' the deferred tax liabilities of 38,748,416 has been recognised as charge in the Statement of Profit and Loss. The effect of significant timing differences as at March 31, 2013 that reverse in one or more subsequent years give rise to the following net deferred tax liability as at 31 March, 2013.*

Deferred tax assets and liabilities are attributable to the following:

(Amount in ₹)

	March 31, 2013	Benefit/ (charge) for the year	March 31, 2012
Deferred tax liability :-			
On account of written down value of fixed assets as per the Income Tax Act, 1961 and total of net block of tangible and intangible fixed assets as per financial statements	87,088,993	(52,426,879)	34,662,114
	87,088,993	**(52,426,879)**	**34,662,114**
Transferred pursuant to Amalgamation (Refer note 47)	-	5,580,385	-
Total deferred tax liability	**87,088,993**	**(46,846,494)**	**34,662,114**
Deferred tax assets :-			
Provision for bonus	85,686	68,355	17,331
Provision for doubtful debts	-	(885,825)	885,825
Provision for obsolete stock	2,336,664	277,421	2,059,243
Provision for gratuity	417,421	(258,691)	676,112
Provision for leave encashment	216,911	216,911	-
Provision for doubtful advances	2,741,494	2,741,494	-
Provision for diminution in the value of investment	1,132,700	1,132,700	-
Realised exchange loss on capex loans	12,702,779	4,807,955	7,894,824
Interest disallowed	-	(2,243)	2,243
Total deferred tax assets	**19,633,656**	**8,098,078**	**11,535,578**
Deferred tax liabilities (net)	**67,455,337**	**(38,748,416)**	**23,126,536**

* 38,748,416 is net deferred tax charge. This is inclusive of deferred tax charge amounting to ₹ 22,450,848 related to earlier years.

8. Provision

	Long-Term		Short-Term	
Provision for employee benefits	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Provision for gratuity (Refer note 33)	3,079,734	2,493,388	100,709	102,379
Provision for leave benefits (Refer note 33)	1,475,029	966,764	172,442	128,330
	4,554,763	**3,460,152**	**273,151**	**230,709**

9. Short term borrowings

(Amount in ₹)

	March 31, 2013	March 31, 2012
Secured:-		
Loan repayable on demand		
★ Cash credit from banks in Indian rupee	276,604,300	255,230,193
★ Buyers credit from banks in foreign currency	2,460,722	6,932,359
★ Packing credit from banks in foreign currency	61,356,777	57,709,843
★ Temporary overdraft from ICICI Bank	25,986,204	-
Unsecured:-		
★ Interest free loan from related parties repayable on demand (Refer note 35)	199,572,166	10,847,535
	565,980,169	**330,719,930**

Particulars	Cash credit from bank in Indian Rupee (ICICI Bank) , Buyers credit and Packing credit from banks in foreign currency	Cash credit from bank in Indian rupee (Bank of India)	Temporary overdraft (ICICI Bank)
Rate of interest	Cash credit from bank in Indian Rupee (ICICI Bank)- Base rate plus applicable margin. margin. Buyers credit and Packing credit from banks in foreign currency-6 months LIBOR Plus Applicable Margin.	Base rate plus applicable	19.25% per annum
Security	[A] First charge in favour of the bank by the way of hypothecation of the Company's entire stock of raw materials, semi-finished and finished goods, consumable stores, packing material and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank pari passu with ICICI Bank Ltd. SEEPZ OBU and Bank of India. [B] Second Charge on the following properties: ★ Khata Khatauni No. 13/14, Khasra No. 420/353 measuring 2.05 bighas ★ Khasra no.89 measuring 4.18 bighas ★ Khata Khatauni No. 6/6, Khasra No. 179/82 measuring 3.15 bighas ★ Khata no. 85/1, measuring 4 bighas ★ Khata Khatauni No. 27/28, Khasra No. 418/67 measuring 4.60 bighas situated at Mouza Kheri, Kala-Amb, Tehsil Nahan, District Sirmour, Himachal Pradesh measuring 19.04 bighas (subject to RBI approval) also sharing second charge with Bank of India-for working capital facilities. [C] Personal guarantee of Mr. Nikhil Nanda limited to the value of 4,704,446 shares of the Company.	[A] First pari passu charge on current assets of the Company by the way of hypothecation. [B] Second pari passu charge on fixed assets on reciprocal basis.	No separate security charged i. e. security is common as in cash credit from bank in Indian rupee (ICICI Bank).

10. Trade payables

(Amount in ₹)

	March 31, 2013	March 31, 2012
Trade payables (Refer note 39 for details of dues to Micro Small and Medium Enterprises)	216,249,228	457,411,246
	216,249,228	457,411,246

11. Other current liabilities

(Amount in ₹)

	March 31, 2013	March 31, 2012
Current maturities of long-term borrowings *(Refer note 6)	255,392,618	66,298,824
Current maturities of Vehicle Loans	3,075,392	2,271,994
Interest accrued but not due on borrowings	4,992,884	2,770,682
Interest accrued and due on borrowings*(Refer note 6)	33,297,248	303,257
Book overdraft	8,710,066	283,087
Creditors for fixed assets (Refer note 36)	31,558,507	11,453,293
Advance received from customers	11,982,460	3,470,000
Expenses payables (Refer note 36)	9,795,186	3,028,093
Payable to employees (Refer note 33)	9,739,379	7,537,129
Unclaimed dividend on equity shares	167,692	171,196
Others:		
★ Tax Deducted at Source (TDS) and Work Contract Tax (WCT) payable	474,651	738,700
★ Provident Fund (PF) & Employees' State Insurance (ESI) Payable	396,664	216,502
★ Sales tax payable	1,088,689	239,285
★ Wealth tax payable	73,724	44,233
	370,745,160	**98,826,275**

11A. Tangible assets

(Amount in ₹)

Particulars	Gross block (at cost)				Accumulated depreciation and impairment				Net block	
	As at April 1, 2012	Additions	Disposals/ Adjustments	As at March 31, 2013	As at April 1, 2012	Depreciation for the year	Disposals/ Adjustments	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Owned assets										
Land	9,105,752	37,248,949	-	46,354,701	-	-	-	-	46,354,701	9,105,752
Factory building	126,717,966	186,519,415	-	313,237,381	14,176,525	17,997,510	-	32,174,035	281,063,346	112,541,441
Office building	17,116,367	-	-	17,116,367	1,047,647	278,997	-	1,326,644	15,789,723	16,068,720
Plant and machinery	379,171,898	678,717,568 (Note b)	859,201	1,057,030,265	123,745,363	109,454,405	386,388	232,813,380	824,216,885	255,426,535
Moulds and dies	185,849,868	119,636,028 (Note b)	26,124,296	279,361,600	87,635,346	47,879,402	5,260,071	130,254,677	149,106,923	98,214,522
Furniture and fixtures	16,208,088	9,325,182	1,603,457	23,929,813	5,843,873	1,770,440	539,322	7,074,991	16,854,822	10,364,213
Vehicles	21,247,681	5,117,919	2,810,271	23,555,329	5,670,650	2,397,480	1,848,153	6,219,977	17,335,352	15,577,031
Computers	2,642,730	880,039	-	3,522,769	1,589,442	591,851	-	2,181,293	1,341,476	1,053,288
Total tangible assets	**758,060,349**	**1,037,445,100 (note a)**	**3,13,97,225**	**1,764,108,225**	**239,708,846**	**180,370,086 (note a)**	**8,033,934**	**412,044,999**	**1,352,063,228**	**518,351,502**
Previous Year	746,929,142	19,617,466	8,486,259	758,060,349	170,424,898	72,720,99 #	3,437,133	239,708,847	518,351,502	-

(**Note a)-** Addition to gross block includes ₹ 604,101,400 and depreciation for the year includes ₹45,230,144 pursuant to amalgamation (Refer note 47)

(Note b)- Includes ₹12,855,561 (March 31, 2012 ₹ Nil) of interest on borrowed funds.

Depreciation for the previous year includes ₹ 41,521 pertaining to assets costing less than ₹ 5,000 which were not fully depreciated in prior years (Refer note 29) and impairment loss of ₹1,504,263 on furniture and fixtures and Plant and machinery (Previous year: ₹1,313,217).

The impairment loss recognized during the years is given here under:

Year Ending March 31, 2013	Description	Gross block	Accumulated depreciation	Impairment loss	Net block
	Furniture and fixtures	1,603,457	539,322	1,064,129	6
	Plant & Machinery	859,201	419,067	440,134	Nil
	Furniture and fixtures	2,335,429	1,042,211	1,313,217	1

The impairment loss has been determined using the net selling price of assets for the current and previous year.

11B. Intangible assets

(Amount in ₹)

Particular	Gross block (at cost)				Accumulated amortisation				Net block	
	As at April 1, 2012	Additions	Disposals/ Adjustments	As at March 31, 2013	As at April 1, 2012	Amortisation for the year	Disposals/ Adjustments	As at March 31, 2013	As at March 31, 2013	As at April 1, 2012
Computer Software	5,484,055	420,868	-	5,904,923	3,902,272	11,13,665	-	5,015,937	888,986	1,581,783
Total intangible assets	5,484,055	420,868	-	5,904,923	3,902,272	11,13,665	-	50,15,937	888,986	1,581,783
Previous Year	5,320,555*	163,500	-	5,484,055*	2,836,754*	1,065,518	-	3,902,272*	1,581,783	-

* In previous year an amount of ₹124,888 and ₹119,426 pertaining to gross block and accumulated depreciation respectively has been reclassed from computers to computer software.

11C. Capital work in progress (refer note 32)

(Amount in ₹)

As at March 31, 2013	As at April 1, 2012
-	244,483,953

12. Non current investments

(Amount in ₹)

Unquoted, non - trade investments (valued at cost unless stated otherwise)	March 31, 2013	March 31, 2012
Investment in shares of others		
JHS Svendgaard Hygiene Products Limited (Refer note 47)		
Nil (March 31, 2012 : 50,000) fully paid equity shares of face value of 10 each	-	500,000

13. Long term loans and advances

(Amount in ₹)

Unsecured, considered good, unless otherwise stated	March 31, 2013	March 31, 2012
Capital advances- considered good	284,860,357	263,000,491
Capital advances considered doubtful	845,229	845,229
	285,705,586	**263,845,720**
Less: Provision for doubtful advances	845,229	845,229
	284,860,357	**263,000,491**
Security deposit	8,096,810	2,360,799
Advance tax (Net of provisions ₹ 6,119,106. (March 31, 2012: ₹ 29,148,890))	9,276,482	1,767,230
Loans and advances to related parties (refer note 33)		
• Unsecured, considered good	2,1981,781	40,030,000
• Unsecured, considered doubtful	1,854,772	-
	23,836,553	**40,030,000**
Deposits with excise authorities	70,124	-
Loans and Advances to others		
• Unsecured, considered good	-	-
• Unsecured, considered doubtful	8,273,023	-
	8,273,023	-
Less: Provision for doubtful advances	8,273,023	-
	-	-
	326,140,326	**307,158,520**

14. Other non current assets

(Amount in ₹)

	March 31, 2013	March 31, 2012
Unsecured, considered good, unless otherwise stated		
Margin Money * (Refer footnote to note 18)	493,061	493,061
Deposits having maturity period of more than twelve months @ (Refer footnote to note 18)	5,000	5,000
Interest accrued on non current fixed deposits	98,214	43,493
	596,275	**541,554**

15. Inventories * (Valued at lower of cost or net realisable value)

(Amount in ₹)

	March 31, 2013	March 31, 2012
Raw material	25,381,194	66,777,732
Packing material	8,057,616	10,149,285
Work-in-progress	26,291,336	50,129,210
Finished goods @	5,243,744	10,482,660
Traded Goods	-	671,800
Stores and spares	5,115,158	307,867
	70,089,048	**138,518,554**
Less: Provision For Obsolete Stock	9,386,930	6,346,873
	60,702,118	**132,171,681**

* Inventories include material on job work which comprises of raw materials amounting to ₹ Nil (March 31, 2012: ₹ 24,872,317), work in progress amounting ₹ Nil (March 31, 2012: ₹ 1,679,550) and finished goods amounting ₹ Nil (March 31, 2012: ₹ 42,166,946).

@ Finished goods include excise duty amounting to ₹ 50,278 (March 31, 2012: ₹ 157,345)

Obsolete stock amounting ₹ 4,509,027 has been written off from the books (March 31, 2012: ₹ 8,452,963)

16. Trade receivables

(Amount in ₹)

	March 31, 2013	March 31, 2012
Unsecured, considered good, unless otherwise stated		
Outstanding for a period exceeding six months from the date they were due for payment		
Considered good *	268,466,214	130,714,061
Considered doubtful	484,520,426	2,847,229
	752,986,640	133,561,290
Less: Provision for doubtful debts	484,520,426	2,847,229
	268,466,214	**130,714,061**
Other receivables		
Considered good	91,144,148	893,916,520
	359,610,362	**1,024,630,581**

* Includes amount due from related parties. Refer note 35.

With a view to present a true and fair view in the financial statements for the year, trade receivable amounting ₹ 482,892,640 are reduced by setting off, against the securities premium account for which the company has passed a special resolution on April 25th 2013, in an extraordinary general meeting. This setoff was proposed on account of non recoverability of debtors adjudge, inspite of persistent efforts and legal action against some of them. Such utilisation of securities premium does not involve diminishing of any liability. This arrangement was proposed in light of sections 78, 100 and 101 of the Companies Act 1956. The Company has filed the relevant petition with the Honourable High Court of Himachal Pradesh, on May 24th 2013 for necessary approval.

17. Cash and bank balances

(Amount in ₹)

	March 31, 2013	March 31, 2012
Cash on hand	2,38,862	4,438,533
Balances with banks		
-Current accounts	13,40,054	1,003,297
Deposits with original maturity of less than three months	1,810,940	132,936
	3,389,856	**5,574,766**
Other bank balances		
Margin money*	2,603,499	827,594
Deposits with original maturity of more than three months but realizable within twelve months from Balance Sheet date@	1,892,507	558,780
Unclaimed dividend amount	167,691	171,196
	4,663,697	**1,557,570**
	8,053,553	**7,132,336**

*Margin money deposits with a carrying amount of ₹ 3,096,560 (March 31, 2012: ₹ 827,594) with various government authorities.@Fixed deposits pledged with government authorities.

18. Short term loans and advances

(Amount in ₹)

	March 31, 2013	March 31, 2012
Unsecured, considered good, unless otherwise stated		
Security deposit	-	25,330
Loans and advances to related parties (refer note 33)	1,107,000	-
Loans and advances to employees	874,752	2,683,845

(Amount in ₹)

	March 31, 2013	March 31, 2012
Other loans and advances		
Balances with statutory/government authorities		
■ Cenvat	3,976	5,916,087
■ Value added tax	6,170,745	690,076
Tax deducted at source receivable	**-**	**67,704**
■ Prepaid expenses	1,388,299	2,608,630
■ Advance to suppliers (Refer note 33)	1,365,397	75,628,740
■ Advance to suppliers, considered doubtful	824,250	824,250
-Loans and advances to others	**147,936,992**	**-**
	157,689,659	85,735,487
Less: Provision for doubtful advances	824,250	824,250
	156,865,409	84,911,237
	158,847,161	87,620,412

19. Other current assets

(Amount in ₹)

	March 31, 2013	March 31, 2012
Interest accrued on loans granted (Refer note 33)	-	3,322,459
Interest accrued but not due on fixed deposits	183,910	56,123
Other receivables	**45,677,410**	-
	45,861,320	**3,378,582**

20. Revenue from operations

(Amount in ₹)

Revenue from operations	March 31, 2013	March 31, 2012
Sale of products (Refer note 33 and 38)		
Domestic		
Manufactured goods	265,071,907	232,792,042
Traded goods	-	392,489,970
Export		
Manufactured goods	65,616,923	301,801,574
Traded goods	-	336,554,044
Service Income - Job work	17,90,25,973	1,446,192
	509,714,803	**1,265,083,822**
Other operating revenue		
Reimbursement Receipt	83,856,833	-
Scrap sales	2,333,977	2,122,966
Revenue from operations (gross)	**595,905,613**	**1,267,206,788**
Less: Excise duty*	-	1,186,591
Revenue from operations (net)	**595,905,613**	**1,266,020,197**

*Excise duty on sales amounting to ₹ Nil (March 31, 2012: ₹ 1,186,591) has been reduced from sales in Statement of Profit and Loss and (increase)/decrease in excise duty on inventory amounting to ₹ 107,067 (March 31, 2012: ₹ 153,274) has been considered as (income) / expense in note 28 of financial statements.

21. Other Income

(Amount in ₹)

	March 31, 2013	March 31, 2012
Interest income on		
Fixed deposits	387,055	166,696
Loan to related parties (Refer note 34)	-	3,322,459
	387,055	**3,489,155**

(Amount in ₹)

	March 31, 2013	March 31, 2012
Other non operating income		
Excess provision written back	587,762	1,834,404
Government grant (Refer note 5)	300,000	300,000
Foreign exchange gain (net)	34,121,019	
Profit on sale of fixed assets(net)	4,314,039	279,311
Sundry balances written back	15,150	1,629,510
Miscellaneous income	768,110	1,073,432
	40,106,080	**5,116,657**
	40,493,135	**8,605,812**

22. Cost of materials consumed

(Amount in ₹)

	March 31, 2013	March 31, 2012
Cost of raw materials consumed		
At the beginning of the year	66,777,732	107,739,799
Add: Balance transferred pursuant to Amalgamation	2,227,543	-
(Refer note 47 of the Standalone Financial Statements)		
Add: Purchases	82,859,934	147,529,652
	151,865,209	**255,269,451**
Less: At the end of the year	25,381,194	66,777,732
	126,484,015	**188,491,719**
Cost of packing material consumed		
At the beginning of the year	10,149,285	7,222,288
Add: Balance transferred pursuant to Amalgamation	2,147,698	-
(Refer note 47 of the Standalone Financial Statements)		
Add: Purchases	51,007,303	48,374,272
	63,304,286	**55,596,560**
Less: At the end of the year	8,057,616	10,149,285
	55,246,670	**45,447,275**
Other materials-consumables		
At the beginning of the year	307,867	270,649
Add: Balance transferred pursuant to Amalgamation	714,999	-
(Refer note 47 of the Standalone Financial Statements)		
Add: Purchases	5,115,159	6,723,182
	6,138,025	**6,993,831**
Less: At the end of the year	5,115,159	307,867
	1,022,866	**6,685,964**
	182,753,551	**240,624,958**

23. Decrease in inventories of finished goods and work-in-progress and traded goods

(Amount in ₹)

	March 31, 2013	March 31, 2012
Finished goods		
At the beginning of the year	10,482,660	55,917,645
Less: At the end of the year	5,243,744	10,482,660
	5,238,916	**45,434,985**

(Amount in ₹)

	March 31, 2013	March 31, 2012
Work in progress		
At the beginning of the year	50,129,210	11,094,296
Add: Purchases	9,559,804	2,981,420
Less: At the end of the year	26,291,336	50,129,210
	33,397,678	**(36,053,494)**
Stock-in-trade		
At the beginning of the year	-	25,073,754
Less: At the end of the year	-	671,799
	-	**24,401,955**
	38,636,594	**33,783,446**

24. Finance cost

(Amount in ₹)

	March 31, 2013	March 31, 2012
Interest expense*	87,585,514	44,562,773
Bank charges	126,478	4,746,061
Interest on late deposition of tax deducted at source	412,122	570,710
Exchange differences to the extent considered as an adjustment to borrowing cost	15,310,190	11,836,589
	103,434,304	**61,716,133**

* This is exclusive of interest expense amounting to ₹ 2,696,794 capitalised during the year (March 31, 2012: ₹ 8,072,849).

25. Employee Benefits Expenses

(Amount in ₹)

	March 31, 2013	March 31, 2012
Salaries, wages, bonus and allowances*	93,537,501	46,447,036
Contribution to provident and other funds	2,810,158	1,237,144
Gratuity expense	360,855	1,774,501
Leave encashment	310,246	422,723
Workmen and staff welfare expensest	1,543,774	1,078,422
	98,562,534	**50,959,826**

26. Depreciation, amortisation and impairment

(Amount in ₹)

	March 31, 2013	March 31, 2012
Depreciation of tangible assets	13,51,39,941	72,679,470
Amortisation of intangible assets	1,113,666	1,065,518
	136,253,607	**73,744,988**

Exclude prior period depreciation and includes impairment loss (Refer Note 12 & 29)

27. Other Expense

(Amount in ₹)

	March 31, 2013	March 31, 2012
Rent (Refer note 34)	32,64,036	3,546,336
Advertisement	382,795	7,450,580
Bank charges	946,673	859,675
Business promotion	4,818,253	3,766,514
Repairs and maintenance		
-Plant & machinery	80,70,317	3,062,571
-Building	4,878,545	2,902,225
-Others	3,903,829	1,306,666
Provision for doubtful loan and advances	10,127,795	845,229
Bad debts written off	-	11,368,019
Provision for slow moving stock	3,040,057	-
Advances written off	5,324,037	-
Export incentive receivable written off	-	3,544,519
Provision for diminution in investment	-	674,793
Freight & cartage outward	8,136,586	5,484,489
Insurance	1,893,689	1,991,760
Legal & professional	6,609,740	10,705,083
Foreign exchange loss (net)	-	22,504,159
Fees rates and taxes	23,04,075	1,193,263
Wealth tax	55,665	48,000

(Amount in ₹)

	March 31, 2013	March 31, 2012
Decrease/(increase) in excise duty on inventory	-	153,274
Communication	19,74,416	2,549,581
Printing and stationery	1,908,980	1,736,854
Travelling and conveyance	10,147,242	9,100,979
Loss on sale of fixed assets	-	1,010,755
Directors' sitting fees	146,000	26,000
Job work charges	17,996,247	10,268,107
State excise duty	-	447,563
Consumable	2,877,983	-
Power & fuel	2,04,29,917	13,786,525
Testing charges	776,863	102,097
Auditor's remuneration	1,263,222	1,839,639
Office maintenance	3,311,514	2,290,058
Miscellaneous	4,810,024	2,279,808
	129,398,500	**126,845,121**

28. Prior period expense (net)

(Amount in ₹)

	March 31, 2013	March 31, 2012
Repair & maintenance	56,435	-
Travelling	359,210	-
Wages	102,883	-
Conveyance	84,370	-
Depreciation pertaining to assets costing less than ` 5,000/- which were not fully depreciated in prior years	-	41,521
Legal and professional	24,891	26,472
Insurance	76,239	-
Other income	(225,945)	-
Leave encashment	-	719,981
Opening provision of investment knocked off	(974,753)	
Interest on foreign currency loan from bank (External Commercial Borrowings)	-	(23,315)
Miscellaneous	-	(4,445)
	(496,670)	**760,214**

29.Contingent liabilities and commitments

[A] Contingent liabilities:-

(Amount in ₹)

	Particulars	March 31, 2013	March 31, 2012
(i)	Claims made against the company not acknowledged as debts	473,011	946,021
	* Sales tax demands (paid under protest ₹473,011) for non submission of statutory forms.*	1,461,000	1,461,000
	* Case filed by fixed assets vendor for moulds and legal charges.		
(ii)	Bank Guarantee:		
(a)	Bank guarantee issued by bank (margin money kept by way of fixed deposit of ₹ 3,096,560 (March 31, 2012: ₹ 827,594)	11,910,605	5,327,594
(b)	Corporate guarantees given by the Company to banks on behalf of others.**	-	134,314,729

*The Company has preferred an appeal before the Commissioner of Sales tax and deposited the same under protest.

*In previous year the Company has provided a corporate guarantee in favour of ICICI Bank Limited for credit facilities sanctioned by the bank to M/s JHS Svendgaard Hygiene Products Limited which has now been merged with the Company. (Refer note 47)

Note: Based on the past experience, interpretations of the provisions of Sales tax, the Company is of the view that the above demandsare likely to be deleted or substantially reduced and accordingly no provision has been considered in books of accounts.

[B] Capital commitments:-

(Amount in ₹)

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Capital Advances ₹83,840,417 (March 31, 2012: ₹ 263,845,720).	195,084,999	17,651,006

30. Capital work in progress

Particulars	March 31, 2013	March 31, 2012
Capital work in progress		
Opening balance (A)	**244,483,953**	**2,085,918**
Add: Additions during the year		
Building*	27,939,213	124,004
Plant and machinery*	20,111,035	207,618,614
Mould and dies	71,076,192	21,478,687
Furniture and fixture*	700,315	5,044,818
Computer	113,934	59,063
Interest on borrowed capital	2,696,794	8,072,849
(B)	**122,637,483**	**242,398,035**
Less : Capitalisation during the Year		
Building	27,939,213	-
Plant and machinery	239,708,360	-
Mould and dies	93,371,724	-
Furniture and fixture	5,745,072	-
Computer	172,997	-
Less: Debited to repair and maintenance	184,070	
(C)	**367,121,436**	**-**
Balance at the year end (A) + (B) –(C)	**-**	**244,483,953**

*figures include the amount of balances pursuant to amalgamation (Refer note 47):

Particulars	JHS Svendgaard Hygiene Products Limited	Wave Hygiene Products	Total
Building	17,708,018	7,044,914	24,752,932
Plant and machinery	3,113,439	13,494,878	16,608,317
Furniture and fixture		279,861	279,861
Total	20,821,457	20,819,653	41,641,110

31. Segment reporting (As per AS – 17 Segment Reporting)

[a] Primary Segment-

The Company operates in four business segments namely full service goods based - oral care, job work – oral care and hygiene care, marketing and distribution and dental care clinics.

[b] Secondary Segment-

Secondary segmental reporting is on the basis of the geographical location of the customers, namely India, Dubai and Others.

Primary Segment Information: Business Segments

	Particulars	March 31, 2013	March 31, 2012
A	**SEGMENT REVENUE**		
	i) Full service goods based - oral care	297,931,229	928,019,961
	ii) Job work – oral care and hygiene care	262,641,123	-
	iii) Marketing and distribution	35,091,577	336,554,044
	iv) Dental care clinics	241,684	1,446,192
	Total	**595,905,613**	**1,266,020,197**
B	**SEGMENT RESULTS**		
	i) Full service goods based - oral care	(93,992,317)	69,430,000
	ii) Job work – oral care and hygiene care	118,530,486	-
	iii) Marketing and distribution	(2,208,211)	48,122,107
	iv) Dental care clinics	(120,386)	(573,000)
	Total	**22,209,571**	**116,979,107**
	Less :		
	Interest 103,434,787	61,145,000	
	Other un allocable expenditure	21,954,330	760,000
	Total profit before Tax and Exceptional Items	**(103,179,546)**	**55,074,107**
C	**Capital expenditure**		
	i) Full service goods based - oral care	108,278,262	262,015,503
	ii) Job work – oral care and hygiene Care	39,363,907	-
	iii) Marketing and distribution	-	-
	iv) Dental care clinics	-	-
	Total	**147,642,169**	**262,015,503**
D.	**Depreciation**		
	i) Full service goods based - oral care	98,150,594	73,658,463
	ii) Job work – oral care and hygiene Care	38,037,140	-
	iii) Marketing and distribution	-	-
	iv) Dental care clinics	65,873	86,525
	Total	**136,253,607**	**73,744,988**
E.	**Net segment assets***		
	i) Full service goods based - oral care	719,622,261	1,292,223,377
	ii) Job work – oral care and hygiene care	501,684,602	-
	iii) Marketing and distribution	285,375,719	153,939,745
	iv) Dental care clinics	-	-
	Total	**1,506,682,582**	**1,446,163,122**

**Net segment assets = (segment assets – segment liabilities)*

Secondary segment Information: Geographical Segment

Particulars	India	Dubai	Other	Total
# Segment Revenue*	495,197,113	35,091,577	65,616,923	595,905,613
	(627,664,579)	(336,554,044)	(301,801,574)	(1,266,020,197)

Figures in bracket represent comparative.

Segment Revenue are inclusive of excise duty.

* Information on assets has not been provided by location of customers, as such information is not realistically allocable and identifiable.

32. Related party disclosure

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

A **Names of related parties and description of relationship:**

S. No.	Relationships	Name of Related Party
i.	Individual having significant influence over the company and Key Management Personnel (KMP)	a) Mr. Nikhil Nanda (Managing Director) b) Mr. Gopal Krishna Nanda* (Whole Time Director)
ii.	Relatives of Key Management Personnel	a) Mr. H C Nanda (Father of Mr. Nikhil Nanda) b) Mrs Sushma Nanda (Mother of Mr. Nikhil Nanda) c) Mr. Sumit Nanda (Brother of Mr. Nikhil Nanda) d) Mr. Puneet Nanda (Brother of Mr. Nikhil Nanda)
iii.	Enterprises over which significant influence can be exercised by persons mentioned in (ii) & (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) JHS Svendgaard Hygiene Products Limited (Amalgamated entity-refer note 47) i) Wave Hygiene Products(Amalgamated entity -refer note 47) j) Magna Waves Impex Private Limited

**Mr. Gopal Krishna Nanda has resigned from directorship w.e.f. March 23, 2012.*

B Transactions with related parties taken place during the year. Details of material transactions are not shown separately as the details of related parties are already disclosed under:

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**			
	Dr. Fresh Inc., USA	- (-)		62,293,743 (173,295,258)
	Sunehari Exports Limited	- (-)		- (3,244,654)

S.No.	Transactions	Key Management Personnel and Relatives of Key Management Personnel	Enterprises over which Key Management Personnel and their relatives exercise significant influence
	JHS Svendgaard Hygiene Products Limited	-	-
		(-)	(1,569,763)
(ii)	**Sale of Fixed Assets:**		
	JHS Svendgaard Hygiene Products Limited	-	-
		(-)	(154,757)
(iii)	**Interest Income :**		
	JHS Svendgaard Mechanical & Warehouse Private Limited (Formerly known as JHS Svendgaard Entertainment Private Limited)	-	-
		(-)	(3,322,459)
B.	**Purchases:**		
(i)	**Purchase of raw /packing material:**		
	Sunehari Exports Limited	-	-
		(-)	(2,490,617)
(ii)	**Purchase of Fixed Assets:**		
	Sunehari Exports Limited	-	-
		(7,817,912)	(-)
C	**Expenditure:**		
(i)	**Rent Paid:**		
	Nikhil Nanda	337,080	-
		(1,323,600)	(-)
	Ansh Nanda	-	-
		(87,500)	(-)
	Number One Real Estate Private Limited	-	2,073,042
		(-)	(496,350)
(ii)	**Electricity Expenses**		
	Nikhil Nanda	203,440	-
		(1,263,408)	(-)
	Number One Real Estate Private Limited	-	883,826
		(-)	(-)
(iii)	**Directors Remuneration:**		
	Gopal Krishna Nanda	-	-
		(120,000)	(-)
	Nikhil Nanda	2,400,000	-
		(1,918,658)	(-)
D.	**Unsecured Loans:**		
(I)	**Loans taken:**		
	Nikhil Nanda	9,050,000	-
		(41,082,468)	(-)
	JHS Svendgaard Hygiene Products Limited	-	-
		(-)	(5,429,089)
	H.C Nanda	-	-
		(249,534)	(-)
	Sushma Nanda	49,990	-
		(-)	(-)
	Number One Real Estate Private Limited	-	-
		(-)	(47,857)

S.No.	Transactions	Key Management Personnel and Relatives of Key Management Personnel	Enterprises over which Key Management Personnel and their relatives exercise significant influence
(ii)	**Loans Repaid:**		
	JHS Svendgaard Hygiene Products Limited	-	-
		(-)	(1,600,000)
	Nikhil Nanda	10,540,000	-
		(48,883,943)	(-)
	H. C. Nanda	-	
		(1,000,000)	(-)
	Sushma Nanda	49,990	-
		(-)	(-)
	Apogee Manufacturing Private Limited	-	87,043,280
		(-)	(-)
E.	**Loans and Advances:**		
(i)	**Loans and Advances given (including security deposits):**		
	JHS Svendgaard Mechanical & Warehouse Private Limited (Formerly Known as JHS Svendgaard Entertainment Private Limited)	-	-
		(-)	(40,030,000)
	Number One Real Estate Private Limited	-	20,390,000
		(-)	(900,000)
	Repayment received: JHS Svendgaard Hygiene Products Limited	-	-
		(-)	(1,850,000)
G.	Equity shares issued :		
	Nikhil Nanda	292,525,400	-
		(48,875,000)	(-)
	Harish Chander Nanda	1,792,700	(-)
	Sushma Nanda	1,792,700	(-)
H.	Corporate guarantees released		
	{Refer note 30 A (ii)(b)}: JHS Svendgaard Hygiene Products Limited	-	-
		(-)	(51,685,271)
	Waves Hygiene Products	-	-
		(-)	(250,000,000)

C **Balances with Related parties- Details of material balances are not shown separately as the balances of related parties are already disclosed below:**

Party Name	Amount
Nikhil Nanda	144,735,000
Apogee Manufacturing Private Limited	136,152,550
JHS Svendgaard Mechanical & Warehouse Private Limited	86,200,000
(Formerly Known as JHS Svendgaard Entertainment Private Limited)	
JHS Svendgaard Infrastructure Private Limited	5,000,000
Magna Waves Impex Private Limited	1,107,000

33. 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 schedule escalation clauses. Lease rental expense of ₹ 3,084,036 (March 31, 2012: ₹ 3,546,336) charged to the Statement of Profit & Loss during the year.

33. Earnings per share

The calculation of Earnings per share (EPS) has been made in accordance with Accounting Standard (AS)-20 notified in Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. A statement on calculation of basic and diluted EPS is as under:

S. No.	Particulars	Units	Year Ended March 31, 2013	Year Ended March 31, 2012
A	Loss after tax (excluding extra ordinary items)	`	(121,437,536)	(11,083,829)
B	Weighted average no. of equity shares	Nos.	24,095,252	16,907,930
	Add: Dilutive potential equity shares	Nos.	-	20,492
C	Number of equity shares for Dilutive EPS	Nos.	24,095,252	16,928,422
	Nominal value per share	`	10	10
	Basic Earnings Per Share (A/B)	`	(5.04)	(0.66)
	Diluted Earnings Per Share (A/C)	`	(5.04)	(0.65)

35. In accordance with Micro, Small and Medium Enterprises Development Act, 2006 which came into force with effect from October 2, 2006, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue amount beyond the specified period irrespective of the terms agreed with the suppliers. The Company has sent the written letters to all vendors. However, in absence of written response from all vendors, the liability of interest, if any, cannot be reliably estimated. Management is of opinion that there will be no liability in view of supplier profile of the Company.

36. Remittance in foreign currencies for dividend

Particulars	Number of Shareholders	Number of Equity Shares held	Gross Amount of Dividend	
			Year Ended March 31, 2013	Year Ended March 31, 2012
Non-Resident Share holder	126	210,969	-	158,227
FII	3	2,693,589	-	2,020,192
Foreign Nationals	1	1,000	-	750
TOTAL	**130**	**2,905,558**	**-**	**2,179,169**

Final dividend for 2010-11 declared on December 31, 2011.

37. Details of sale of products:

(Amount in ₹)

Product	Year Ended March 31, 2013	Year Ended March 31, 2012
Oral care products	326,540,836	871,147,66
Other products	4,147,994	392,489,970
TOTAL	**330,688,830**	**1,263,637,630**

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

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

Raj Kumar Agarwal
Partner
Membership No.: 074715

Place: New Delhi
Date : 27 May, 2013

For and on behalf of board of directors of JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director

Rakesh Sharma
Director

Sandhya Sethia
Company Secretary

Ashok Tyagi
Chief Financial Officer

Please fill the Attendance Slip and hand it over at the entrance of the meeting venue
Joint shareholder may obtain additional Attendance Slip on request.

DP ID* ________________ Regd. Folio No. ______________

Client ID*_________________ No. of Share(s) held ___________

Name and Address of the Shareholder:-

I/We hereby record my/our presence at the Ninth Annual General Meeting of JHS Svendgaard Laboratories Limited held on Tuesday, 24th September, 2013 at 10:00 at Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, District- Sirmour, Himachal Pradesh -173030

Signature of the Shareholder or Proxy

*Applicable for the investors holding share(s) in electronic form.

PROXY FORM

DP ID* ________________ Regd. Folio No. ______________

Client ID*_________________ No. of Share(s) held ___________

I/We……………………………………………………………………………......…………………..of………….......………………………being a member /members of JHS Svendgaard Laboratories Limited hereby ……….................………………………………………………………………………… appoint…………………………of…………………………………………………............……………………………………….. or failing him/her ………………………………………. of………………………………………………………………………….. as my/ our proxy to vote for/me and on my/our behalf at Ninth Annual General Meeting of the Company to be held on Tuesday, 24th September, 2013 at 10:00 and/or at any adjournment hereof.

Signed this ……………… day of………. 2013.

Affix 15 Paisa
Revenue
stamp

(Signature of the Shareholder)

Note:

1) The proxy in order to be effective should be duly stamped and signed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

2) Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide addition form on request.

JHS Svendgaard Laboratories Limited
Registered Office:- Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, District-Sirmour, Himachal Pradesh-173030 (INDIA)
Corporate Office:- B-1/E-9, Mohan Co-operative Industrial Area, Mathura Road, New Delhi-110044 (INDIA)
Delhi Office: Ph: 91 11 26900411/ 12, Fax No. 91 11 26900434
Kala Amb: Ph No. 91 1702 302101/ 02/ 19/ 21, Fax No. 91 1702 238831
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Investor relation: investors@svendgaard.com