



**NO
GUTS
NO
GLORY**

JHS SVENDGAARD
LABORATORIES LIMITED
ANNUAL REPORT
2016-17

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NO GUTS. NO GLORY.

At JHS Svendgaard

Laboratories Limited, we have demonstrated courage in challenging and competitive spaces.

Just when we had a large quantum of debt on our books and analysts said that this would take years to liquidate, we raised our net worth, liquidated non-productive assets and cleared the debt off our books.

Just when our financial structure was being right-sized and observers advised caution, we embarked on an aggressive capacity expansion that not only increased our capacity to service the growing needs of our key customers but also corrected a longstanding mismatch between complementary product segments.

Just when most experts suggested that we would do well to focus on one business activity (outsourcing or proprietary product manufacture), we addressed both.

The result is that JHS Svendgaard Laboratories Limited strengthened its viability in 2016-17. In doing so, the Company emphasised an overriding point.

Without guts,
there can be
no glory.

JHS Svendgaard
Laboratories Limited.
India's largest integrated
manufacturer of oral care
products.

Dependable outsourcing
partner for some of
India's fastest-growing
brands. Also growing
its proprietary oral care
brands.

Inspired by some of the
best global manufacturing
standards.

*Driven by focus,
passion and service.*

Overview

JHS Svendgaard Laboratories Limited (head-quartered in New Delhi, India) offers a one-stop shop for oral care products (toothbrushes, toothpastes, mouthwash, whitening gels, and denture products) for national and global FMCG brands.

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

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

oral care brands, the Company manufactures proprietary brands as well.

The Company currently possesses two ISO-certified state-of-the-art manufacturing facilities at Kala Amb (Himachal Pradesh) with a ready land bank and tax benefits for immediate capacity/category expansion.

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

The Company's equity shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange Limited. The Company's market capitalisation was ₹309.02 crore as on 30th June 2017.

35.51%

Promoters' holding,
March 31, 2017 (%)

3.91%

Institutional holding,
March 31, 2017 (%)

17273

Market capitalisation,
March 31, 2017
(₹lakh)

255

Team size,
March 31, 2017

Vision

Aim to be the most preferred contract manufacturer for national as well as global brands having global footprints.

Mission



● Constantly driving innovations in our products



● Committed to customer delight by combining affordable pricing with best quality



● Increasing awareness for oral hygiene through products, services and media campaigns



No guts. No glory.

Two points have preoccupied my thinking over the last few years. Brands and oral care. It is my conviction that India is at the cusp of explosive growth in branded products in general and oral care in particular.

The brands argument

India finds itself at the intersection of interesting realities.

There is an old India that consumes unorganised and relatively under-branded products. There is another emerging India that will trust organised and branded products even when priced slightly higher on the grounds that the increment is worth paying for enhanced quality and hygienic assurance.

Is this brand revolution a sweeping reality? The answer is no.

Has the brand revolution begun to transpire? The answer is yes.

As a growing proportion of India graduates from the unbranded to the branded, we are faced with an interesting reality.

India is the second largest market in the world by population but one of the most under-consumed markets in the world across

a number of products – not because the market does not possess the resources to buy into branded products but because the market is not offering the range of brands that can possibly convert consumers to a superior consumption quality.

At JHS, we have selected to make brands the pivot of our corporate strategy. We have selected to work with select brands who define their product spaces, are transforming consumer consumption, and are outperforming the market. We believe that the superior brands will not just care out a larger market; they will grow this under-consumed market faster than ever.

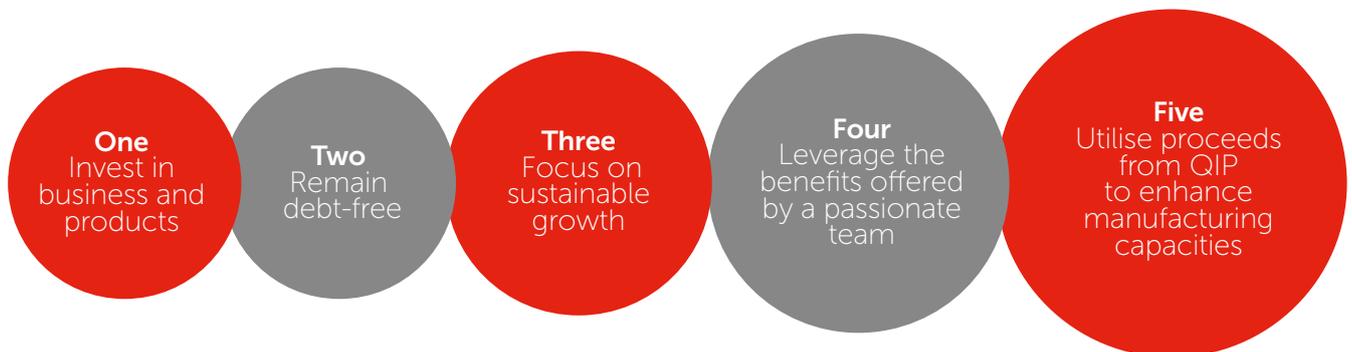
At JHS, we are presently working with four principal brands - two of them are multi-level marketing brands of global repute while the other two are prominent ayurveda and herbal based domestic FMCG companies. We believe that each of these brands has carved out a

niche in a challenging Indian market place, which provides us with the confidence that these brands will grow in a sustainable way across the future. These brands stand for distinctive properties and recalls by virtually transforming the face of the Indian FMCG market in the last few years, emerging as one of the fastest growing companies. One of our ayurveda-based FMCG client is respected as a fast growing company with deep and enduring ayurvedic roots. One of our international clients virtually created the multi-layered marketing concept in India while the other is further extending the multi-layered marketing concept to the rural and remote parts of India .

At JHS, we believe that by working as a back-end partner of these companies, we are enriching our understanding of the oral care market spaces.

Even as we continue to do so, moderating our risk

How JHS is attractively placed to capitalise on the emerging sectoral reality



exposure through back-ended supply, we have taken a small, but, decisive step towards creating our own brand. The business of back-ended supply is predictable, secure and volume-driven; the business of front-end brand ownership is unpredictable but marked by considerably higher margins, credibility and prospects of sustainable growth.

At JHS, we will invest in both business segments around the centrality of a brand play: the success of someone else's brand translating into predictable revenues and the success of our proprietary brands translating into significant outperformance.

Oral care opportunity

For decades, the use of oral care in India was a ritual process with the objective to clean one's teeth. Over the last few years, the nature of product application has evolved: from mere cleaning, the complement of toothbrush and toothpaste has evolved to curing; the subject of mouth freshening has evolved to holistic oral health care.

This evolution has widened the market for a conventional and staid sector. The sector is marked by a wider number of products; branding has evolved from plain marketing to focused branding around desired outcomes.

The result of a larger interplay of players and brands has virtually stirred a monopolistic and sleepy segment of India's FMCG sector into vibrant health. Ayurveda has emerged as a ₹2000 crore category for the first time; the multinational market leader yielded market share for the first time in 70 years.; a market that would grow consistently at 6-7% reported double-digit growth on a larger base.

At JHS, we are riding this market growth by working with market-expanding clients on the one hand through capacity expansion and by prudent products introduction under the proprietary brands on the other.

We believe that this sharp growth, coupled with enduring relationships with some of the largest customer

brands, will enhance margins, profits and shareholder value.

Attractively positioned

At JHS, we are attractively placed to capitalise on the emerging sectoral reality.

One, we will continue to invest in our business to the extent that our Balance Sheet and desired risk appetite will permit. Besides, we intend to invest in a variety of FMCG product ranges across different geographies with the objective to diversify and de-risk our portfolio.

Two, we are debt-free and expect to remain so.

Three, we will focus on sustainable growth as opposed to the fastest growth in a largely under-consumed nation.

Four, we will leverage the benefits offered by a passionate team that has seen through one complete business cycle – crest and trough – and are equipped to drive the business forward.

Five, we will utilise the proceeds from the qualified institutional placement to

enhance our toothbrush and toothpaste manufacturing capacities, likely to generate attractive growth for the next couple of years.

Outlook

At JHS, we believe that guts lead to glory.

Even as the Company was stabilising its financial structure, it selected to expand the capacity of its toothbrush and toothpaste segments, aligning both. The Company expects to commission its capacity expansion by the second quarter of the current financial year and is expecting a 20-25% revenue growth on account of capacity expansion and another 10-15% by way of organic growth in the business.

We believe that these initiatives should increase revenues and widen margins, strengthening our business sustainability.

Nikhil Nanda
Managing Director

Our eminent Board of Directors



Mr. Nikhil Nanda

Managing Director

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



Vanamali Polavaram

Non Executive Chairman

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



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



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



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



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

How we have transformed at JHS



How we rewrote our destiny



How we wrote a new script for our future





The JHS priority: World-class plants; superior utilisation

utilisation

At JHS, we believe that in an increasingly competitive space, success will be derived through the ability to invest in world-class manufacturing facilities coupled with an operational discipline that makes it possible to maximise their utilisation.

The Company took a forward-looking perspective when it invested in a world-class oral care (toothbrushes and toothpaste) facility in 2011. The Company's facilities comprised the following key features:

- DI Water System that distributes USP 32 Grade of Water for process and sanitisation;
- All contact parts made of SS 316 L including making, packing and storage tanks with pipelines;
- Competent staff available to carry out make/pack/ testing operations as per Schedule M of Drug and

Cosmetics Act, 1945;

- Pilot plant to carry out trials for small batches up to 25 kg;
- Norden toothpaste filling line from Sweden that can pack three colour stripes of toothpaste;
- High-speed Wimco filling lines.

In addition to the proactive investment in assets, the Company invested in knowledge and skills to enhance asset utilisation and operating efficiency. The Company operated the equipment around some of the best operating standards

in the world, marked by a decline in production cycle times on the one hand and minimisation of deviations from the productivity norms on the other. The result was that operational standards and quality improved, strengthening customer relationships.

The result of this focus was that business gains were derived from a combination of increased production and productivity as opposed to seeking price increases from customers.

In the reinvented JHS, outperformance prevails.



The JHS priority: Grow proprietary brands

brands

At JHS, we believe that the FMCG sector provides a wide opportunity to succeed within one's desired risk appetite.

Over the years, the Company selected to manufacture on behalf of large market-facing customers. Once these relationships stabilised and the Company had enhanced its understanding of market dynamics, it graduated to the next business challenge: ownership and launch of proprietary brands.

The management and growth of proprietary brands is a challenging segment in the country's FMCG sector, marked by a need to brand and promote aggressively, create a distribution network to reach products wide and deep, manage working capital needs and respond to evolving market needs.

At JHS, we selected to invest in proprietary labels in the country's oral care segment. The Company increased the number of labels from five a couple of years ago to almost 20 at the close of 2016-17.

The Company's prominent labels comprised Tripleguard, Deep Clean, Active Clean, Twinguard, Smiley Junior and Max Clean. The revenues from proprietary brands increased from ₹6.30 crore in 2014-15 to ₹9.70 crore in 2015-16 to ₹14.93 crore in 2016-17.

Even as the gestation associated with this business is long, JHS is close to achieving a break-even in its business on account of high manufacturing efficiencies and marketplace understanding. Over the foreseeable future, the proportion of revenues derived from proprietary brands is expected to grow to hold at least 2% market share which should generate around 50% of our turnover on a larger revenue base.

In the reinvented JHS, courage empowers.



At JHS, we believe that the most potent business strength that we possess is in our enduring relationships with stakeholders.

Employees: At JHS, the backbone of the Company lies in its people. Even though the Company passed through a challenging phase, the Company successfully retained its senior management and technical workers. Besides, when the turnaround became evident, the team responded with corresponding passion and motivation to accelerate the transformation. Nearly 50% of the administrative workforce has been with the Company for more than 4-5 years.

Customers: JHS works with four large FMCG customers whose products enjoy a distinctive brand recall, reflected in growing revenues and market share. These customer relationships have endured over the years; they are marked by multi-year supply agreements, resulting in revenue visibility and predictability.

Equity partner: JHS made a preferential allotment by way of 3,49,44,748 warrants for ₹11 each, mobilising an

aggregate ₹38.43 crore. This quantum, along with internal accruals and funding from the promoter group, was used to settle bank debts for ₹28.50 crore following which the Company became debt-free for the first time across a full year starting 2016-17. We believe that the value of the private equity partners has extended beyond financial capital; the partners have even contributed in re-strategising the business, create a 2020 vision roadmap, engage with prospective investors and widen the strategic bandwidth through their presence on the Board. Besides this, the presence of private equity partners with a long-term objective, aligned with the management's goal, has enhanced corporate stability.

In the reinvented JHS, we believe that taking everyone ahead together is progress.

The JHS priority: Leverage relationships

relationships



The Company strengthened its operations during the year through various de-bottlenecking initiatives

The Company's performance is likely to be catalysed by enhanced disposable incomes coupled with discretionary spending

What we achieved in 2016-17

2016-17

By Paramvir Singh, CEO

Year-start challenges, 2016-17

We need to turn profitable in the shortest time, riding growing throughput, moderated costs, stronger customer profile and widening proprietary products and brands.

We needed to take a decisive call on whether to continue with the litigation we had entered into with our erstwhile large customer on account of the considerable drain in time and

financial resources.

We needed to address our mismatched capacity, wherein we earlier had a larger toothpaste making capacity than the corresponding packaging capacity.

Achievements, 2016-17

The Company addressed these challenges successfully during the year under review,

strengthening its business.

The Company remained debt-free for the first time across a full year starting 2016-17. The result was that the Company rebalanced its financial foundation, eliminated interest outflow towards any financial institution and singularly focused on growing its business through net worth.

The Company strengthened its operations during the year through various de-bottlenecking initiatives that helped increase throughput, strengthen quality and moderate operating costs, strengthening overall viability. Even as external volatility like the demonetisation-induced sluggishness prevented the Company from achieving the projected financial turnaround, the Company succeeded in moderating its break-even point and reported a net profit.

The Company selected to reach an out-of-court settlement with its erstwhile customer, closing four years of litigation. The closure of this longstanding litigation will strengthen the Company's focus on operational matters and shall prevent drainage of managerial and material resources.

The Company strengthened its product mix through the introduction of new toothbrush variants. The Company continued to sustain the growth coming out of its variants of toothbrushes and toothpaste products.

The Company reported an increase in revenues from proprietary products from ₹9.70 crore in 2015-16 to ₹14.93 crore in 2016-17. Even as the scale of this business

segment is presently small, the positives are that, despite all the external volatility the Company's proprietary brands business segment has been able to maintain positive growth which was higher than the sectoral average and the segment continues to be attractive and the Company is close to break-even point around a relatively low turnover, which augurs well for the future when the Company expects to scale revenues from proprietary brands.

The Company virtually concluded its capacity re-alignment, raising its toothpaste manufacturing capacity from 90 million tubes to 175 million tubes, aligned with manufacturing cum packaging capacity of 28,000 TPA. The alignment will be commissioned at the start of the second quarter of FY18 with the potential of generating at least five years of continuous production and revenue growth from this business segment.

Agenda, 2017-18

Even as the oral care market grows at 8 to 10% during the current financial year, the Company expects to grow revenues 20-30% following an increase in manufacturing capacity and the increasing appetite coming out of its large and successful branded customers.

At JHS, we believe that a focus on enhanced throughput and moderated overheads will create a foundation for profitable growth, making it possible for the Company to break-even at the net level.

The Company's performance is likely to be catalysed by enhanced disposable incomes

coupled with discretionary spending. The introduction of the Goods and Services Tax will strengthen market transparency, widen logistical reach and expand the size of the economy, making it possible for companies with adequate capacity to service growing demand.

The India story is getting increasingly attractive, marked by sustained year-on-year GDP growth, moderated inflation, political stability, accelerating reforms cum renewed consumer and business sentiment. In this scenario, the FMCG sector is positioned as an 'insurance', likely to report robust growth. The oral care sector is positioned attractively to outperform the broad sectoral growth average; JHS expects to outperform national, sectoral and category growth on account of its distinctive business model.

Outlook

The Company has charted out Vision 2020 to grow its business in a sustainable manner.

Category expansion: The Company presently derives 100% of its revenues from the oral care segment. The Company is likely to be cautious in selecting to enter new product categories. The Company is likely to de-risk its considerable dependence on the oral care segment through a judicious entry in a second vertical, marked by large category growth and room for profitable niches that could provide relatively low competition coupled with the possibility of generating higher margins.

Locational extension: The Company intends to stabilise its capacity expansion at

the existing location before seeking to broad-base its manufacturing presence with a manufacturing facility elsewhere in India or overseas with the objective to service the growing demand coming out of those regions.

Proprietary brands: The Company expects to launch more oral care brands, grow its proprietary brand basket to account for 2% market share which should contribute at least 50% of revenues from its own labels across the foreseeable future, enhancing margins and profits.

JHG's toothpaste manufacturing capacity

175 million
(tubes)

5 ways in which we expect to grow the Company in 2017-18

At JHS, we are engaged in aggressive business-building with the objective to enhance revenues and margins with the singular objective of returning the Company to profits in the shortest time.

The five initiatives that we are undertaking in 2017-18 to strengthen business viability have been explained below.



Increase business with one of the largest herbal product based customers

Initiative

1

Strength of partner: The prospects of one of the largest herbal product based customers appear attractive, which augurs for an outsourcing partner like our company. The Company has emerged as one of the leading brands in the country's oral health care sector, positioning itself as a herbal specialist for a market reporting a growing preference for natural ingredients. The customer continues to be a trusted name brand and the world's largest herbal and natural health

care company. Besides, thanks to a number of promotional schemes, wide and deep distribution and sustained brand spending, the Company recovered within a couple of months of the demonetisation impact in late 2016.

Review of relationship: Even as the outsourcing arrangement with this large herbal product company had increased in 2015-16, volumes to this large FMCG company

declined the following year. The Company is focused on carving out a larger share of the customer wallet and increasing revenues from the client by about 15% during the current financial year.

Relationship outlook: The Company is optimistic of entering into outsourcing agreements to market a larger toothpaste quantity to the client during the current financial year.



Increase toothbrush outsourcing volumes for one of the fastest-growing FMCG companies

Initiative

2

Strength of partner: The other major customer is perceived as a game-changer in India's rapidly growing FMCG sector. The client has disrupted the conventional pricing reality; it has priced lower and in a number of cases productised in line with emerging consumer needs with an ayurveda-based foundation. The products have been endorsed by an iconic health personality, strengthening offtake. As a dependable oral

care product outsourcing partner for this company, JHS expects to ride the aggressive growth of its marquee customer.

Review of relationship: This company reported a 75% volume growth of toothbrush sales to this client during the year under review, strengthening revenues from ₹22 crore to ₹36 crore.

Relationship outlook: This

client is not manufacturing toothbrushes, selecting to outsource them instead. The complement of toothbrushes with the already established brand of toothpaste is expected to accelerate offtake of the former. The client has expressed its intention to scale volumes from outsourcing partners. JHS is optimistic of reporting a 50% increase in toothbrush sale revenues to the client in 2017-18.



Increase toothpaste outsourcing from our large customer

Initiative

3

Strength of partner: One of our customers has emerged as one of the fastest growing Indian brands in the oral care category. The client's products have been priced competitively, positioned distinctively (around oral cure as opposed to mere cleaning) and distributed aggressively. The result is that its market share has not only grown but also lifted the overall toothpaste segment average

in India. The toothpaste is available in different varieties.

Review of relationship: The Company completed the extensive documentation related to its empanelment with this client in 2015-16 followed by a manufacturing conversion arrangement starting the third quarter of the year under review, which translated into revenues of ₹1.69 crore.

Relationship outlook: The acceptance of the Company's toothpaste quality by the client and the sustained success of the brand in a competitive marketplace augur well for toothpaste outsourcing. JHS expects high double-digit growth from conversion outsourcing volumes during the current financial year.



Increase revenues from proprietary brands

Initiative

4

JHS' toothpaste and toothbrush brands are marketed under the Aquawhite label. The Company has embarked on a capacity expansion that should enhance proprietary volumes. The Company also intends to diversify its product mix, widening choice.

The Company reported increasing revenues from proprietary branded products: from ₹9.70 crore in 2015-16 to ₹14.93 crore in 2016-17. The Company is optimistic of generating 40~50% revenue growth from this segment in the current financial year; it intends to widen its sales

footprint from North India (Delhi, Rajasthan and Punjab), Gujarat and West Bengal to Southern and Western India. This optimism is derived from the reality that the Company's products have encountered positive traction following enhanced brand visibility.



Increase revenues from multi-level marketing brands

Initiative

5

The Company expects to increase manufacturing conversion outsourcing revenues of toothbrushes with multilevel marketing FMCG brand. In doing so, the Company expects to increase their manufacturing

conversion outsourcing revenues from one of these clients by around 60% - ₹0.78 crore in 2016-17 to ₹1.25 crore in 2017-18.

The Company expects to widen its sales basket for

a multi level marketing company following supplies of toothbrushes and tooth paste. The Company expects to increase outsourcing throughput from another such client by 50% to ₹6 crore in 2017-18.



How we intend to create a company with
robust financials

robust financials

At JHS, we are engaged in enhancing value for our stakeholders.

We believe at JHS, the foundation of this value-creation has been derived from an alignment between the Company's vision, promoters, influential shareholders and the operating team.

The Company believes that all value creation is essentially derived from a need for business sustainability, which in turn influences every decision and initiative – the selection of manufacturing location, marketing footprint, asset selection, etc.



410 bps

increase in EBITDA
margin during the year
under review

68%

growth in EBITDA
during the year
under review

Five, the Company mobilised net worth through a private placement of shares to fund the promotion of proprietary brands, enhancing strategic clarity.

Six, the Company has no debt on its books (the last financial year was the first full debt-free year) and intends to grow the business out of accruals and superior trade terms; the Company's receivables at 15-45 days across various clients provides stable and adequate liquidity; the Company marketed its proprietary products strictly against cash advances, which speaks highly of the acceptance of the product quality even though the brand is relatively young in a competitive marketplace; even as this proprietary business is still building, it is already close to break-even point.

Seven, the Company reported a 410 bps increase in EBITDA margin during the year under review and a 68% growth in its EBITDA even as revenues increased only 6.57 per cent, indicating green shoots of profitable growth even as the business lost a notional ₹20-25 crore in revenues on account of the demonetisation.

In view of these realities, the Company expects to outperform FMCG sector's growth, grow revenues, enhance margins and report a better performance across the foreseeable future starting 2017-18.

**By Ashish Goel,
Vice President (Finance)**

Optimism

At JHS, we are optimistic of our prospects for a number of reasons.

One, we believe that our capacity expansion cum capacity re-alignment starting from the second quarter of 2017-18 will prove to be a game-changer, making it possible to enhance customer confidence that we have adequate capacity available, inspiring them to enter into multi-year outsourcing contracts. Besides, this substantial

capacity increase (and corresponding high utilisation) will make it possible for us to amortise costs more efficiently over a larger production outlay, enhancing our competitiveness.

Two, the Company entered into an out of court settlement that will eliminate recurring extraordinary expenditure on the one hand and generate a one-time compensation.

Three, the balancing of various production arms at

our manufacturing facility will reduce the inefficiency arising from underutilised capacities, enhancing our return on employed capital.

Four, the increase in proportion of job-work revenues for large organised customers, will make it possible to enhance working capital efficiency since the materials will be provided by the customers; even as revenues may appear muted, this will be more than compensated by increased margins.

Our performance ambition

At JHS, our performance ambition is to create a company respected for its ability to service the growing needs of customers and markets in addition to enhancing value for stakeholders.

Overall goal

To maintain the Company's growth at a CAGR of more than 30% between now and till FY 2020 marked by a healthy bottomline.

Probable goal contributors

Customers: The Company will seek to grow its business through working with a larger number of customers marked by multi-year supply agreements that provide the Company with revenues visibility and the confidence to scale capacity in line with growing customer needs.

Products and SKUs: The Company will widen its product basket; within each product basket, the Company intends to broaden the number of SKUs in line with customer needs.

Proprietary brands: The Company will grow the number of proprietary brands from Rs.14.93 crore in 2016-17 to an estimated 2% market share which should contribute at least 50% of overall revenues for the Company by 2020.

Locations: The Company intends to commission a new location in South or West India, strengthening its proximity to the country's consuming markets in line with the widening footprint needs of its large customers.

Measuring our performance ambition

● Profitable growth

Total income: Grew 6.57% in 2016-17

EBITDA: Grew 410 bps to 11.21% in 2016-17

● Consistent value creation

Return on average invested capital: Grew 740 bps to 4.18% in 2016-17

Market capitalisation: Grew from Rs.19.64 crore as on 31st March, 2015 to Rs.81.85 crore as on 31st March, 2016 to Rs.172.73 crore as on 31st March, 2017 to ₹309.02 crore as on 30th June, 2017

● Financial mechanics

Debt-equity ratio: 0.20 as on 31st March, 2017

Interest cover: 11.11x as on 31st March, 2017



How we enhanced value in the last few years

HIGHER REVENUES CAGR 40.07%

FY17	107.43
FY16	100.08
FY15	56.18
FY14	39.09

Definition

Sales growth without deducting excise duties.

Why we measure

This measure reflects the result of our ability to understand market trends and service customers with corresponding products, superior technologies and competent supply chain management.

Performance

Our aggregate sales increased 6.57% to ₹107.43 crore in FY 17.

Value impact

Creates a robust growth engine on which to build profits

GROWING EBITDA +68%

FY17	12.04
FY16	7.16
FY15	2.98
FY14	0.04

EBITDA (Rs./ crore)

Definition

Earning before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why we measure

It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

Performance

The Company's EBITDA grew every single year through the last 3 years. The Company reported a 68.02% increase in its EBITDA in FY 17 – an outcome of painstaking efforts of its team in improving operational efficiency.

NET PROFIT MARGIN +4362 BPS

FY17	21.98
FY16	-21.62
FY15	-22.13
FY14	-28.79

Net Profit (Rs./ crore)

Definition

Profit earned during the year after deducting all expenses and provisions.

Why we measure

It highlights the strength in the business model in generating value for its shareholders.

Performance

The Company's net profit grew every quarter during the last 1 year. The Company reported a positive change of almost 200% increase in its Net Profit in FY17 – reflecting the resilience of the business model despite external vagaries.

Value impact

Adequate cash pool available for reinvestment, accelerating the growth engine

EBITDA MARGIN +410 BPS

FY17	11.21
FY16	7.11
FY15	5.31
FY14	0.11

Definition

EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency. Higher the operating margin, better for the Company.

Why we measure

The EBITDA margin gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

Performance

The Company reported a 410 bps increase in EBITDA margin in FY17. This was the result of enriching its product basket with superior products and higher improved operating efficiency across the business.

Value impact

Demonstrates adequate buffer in the business, which when multiplied by scale, enhances surpluses

ROCE +740 BPS

FY17	4.18
FY16	-3.22
FY15	-14.85
FY14	-25.21

Definition

It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

Why we measure

ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use - especially in capital-intensive sectors.

Performance

The Company reported a 740 bps increase in ROCE in FY 17 – a showcase of prudently investing every rupee in profitable spaces that generate higher returns for shareholders.

Value impact

Enhanced ROCE can potentially drive valuations and perception (on listing)

GEARING -67.12%

FY17	0.48
FY16	1.46
FY15	0.83
FY14	22.56

Definition

This is derived through the ratio of debt to net worth (less revaluation reserves).

Why we measure

This is one of the defining measures of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the Company to sustain growth in profits, margins and shareholder value.

Performance

The Company's gearing moderated from 0.21 in FY15 to 6.83 in FY17. We recommend that this ratio be read in conjunction with net debt/operating profit (declining, indicating a growing ability to service debt).

Value impact

Enhanced shareholder value by keeping the equity side constant; enhanced flexibility in progressively moderating debt cost

INTEREST OUTFLOW +13 (RS. LACS)

FY17	49.59
FY16	36.47
FY15	14.07
FY14	1406.99

Interest outflow (₹ in lacs)

Definition

This is derived through the calculation of average cost of consolidated debt on the Company's books.

Why we measure

This indicates our ability in convincing bankers and other debt providers of the robustness of our business model, translating into a lower debt cost (leading to higher margins).

Performance

The Company's interest outflow has declined from a peak of ₹1406 lacs in FY 13-14 to ₹49.59 lacs in FY16-17. This should be read in conjunction with our rising interest cover (indicating higher liquidity).

Value impact

Enhanced cash flows; strengthened credit rating for successive declines in debt cost

INTEREST COVER +20.56X

FY17	11.46
FY16	-9.09
FY15	-108.90
FY14	-1.05

Definition

This is derived through the division of EBITDA by interest outflow.

Why we measure

Interest cover indicates the Company's comfort in servicing interest, the highest the better.

Performance

The Company strengthened its interest cover from 0.11 in 2015-16 to 0.09 in 2016-17.

Value impact

Enhanced cash flows



The JHS business model

Strategic presence

The Company has selected to grow its presence in the Indian FMCG sector. We believe the prospects of this space in India appear attractive from a multi-decade perspective. The per capita consumption of FMCG products in India is below

the international average; India's rural consumption is below the Indian average; rural India is passing through an unprecedented increase in incomes and aspirations.

Outsourcing approach

We believe that the age of outsourcing has arrived,

what with a larger number of companies recognising the growing complexity of branding and marketing and seeking to grow market share through deeper distribution while leaving manufacturing complexities to an external partner. Over time, these outsourcing vendors have

Rural India is passing through an unprecedented increase in incomes and aspirations

virtually evolved into an extension of their customers, graduating the relationship to responsible multi-year partnering. At JHS, we derived around 90% of our revenues from multi-year outsourcing agreements, in line with this growing reality.

Segmental focus

The Company has selected to grow its presence in the oral care segment of the FMCG sector. We believe oral care is fundamental to humankind existence; we also believe that there are two transformations currently in evidence in this space – increase in the consumption of products on the one hand coupled with an extension of products from hygiene to health, inspiring the use of additional products.

Niche identity

The Company has selected to be present in the broad segment of toothbrushes and toothpaste coupled with a growing presence in the mouthwash niche. Revenues from toothbrush and toothpaste were 50% each of the Company's revenues in 2016-17; mouthwash revenues were negligible. The Company graduated from the manufacture of relatively plain toothbrush varieties to the value-added equivalent.

Locational advantage

The Company's manufacturing location in Kala Amb, Himachal Pradesh continues to enjoy tax incentives. The tax benefits applicable to the unit manufacturing toothbrush continued until 18 March 2017; the tax incentive pertaining to the toothpaste unit will endure until 2020. The objective of the Company is to remain competitive across products and market cycles without the benefit of these incentives. The Company also intends to commission a manufacturing location in South and / or West India across the foreseeable future.

Cutting-edge infrastructure

The Company selected to invest in assets in order to right-size the existing toothpaste making capacity and at the same time enhancing the overall capacity as well. Even as these assets were initially more expensive than the equivalent equipment, the operating efficiencies derived from this equipment and infrastructure has more than neutralised the initial impact, translating into sustainable competitiveness. The Company has also established high operating standards resulting in a larger throughput in a small

time frame at a lower cost, strengthening its viability.

Customer orientation

The Company has selected to work with some of the largest FMCG brand-driven companies in India. The Company has emerged as a dependable back-end partner for these market-facing companies in the oral care category. These companies have demonstrated the ability to transform their respective market spaces, carve out sizable market share and progressively invest larger sums in brand building. The Company services the growing needs of these multi-year customers through proactive product development, timely product dispatch and a complete alignment with the business development plans of these companies, evolving from a mere vendor in a business-enhancing partner. The results: multi-year revenues translating into enhanced revenue predictability and business sustainability.

Proprietary brands

The Company is more than a back-end vendor. Over the years, it has selected to leverage its rich understanding of FMCG sector realities

through the judicious introduction of proprietary brands. This is a challenging segment marked by high mortality; the Company has selected to proceed slowly, grow this business segment to the extent that it can profitably manage and address under-addressed niches within the country's oral health segment. The Company grew revenues from proprietary labels by 54% in 2016-17 to ₹14.94 cr; the Company intends to grow this segment 150% during the current financial year and has targeted a market share of 2% by 2020.

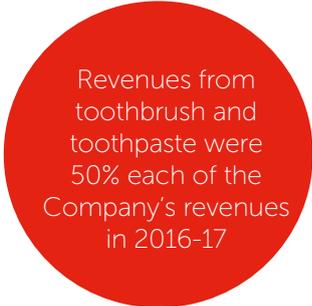
Low gearing

The Company has selected to grow its business without long-term debt. We believe that this will enable the Company to moderate its break-even point and respond faster and more commensurately to emerging opportunities. The Company infused ₹20 crore of net worth into its business between FY15-17, helping right-size the Balance Sheet.

Revenue increase from
proprietary labels

54%

in 2016-17



Revenues from
toothbrush and
toothpaste were
50% each of the
Company's revenues
in 2016-17

Corporate Information

Board of Directors

Executive Directors

Mr. Nikhil Nanda Managing Director

Non Executive Directors

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

Senior Management

Mr. Ajay Bansal Chief Financial Officer
 Mr. Paramvir Singh Chief Executive Officer
 Mrs. Deepshikha Tomar Company Secretary & Compliance Officer

Committees of Board	Statutory Auditors	Registrar & Transfer Agent
Audit Committee Stakeholders Relationship Committee Nomination & Remuneration Committee Compensation Committee Allotment Committee	M/s S N Dhawan & Co. LLP FRN: 000050N 410 Ansal Bhawan 16, Kasturba Gandhi Marg, New Delhi-110 001 Tel No.: +91 114368 4444 e-mail:contact@mazars.co.in	M/s Alankit Assignments Limited 1E/13, Alankit Heights, Jhandewalan Extension, New Delhi- 110 055

Listing Information	Stock Code	Bankers
The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Listing fees as prescribed have been paid to the respective stock exchanges for the financial year ended 31st March, 2017.	Bombay Stock Exchange Limited: 532771 National Stock Exchange of India Limited: JHS ISIN Code: INE544H01014 Website: www.svendgaard.com	ICICI Bank Limited Bank of India Union Bank of India IndusInd Bank HDFC Bank Punjab National Bank

Registered Office	Corporate Office	Unit I
Trilokpur Road, Kheri (Kala Amb), Tehsil – Nahan, Distt-Sirmour, Himachal Pradesh-173 030 Tel: +91 9218-400346 Fax: +91 1702-238831 Web: www.svendgaard.com	B1/E23, Mohan Co-Operative Industrial Area, Mathura Road, New Delhi-110 044 Tel: +91 11 2690 0411 Fax: +91 11 26900434 Web: www.svendgaard.com	Trilokpur Road, Kheri (Kala Amb), Tehsil – Nahan, Distt-Sirmour, Himachal Pradesh-173 030 Unit II Jai Hanuman Exports H-3, SDF, NSEZ, Noida Phase-II, Dadri Road, Gautam Budh Nagar, Uttar Pradesh, 201 305

Directors' Report

Dear members

Your Directors have pleasure in presenting the 13th Annual Report on the business and operation of your Company along with the standalone and consolidated financial statements for the year ended 31st March, 2017.

Financial Review

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Net sales / Income from Operation	10547.85	10008.54	10547.85	10008.54
Other Income	195.76	73.01	195.76	73.01
Interest & Finance Charges	49.59	36.48	49.60	36.48
Depreciation	635.92	1048.50	636.34	1048.92
Profit /(Loss) before Tax	518.72	-2162.64	517.26	-2163.95
Tax Expense:				
Current tax (provision for tax)	5.28	-	5.28	-
Deferred tax asset	(1684.87)	-	(1684.87)	-
Tax for earlier years	-	0.16	-	0.16
Total Tax Expense	(1679.59)	0.16	(1679.59)	0.16
Profit /(Loss) after Tax	2198.31	-2162.80	2196.86	-2164.11
Profit /(Loss) to be carried to the Balance Sheet	2198.31	-2162.80	2196.86	-2164.11
Paid up Equity Share Capital (Face Value of ₹10/- each)	4412.04	3763.50	4412.04	3763.50
Reserve excluding revaluation reserve	-	-	-	-
Basic EPS (in Rupees not annualized) Excluding extra ordinary items	5.46	-3.17	5.46	-3.18
Diluted EPS (in Rupees not annualized) Excluding extra ordinary items	3.70	-3.17	3.70	-3.18

REVIEW OF OPERATIONS

The Turnover from the operation of the company during the financial year ended 31st March 2017 amounted to ₹1054.78 Million as compared to ₹1000.85 Million during the previous year ended 31.03.2016. The Turnover of the company has increased by 5.39% from the previous year.



DIVIDEND

The Directors hereby inform that in the financial year 2016-17, the Board of Directors has not recommended any dividend due to expansion planning of the company where it has to invest some funds of the Company.

ABRIDGED FINANCIAL STATEMENTS

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Section 136 of the Companies Act, 2013 read with Rule 10 of the Companies (Accounts) Rules, 2014, the abridged Annual Report containing salient features of the financial statements, including Consolidated Financial Statements, for the financial year 2016-17, along with statement containing salient features of the Directors' Report (including Management Discussion & Analysis and Corporate Governance Report) is being sent to all shareholders who have not registered their email address(es) for the purpose of receiving documents/ communication from the Company in electronic mode. Please note that you will be entitled to be furnished, free of cost, the full Annual Report 2016-17, upon receipt of written request from you, as a member of the Company. Full version of the Annual Report 2016-17 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, including Consolidated Financial Statements, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis, and Corporate Governance Report) is being sent via email to all shareholders who have provided their email address(es). Full version of Annual Report 2016-17 is also available for inspection at the corporate office of the Company during working hours up to the date of ensuing Annual general meeting (AGM). It is also available at the Company's website at www.svendgaard.com.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the applicable provisions of Companies Act, 2013 including the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2016-17.

OPERATIONS AND BUSINESS PERFORMANCE

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

CORPORATE GOVERNANCE

JHS has adopted the industry best practices of Corporate Governance and aims to run its business on the highest principles of governance and ethics. At JHS, Corporate Governance is more than just adherence to the statutory and regulatory requirements. It is equally about focusing on voluntary practices that underlie the highest levels of transparency.

JHS's governance framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities. These guiding principles are also articulated through the Company's code of business conduct, Corporate Governance Guidelines, charter of various subcommittees and disclosure policy. Complete disclosures regarding corporate governance are provided in the Corporate Governance Report, which can be referred to for further details.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Vishal Sarad Shah, Whole-Time Director and Mr. Piyush Goenka, Nominee Director, stepped down from the Board of the Company with effect from 01.06.2016 and 18.10.2016. Mr. Vishal Sarad Shah was appointed as Whole-Time Director at the Annual General Meeting of the Company held on September 01, 2015. The Board places on record its appreciation of the invaluable contribution and guidance

provided by both of them.

Mr. Dhiraj Kumar Jha resigned from the post of Company Secretary & Compliance Officer of the Company with effect from 22nd October, 2016 and Mrs. Deepshikha Tomar was appointed as the Company Secretary & Compliance Officer in the Board Meeting dated 27th October, 2016. Mr. Neeraj Kumar also resigned from the post of Chief Financial Officer of the company in the Board meeting dated 27th October, 2016 and Mr. Ajay Bansal was appointed as the Chief Financial Officer of the company with effect from the same date.

Mrs. Manisha Lath Gupta was regularized as an Independent Director in the Annual General Meeting held on 22nd August, 2016. She was appointed as an Additional Director with effect from February 11, 2016.

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

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

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

Mr. Nikhil Nanda	- Managing Director
Mr. Ajay Bansal	- Chief Financial Officer
Mr. Paramvir Singh	- Chief Executive Officer
Mrs. Deepshikha Tomar	- Company Secretary & Compliance Officer

POLICY ON DIRECTORS' APPOINTMENT AND POLICY ON REMUNERATION

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

PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/ EMPLOYEES

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

COMMITTEES OF THE BOARD

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

AUDIT COMMITTEE

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

NUMBER OF BOARD & COMMITTEE MEETINGS

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

Pursuant to clause VII (1) of Schedule IV of the Companies Act, 2013, the Independent Directors had a separate meeting on 13.02.2017.



DECLARATION OF INDEPENDENCE BY DIRECTORS

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

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

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

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

The Independent Directors had met separately on February 13, 2017 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of Non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non- Executive Directors.

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

The Directors expressed their satisfaction with the evaluation process.

DIRECTORS RESPONSIBILITY STATEMENT

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

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That they had prepared the annual accounts on a going concern basis;
- v. That they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;
- vi. That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS & THEIR REPORT

M/s S. N. Dhawan & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and being eligible have consented and offered themselves for re-appointment as Statutory Auditors for the financial year 2017-18. The Company has received confirmation from M/s S. N. Dhawan & Co LLP., Chartered Accountants to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and relevant rules prescribed thereunder and that they are not disqualified for re-appointment.

AUDITORS QUALIFICATION AND MANAGERMENTS REPRESENTATION THEREON:

Auditors Qualification: The Company has not recognised an income amounting to ₹2,750.00 Lakhs on account of

compensation agreed and received subsequent to the year-end in terms of settlement agreement with its customers dated March 28, 2017 in the financial statements for the year ended March 31, 2017, which constitutes a departure from the Accounting Standards prescribed in section 133 of the Companies Act, 2013. Had the management recognised the said, exceptional income would have increased by ₹2,750.00 Lakhs. The carrying amount of other current assets would have increased by ₹2,475 Lakhs, net profit after tax and reserves and surplus would have increased by ₹1,900.25 Lakhs and deferred tax assets would have reduced by ₹849.75 Lakhs.

Managements Representation : The amounts received from P&G on account of Settlement should be considered and accounted for as Income only in 2017-18 on the following grounds:

1. Since there was material conditions precedent to the settlement agreement and the same were complied with in April' 2017:
 - The Arbitral Tribunal has given its Final Award on 03.04.2017;
 - Two SLP's from the Supreme Court were withdrawn on 06.04.2017 & 12.04.2017.
2. The applicable TDS on the respective settlement amounts have been deducted and deposited during the FY 2017-18 only.
3. One of the conditions in the settlement agreement is pending. Though, it is not a condition precedent to the payment of the settlement amount, however is a term of the agreement and thus unless not concluded, the Settlement Agreement can't be termed as completed.

As the material conditions precedent were dependent on the authorities which were not within the control of the company. Thus, it would be inappropriate in view of the management, to recognize such an asset in FY 2016-17.

SECRETARIAL AUDITORS & THEIR REPORT

The Board had appointed M/s Mohit & Associates, Practising Company Secretaries, as Secretarial Auditor to conduct the secretarial audit of the company for the financial year 2016-17, pursuant to the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as 'Annexure 5' and forms part of this report.

There are no qualifications or observations or other remarks of the Secretarial Auditors in the Report issued by them for the financial year 2016-17 which call for any explanation from the Board of Directors.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

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

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

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

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of

its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

NATURE OF BUSINESS

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

SUBSIDIARY COMPANY

The Company has 2 subsidiaries i.e. M/s JHS Svendgaard Brands Limited (formerly known as JHS Svendgaard Dental Care Limited) and M/s JHS Svendgaard Mechanical and Warehouse Private Limited, as on March 31, 2017.

There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries. One of its subsidiary i.e. JHS Svendgaard Dental Care Limited has changed its name to JHS Svendgaard Brands Limited by passing a Special Resolution in its Extra-Ordinary General Meeting dated 05th April, 2017 and therefore changed the object clause of the Memorandum of Association of the Company.

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

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

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

DISCLOSURE ON AUDIT COMMITTEE

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

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

The Provision of CSR as required by the Companies Act 2013 is not applicable to the company, as the company does not meet the basic criteria of the applicability of the relevant provision. However, your Company believes in making lasting impact towards creating a just, equitable, humane and sustainable society. JHS is committed to conduct business with a strong environment conscience, so as to ensure sustainable development, safe work places and enrichment of life of employees, clients and the community.

MATERIAL CHANGES AND COMMITMENTS

1. JHS Completes Out of Court Settlement With Procter & Gamble

The on-going disputes at various courts between the company (JHS Svendgaard) and various group companies of Procter & Gamble Inc. in India, have been settled with mutual consent and concluded positively for JHS on 18th

April, 2017. The settlement clears contingent liabilities to the tune of ₹206.15 crore, from the balance sheet of JHS.

JHS management further expects that the new expansion plan underway shall also be operational soon and shall positively add to growth of the company in coming years.

2. Change in Capital Structure and Listing of Shares

During the year 2015-16, the company had allotted 3,49,74,748 Fully Convertible Warrants to the persons belonging to the promoter and non-promoter category on a Preferential basis at an issue price of ₹11/- per warrant in accordance with the provisions of the SEBI (ICDR) Regulations, 2009 read with relevant provisions of Companies Act, 2013. Equity shares allotted pursuant to conversion of Fully Convertible Warrants during the financial year 2015-16 are as follows:

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

During the year under review, the company has issued and allotted 18,60,465 equity shares of face value of ₹10/-, at a price per share of ₹43/- to HT Media Limited, on preferential basis, which got listed on BSE & NSE on 06th April, 2017 and 10th April, 2017, respectively.

As on 31.03.2017, total paid up share capital of the company is 44,12,04,650 pursuant to:

- a) Conversion of 1,81,64,748 FCWs issued in financial year 2015-16 to promoter and non-promoter group on Preferential basis; and
- b) Allotment of 18,60,465 equity shares to HT Media Limited in the financial year 2016-17.

DISCLOSURE ON DEPOSIT UNDER CHAPTER V

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

VIGIL MECHANISM

As per Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism which is overseen by the Audit Committee for the genuine concerns expressed by the employees and the Directors. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act. The said Policy provides adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues

concerning the interests of employees and the Company. The policy as approved by the Board is uploaded on the Company's website at http://svendgaard.com/download/investor/Vigil_Mechanism/VIGIL%20MECHANISM%20POLICY.pdf

DISCLOSURE ON SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company and its subsidiaries and associates for their hard work and commitment. Their dedication and competence has ensured that the Company continues to be a significant and leading player in this industry.

For and on behalf of the Board

Nikhil Nanda

Managing Director

DIN: 00051501

Date : 23.05.2017

Place : New Delhi

Report on Corporate Governance

To,

The Members of JHS Svendgaard Laboratories Limited,

We have examined the Compliance of conditions of Corporate Governance by JHS Svendgaard Laboratories Limited, for the year ended March 31, 2017, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

We state that all investor grievances were redressed within 30 days of lodgment of grievance and as on 31.03.2017 no investor complaint is pending against the Company as per the records maintained by the Stakeholders Relationship Committee.

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

**For Mohit & Associates
(Company Secretaries)**

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

**Place: Gurgaon (Haryana)
Date : May 18, 2017**

Policy on Appointment of Board Members

Constitution & Size

Members

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

Profile

- Board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director
- Not less than 50% of Members should be non-executive directors
- Where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of Independent directors
- The Chairman should be elected by the Board

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

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

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

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

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

Board Diversity

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

Criteria for Determining Independence of a Director

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



Company in any of the three financial years immediately preceding the Financial Year in which he is proposed to be appointed;

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

twenty-five percent or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company.

- is a material supplier, service provider, or customer or a lessor or lessee of the Company.
8. Should not be less than 21 years of age.
 9. Shall possess such other qualifications as may be prescribed.
 10. Shall not serve as Independent Director in:
 - more than 7 listed companies;
 - more than 3 listed companies (if serving as a Whole time Director in any listed Company).

Remuneration Policy

1. Objective:

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

2. Policy:

Remuneration Design and Mix

a. Total Fixed Pay: Enable us to attract, retain and develop the talent we need to succeed

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

b. Short term Incentive Plans (one year) : Create a process to effectively reward people for their contributions to the success of the Company in the short term

1. Utilizes Company, business unit/ department and individual- based metrics based on the principle of line of sight and impact.
2. Is supported by clear, frequent communication and simple tools to administer.

c. Long term Incentive Plans in form of performance based ESOP: Enable us to attract and retain key talent and create a process to effectively reward key talent for their contributions to the long term success of the

Company

1. A significant portion of the key talent compensation delivered through restricted ESOP Plans with retention expectations in place to ensure alignment of the Executive interest with those of shareholders.
 2. Utilizes Company and business unit/department based metrics which are necessary for long term business sustenance and shareholder wealth creation.
 3. Utilizes measures that are clear, strategically focused, and easily supported by our systems.
 4. Provides suitable rewards to the performer, consistent with our strategy, and reinforce our culture.
 5. Helps to make our pay competitive with leading companies where we recruit for talent.
- d. Benefits: Provide programs that meet people's needs and are cost effective and utilize Innovative programs that make us distinctive as an organization**
1. Be competitive with companies of our size and where we compete for talent.
 2. Provide benefits that are truly meaningful to people, supported by highly effective communication and easy administrative support.
 3. Provide benefits, services, or events that will make us distinctive in the marketplace and consistent with our culture and values.
 4. Provide benefits that are cost effective from both an individual and a Company perspective.
- e. Recognition: Utilize effective practices that are supported by innovative programs that reinforce our desired culture and make us a special place to work**
1. Reinforces individual and team's behavior that makes us more competitive, efficient, and important to our customers.

2. To create more employee touch points and recognition on formal and informal basis.
 3. Utilize a variety of programs, events and activities that keep the process exciting.
- f. Annual Performance Linked Enhancement that recognizes the performance of the resource keeping in view the achievement of organizational goals and Departmental goals.**
- g. Remuneration to Independent Directors:**
1. Sitting Fee as approved by the Board.

2. Travel Cost and other out of pocket expenses for attending the Board & Committee Meetings.
3. No Stock options.

Tools for an effective Remuneration Policy implementation:

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

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the Median Remuneration to the employees of the company for the financial year	Ratio of the remuneration of Mr. Nikhil Nanda, Managing Director to the median remuneration of employees - 19.21:1.
(ii)	The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year.	The remuneration of CFO has increased by 200% and that of CEO has increased by 6% in the financial year.
(iii)	Percentage increase in median remuneration of employees in the financial year	26.26%
(iv)	Number of permanent employee on the rolls of the company.	255 Employees
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The aggregate remuneration of employees excluding Managerial personnel grew by 21.54% over the previous fiscal. The aggregate increase in remuneration for KMPs was 88.69% in fiscal 2017 over fiscal 2016. There is no change in the remuneration of the KMPs. But remuneration of Managing Director has increased due to change in net profits of the company in financial year 2016-17. Remuneration of Managing Director (KMPs) is divided into two parts: <ol style="list-style-type: none"> 1. Fixed (Salary); and 2. Variable (5% Commission based on the net profits). His remuneration (salary and % of commission) is fixed but due to changes in net profits of the company, his commission part keeps on changing.
(xii)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.	

#Rule v, vi, vii, ix, x & xi have been omitted



SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2017

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also their information provided by the Company its officers, agents and authorized representatives during the conduct of Secretarial Audit. We hereby, report that in our opinion, the company has during the audit period covering the Financial year ended 31st March, 2017 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made here in after-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of-

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and the provisions of the Companies Act, 1956 to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008*;
 - f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009* and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998*;
- (i) Other Laws applicable specifically to the Company namely:
 - a) Drugs and Cosmetics Act, 1940
 - b) The Trade Marks Act, 1999

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

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

- (i) The Air (Prevention and Control of Pollution) Act, 1981;
- (ii) The Environment (Protection) Act, 1986 ;
- (iii) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ;
- (iv) Employees' State Insurance Act, 1948;
- (v) Equal Remuneration Act, 1976 ;
- (vi) The Factories Act, 1948 ;
- (vii) The Industrial Employment (Standing Orders) Act, 1946;
- (viii) Maternity Benefit Act, 1961 ;
- (ix) Legal Metrology Act, 2009 ;
- (x) The Minimum Wages Act, 1948;
- (xi) The Payment of Wages Act, 1936 ;
- (xii) The Negotiable Instruments Act, 1881 ;
- (xiii) The Water (Prevention and Control of Pollution) Act 1974;
- (xiv) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013. The Company has not constituted an internal complaints Committee. However the Company, being certified under Worldwide Responsible Accredited Production (WRAP), has a committee for prevention of sexual harassment of women at work place.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

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

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

We further report that-

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Director and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except that Form DIR 12 was filed after 30 days from the date of resignation/ appointment of Directors. Where these forms are filed with late fees, this should be reported as compliance by reference

of payment of additional fees.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

For & Behalf of Mohit& Associates

CS Mohit Dahiya
ACS No. 30192
C.P No: 11722

Place: Gurgaon (Haryana)
Date: 18/05/2017

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS:

i	CIN	L24230HP2004PLC027558
ii	Registration Date	08th October, 2004
iii	Name of the Company	JHS Svendgaard Laboratories Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
v	"Address of the Registered office & contact details"	Trilokpur Road, Kheri (Kala-Amb), Tehsil: Nahan, Distt: Sirmaur, Himachal Pradesh - 173 030 Phone: 011 26900411
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Limited, 1E/13, Alankit Heights, Jhandewalan Extension, New Delhi-110 055 Phone: 011 42541234

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacturing of Oral Care Products	3050	98.68%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	JHS Svendgaard Dental Care Ltd.	U85110DL2008PLC176320	Subsidiary	95%	2(87)(ii)
2	JHS Svendgaard Mechanical and Warehouse Private Limited	U29199DL2007PTC159125	Subsidiary	99.99%	2(87)(ii)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) CATEGORY-WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	14297988	0	14297988	37.99	15147988	0	15147988	34.33	850000	-3.66
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0	0.00
d) Bank/Fl	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0	0.00
SUB TOTAL:(A) (1)	14297988	0	14297988	37.99	15147988	0	15147988	34.33	850000	-3.66
(2) Foreign										
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0	0.00
d) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0	0.00
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	14297988	0	14297988	37.99	15147988	0	15147988	34.33	850000	-3.66
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0	0.00
b) Banks/Fl	0	0	0	0.00	26912	0	26912	0.06	26912	0.06
c) Central govt	0	0	0	0.00	0	0	0	0.00	0	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0	0.00
g) FIIS	50000	0	50000	0.13	75000	0	75000	0.17	25000	0.04
h) Foreign Venture Capital Funds	3499999	0	3499999	9.30	1500547	0	1500547	3.40	-1999452	-5.90
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0	0.00
SUB TOTAL (B)(1):	3549999	0	3549999	9.43	1602459	0	1602459	3.63	-1947540	-5.80
(2) Non Institutions										
a) Bodies corporates	5234470	0	5234470	13.90	6869852	0	6869852	15.57	1635382	-29.47
i) Indian	0	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	5573956	16607	5557349	14.81	7996125	16607	7979518	18.12	2422169	3.31
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakhs	8719902	0	8719902	23.18	12008519	0	12008519	27.22	3288617	4.04

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
c) Others (specify)										
NRI	251317	0	251317	0.67	488949	0	488949	1.11	237632	0.44
Foreign Nationals	1000	0	1000	0.00	1000	0	1000	0.00	0	0.00
NBFCs Registered with RBI	6368	0	6368	0.02	5573	0	5573	0.01	-173	0.00
Trusts	0	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investors (Corporate category II)	0	0	0	0	0	0	0	0	143589	0.00
SUB TOTAL (B)(2):	19787013	16607	19770406	52.58	27370018	16607	27353411	62.03	7583005	9.46
Total Public Shareholding (B)= (B)(1)+(B)(2)	23337012	16607	23320405	62.01	28972477	16607	28955870	65.67	5635465	3.66
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	37635000	16607	37618393	100.00	44120465	16607	44103858	100.00	6485465	0.00

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Nikhil Nanda	11210774	29.79	0	12060774	27.34	0	-2.45
2	Harish Chandra Nanda	19731	0.05	0	19731	0.04	0	-0.01
3	Sushma Nanda	3065983	8.15	0	3065983	6.95	0	-1.20
4	D S Grewal	1500	0.00	0	1500	0.00	0	0.00
	Total	14297988	37.99	0	15147988	34.33	0	-3.66

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Shareholders name	Share holding at the beginning of the year (01.04.2016)		Cumulative Share holding during the year (31.03.2017)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Sushma Nanda				
	At the beginning of the year	3065983	8.15	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year	3065983	8.15	3065983	6.95
2	Nikhil Nanda				
	At the beginning of the year	11210774	29.79		

Sl. No.	Shareholders name	Share holding at the beginning of the year (01.04.2016)		Cumulative Share holding during the year (31.03.2017)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	1. Date : 02.08.2016 (Warrants allotted on Preferential basis were converted)	250000	0.63	11460774	28.75
	1. Date : 28.01.2017 (Warrants allotted on Preferential basis were converted)	600000	1.36	12060774	27.34
At the end of the year				12060774	27.34

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding at the end of the year (31.03.2017)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	VORA CHAITALI NIKHIL	700000	1.86	3500000	7.93
2	SIXTH SENSE INDIA OPPORTUNITIES 1	3000000	7.97	3000000	6.80
3	AMIT SAXENA	2000000	5.31	2000000	4.53
4	H.T. MEDIA LIMITED	0	0.00	1860465	4.22
5	TANO MAURITIUS INDIA FVCI	3499999	9.30	1500547	3.40
6	DEEPAK SINGH	1000000	2.66	1000000	2.27
7	AJAY DILKUSH SARUPRIA	490288	1.30	490288	1.11
8	NECTAR CONSULTANTS AND REALTORS PVT LTD	300000	0.80	300000	0.68
9	MEENU PURI	0	0.00	300000	0.68
10	BHARAT BHAWANJI SADA	61226	0.16	277841	0.63

(v) Shareholding of Directors & KMP

Sl. No.	For Each of the Directors and KMP.	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding at the end of the year (31.03.2017)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Nikhil Nanda (Managing Director)				
	At the beginning of the year	11210774	29.79		
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	1. Date : 02.08.2016 (Warrants allotted on Preferential basis were converted)	250000	0.63	11460774	28.75
	1. Date : 28.01.2017 (Warrants allotted on Preferential basis were converted)	600000	1.36	12060774	27.34
At the end of the year				12060774	27.34

Sl. No.	For Each of the Directors and KMP.	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding at the end of the year (31.03.2017)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
2	Ajay Kumar Bansal (CFO)				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change	No Change		
	At the end of the year	0	0.00	0	0.00
3	Paramvir Singh (CEO)				
	At the beginning of the year	50010	0.13		
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	1. Date : 26.05.2016 (Warrants allotted on Preferential basis were converted)	40000	0.10	90010	0.24
	1. Date : 28.01.2017 (Warrants allotted on Preferential basis were converted)	35000	0.08	125010	0.28
	At the end of the year			125010	0.28
5	Deepshikha Tomar (Company Secretary)				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change	No Change		
	At the end of the year	0	0.00	0	0.00

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	10,62,846.00	2,35,73,525.00	-	2,46,36,371.00
ii) Interest due but not paid	-	2,43,443.00	-	2,43,443.00
iii) Interest accrued but not due	7,542.00	2,02,869.00	-	2,10,411.00
Total (i+ii+iii)	10,70,388.00	2,40,19,837.00	-	2,50,90,225.00

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
Additions	70,85,965.00	-	-	70,85,965.00
Reduction	0	1,25,62,500.00	-	1,25,62,500.00
Net Change	70,85,965.00	(1,25,62,500.00)	-	(54,76,535.00)
Indebtedness at the end of the financial year				
i) Principal Amount	81,48,811.00	1,10,11,025.00	-	1,91,59,836.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	32,439.00	1,00,232.00	-	1,00,232.00
Total (i+ii+iii)	81,81,250.00	1,11,11,257.00	-	1,92,60,068.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Nikhil Nanda (Managing Director)	Vishal Sarad Shah* (Whole-Time Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	36,00,000.00	1,00,000.00	37,00,000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	22,43,822.00		22,43,822.00
	others (specify)	-	-	-
5	Others, please specify	-	-	-
	Total (A)	58,43,822.00	1,00,000.00	59,43,822.00
	Ceiling as per the Act			

*Note: Mr. Vishal Sarad Shah (Whole time director) has resigned from the company with effect from 01st June, 2016.

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of the Directors			Total Amount
		C R Sharma	Mukul Pathak	Manisha Lath Gupta	
1	Independent Directors				
	(a) Fee for attending board committee meetings	2,40,000.00	-	1,90,000.00	4,30,000.00
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	2,40,000.00	-	1,90,000.00	4,30,000.00
2	Other Non Executive Directors				
	(a) Fee for attending board committee meetings	1,60,000.00	-	-	1,60,000.00
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	Total (2)	1,60,000.00	-	-	1,60,000.00
	Total (B)=(1+2)	3,20,000.00	-	1,90,000.00	5,90,000.00
	Total Managerial Remuneration				
	Overall Ceiling as per the Act.				

*Note: Mr. Piyush Goenka (Nominee director) has resigned from the company with effect from 18th October, 2016.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	16,13,168.00	3,48,995.00	11,81,759.00	31,43,922.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option				
3	Sweat Equity				
4	Commission as % of profit				
	others (specify)				
5	Others, please specify				
	Total	16,13,168.00	3,48,995.00	11,81,759.00	31,43,922.00

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. Company					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
B. Directors					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
C. Other officers in Default					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0

Form AOC-2

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

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

<p>1. Details of contracts or arrangements or transactions not at arm's length basis</p> <p>(a) Name(s) of the related party and nature of relationship</p> <p>(b) Nature of contracts/arrangements/transactions</p> <p>(c) Duration of the contracts/arrangements/transactions</p> <p>(d) Salient terms of the contracts or arrangements or transactions including the value, if any</p> <p>(e) Justification for entering into such contracts or arrangements or transactions</p> <p>(f) date(s) of approval by the Board</p> <p>(g) Amount paid as advances, if any:</p> <p>(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188</p>	NA
<hr/>	
<p>2. Details of material contracts or arrangement or transactions at arm's length basis</p> <p>(a) Name(s) of the related party and nature of relationship-</p> <p>(b) Nature of contracts/arrangements/transaction –</p> <p>(c) Duration of the contracts/arrangements/transactions –</p> <p>(d) Salient terms of the contracts or arrangements or transactions including the value, if any:</p> <p>(e) Date(s) of approval by the Board, if any:</p> <p>(f) Amount paid as advances, if any:</p>	<p>Nikhil Nanda, Managing Director</p> <p>Unsecured Loan</p> <p>Repayable on demand</p> <p>Interest free loan</p> <p>Loan taken: ₹ 66,00,000</p> <p>Loan repaid: ₹ 81,62,500</p> <p>From Time to Time</p> <p>Nil</p>

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

1. Conservation of Energy

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

Requisite data in respect of energy conservation is given below:

Power and fuel Consumption	Units	2016-17	2015-16
1. Electricity			
(A) Purchased			
– Units	Kwh	41,43,300	38,59,380
– Total Amount	₹ In Lacs	284.44	265.56
– Rate/Unit	₹	6.87	6.88
(B) Own Generator			
– Through Diesel Generator units	Kwh	2,90,719	1,66,329
– Unit per litre of Diesel Oil	Kwh	3.50	3.3
– Cost/Unit	₹	13.90	16.68
– Through steam turbine/generator			
2. Other/ Internal generation light/diesel oil/furnace oil			
(A) Quantity			
Total Cost		-	-
Average Rate		-	-
(B) Consumption Per unit of Production			
1) Electricity	Kwh/ Per Unit		
Oral Care Products		0.03	0.03
2) Through Diesel Generator	Kwh/ Per Unit		
Oral Care Products		0.03	0.03

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

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

Disclosure of Particulars With respect to Technology Absorption

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

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

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

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

iii) Expenditure of R&D

Sl. No.	Particulars	2016-17 (Amount in ₹)	2015-16 (Amount in ₹)
1	Capital	NIL	NIL
2	Recurring	NIL	NIL
3	Total	NIL	NIL
4	Total R&D Expenditure as a percentage of total turnover	NIL	NIL

3 Foreign exchange earnings and outgo

Particulars	2016-17	2015-16
Foreign Exchange Outgo		
Travelling	10,86,828	7,56,533
Raw Materials	3,09,14,676	1,79,19,503
Business Promotion	1,62,377	4,65,655
WIP	14,11,708	6,17,137
Spare Parts	-	2,34,321
Capital Goods	77,46,368	20,45,137
Brand Promotion	15,88,194	-
Earning in Foreign Exchange	-	-

Management Discussion and Analysis

Indian economic overview

The Indian economy moderated to 7.1%, down from 7.9% recorded in FY2015-16. This was largely owing to the demonetisation initiative. India's consumer confidence index stood at 136 in Q4 of 2016, the highest in the world. The growth of the industrial sector remained lackluster with the IIP registering a growth of 0.3% during the April-December period of FY2016-17, compared to 3.2% during the same period of FY2015-16. India, one of the largest importers of oil in the world, benefited from stable oil prices that narrowed India's CAD, improved fiscal position and contained inflation. Average inflation for FY2016-17 was pegged at 5.5% and is expected to further decline to 5.2% in FY2017-18. (Source: Nielsen, IMF)

Global economic overview

Global economic growth was sluggish around 3.1% in 2016 following a deceleration and political uncertainties in advanced economies. The year was marked by the United Kingdom's decision to exit the European Union and the election of Donald Trump as the American President. Consumers continued to spend cautiously as expenditure increased by 2.4% in real terms over 2015, well below the corresponding increase in disposable incomes in the Asia Pacific. Global growth is estimated to rise from 2.3% in 2016 to 2.7% in 2017.

Growth in emerging and developing economies too, is expected to revive in 2017 on the back of a removal of a number of obstacles for commodity exporters and sustained demand from commodity importers. The main factors that could possibly lead to the medium-term growth prospects across many emerging markets and developing economies are weak investments and sub-optimal productivity. Advanced economies witnessed a stronger-than-expected pickup in growth mostly due a reduced drag from inventories and some recovery in manufacturing output. Economic activity in both advanced as well as developing economies will accelerate during 2018. (Source: World Bank, Euromonitor, IMF)

Industry Structure and Developments

The FMCG industry is the fourth largest sector in the country's economy. The industry was valued at US\$49 billion in 2016 and is expected to grow at a CAGR of 20.6% to US\$104 billion by 2020. Growth could be catalysed by the introduction of GST, Food Security Bill and increased Foreign Direct Investment limits. India ranked first among 63 nations surveyed in the global Consumer Confidence Index, achieving an impressive 136 points. In terms of discretionary spending, 70% of respondents from India indicated that the next 12 months are good in terms of purchases, making India a leader in the top 10 global countries in this parameter. The country demonstrated stable economic growth, which, coupled with increasing household incomes, are expected to increase consumer spending to US\$4 trillion by 2025. (Source: ASSOCHAM, TechSci)

Government support

With the Government allowing 100 per cent FDI in online retail of goods and services through the automatic route, the sector is placed to grow attractively over three years. In line with demand for skilled labour increasing, the government launched the 'Skill India' initiative, which aims to train 50 crore people by 2022, while also encouraging private players to invest. The new Consumer Protection Bill was drafted with the aim to set up the prerequisite mechanism to ensure speedy, accessible and affordable delivery of justice to consumers.

In the Union Budget 2017, the government has proposed to spend more in driving India's rural economy with the aim to double farmer incomes in five years; the moderation in income tax rate targeted small tax payers; there was a greater focus on affordable housing and infrastructure development, which could in turn create income engines driving the consumer goods industry.

(Source: IBEF)

Road ahead

Oral care is expected to grow at a CAGR of 12% at constant 2016 prices over the forecast period, with sales set to reach ₹124.2 billion between in 2021. Oral care products such as toothpaste and toothbrushes reported some of the highest penetration rates within the beauty and personal care segments in the country. Prospective oral care growth will be driven by increased category sophistication, with consumers adapting to mouthwashes/dental rinses and dental floss products. Consumers are increasingly emphasising personal hygiene and showing a willingness to spend on superior oral care products (whitening, gum strengthening and overall oral hygiene).

(Source: Research and Markets)

Oral care

The Indian oral care industry is worth ₹7000 crore. It is also one of the fastest growing among the FMCG sector. Oral care recorded slightly slower growth in 2016 than in 2015, which was due to increased penetration of oral care products such as toothpastes and toothbrushes, as well as being due to the demonetisation measure taken by the government at the end of 2016. Consumers are showing increasing willingness to spend on oral hygiene, which presents opportunities to oral care players for introducing premium products that address concerns relating to complete oral care, whitening,

sensitivity and gum health, among others.

Long term prospects remain positive for the sector. The rise of dual-income households, greater disposable income, a booming middle class, and an evolution in the demographics and rising awareness about oral hygiene is expected to drive the long term growth of the sector.

(Source: Nielsen, Euromonitor)

Outlook

The oral care industry is witnessing a significant shift in consumer preference: from regular toothpaste and toothbrushes to specialised products such as herbal, sensitive and whitening varieties. Mouthwashes and power brushes are witnessing an increase in preference, driven by increasing awareness and higher discretionary spending. Consumers are also increasingly turning to branded products with a higher aspirational value over unbranded alternatives. This provides a significant opportunity of growth to organised players in both urban and rural locations.

The oral hygiene market has grown consistently over the years, and is expected to continue its growth owing to increasing urbanisation. JHS is attractively placed in the sector with strong oral care brands coupled with higher premiumisation. The Company diversified into ancillary verticals to strengthen its business and de-risk from an over dependence on one sector.

The Company manufactures toothpaste and toothbrushes under its own 'AQUAWHITE' brand which offers complete oral care for every age group. The 'AQUAWHITE' oral care package is available in retail stores across India, with the brand poised to capitalise the growth of the country's FMCG sector over the coming years. In addition to its own brands, the Company also undertakes contract manufacturing for various other brands in the domestic as well as international market. Despite competition, the Company focuses on innovation, strong marketing and expanding its markets to sustain its growth over the coming years.

JHS is working to strategically address untapped markets through its cost-effective products. The Company is also engaged in improving overall efficiency and reducing costs to yield results and build brand equity. Competitive growth and market development are key focus areas to sustain growth and value-creation.

Opportunities

India is home to a booming FMCG market. Oral care is also on the rise through greater consumer awareness and healthier lifestyles. While urban consumers are the principal drivers to demand, rural consumers are also beginning to contribute to the sector. Rising incomes drive purchases along with a young demographic landscape which is willing to try new methods and brands. The e-commerce industry is also a catalyst, with online sales growing across sectors, representing a vast opportunity.

Threats

Raw materials remain one of the key threats to the industry. A rise in input prices could affect the Company's profitability by forcing price cuts or promoting the company to enhance value. To counter this, the Company expanded into ancillary sectors like mouthwashes, whitening gels and similar products to offset probable impact.

Risk and concerns

As with any organisation, JHS is also exposed to business risks which might affect its interests if left unchecked. The Company has a comprehensive risk management system, which analyses the nature of the risk and prepare mitigation strategies. The Senior Management oversees the risk management framework and sets the risk culture and response. This framework ensures efficient risk monitoring, identification, assessment and mitigation of external as well as internal risk. The Board of Directors provides oversight and also reviews the Risk Management Policy. Additionally, an independent audit by internal auditors offers a second assessment on potential risks and mitigation measures.

Performance review

The Company's revenues increased from ₹1008.16 million in FY16 to ₹1074.36 million in FY17, a growth of 6.5%. EBIDTA increased by 68.02% while net sales increased by 5% compared to FY16. Growth was largely on account of a growth in the toothpaste business and increase in contract manufacturing.

Internal control system

JHS has a well-defined internal control system which is structured around the business and its operations. The system is well tested and certified internally as well as externally to prevent escalation of risk. The Audit Committee is in charge of reviewing the efficiency of the control

environment and also monitoring the implementation of key recommendations. A robust ERP system accentuates the control system by offering furthering control and analytics of the Company's operations. The Audit recommendations and follow-up action plans are also discussed with the Senior Management of the Company along with the Audit Committee to ensure strategic action and adequacy of the control system.

Environment Health and Safety

Environment, Health and safety (EHS) is a core focus area for the Company. We strive to be an 'injury free' and 'zero environmental incident' organisation. In line with the vision, the Company has created a framework for operations which ensures minimal risk of injury or incidents. Sub-systems and procedures are also structured to be operable in greater safety and comfort. JHS has been incorporating the latest engineering standards and investing in active safety hardware across all facilities. The EHS Management Standards ensure fair and regular audits of all operations and guidelines for assessment. This ensures compliance to all applicable Environment and Health and Safety regulations.

Human resource

People are central to our organisation, which form the cornerstone to our success. At JHS, we are committed to create an engaging environment where people can learn, grow and deliver superior performance. The Company actively focuses on transparent and honest people engagements, while our human resources are developed through concentrated efforts in training, skilling, career development, succession planning and organisational development.

During FY17, JHS focused on various strategic learning programmes, employee engagement and health management initiatives aimed at the overall development of our dynamic workforce. We believe that 'great people create great organizations' and consider our human resource to be our most important assets. Our employee-friendly measures are aimed at talent acquisition, development, motivation and retention. We endeavor to develop a culture where a sense of belongingness and ownership of work are the key motivating factors and provide world class training to create a world-class work force. The aim is to lower the average employee age and invigorate the youth to take the organization forward.

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED (Consolidated)

(₹ in lakhs)

Sl. No.	Particulars	Quarter Ended			Year Ended	Previous Year Ended
		March 31, 2017 Audited	December 31, 2016 Unaudited	March 31, 2016 Audited	March 31, 2017 Audited	March 31, 2016 Audited
A.	SEGMENT REVENUE					
	i) Full Service Goods Based -Contract Manufacturer- Oral care	2,487.59	1,637.81	2,248.86	8,806.70	9,037.70
	ii) Job work - Oral care and Hygiene care (Refer note 4)	67.88	129.03	-	247.16	-
	iii) Marketing & Distribution	-	-	-	-	-
	iv) Dental Care Clinics	-	-	-	-	-
	v) Manufacturing sale - Oral care	238.20	505.34	306.32	1,493.32	970.55
	Total	2,793.67	2,272.18	2,555.18	10,547.18	10,008.25
B.	SEGMENT RESULTS (Profit before Tax & finance cost)					
	i) Full Service Goods Based -Contract Manufacturer- Oral care	187.03	188.80	84.04	568.31	(13.13)
	ii) Job work - Oral care and Hygiene care (refer note no. 4)	-	-	(63.48)	-	(300.75)
	iii) Marketing & Distribution	(0.14)	(0.16)	(0.24)	(0.51)	(0.36)
	iv) Dental Care Clinics	(0.42)	(0.33)	(0.52)	(1.09)	(0.95)
	v) Manufacturing sale - Oral care (Refer note 7)	-	-	-	-	-
	vi) Unallocated	-	-	-	-	(17.90)
	Total	186.47	188.31	19.80	566.71	(333.09)
	less:					
	i) Finance Costs	5.39	17.95	7.06	49.60	36.48
	ii) Exceptional items	0.59	-	429.18	0.59	447.08
	Profit/(Loss) from ordinary activities before Tax	180.49	170.36	(416.44)	516.52	(816.65)
C.	CAPITAL EMPLOYED					
	Equity and long term borrowings (including current maturities of long term borrowings and interest accrued and due)					
	i) Full Service Goods Based -Contract Manufacturer- Oral care	13,208.66	10,490.28	9,743.18	13,208.66	9,743.18
	ii) Job work - Oral care and Hygiene care (refer note no.4)	-	-	-	-	-
	iii) Marketing & Distribution	-	-	-	-	-
	iv) Dental Care Clinics	-	-	-	-	-
	v) Manufacturing sale - Oral care (Refer note 7)	-	-	-	-	-
	Total Capital Employed	13,208.66	10,490.28	9,743.18	13,208.66	9,743.18

“Cautionary Statement:

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

Corporate Governance Report

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance includes transparency, accountability and independence. For accomplishment of the objectives of ensuring fair Corporate Governance the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Corporate Governance has become a buzzword in the corporate world. JHS has a strong legacy of practising fair, transparent and ethical governance par excellence.

Company's governance framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities. Efficient corporate governance requires a clear understanding of the respective roles of the Board of Directors ("**Board**") and of senior management and their relationships with others in the corporate structure. Sincerity, fairness, good citizenship and commitment to compliance are key characteristics that drive relationships of the Board and senior management with other stakeholders.



COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

JHS views Corporate Governance more as a way of business life than a mere legal obligation. It forms part of business strategy which includes, inter-alia, creating an organization intended to maximise wealth of shareholders, establish productive and lasting relationship with all stakeholders with emphasis laid on fulfilling the responsibility towards entire community and society. 'Corporate Governance' is not an end, it is just a beginning towards growth of company for a long term prosperity.

It's initiatives towards adhering to highest standards of governance include self governance, professionalization of the Board, fair and transparent processes and reporting systems and going beyond the mandated Corporate Governance requirements of SEBI. The Corporate Governance principles implemented by JHS endeavours to protect, recognize and facilitate shareholders rights and ensure timely and accurate disclosure to them. Strong governance practices have rewarded the Company in the sphere of valuations, stakeholders' confidence, market capitalization.

BOARD OF DIRECTORS

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

COMPOSITION OF THE BOARD:

As on 31st March 2017, the Company's board consists of six directors. The chairman of the board is a non-executive director. The Company has an optimum combination of executive and non-executive directors in accordance with

the provisions of applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The board has one executive director and five non-executive directors, of whom three are independent directors. All independent directors are persons of eminence and bring a wide range of expertise and experience to the board thereby ensuring the best interests of stakeholders and the Company.

Classification of Board:

Category	Number of Directors	% to total number of Directors
Executive Directors	1	16.67
Non-Executive Independent Directors (including Woman Director)	3	50
Other Non-Executive Directors	2	33.33
Total	6	100

DATE OF BOARD MEETINGS:

Minimum four Board meetings are held every year. Additional meetings are held to address specific needs of the Company. In case of any exigency/emergency, resolutions are passed by circulation. The Board of Directors met four times during the year on 26th May, 2016, 02nd August, 2016, 27th October, 2016 and 13th February, 2017. The maximum gap between any two meetings was less than 120 days.

The necessary quorum was present for all the meetings.

DIRECTORS' ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIPS/ COMMITTEE MEMBERSHIPS

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

Name of Director	Category	Board Meetings Attended (No. of Meeting:4)	Attendance at the Last AGM	Director-ships in other Companies	Committee positions held in other Cos.	
					Chairman	Member
Mr. Vanamali Polavaram	Chairman Non-Executive	4	No	3	-	-
Mr. Nikhil Nanda	Managing Director	4	Yes	3	-	-
Mr. C R Sharma	Independent Director	4	Yes	3	2	-
Mr. Vishal Sarad Shah*	Whole-Time Director	1	NA	-	-	-
Mr. Mukul Pathak	Independent Director	Nil	Yes	-	-	-
Mr. Piyush Goenka**	Nominee Director	1	No	2	-	-
Mr. Nikhil Vora	Nominee Director	1	No	5	-	-
Manisha Lath Gupta	Independent Director - Women	4	Yes	1	-	-

Other than Mr. Nikhil Nanda, who holds 1,20,60,774 equity shares, no other Director holds any shares in the Company.

*Mr Vishal Sarad Shah resigned (as Whole-time director) from the company with effect from 01st June, 2016.

**Mr. Piyush Goenka stepped down from the Board as Nominee Director with effect from 18th October, 2016.

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

INDEPENDENT DIRECTOR

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

- (i) All are people of integrity and possesses relevant expertise and experience;
- (ii) Are not promoters of the company its holding, subsidiary or associate company;
- (iii) Are not related to promoters or directors of the company its holding, subsidiary or associate company;
- (iv) Apart from receiving their remuneration, has no material pecuniary relationship with the company, its holding, subsidiary or associate company, or its promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (v) Neither the Independent Directors nor any of their relatives has pecuniary relationship or transaction with company, its holding, subsidiary or associate company, or its promoters, or directors, amounting to two percent

or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- (vi) Neither the Director nor any of their relatives (s) –
 - A. Holds or has held the position of a key managerial personnel or is or has been an employee of the Company, its holding, subsidiary or associate Company in any of the immediately preceding three financial years or in the current financial year;
 - B. Is or has been an employee or proprietor or a partner, in any of the immediately preceding three financial year of—
 - 1) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
 - 2) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to

ten per cent or more of the gross turnover of such firm;

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

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

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

All Independent Directors of the Company met separately on February 13, 2017 without the presence of Non-Independent Directors and Members of Management. In accordance with the Listing Regulations, following matters were, *inter-alia*, reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board of Directors as a whole.

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

COMMITTEES OF THE BOARD

The Board has constituted five (5) Committees to focus effectively on the issues and ensure expedient resolution for diverse matters namely:

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

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

AUDIT COMMITTEE

The Company's Audit Committee comprises of three members, out of whom two are Independent Non-Executive Directors and one is Executive Director. During the year under review total 4 (four) meetings of Audit Committee were held on 26th May, 2016, 02nd August, 2016, 27th October, 2016 and 13th February, 2017.

Constitution and Attendance Record

Name of Member	Category	No of Meetings Held	No of Meetings Attended
Mr. C R Sharma	Chairman-Independent	4	4
Mr. Nikhil Nanda	Member-Executive	4	4
Mrs. Manisha Lath Gupta	Member- Independent	4	4

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

Meeting.

The powers and role of the Audit Committee is in accordance with the provisions of Regulation 18 and **Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** and section 177 of the Companies Act, 2013, and includes oversight of the Companies financial process, reviewing the financial

statements, review of related party transactions, adequacy of internal audit and look into such matters as mandated under the listing agreement as amended from time to time. The role of audit committee includes the discussion internal and statutory auditors periodically about their scope of audit and adequacy of internal control system.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of two Non-Executive Directors and one Executive director. Mr. Vanamali Polavaram acts as the Chairman of the Committee. During the year 2016-17, 4 (Four) meetings of the Committee were held on 26th May, 2016, 02nd August, 2016, 27th October, 2016 and 13th February, 2017. Mrs. Deepshikha Tomar, Company Secretary & Compliance Officer of the company acts as the Secretary to the Committee.

Constitution of the committee:

Name of the Member	Status
Mr. Vanamali Polavaram	Chairman- Non-Executive
Mrs. Manisha Lath Gupta	Member- Non-Executive
Mr. Nikhil Nanda	Member- Executive

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

Number of complaints regarding shares for the financial year ended 31st March, 2017 is enumerated below:

Particulars	Status
Complaints outstanding as on 1st April, 2016	Nil
Complaints received during the year ended 31st March, 2017	Nil
Complaints resolved during the year ended 31st March, 2017	Nil
Complaints Outstanding as on 31st March, 2017	Nil

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises of all Non-executive Directors and out of which two are independent directors. Mr. C R Sharma acts as Chairman of the Committee. During the year under review 1 (one) meeting of Remuneration Committee was held on 27th October, 2016.

Constitution of the committee:

Name of the Member	Status
Mr. C R Sharma	Chairman- Independent
Mr. Mukul Pathak	Member- Independent
Mr. Vanamali Polavaram	Member-Non-Executive

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

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

REMUNERATION OF DIRECTORS

- i) **Non-executive Directors:** The Company has no pecuniary relationship or transaction with its Non-executive Directors other than payment of sitting fees to them for attending Board and Committee meetings.
- ii) **Executive Directors:** The remuneration policy is directed towards rewarding performance. It is aimed at attracting and retaining high caliber talent. The Company does have an incentive plan which is linked to performance and achievement of the Company's objectives.

Remuneration paid to the Directors of the Company during the year ended 31st March, 2017:

Particulars	(In Lakhs)
Salary	59.44
Sitting Fees	5.90
Other Perquisites/Benefits	Nil
Total	65.34

COMPENSATION COMMITTEE:

The Compensation Committee comprises of One Executive Director i.e. Mr. Nikhil Nanda, and One Non-Executive Director, Mr. Vanamali Polavaram. Mr. Nikhil Nanda acts as Chairman of the Committee. No Meeting was held during the Financial Year 2016-17.

Constitution of the committee:

Name of the Member	Status
Mr. Nikhil Nanda	Chairman
Mr. 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.

ALLOTMENT COMMITTEE:

Board of Directors in their meeting held on 05th January, 2016 has formulated an Allotment Committee for issuance of Fully Convertible Warrants to the proposed allottees and conversion of the said warrants into equivalent number of equity shares.

The Allotment Committee comprises of One Executive Director, Mr. Nikhil Nanda, and Two Non-Executive Non-Independent Directors, Mr. Chhotu Ram Sharma and Mr. Mukul Pathak. Mr. Chhotu Ram Sharma acts as the chairman of the Committee.

During the year under review 5 (Five) meetings of Allotment Committee was held on 26th May, 2016, 18th July, 2016, 02nd August, 2016, 27th October, 2016 and 28th January, 2017.

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

GENERAL BODY MEETINGS:

I. General Meeting:

a) Annual General Meeting

The last three Annual General Meetings of the Company:

Year	Venue	Date	Time	Special Resolution
2015-16	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	22.08.2016	12.00 P.M.	1. Appointment of Mrs. Manisha Lath Gupta as an Independent Director.
2014-15	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	01.09.2015	11.00 AM	1. Appointment of Mr. Mukul Pathak as an Independent Director. 2. Appointment of Mr. Vishal Sarad Shah as Whole-Time Director. 3. Enhancement of Authorized Share Capital of the company to ₹60 Crores. 4. Preferential Issue of 3,59,04,748 Warrants of the Company.

Year	Venue	Date	Time	Special Resolution
2013-14	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	29.12.2014	10.00 AM	<ol style="list-style-type: none"> 1. Appointment of C R Sharma as Independent Director 2. Appointment of Amarjit Singh as Independent Director 3. Appointment of P. Vanamali as Non-Executive Director 4. Preferential Issue of 2,46,00,000 Equity Shares of the Company.

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

b) Extra-Ordinary General Meeting

Year	Venue	Date	Special Resolution
2015	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	04.08.2015	Special resolution was: <ol style="list-style-type: none"> 1. Amendment of Memorandum of Association for increase of authorized capital upto 55 Crores. 2. Sell, Lease or otherwise dispose off whole or substantially the whole of the undertaking 3. Ratification of earlier resolution authorizing the Board to borrow upto 150 Crores. 4. Ratification of earlier resolution authorizing the Board to invest upto ₹50 Crores.
2016	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	15.03.2016	Ratification of the disclosure made with respect to the pre and post preferential holding of the proposed allottees of 3,59,04,748 FCWs on preferential basis at the 11th AGM dated 01.09.2015.
2017	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	10.01.2017	Issuance of equity shares on preferential basis to the person belonging to non- promoter category.

ROLE OF THE COMPANY SECRETARY

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

Acquisition of Shares and Takeovers Regulations, 2011 and The Prohibition of Insider Trading Regulations, 2015 and all other applicable Laws and Regulations in this regard are completely adhered to.

DISCLOSURES

● RELATED PARTY TRANSACTIONS:

Disclosure on materially significant related party transactions, i.e., transactions of the Company of material nature, with its Promoters, the Directors and the Management, their relatives, of subsidiaries and so on, that may have potential conflict with interests of the Company at large. None of the transactions with any

of the related parties were in conflict with the interest of the Company. Attention of the members is drawn to the disclosure set out in Notes to Account - Schedule - forming a part of the Annual Report. All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interests. The Company's policy on Related Party Transactions is available at our website www.svendgaard.com

- **DETAILS OF NON-COMPLIANCE:**

The Company has complied with the requirements of the Stock Exchanges or SEBI on matters related to Capital Markets, as applicable. During the financial year 2014-15 the BSE and NSE had imposed penalty for non-filing of financial results with such Stock Exchanges for three quarters during that concerned year. The Company has approached the stock exchanges to waive the penalty imposed, since the non-compliance was due to some non-avoidable reasons beyond the control of the Company and purely non-intentional. There was no other penalty/stricture imposed on the company during the last three years. There was no non-compliance noted during the year 2015-16 and 2016-17.

- **DISCLOSURES ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED LISTING REGULATION:**

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

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

- **DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

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

website at www.svendgaard.com.

- **COMPLIANCE WITH MANDATORY AND NON MANDATORY REQUIREMENTS:**

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

- **DISCLOSURE IN RESPECT OF POLICY FOR DETERMINING MATERIAL SUBSIDIARIES :**

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

- **DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS:**

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

- **CEO/ CFO CERTIFICATION:**

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

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES-

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

CODE OF CONDUCT

The Company has adopted a Code of Conduct for all its Directors and employees. This Code of Conduct has been communicated to all of them. The Code of Conduct has also



been put on the Company's website i.e. www.svendgaard.com

DISCLOSURES OF ACCOUNTING TREATMENT

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

TRAINING OF DIRECTORS

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

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

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

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

MEANS OF COMMUNICATION:

All vital information relating to the Company and its performance, including quarterly results, official press releases are posted on the website of the Company i.e. www.svendgaard.com. The quarterly and annual results of

the Company's performance are published in Mint (English) circulated all over India, Naya India (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 to Shareholding pattern, quarterly financial results, etc. in the NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.

SUBSIDIARY COMPANIES

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

- i) The Audit Committee reviews the Financial Statements of the subsidiary companies, along with investments made by them, on a quarterly basis.
- ii) The Board of Directors reviews the Board meeting minutes and statements of all significant transactions and arrangements, if any, of the subsidiary companies.

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

GENERAL SHAREHOLDER INFORMATION:

● COMPANY'S WEBSITE

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

● ENSUING ANNUAL GENERAL MEETING

Date of AGM : Tuesday, August 29, 2017
Time : 12:00 Noon
Venue : Trilokpur Road, Kheri (Kala Amb)
Tehsil- Nahan,
Distt : Sirmour,
Himachal Pradesh -173 030

● FINANCIAL CALENDER

Financial year : 1st April, 2016 to 31st March, 2017
For the year ended 31st March, 2017
results were announced on : 23rd May, 2017

- **BOOK CLOSURE**

The books will be closed from Wednesday, 23rd August, 2017 to Tuesday, 29th August, 2017 (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, 2017.

- **STOCK CODE**

Bombay Stock Exchange Limited: 532771

National Stock Exchange of India Limited: JHS

ISIN Code: INE544H01014

MARKET PRICE DATA – CHANGE CHART

Monthly high and low prices and volumes of equity shares of the Company at BSE and the NSE for the year ended 31st March, 2017. The below Chart compares the Company's share price at the BSE versus the Sensex.

S. No.	Month	BSE		NSE	
		High	Low	High	Low
1	Apr-16	33.65	23.90	33.65	21.75
2	May-16	37.40	29.80	38.20	28.10
3	Jun-16	31.45	28.65	33.75	26.40
4	Jul-16	40.05	29.20	41.25	28.60
5	Aug-16	36.85	33.50	39.85	32.20
6	Sep-16	34.90	33.35	36.00	32.90
7	Oct-16	45.35	34.40	46.30	34.00
8	Nov-16	40.10	36.05	46.50	34.50
9	Dec-16	39.25	35.10	40.80	34.70
10	Jan-17	41.05	37.50	42.00	36.10
11	Feb-17	41.25	36.65	43.10	36.80
12	Mar-17	39.95	36.95	40.50	39.50



REGISTRARS AND TRANSFER AGENTS

Name and Address : M/s Alankit Assignments Limited, Alankit Heights
1E/13, Jhandewalan Extension, New Delhi – 110 055

Telephone : +91-11-4254 1234

Fax : + 91-11-4254 1201

Email : rta@alankit.com

SHARE TRANSFER SYSTEM

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

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017

Category	No. of Shareholders	No of Shares	% of Holding
Promoters Shareholding	4	15147988	34.33
Non-promoters holding			
Mutual funds and UTI	-	-	-
Banks, Financial Institutions, Insurance Companies ,Clearing Member	2	26912	0.06
Foreign Portfolio Investors	1	75000	0.17
Foreign Venture Capital Investor	1	1500547	3.41
Bodies Corporate	332	6869852	15.57
India Public	11167	20004644	45.34
NBFCs registered with RBI	3	5573	0.01
Non Resident Indians	188	488949	1.11
Foreign Nationals	1	1000	0.00
Trusts	-	-	-
Grand Total	11699	44120465	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017

No. of Shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
1 – 100	244935	0.56	4064	34.74
101 - 500	1289932	2.92	4457	38.10
501 - 1000	1177903	2.67	1387	11.86
1001 - 5000	3135228	7.11	1346	11.51
5001 - 10000	1625754	3.68	217	1.85
10001 - 20000	1509781	3.42	102	0.87
20001 - 30000	1151170	2.61	46	0.39
30001 - 40000	795726	1.80	21	0.18
40001 - 50000	660130	1.50	14	0.12
50001 - 100000	2173139	4.93	27	0.23
100001 - 500000	2368998	5.37	10	0.09
500001 - ABOVE	27987769	63.43	8	0.07

DEMATERIALIZATION OF SHARES

The equity shares of your Company are under compulsory dematerialization mode as on 31st March, 2017. 99.96 % of shares of the Company are dematerialized as on 31st March, 2017. 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

1,68,10,000 warrants were pending for conversion into equity shares as on 31st March, 2017. There were no other outstanding GDRs/ ADRs/ or any convertible instruments as at the end of the financial year ended on 31st March 2017.

PLANT LOCATIONS

i) Himachal Pradesh

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

ii) Noida

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

ADDRESS FOR INVESTOR CORRESPONDENCE

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

For Correspondence:

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

Registered Office:

JHS Svendgaard Laboratories Limited Trilokpur Road,
Kheri Kala -Amb, Tehsil - Nahan, Distt: Sirmaur, Himachal
Pradesh-173 030

Compliance Officer:

Mrs. Deepshikha Tomar, Company Secretary
Phone: 011-26900411; Fax: 011-26900434
E-mail: cs@svendgaard.com

CEO CFO CERTIFICATION

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

A. We have reviewed the financial statements and the Cash Flow Statement of the Company for the Financial Year ended 31.03.2017 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. We also certify, that based on our knowledge and the information provided to us, there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

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

D. The Company's other certifying officers and we have indicated, based on our most recent evaluation, wherever applicable, to the Company's Auditors and through them to the Audit Committee of the Company's Board of Directors:

1. Deficiencies in the design or operation of internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
2. Significant changes in internal control over financial reporting during the year;
3. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
4. Any fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: New Delhi
Date : 23.05.2017

Paramvir Singh	Ajay Bansal
CEO	CFO

CERTIFICATION BY CHIEF EXECUTIVE OFFICER OF THE COMPANY

I declare that all Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the Financial Year 2016-17.

Place: New Delhi
Date : 23.05.2017

Paramvir Singh
CEO

Financial Section

Independent Auditor's Report

To the Members of
JHS Svendgaard Laboratories Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of JHS Svendgaard Laboratories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion

Referencing to the note no. 33 to the standalone financial statements, the Company has not recognised an income amounting to Rs. 2,750.00 Lakhs on account of compensation agreed and received subsequent to the year-end in terms of settlement agreement with its customers dated March 28, 2017 in the financial statements for the year ended March 31, 2017, which constitutes a departure from the Accounting Standards prescribed in section 133 of the Companies Act, 2013. Had the management recognised the said, exceptional income would have increased by Rs. 2,750.00 Lakhs. The carrying amount of other current assets would have increased by Rs. 2,475 Lakhs, net profit after tax and reserves and surplus would have increased by Rs. 1,900.25 Lakhs and deferred tax assets would have reduced by Rs. 849.75 Lakhs.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date in India.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
 2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) Except for the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e) On the basis of the written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its standalone financial position in its financial statements- Refer Note 32 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses};
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 43

For **S.N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

S. K. Khattar
Partner
Membership No.: 084993

Place: New Delhi
Date: May 23, 2017

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of JHS Svendgaard Laboratories Limited on the standalone financial statements as of and for the year ended March 31, 2017

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- b) The Property, Plant and Equipment are physically verified by the management according to a phased programme designed to cover all items over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the title deeds provided to us, we report that, the title deeds of all the freehold immovable properties (which are included under the head 'Property, Plant and Equipment) are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year, except for stocks lying with a third party. For stocks lying with a third party at the year-end, written confirmations have been obtained by the management. According to the information and explanations given to us, no material discrepancies were noticed on the aforesaid verification.
- (iii) According to the information and explanations given to us, the Company has granted interest free unsecured loans, to companies covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of such loans;
 - a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.
 - b) no repayment schedule has been specified and accordingly the question of regularity in repayment of principal amount does not arise. Further, as stated above these loans are interest free and repayment of interest does not arise.
- c) in the absence of stipulated schedule of repayment of principal, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the amount.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185. However, the Company has complied with the provisions of Sections 186 of the Act in respect of loans, investments, guarantees, and security.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) a) According to the information and explanations given to us, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues in respect of income-

tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to banks and financial institutions. The Company does not have any loans or borrowings from any government or debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The term loans raised were applied for the purposes for which they have been raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company.

Accordingly, provisions of clause 3(xii) of the Order are not applicable.

- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, during the year, the Company has made preferential allotment of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed there under. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make private placement of shares/ fully/partly convertible debentures.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons. Accordingly, provisions of clause 3 (xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable.

For **S.N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

S. K. Khattar
Partner
Membership No.: 084993

Place: New Delhi
Date: May 23, 2017

Annexure "B" to the Independent Auditor's Report of even date to the members of JHS Svendgaard Laboratories Limited on the standalone financial statements for the year ended March 31, 2017

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of JHS Svendgaard Laboratories Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on Internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's Internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over financial reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal

financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls over financial reporting and their operating effectiveness. Our audit of Internal financial controls over financial reporting included obtaining an understanding of Internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's Internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of Internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on Internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For **S.N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

S. K. Khattar
Partner
Membership No.: 084993

Place: New Delhi
Date: May 23, 2017

Balance Sheet as at March 31, 2017

(Amount in Rs)

	Notes	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	44,12,04,650	37,63,50,000
(b) Reserves and surplus	4	86,05,12,945	57,46,61,391
(c) Money received against share warrants		4,62,27,500	5,89,46,250
		1,34,79,45,095	1,00,99,57,641
(2) Deferred government grant	5	12,00,000	15,00,000
(3) Non-current liabilities			
(a) Long term borrowings	6	64,65,342	1,12,92,069
(b) Other Long Term liabilities	7	-	37,53,540
(c) Long term provisions	8	48,13,031	40,51,082
		1,12,78,373	1,90,96,691
(4) Current liabilities			
(a) Short term borrowings	9	11,025	15,73,525
(b) Trade payables	10		
- Total Outstanding dues of micro & small enterprises		-	-
- Total Outstanding dues of trade payables other than micro & small enterprises		13,97,11,824	13,36,06,506
(c) Other current liabilities	11	5,55,62,364	4,69,05,677
(d) Short term provisions	8	5,31,194	4,26,305
		19,58,16,407	18,25,12,013
TOTAL		1,55,62,39,875	1,21,30,66,345
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment			
- Tangible assets	12	64,98,09,069	64,98,73,080
- Intangible assets	12	5,79,980	7,73,823
- Capital work-in-progress		67,40,906	64,72,053
- Intangible assets under development		-	3,16,012
(b) Non-current investments	13	99,990	99,990
(c) Deferred tax assets (net)	14	16,84,87,000	-
(d) Long term loans and advances	15	32,62,21,633	19,74,94,132
(e) Other non-current assets	16	13,34,808	18,05,020
		1,15,32,73,386	85,68,34,110
(2) Current assets			
(a) Current Investments	17	99,34,221	-
(b) Inventories	18	10,72,43,832	9,31,16,094
(c) Trade receivables	19	13,95,43,675	6,91,10,646
(d) Cash and bank balances	20	5,85,87,162	2,87,83,682
(e) Short term loans and advances	21	6,13,00,562	4,33,02,051
(f) Other current assets	22	2,63,57,037	12,19,19,762
		40,29,66,489	35,62,32,235
TOTAL		1,55,62,39,875	1,21,30,66,345
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date attached.

For S.N. Dhawan & Co LLP

(Formerly S. N. Dhawan & Co.)

Chartered Accountants

Firm Registration No.: 000050N/N500045

S.K.Khattar

Partner

Membership no.: 084993

Place : New Delhi

Date : 23.05.2017

For and on behalf of the Board of Directors of

JHS Svendgaard Laboratories Limited
Nikhil Nanda

Managing Director

DIN : 00051501

Deepshikha Tomar

Company Secretary &

Compliance Officer

Membership No. A40863

Vanamali Polavaram

Chairman

DIN : 01292305

Ajay Kumar Bansal

Chief Financial Officer

Statement of Profit and Loss for the year ended March 31, 2017

(Amount in Rs)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
INCOME			
Revenue from operations (Gross)	23	1,05,47,85,081	1,00,08,54,852
Less: Excise Duty		-	-
Revenue from operations (Net)		1,05,47,85,081	1,00,08,54,852
Other income	24	1,95,76,137	73,00,638
Total revenue		1,07,43,61,217	1,00,81,55,490
EXPENSES			
Cost of materials consumed	25	62,18,10,274	68,57,89,791
Purchase of stock in trade (packing material/raw material)		33,29,874	1,26,38,277
(Increase)/decrease in inventories of finished goods and work-in-progress	26	6,01,60,689	3,34,93,510
Employee benefits expense	27	8,60,56,331	7,23,12,075
Finance costs	28	49,59,000	36,47,789
Depreciation and amortisation	29	6,35,92,457	10,48,50,273
Other expenses	30	18,25,80,796	13,22,48,115
Total expenses		1,02,24,89,420	1,04,49,79,830
Profit/ (loss) before exceptional items, extra ordinary items and tax		5,18,71,796	(3,68,24,340)
Less: Exceptional Items	31 (A)	-	4,47,07,573
Less: Extraordinary Items	31 (B)	-	13,47,32,059
Profit/ (loss) before tax		5,18,71,796	(21,62,63,972)
Tax Expense:			
- Current tax		5,27,587	-
- Deferred tax charge / (benefit) (Refer note 14)		(16,84,87,000)	-
- Tax for earlier years		-	16,320
Total tax expense		(16,79,59,413)	16,320
Profit/ (loss) for the year		21,98,31,209	(21,62,80,292)
Earnings/ (loss) per share	40		
(Nominal value Rs. 10/- share)			
- Basic EPS (Including extra ordinary item)		5.46	(8.42)
- Diluted EPS (Including extra ordinary item)		3.70	(8.42)
- Basic EPS (Excluding extra ordinary item)		5.46	(3.17)
- Diluted EPS (Excluding extra ordinary item)		3.70	(3.17)
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date attached.

For S.N. Dhawan & Co LLP

(Formerly S. N. Dhawan & Co.)

Chartered Accountants

Firm Registration No.: 000050N/N500045

S.K.Khattar

Partner

Membership no.: 084993

Place : New Delhi

Date : 23.05.2017

For and on behalf of the Board of Directors of

JHS Svendgaard Laboratories Limited

Nikhil Nanda

Managing Director

DIN : 00051501

Deepshikha Tomar

Company Secretary &

Compliance Officer

Membership No. A40863

Vanamali Polavaram

Chairman

DIN : 01292305

Ajay Kumar Bansal

Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2017

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before exceptional, extra ordinary items, prior period expenses and tax	5,18,71,796	(3,68,24,340)
Adjustments for:		
Depreciation, amortisation and impairment	6,35,92,457	10,48,50,273
Interest income	(7,68,661)	(4,87,590)
Government grant amortisation (income)	(3,00,000)	(3,00,000)
Provisions no longer required written back	-	(12,78,059)
Security deposit written off	-	11,340
Turnover discount	(2,96,240)	(5,61,708)
Loss/(profit) on sale of fixed assets	3,12,233	8,66,811
Provision for doubtful receivables	-	5,01,470
Profit on sale of investment	(17,07,401)	(11,670)
Provision for doubtful advances Written back	-	(18,37,945)
Provision for doubtful advances	73,300	-
Provision for diminution in value of investments written back	-	(10,88,330)
Provision for slow moving stock written back	(1,40,84,115)	(1,99,353)
Advances written off	-	18,49,385
Intangible assets under development w/off	3,16,012	-
Unrealised Loss (gain) on foreign currency receivables and payables	(17,46,576)	-
Dividend income from investment	-	(50,580)
Interest and financial charges	49,59,000	36,47,789
Operating profit before working capital changes	10,22,21,805	6,90,87,493
Adjustment for:		
Increase in inventories	(43,623)	(27,89,974)
(Increase)/Decrease in trade receivables	(6,91,61,726)	5,34,83,454
Decrease/ (increase) in short term loans and advances	(1,79,98,511)	(2,23,29,665)
(Increase)/Decrease in other current assets	(49,82,220)	(4,39,000)
(Increase)/Decrease in long term loans and advances	(6,14,51,169)	(2,20,52,156)
(Increase)/Decrease in other non-current assets	7,08,069	(10,40,280)
Increase/ (decrease) in trade payables	68,76,833	1,72,48,783
Increase/ (decrease) in provisions	8,66,838	2,99,896
Increase/ (decrease) in Other long term & current liabilities	20,01,709	(15,10,77,733)
Cash generated from operations	(4,09,61,995)	(5,96,09,183)
Taxes paid	(4,15,926)	(33,465)
Net cash generated from operating activities	(4,13,77,921)	(5,96,42,648)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(12,97,24,394)	(76,75,099)
Sale of Property, Plant and Equipment	15,70,032	15,00,000
Proceeds from sale of current investment	10,44,73,178	-
Purchase of current investment	(11,27,00,000)	11,00,000
Sale proceeds of wave hygiene products business	10,05,00,000	4,14,00,000
Dividend Income	-	50,580
Interest income received	5,75,749	4,17,720
Net cash used in investing activities	(3,53,05,435)	3,67,93,201

Cash Flow Statement for the year ended March 31, 2017

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/ (repayment of) long term borrowings	(48,26,727)	2,04,53,684
Proceeds from/ (repayment of) short term borrowings	(15,62,500)	(18,30,60,000)
Proceed from Share Capital and securities premium	13,08,74,995	14,89,37,228
Proceed/(utilization) from/of Share Warrant	(1,27,18,750)	5,89,46,250
Interest and financial charges	(52,80,183)	(32,13,821)
Net cash used in financing activities	10,64,86,835	4,20,63,340
Net Increase/(decrease) in cash and cash equivalents	2,98,03,479	1,92,13,893
Opening balance of cash and cash equivalents	2,87,83,683	95,69,790
Closing balance of cash and cash equivalents	5,85,87,162	2,87,83,683
Components of cash and cash equivalents as at end of the year		
Cash on hand	2,15,582	1,16,859
Balances with banks		
- on current account	3,82,63,450	2,46,99,327
- term deposits with original maturity of 3 months or less	1,66,12,888	20,42,918
Other bank balances		
- in unpaid dividend account	1,32,839	1,67,691
- Term deposits with original maturity of more than 3 months but less than 12 months	33,62,403	17,56,887
Cash and bank balance (Refer note 20)	5,85,87,162	2,87,83,683

Note:

- The accompanying notes form an integral part of the financial statements.
- The above cash flow statement has been prepared under the indirect method set out in Accounting Standard 3 'Cash Flow Statement'.

As per our report of even date attached.

For S.N. Dhawan & Co LLP

(Formerly S. N. Dhawan & Co.)

Chartered Accountants

Firm Registration No.: 000050N/N500045

S.K.Khattar

Partner

Membership no.: 084993

Place : New Delhi

Date : 23.05.2017

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

Nikhil Nanda

Managing Director

DIN : 00051501

Deepshikha Tomar

Company Secretary &

Compliance Officer

Membership No. A40863

Vanamali Polavaram

Chairman

DIN : 01292305

Ajay Kumar Bansal

Chief Financial Officer

Notes to the Financial Statements for the year ended March 31, 2017

1. BACKGROUND

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of Financial Statements

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

b. Use of estimates

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

c. Operating Cycle

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

d. Tangible assets

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

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

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

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

e. Intangible assets

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

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. The cost of an

Notes to the Financial Statements for the year ended March 31, 2017

item of intangible asset comprises its purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

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

f. Depreciation / Amortization

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

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

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

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

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

g. Impairment of assets

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

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

h. Cash and cash equivalents

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

i. Inventories

- i. Raw materials, packaging materials and stores and spare parts are valued at the lower of cost and net realizable value. Cost includes purchase price, taxes (excluding levies or taxes subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.
- ii. Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.
- iii. Excise duty liability, wherever applicable, is included in the valuation of closing inventory of finished goods. Excise duty payable on finished goods is accounted for upon manufacture and transfer of finished goods to the stores. Payment of excise duty is deferred till the clearance of goods from the factory premises.
- iv. Provision for obsolescence on inventories is made on the basis of management's estimate based on demand

Notes to the Financial Statements for the year ended March 31, 2017

and market of the inventories.

- v. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.
- vi. The comparison of cost and net realisable value is made on an item by item basis.

j. Revenue recognition

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

Sale of goods

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

Interest income

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

Dividend income

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

Export incentives

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

Sale of scrap

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

Service income

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

Reimbursement Receipts

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

k. Borrowing cost

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

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

l. Foreign currency transactions

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

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

Notes to the Financial Statements for the year ended March 31, 2017

Translation of integral and non integral foreign operations.

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

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

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

m. Investments

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

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

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

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

n. Employee Benefits

Short term employee benefits:

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

Long term employee benefits:

- Defined contribution plans: Provident Fund

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

- Defined contribution plans: Employee State Insurance

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

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

- Defined benefit plans: Gratuity

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan, are accounted for on the basis of an actuarial

Notes to the Financial Statements for the year ended March 31, 2017

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

- **Other long-term benefits: Leave benefits**

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

o. Segment reporting

Identification of segments

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

Allocation of common cost

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

Unallocated items

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

Segment policies

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

p. Accounting for taxes on income

Income tax expenses comprises of current tax and deferred tax.

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

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

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

Notes to the Financial Statements for the year ended March 31, 2017

q. Government grant

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

- (a) where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and
- (b) where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.

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

r. Provisions, contingent liabilities and contingent assets

Provision

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

Contingent liabilities

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

Contingent assets

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

s. Earnings per share

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

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

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

t. Leases

Operating lease

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

Finance lease

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

u. Material events

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

Notes to the Financial Statements for the year ended March 31, 2017

3 : SHARE CAPITAL

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

	As at March 31, 2017		As at March 31, 2016	
	Numbers	Amount in Rs	Numbers	Amount in Rs
Authorised shares				
Equity shares of Rs.10/- each (March 31, 2016 : Rs. 10/- each)	6,50,00,000	65,00,00,000	6,00,00,000	60,00,00,000
Issued, subscribed & fully paid up shares				
Equity shares of Rs.10/- each (March 31, 2016 : Rs. 10/- each)	4,41,20,465	44,12,04,650	3,76,35,000	37,63,50,000

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Numbers	Amount in Rs	Numbers	Amount in Rs
At the beginning of the year	3,76,35,000	37,63,50,000	2,40,95,252	24,09,52,520
Add : Shares issued during the year *	64,85,465	6,48,54,650	1,35,39,748	13,53,97,480
At the end of the year	4,41,20,465	44,12,04,650	3,76,35,000	37,63,50,000

* Pursuant to approval of shareholders by way of special resolution in accordance with section 42 & 62 of the Companies Act, 2013 and Rules made thereunder and as per SEBI (ICDR) Regulations, 2009 the Company approved preferential allotment of 34,974,748 fully convertible warrants of Rs.10 each at an issue price of Rs.11 per warrant. Out of this, the Company has converted 18164748 (upto March 31 2016: 13539748) fully convertible share warrants into equal number of fully paid up equity shares after receiving full issue price of Rs 11/- per warrant from the respective allottees.

Pursuant to special resolution passed in the Extraordinary General Meeting held on January 10, 2017, the Company has approved and issued on preferential basis, 1860465 nos. fully paid equity shares at an issue price of Rs 43/- per share to HT Media Limited via Share Subscription Agreement dated January 25, 2017. These shares have subsequently been listed.

b) Terms / rights attached to equity shares

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

Dividends : The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case where interim dividend is distributed. During the year ended March 31, 2017 and March 31, 2016, no dividend has been declared by the Company.

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

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

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

Notes to the Financial Statements for the year ended March 31, 2017

3 : SHARE CAPITAL (contd.)

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

	As at March 31, 2017			As at March 31, 2016		
	Numbers	% held	Amount in Rs	Numbers	% held	Amount in Rs
Nikhil Nanda	1,20,60,774	27.34%	12,06,07,740	1,12,10,774	29.79%	11,21,07,740
Tano Mauritius India FVCI	14,73,339	3.34%	1,47,33,390	34,99,999	9.30%	3,49,99,990
Sixth Sense India Opportunities-I	30,00,000	6.80%	3,00,00,000	30,00,000	7.97%	3,00,00,000
Sushma Nanda	30,65,983	6.95%	3,06,59,830	30,65,983	8.15%	3,06,59,830
Chaitali Vohra	35,00,000	7.93%	3,50,00,000	-	-	-
Amit Saxena	20,00,000	4.53%	2,00,00,000	20,00,000	5.31%	2,00,00,000

4 : RESERVES AND SURPLUS

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
4.1 Capital Reserves		
Opening balance	33,24,01,257	33,24,01,257
Addition/Deletion during the year	-	-
Closing balance (A)	33,24,01,257	33,24,01,257
4.2 Securities premium account		
Opening balance	84,07,50,836	82,72,11,088
Add : Premium on warrant converted into shares (Refer foot note of Note 3(a))	46,25,000	1,35,39,748
Add : Premium on preferential issue (Refer foot note of Note 3(a))	6,13,95,345	-
Closing balance (B)	90,67,71,181	84,07,50,836
4.3 General reserves		
Opening balance	6,67,750	6,67,750
Addition during the year	-	-
Closing balance (C)	6,67,750	6,67,750
4.4 Deficit in the Statement of Profit and Loss		
Opening balance	(59,91,58,452)	(38,28,78,160)
Add: Profit/(Loss) for the year transferred from the Statement of Profit and Loss	21,98,31,209	(21,62,80,292)
Closing balance (D)	(37,93,27,243)	(59,91,58,452)
Total reserves and surplus (A+B+C+D)	86,05,12,945	57,46,61,391

5 : DEFERRED GOVERNMENT GRANT

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Opening balance (Refer footnote 5.1)	15,00,000	18,00,000
Less: Current year apportionment to Statement of Profit & Loss (Refer note 24)	3,00,000	3,00,000
Closing balance	12,00,000	15,00,000

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

Notes to the Financial Statements for the year ended March 31, 2017

6 : LONG TERM BORROWINGS

(Amount in Rs)

	Non-current portion		Current maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Secured				
Vehicle loans*				
from banks	-	2,92,069	2,92,069	7,70,777
from Others	64,65,342	-	13,91,400	-
	64,65,342	2,92,069	16,83,469	7,70,777
Amount disclosed under the head Other current liabilities (Refer note 11)	-	-	(16,83,469)	(7,70,777)
Net amount (A)	64,65,342	2,92,069	-	-
Unsecured				
Unsecured Loan from other **	-	1,10,00,000	1,10,00,000	1,10,00,000
	-	1,10,00,000	1,10,00,000	1,10,00,000
Amount disclosed under the head Other current liabilities (Refer note 11)	-	-	(1,10,00,000)	(1,10,00,000)
Net amount (B)	-	1,10,00,000	-	-
TOTAL (A+B)	64,65,342	1,12,92,069	-	-

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

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

7 : OTHER LONG TERM LIABILITIES

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Payable for capital goods	-	37,53,540
	-	37,53,540

8 : PROVISIONS

(Amount in Rs)

	Long term		Short term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Provisions for employees benefits				
Provision for gratuity	37,97,123	32,23,998	2,71,337	2,16,026
Provision for leave benefits	10,15,908	8,27,084	2,59,857	2,10,279
	48,13,031	40,51,082	5,31,194	4,26,305

Notes to the Financial Statements for the year ended March 31, 2017

9 : SHORT TERM BORROWINGS

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Unsecured		
Interest free loan from related parties repayable on demand	11,025	15,73,525
	11,025	15,73,525

10 : TRADE PAYABLES

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Trade payables (Refer note 44)		
-Total Outstanding dues of Micro & Small Enterprises	-	-
-Total Outstanding dues of trade payables other than Micro & Small Enterprises	13,97,11,824	13,36,06,506
	13,97,11,824	13,36,06,506

11 : OTHER CURRENT LIABILITIES

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Current maturities of long-term Borrowings (Refer note 6)	1,26,83,469	1,17,70,777
Interest accrued but not due on borrowings	1,32,671	4,53,854
Book overdraft	20,98,795	4,27,203
Payable for Capital goods (Refer note 44)	1,07,75,924	75,53,303
Advance received from customers	61,99,727	34,73,992
Unclaimed dividend *	1,32,749	1,67,602
Statutory dues	34,95,699	49,88,962
Expenses payables	69,76,389	78,52,516
Payable to employees	1,30,66,941	1,02,17,468
	5,55,62,364	4,69,05,677

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

Notes to the Financial Statements for the year ended March 31, 2017

12: Property, Plant and Equipment

(Amount in Rs)

Particulars	GROSS BLOCK (AT COST)			ACCUMULATED DEPRECIATION & AMORTIZATION			NET BLOCK		
	As at April 1, 2016	Additions	Disposals/ adjustments*	As at March 31, 2017	As at April 1, 2016	Depreciation & amortization for the year	Disposals/ adjustments*	As at March 31, 2017	As at March 31, 2016
Own assets:									
Tangible assets									
Freehold Land	2,34,67,254	-	-	2,34,67,254	-	-	-	2,34,67,254	2,34,67,254
Factory Building	20,16,37,358	95,00,000	-	21,11,37,358	4,47,51,654	66,10,824	-	15,97,74,880	15,68,85,704
Office Building	1,71,16,367	-	-	1,71,16,367	28,15,705	6,03,991	-	1,36,96,672	1,43,00,662
Plant & Machinery	69,28,31,714	3,57,44,712	-	72,85,76,426	29,26,26,131	4,20,95,019	-	39,38,55,276	40,02,05,583
Mould & Dies	18,99,64,613	1,22,42,573	-	20,22,07,186	17,52,62,624	31,25,680	-	2,38,18,881	1,47,01,989
Electronic Equipment	4,80,70,043	-	-	4,80,70,043	2,93,44,301	53,72,531	-	1,33,53,212	1,87,25,742
Lab Equipment	10,20,211	-	-	10,20,211	4,92,797	1,09,761	-	4,17,654	5,27,414
Furniture & fixture	2,07,18,989	5,02,329	-	2,12,21,318	1,20,29,235	19,30,957	-	72,61,126	86,89,754
Office Equipment	1,05,65,915	8,09,688	-	1,13,75,603	98,71,977	1,34,103	-	13,69,524	6,93,938
Vehicle	2,61,07,731	61,68,477	64,46,385	2,58,29,823	1,47,60,320	32,01,275	45,64,121	1,24,32,349	1,13,47,411
Computer	34,54,360	1,43,040	-	35,97,401	31,53,757	96,764	-	3,46,879	3,00,603
Computer network	82,687	-	-	82,687	55,663	11,661	-	15,363	27,024
Total Tangible assets	1,23,50,37,244	6,51,10,819	64,46,385	1,29,37,01,677	58,51,64,165	6,32,92,564	45,64,121	64,98,09,069	64,98,73,078
Previous year	1,75,88,32,165	1,85,91,167	54,23,86,088	1,23,50,37,244	68,14,25,167	10,45,56,351	20,08,17,353	64,98,73,078	
Own assets:									
Intangible assets									
Computer software	67,75,953	1,06,050	-	68,82,003	60,02,130	2,99,893	-	5,79,980	7,73,823
Total Intangible assets	67,75,953	1,06,050	-	68,82,003	60,02,130	2,99,893	-	5,79,980	7,73,823
Previous year	67,75,953	-	-	67,75,953	57,08,208	2,93,922	-	7,73,823	

* Refer Note 29(ii) & (iii)

Notes to the Financial Statements for the year ended March 31, 2017

13 : NON CURRENT INVESTMENTS

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Unquoted, Trade investments (valued at cost unless stated otherwise)		
Investment in subsidiaries		
JHS Svendgaard Brands Limited (Formerly JHS Svendgaard Dental Care Limited) 3,89,901 (March 31, 2016 : 3,89,901) fully paid up equity shares of face value of Rs 10 each	38,99,010	38,99,010
Less : Provision for diminution in value of investment	(38,99,010)	(38,99,010)
	-	-
JHS Mechanical and Warehousing Private Limited 9,999 (March 31, 2016 : 9,999) fully paid up equity shares of face value of Rs 10 each	99,990	99,990
	99,990	99,990
Aggregate amount of unquoted investments - Rs 3,999,000 (March 31, 2016: Rs 3,999,000)		
Aggregate provision for diminution in value of investments - Rs 3,899,010 (March 31, 2016: Rs 3,899,010)		

14 : DEFERRED TAX ASSETS

Deferred tax assets and liabilities are attributable to the following:

(Amount in Rs)

	As at March 31, 2017	Charges/(Benefits) for the year	As at March 31, 2016
Deferred tax assets			
Provision for bonus	5,28,410	5,28,410	-
Provision for doubtful receivables	73,29,774	73,29,774	-
Provision for gratuity	12,57,154	12,57,154	-
Provision for leave encashment	3,94,211	3,94,211	-
Provision for doubtful advance	6,30,16,545	6,30,16,545	-
Provision for diminution in value of investments	12,04,796	12,04,796	-
Brought forward losses	15,99,81,707	15,99,81,707	-
Total Deferred tax assets (A)	23,37,12,597	23,37,12,597	
Deferred tax liability			
Depreciation and amortisation	6,52,25,597	6,52,25,597	-
Total Deferred tax liability (B)	6,52,25,597	6,52,25,597	-
Deferred tax assets (net) (A-B)	16,84,87,000	16,84,87,000	-

(Refer note no. 39)

Notes to the Financial Statements for the year ended March 31, 2017

15 : LONG TERM LOANS AND ADVANCES

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
(Unsecured and considered good unless stated otherwise)		
Security deposits	6,23,85,925	9,72,039
(includes security deposit given to a related party Rs.2,025,000 (March 31, 2016: Nil)		
Capital advances:		
- Considered good	10,46,11,809	3,71,50,516
- Considered doubtful	7,30,23,078	7,30,23,078
	17,76,34,887	11,01,73,594
Less: Provision for doubtful capital advances	(7,30,23,078)	(7,30,23,078)
	10,46,11,809	3,71,50,516
Advance tax including tax deducted at source	72,44,106	73,55,766
(Net of provisions for income tax Rs 527,587) (March 31,2016: Rs NIL)		
Loans and advances to related parties		
- Considered good	15,17,14,653	15,16,39,653
- Considered doubtful	5,11,745	4,38,445
	15,22,26,398	15,20,78,098
Less: Provision for doubtful advances to related parties	(5,11,745)	(4,38,445)
	15,17,14,653	15,16,39,653
Loans and advances to others		
- Considered doubtful	82,73,024	82,73,024
Less: Provision for doubtful advances to others	(82,73,024)	(82,73,024)
	-	-
Deposits with excise authorities	70,124	70,124
Prepaid Expenses	1,95,017	3,06,034
	32,62,21,633	19,74,94,132

16 : OTHER NON-CURRENT ASSETS

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
(Unsecured considered good unless stated otherwise)		
Deposits with Banks having maturity period of more than twelve months*	10,48,818	17,56,887
Interest accrued on non current fixed deposits	2,85,990	48,133
	13,34,808	18,05,020

*pledged with various government authorities amounting to Rs. 1,048,818 (March 31, 2016: Rs. 17,56,887)

17 : CURRENT INVESTMENT

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Unquoted, Non Trade (Valued at lower of cost and fair value)		
Investment in units of Mutual Fund		
6340.17 units (March 31, 2016: Nil) of LGR-Union Liquid Fund Growth	99,34,221	-
	99,34,221	-

NAV of units of Mutual Fund is Rs. 10,264,403 (March 31, 2016: Nil)

Notes to the Financial Statements for the year ended March 31, 2017

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

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Raw material	4,03,81,483	4,34,41,438
Packing material	3,30,92,626	3,27,85,299
Work-in-progress	1,70,25,195	1,63,08,333
Finished goods	1,49,15,679	1,31,60,750
Stores and spares	18,28,849	15,04,389
	10,72,43,832	10,72,00,209
Less: Provision for obsolete stock	-	1,40,84,115
	10,72,43,832	9,31,16,094

19 : TRADE RECEIVABLES

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
(Unsecured considered good unless stated otherwise)		
a) Outstanding for a period exceeding six months from the date they were due for payment		
Considered good	2,86,80,763	1,23,29,774
Considered doubtful	2,37,20,952	2,37,20,952
	5,24,01,714	3,60,50,726
Less: Provision for doubtful debts	(2,37,20,952)	(2,37,20,952)
	2,86,80,762	1,23,29,774
b) Other receivables (considered good)	11,08,62,913	5,67,80,872
Total (a+b)*	13,95,43,675	6,91,10,646

* Includes amount due from related parties (Refer note 37)

20 : CASH AND BANK BALANCES

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Cash on hand	2,15,582	1,16,859
Balances with banks		
On current accounts	3,82,63,450	2,46,99,327
term deposits with original maturity of 3 months or less*	1,66,12,888	20,42,918
	(A) 5,50,91,920	2,68,59,104
Other bank balances		
Term deposits with original maturity of more than 3 months but less than 12 months*	33,62,403	17,56,887
Unpaid dividend	1,32,839	1,67,691
	(B) 34,95,242	19,24,578
Total	(A+B) 5,85,87,162	2,87,83,682

* includes pledged & margin money deposits with various government authorities amounting to Rs. 1,393,693 (March 31, 2016: Rs. 1,300,402)

Notes to the Financial Statements for the year ended March 31, 2017

21. SHORT TERM LOANS AND ADVANCES

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
(Unsecured considered good unless stated otherwise)		
Loans and advances to employees	77,23,301	29,07,122
- Balances with statutory/government authorities		
Service tax receivable	339	339
Value Added tax	1,20,60,377	91,14,469
Prepaid expenses	2,41,656	9,08,105
- Advance to suppliers	2,08,70,104	3,03,72,016
(includes advances to a related party Rs.2,076,630 (March 31, 2016: Nil)		
- Loans and advances to corporates and others		
Considered doubtful	12,21,36,992	12,21,36,992
Less: Provision for doubtful advances	(12,21,36,992)	-
Security deposit	2,04,04,785	-
	6,13,00,562	4,33,02,051

22 : OTHER CURRENT ASSETS

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Interest accrued but not due on fixed deposits with banks	3,35,817	3,80,762
Asset held for sale	4,39,000	4,39,000
Other receivables *	2,06,00,000	12,11,00,000
Promotional Items	49,82,220	-
	2,63,57,037	12,19,19,762

* As per the terms of Business Transfer Agreement (BTA) dated March 21, 2016 with Avalon Cosmetics Private Limited to sell/transfer one of its undertakings known as "Waves Hygiene Products" on a 'slump sale' basis for a lump sum consideration without values being assigned to individual assets and liabilities. The agreed total consideration for sale of undertaking under slump sale was Rs.162,500,000. Out of which Rs.141,900,000 (March 31, 2016: Rs.4,14,00,000) has been received and balance is receivable.

23. REVENUE FROM OPERATIONS

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations		
Sale of manufactured goods-Oral Care Products	1,01,61,60,017	98,10,51,360
Job Work Income	2,47,15,690	-
Sale of packing material/raw material (Traded Goods)	57,26,638	1,26,38,277
Other operating revenue		
Scrap sales	81,82,736	71,65,215
Revenue from operations (gross)	1,05,47,85,081	1,00,08,54,852
Less:Excise duty (Refer Note 23.1)	-	-
Revenue from operations (net)	1,05,47,85,081	1,00,08,54,852

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

Notes to the Financial Statements for the year ended March 31, 2017

24. OTHER INCOME

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Interest income on fixed deposits	7,50,181	4,68,890
Interest income Others	18,480	18,700
Provision no longer required written back	-	12,78,059
Government grant (Refer note 5)	3,00,000	3,00,000
Foreign exchange gain (net)	-	3,11,952
Profit on sale of investment	17,07,401	11,670
Dividend income from investment	-	50,580
Provision for diminution in investment written back	-	10,88,330
Provision for doubtful advances written back	-	18,37,945
Provision for slow moving inventories written back	1,40,84,115	1,99,353
Turnover and other discounts	2,96,240	5,61,708
Miscellaneous income	24,19,719	11,73,451
	1,95,76,137	73,00,638

25. COST OF MATERIALS CONSUMED

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Cost of Raw Materials Consumed		
Stock at the beginning of the year	4,34,41,438	4,07,94,823
Add: Purchases	35,20,58,583	38,91,63,253
	39,55,00,021	42,99,58,076
Less: Stock at the end of the year	4,03,81,483	4,34,41,438
	35,51,18,538	38,65,16,638
Cost of packing materials consumed		
Stock at the beginning of the year	3,27,85,299	4,03,33,089
Add: Purchases	26,69,99,063	29,17,25,362
	29,97,84,362	33,20,58,451
Less: Stock at the end of the year	3,30,92,626	3,27,85,299
	26,66,91,736	29,92,73,152
	62,18,10,274	68,57,89,791
Cost of stores and spares consumed		
Stock at the beginning of the year	15,04,389	88,601
Add: Purchases	3,24,460	14,15,788
	18,28,849	15,04,389
Less: Stock at the end of the year	18,28,849	15,04,389
	-	-

Notes to the Financial Statements for the year ended March 31, 2017

26. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS (Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Finished goods		
At the beginning of the year	1,31,60,750	1,36,94,035
Less: At the end of the year	1,49,15,679	1,31,60,750
	(17,54,929)	5,33,285
Work-in-progress		
At the beginning of the year	1,63,08,333	94,99,687
Add: Purchases	6,26,32,480	3,97,68,871
Less: At the end of the year	1,70,25,195	1,63,08,333
	6,19,15,618	3,29,60,225
	6,01,60,689	3,34,93,510

27. EMPLOYEE BENEFITS EXPENSE (Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages, bonus and other allowances	7,97,92,149	6,70,80,594
Contribution to provident and other funds	37,11,182	30,08,517
Workmen and staff welfare expenses	15,52,717	13,81,256
Gratuity	7,38,637	6,70,757
Leave encashment	2,61,646	1,70,951
	8,60,56,331	7,23,12,075

28. FINANCE COSTS (Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense	49,08,167	34,89,928
Interest on delay in deposit of Statutory dues	50,833	1,57,861
	49,59,000	36,47,789

29. DEPRECIATION, AMORTISATION & IMPAIRMENT (Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of tangible assets	6,32,92,564	10,45,56,351
Amortisation of intangible assets	2,99,893	2,93,922
	6,35,92,457	10,48,50,273

Notes to the Financial Statements for the year ended March 31, 2017

30. OTHER EXPENSES

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Consumption of stores and spares	53,60,372	39,57,706
Power and fuel	3,44,86,515	2,99,60,703
Rent	22,87,270	21,16,172
Advertisement expenses	14,87,113	20,81,959
Business promotion expenses	19,82,897	42,73,243
Brokerage & Commission	8,93,133	6,66,159
Brand promotion expenses	29,95,483	12,38,941
Repairs and maintenance		
Plant and machinery	1,04,18,565	63,41,307
Building	11,54,492	16,43,553
Others	15,10,427	19,79,116
Provision for doubtful loan and advances	73,300	-
Provision for doubtful receivables	-	5,01,470
Fixed Deposit Witten Off	85,225	-
Freight and cartage outward	68,15,581	43,35,491
Insurance	14,03,902	6,46,096
Legal and professional fees	1,40,87,350	1,02,37,412
Rates and taxes	39,10,489	33,64,244
Telephone and postage	14,90,690	13,86,542
Printing and stationery	9,27,234	5,79,949
Travelling and conveyance expenses	2,38,74,518	1,76,92,776
Loss on sale of fixed assets (Net)	3,12,233	8,66,811
Intangible assets under development w/off	3,16,012	-
Directors' sitting fees	5,90,000	4,60,000
Job work charges	4,59,76,306	2,50,25,429
Foreign exchange Loss (Net)	65,937	-
Testing charges	89,973	1,42,728
Auditor's remuneration (Refer note 42)	17,28,448	12,17,762
Office maintenance	29,88,002	32,90,815
Advances written off	-	18,49,385
Security deposit written off	-	11,340
Service Tax Expenses	87,75,780	47,47,091
Miscellaneous expenses	64,93,549	16,33,913
	18,25,80,796	13,22,48,115

Notes to the Financial Statements for the year ended March 31, 2017

31. EXCEPTIONAL AND EXTRAORDINARY ITEMS

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
(A) EXCEPTIONAL ITEMS		
(a) Payment / Provision for fines & penalties (refer footnote no. i)	-	17,90,000
(b) Loss on asset discontinued from active use & held for sale (refer footnote no. ii)	-	4,29,17,573
	-	4,47,07,573
(B) EXTRAORDINARY ITEMS		
Loss on sale of undertaking under slump sale (refer footnote no. iii)	-	13,47,32,059
	-	13,47,32,059

- (i) The Company was unable to publish its quarterly financial results within the time as specified under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the listing agreement due to some unforeseen reasons beyond the control of the Company. The Company had paid /provided penalty amounting to Nil (March 31, 2016: Rs.1,790,000) levied by the Stock Exchanges (i.e. BSE & NSE) for non compliance of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .
- (ii) In previous year, Management had carried out a detailed exercise to identify fixed assets which were not in active use and were lying idle. As a result, fixed assets having gross value and written down value of Rs.119,615,649 and Rs.43,356,573 respectively were identified as on March 31, 2016. Consequently these assets had been classified under the head "Other Current Assets" as assets held for sale/disposal at a estimated realisable value of Rs.439,000. Therefore, loss of Rs.42,917,573 had been charged to the statement of profit and loss in previous year and shown as exceptional item.
- (iii) In previous year, the Company had entered into a Business Transfer Agreement (BTA) on March 21, 2016 with Avalon Cosmetics Private Limited to sell/transfer one of its undertakings known as "Waves Hygiene Products" on a 'slump sale' basis for a lump sum consideration without values being assigned to individual assets and liabilities. The agreed total consideration for sale of undertaking under slump sale was Rs.162,500,000 against the net assets value of Rs. 297,232,059 as on 21st March 2016. Consequently, loss of Rs.134,732,059 had been charged to the statement of profit and loss shown as an extraordinary item in previous year.

32. Contingent liabilities

- I. Claims/litigations made against the Company not acknowledged as debts:
- Sales tax demand Nil (Previous Year Nil).
 - Winding up petition filed against the Company Nil (Previous Year Nil).
 - Matters under litigation:
 - Claims against the Company by employees, vendors & customers amounting to Rs.77,59,722 (Previous Year Rs.3,72,38,145).

The management of the Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial condition and results of operations.
- II. Others:
- Bank Guarantee issued by Bank amounting to Rs. 71,10,605 (Previous Year Rs. 69,10,605).

Notes to the Financial Statements for the year ended March 31, 2017

33. As per the Master Settlement Agreement dated March 28, 2017 the ongoing dispute at various courts between the Company and various group companies of one of its major customers in India, have been settled with mutual consent and concluded positively for the Company. The Compensation amounting to Rs. 2750.00 Lakhs has been received by the Company subsequent to the year end in terms of the settlement agreement.

34. Capital commitments:

(Amount in Rs)

Particulars	March 31, 2017	March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances Rs.8,02,07,264 (March 31, 2016: Rs.1,82,296).	9,67,66,087	11,08,368

35. Employee benefit obligations

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

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

(Amount in Rs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Contribution to Provident fund*	29,00,779	23,71,733
Contribution to Employees' State Insurance Scheme*	8,10,403	6,36,784
Total	37,11,182	30,08,517

*Included in contribution to provident and other funds under employee benefit expenses (Refer Note 27)

b) **Defined benefit plan**

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

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

I. Actuarial assumptions

(Amount in Rs)

Particulars	Gratuity (unfunded)		Leave benefits (unfunded)	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Economic assumptions:				
Discount rate (p.a.)	7.30%	7.90%	7.30%	7.90%
Rate of escalation in salary (p.a.)	7.00%	7.00%	7.00%	7.00%
Rate of availing leave in the long run (p.a.)	-	-	11.00%	11.00%
Demographic assumptions:				
Retirement age	58 Years			
Mortality table (IALM)	IALM(2006-08) (March 31 2016 IALM 2006-08)			
Withdrawal rates (All ages)	7.00%			

Notes to the Financial Statements for the year ended March 31, 2017

35. Employee benefit obligations (contd.)

Note:

The discount rate has been assumed at 7.30% (March 31, 2016: 7.90%) which is determined by reference to market yield at the Balance Sheet date on Government Securities. The estimate for rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

Particulars	Gratuity (unfunded)		Leave benefits (unfunded)	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Defined benefit obligation at the beginning of the year	34,40,024	31,85,899	10,37,363	9,91,592
Interest cost	2,71,762	2,48,500	81,952	77,344
Past service cost	-	-	-	-
Current service cost	10,07,733	11,42,246	2,90,420	2,48,951
Actuarial (gain)/loss on obligation	(5,40,858)	(7,19,989)	(1,10,726)	(1,52,500)
Benefits paid	(1,10,201)	(4,16,632)	(23,244)	(1,28,024)
Present value of obligation at the end of the year	40,68,460	34,40,024	12,75,765	10,37,363
Short term provisions (Refer note 8)	2,71,337	2,16,026	2,59,857	2,10,279
Long term provisions (Refer note 8)	37,97,123	32,23,998	10,15,908	8,27,084

III. Expense recognized during the year (Amount in Rs)

Particulars	Gratuity (unfunded)		Leave benefits (unfunded)	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Current service cost	10,07,733	11,42,246	2,90,420	2,48,951
Interest cost	2,71,762	2,48,500	81,952	77,344
Curtailment cost/(credit)	-	-	-	-
Net Actuarial (gain)/loss recognized	(5,40,858)	(7,19,989)	(1,10,726)	(1,52,500)
Expenses/ (income) recognized in the Statement of Profit and Loss (Refer note 27)	7,38,637	6,70,757	2,61,646	1,70,951

IV. Amount for current and previous periods on account of experience adjustment (Amount in Rs)

Particulars	Gratuity (unfunded)				
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Present value of obligation	40,68,460	34,40,024	31,85,899	19,10,952	31,80,443
Deficit	(40,68,460)	(34,40,024)	(31,85,899)	(19,10,952)	(31,80,443)
Experience gain/ (loss) on present benefit obligation	7,56,752	6,86,472	3,82,841	17,08,615	12,89,250

Notes to the Financial Statements for the year ended March 31, 2017

35. Employee benefit obligations (contd.)

Particulars	Leave benefits (Unfunded)				
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Present value of obligation	12,75,765	10,37,363	9,91,592	6,36,695	16,47,471
Deficit	(12,75,765)	(10,37,363)	(9,91,592)	(6,36,695)	(16,47,471)
Experience gain/ (loss) on present benefit obligation	1,41,898	1,48,195	(1,73,060)	6,91,759	4,57,773

V. Employer's best estimate of contribution towards gratuity during the next year is Rs.10,23,009 (March 31, 2016: Rs. 14,29,332)

Employer's best estimate of contribution towards leave benefits during the next year is Rs.3,82,394 (March 31, 2016: Rs. 3,22,681)

36. Segment reporting

The disclosures as required by Accounting Standard 17 "Segment Reporting" are as under.

Particulars	(Amount in Rs)	
	March 31, 2017	March 31, 2016
A SEGMENT REVENUE		
i) Full service goods based-contract manufacturer - Oral care	88,06,70,261	90,37,99,877
ii) Manufacturing sale- Oral care	14,93,99,130	9,70,54,975
iii) Job work – Oral care and hygiene care	2,47,15,690	-
Total	105,47,85,081	100,08,54,852
B SEGMENT RESULTS		
i) Full service goods based-contract manufacturer - Oral care #	5,68,30,796	(13,12,064)
ii) Manufacturing sale- Oral care #	-	-
iii) Job work – Oral care and hygiene care #	-	(3,00,75,486)
iv) Unallocated	-	(17,90,000)
Total	5,68,30,796	(3,31,77,550)
Less :		
Finance Cost	49,59,000	36,47,789
Prior period Expense	-	-
Exceptional Item	-	4,47,07,573
Total profit before Tax and Extraordinary Items	5,18,71,796	(8,15,32,912)
C Capital expenditure		
i) Full service goods based-contract manufacturer - Oral care #	6,97,69,728	2,50,63,220
ii) Manufacturing sale- Oral care #	-	-
iii) Job work – Oral care and hygiene care (Refer Note 31 (B) (iii))#	-	-
Total	6,97,69,728	2,50,63,220

Notes to the Financial Statements for the year ended March 31, 2017

36. Segment reporting (contd.)

Particulars	(Amount in Rs)	
	March 31, 2017	March 31, 2016
D Depreciation		
i) Full service goods based-contract manufacturer - Oral care #	6,35,92,457	8,25,93,735
ii) Manufacturing sale- Oral care #	-	-
iii) Job work – Oral care and hygiene care	-	2,22,56,538
Total	6,35,92,457	10,48,50,273
E Net segment assets*		
i) Full service goods based-contract manufacturer - Oral care #	119,02,48,054	97,43,17,682
ii) Manufacturing sale- Oral care #	-	-
iii) Job work – Oral care and hygiene care (Refer Note 31 (B) (iii))#	-	-
Total	119,02,48,054	97,43,17,682

* Net Segment Assets = Segment Assets- Segment liabilities

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

37. Related party disclosures

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

a. Names of related parties and description of relationship:

S. No.	Relationships	Name of Related Party
i.	Enterprise under control of the reporting enterprise (Subsidiary companies)	a) JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)
		b) JHS Mechanical and Warehousing Private Limited (India)
ii.	Individuals having significant influence over the Company and Key Management Personnel (KMP)	a) Mr. Nikhil Nanda (Managing Director)
		b) Mr. Vishal Sarad Shah (upto 01.06.2016 Whole Time Director)
		c) Mr. Paramveer Singh (Chief Executive Officer)
		d) Mr. Neeraj Kumar (upto 27.10.2016 Chief Financial Officer)
		e) Mr. Ajay Kumar Bansal (w.e.f 27.10.2016 Chief Financial Officer)
		f) Ms Deepshikha Tomar (Company Secretary w.e.f 27.10.2016)
		g) Mr Dheeraj Kumar Jha (Company Secretary upto 22.10.2016)
iii.	Relatives of persons in (ii)	a) Mrs Sushma Nanda
iv.	Enterprises over which significant influence can be exercised by persons mentioned in (ii) and (iii) above or enterprise that have a member of key management in common with the reporting enterprise.	a) Berco Engineering Private Limited
		b) Dr. Fresh Inc, USA.
		c) Sunehari Exports Limited
		d) Number One Real Estate Private Limited
		e) JHS Svendgaard Retail Ventures Private Limited (Formerly known as JHS Svendgaard Infrastructure Private Limited)
		f) Apogee Manufacturing Private Limited
		g) Dr. Fresh IT Parks Private Limited
		h) Magna Waves Impex Private Limited
		i) Secure Rail India Private Limited
		j) Starpool Consultants and Advisors LLP

Notes to the Financial Statements for the year ended March 31, 2017

37. Related party disclosures (contd.)

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

(Amount in Rs)

S. No.	Transactions	Key management personnel and relatives of key management personnel	Enterprises over which key management personnel and their relatives exercise significant influence	Subsidiary Companies
a.	Revenue:			
(i)	Sales of products			
	-Apogee Manufacturing Private Ltd	-	59,45,505	-
		(-)	(38,91,489)	(-)
b.	Expenditure:			
(i)	Rent expenses			
	-Nikhil Nanda	7,42,073	-	-
		(6,87,368)	(-)	(-)
(ii)	Electricity expenses			
	-Nikhil Nanda	6,13,748	-	-
		(5,52,586)	(-)	(-)
(iii)	Directors/KMP Remuneration #			
	- Nikhil Nanda	58,43,822	-	-
		(27,00,000)	(-)	(-)
	-Paramveer Singh	16,13,168	-	-
		(15,08,328)	(-)	(-)
	-Vishal Sarad Shah	1,00,000	-	-
		(4,50,000)	(-)	(-)
	-Neeraj Mittal	4,44,604	-	-
		(6,48,891)	(-)	(-)
	-Deepshikha Tomar	1,41,264	-	-
		(-)	(-)	(-)
	-Dhiraj Kumar Jha	2,07,731	-	-
		(4,48,661)	-	-
	-Ajay Kumar Bansal	7,37,155	-	-
		(-)	(-)	(-)
c.	Unsecured loans/Advances:			
(i)	Loans/ Advances taken			
	-Nikhil Nanda	66,00,000	-	-
		(1,73,00,000)	(-)	(-)
	-Apogee Manufacturing Private Limited	-	33,95,000	-
		(-)	(-)	(-)
(ii)	Loans/ Advance repaid:			
	-Apogee Manufacturing Private Limited	-	33,95,000	-
		(-)	(14,55,292)	(-)
	-Nikhil Nanda	81,62,500	-	-
		(18,03,60,000)	(-)	(-)
d.	Loans and advances:			
(i)	Loans and advances given (including security deposits):			
	-JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)	-	-	73,300
		(-)	(-)	(-)
	-JHS Svendgaard Mechanical and Warehouse Private Limited	-	-	75,000
		(-)	(-)	(2,20,00,000)

Notes to the Financial Statements for the year ended March 31, 2017

37. Related party disclosures (contd.)

(Amount in Rs)

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
	-Nikhil Nanda	20,25,000	-	-
		(-)	(-)	(-)
(ii)	Advance Rent:			
	-Nikhil Nanda	18,00,000	-	-
		(-)	(-)	(-)
e.	Provision made- Loans and advances			
	- JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)	-	-	73,300
		(-)	(-)	(-)
(f)	Loan & Advance written Off			
	-Jones H Smith, FZE	-	-	-
		(-)	(-)	(15,05,722)
(g)	Preferential allotment :			
(i)	Preferential allotment-Amount Received			
	-Nikhil Nanda	70,12,500	-	-
		(9,26,06,250)	(-)	(-)
	-Sushma Nanda	-	-	-
		(3,13,50,000)	(-)	(-)
(ii)	Preferential allotment-Amount Refunded			
	-Nikhil Nanda	-	-	-
		(3,15,56,250)	(-)	(-)
(iii)	Equity share capital issued of Rs.10 each			
	-Nikhil Nanda	93,50,000	-	-
		(2,64,00,00)	(-)	(-)
	-Sushma Nanda	-	-	-
		(3,13,50,000)	(-)	(-)

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

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

(Amount in Rs)

S. No.	Transactions	Key management personnel and their relatives	Enterprises over which key management personnel and their relatives exercise significant influence	Subsidiary Companies
a.	Payables			
(i)	Unsecured loan:			
	-Nikhil Nanda	(11,025)	-	-
		(15,73,525)	(-)	(-)
(ii)	Other liabilities:			
	-Nikhil Nanda	(-)	-	-
		(11,81,220)	(-)	(-)
	-Vishal Sarad Shah	(-)	-	-
		(36,610)	(-)	(-)

Notes to the Financial Statements for the year ended March 31, 2017

37. Related party disclosures (contd.)

(Amount in Rs)

S. No.	Transactions	Key management personnel and their relatives	Enterprises over which key management personnel and their relatives exercise significant influence	Subsidiary Companies
b.	Receivables:			
(i)	Loans and advances (including security deposits):			
	- JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)	-	-	5,11,745
		(-)	(-)	(4,38,445)
	-JHS Svendgaard Mechanical and Warehouse Private Limited	-	-	15,17,14,653
		(-)	(-)	(15,16,39,653)
	-Nikhil Nanda	20,25,000	-	-
		(-)	(-)	(-)
(ii)	Trade receivables (excluding provision if any) :			
	-Dr. Fresh Inc., USA	-	36,16,955	-
		(-)	(36,16,955)	(-)
	-Nikhil Nanda	18,00,000	-	-
		(-)	(-)	(-)
	-Apogee Manufacturing Private Limited	-	60,71,250	-
		(-)	(1,25,745)	(-)
c.	Investments at cost (excluding provision if any):			
	- JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)	-	-	38,99,010
		(-)	(-)	(38,99,010)
	-JHS Svendgaard Mechanical and Warehouse Private Limited	-	-	99,990
		(-)	(-)	(99,990)
d.	Provision:			
(i)	Provision for doubtful loans and advances			
	- JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)	-	-	5,11,745
		(-)	(-)	(4,38,445)
(ii)	Provision for doubtful trade receivables			
	Dr Fresh Inc, USA	-	(36,16,955)	-
		(-)	(36,16,955)	(-)
(iii)	Impairment of Investments			
	- JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)	-	-	38,99,010
		(-)	(-)	(38,99,010)
(e)	Money received against share warrants			
	-Nikhil Nanda	3,23,12,500		
		(3,46,50,000)		

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

Notes to the Financial Statements for the year ended March 31, 2017

39. Deferred Tax

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

However, during the year, the Company has, based on its operational parameters and future earnings, assessed and recognized deferred tax asset on unabsorbed depreciation and carried forward business losses. The management is confident about its virtual certainty that sufficient future taxable income will be available against which such asset can be realized. Consequently, the net deferred tax assets as at March 31, 2017 has been recognised amounting to Rs 16,84,87,000/-.

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

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

S. No.	Particulars	Units	Year ended March 31, 2017	Year ended March 31, 2016
A	Profit/(Loss) after tax	Rs.	21,98,31,209	(21,62,80,292)
B	Weighted average no. of equity shares	Nos.	4,02,40,464	2,56,87,855
C	Number of equity shares for Dilutive EPS	Nos.	5,94,03,793	2,56,87,855
	Nominal value per share	Rs.	10	10
	Basic Earnings/(Loss) per share (A/B)	Rs.	5.46	(8.42)
	Dilutive Earnings/(Loss) per share (A/C)	Rs.	3.70	(8.42)

41. Obligation on long term, cancellable operating lease:

The Company has taken premises under cancellable operating leases with an option of renewal at the end of the lease term with mutual consent. There are scheduled escalation clauses. Lease rental expense of Rs. 22,87,270 (March 31, 2016: Rs. 21,16,172) charged to the Statement of Profit and Loss during the year.

42. Auditor's remuneration *

(Amount in Rs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Statutory audit fees	8,05,000	6,87,000
Tax audit fees	2,30,000	1,83,200
Other matters		
- Limited reviews	3,45,000	2,74,400
- Out of pocket expenses	62,048	73,162
- Certification Fees	2,86,400	-
Total	17,28,448	12,17,762

*Including service tax

Notes to the Financial Statements for the year ended March 31, 2017

43. Disclosure on details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 is as under:

(Amount in Rs)

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on 08 November 2016	36,000	21,92,823	22,28,823
(+) Permitted receipts	NIL	23,55,300	23,55,300
(-) Permitted payments	NIL	41,32,750	41,32,750
(-) Amount deposited in Banks	36,000	NIL	36,000
Closing cash in hand as on 30 December 2016	NIL	4,15,373	4,15,373

* Specified Bank Notes are as defined in the notification of the Government of India, Ministry of Finance, Department of Economic Affairs No. S.O. 3407(E), dated 08th November 2016.

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

45. Transactions in foreign currency

(Amount in Rs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Expenditure		
Travelling	10,86,828	7,56,533
Business Promotion	1,62,377	4,65,655
Brand Promotion	15,88,194	-
Total	28,37,399	12,22,188

46. Details of derivative instruments and un hedged foreign currency exposures as at March 31, 2017 are as under:

(a) There are no derivative instruments during the year and as at March 31, 2017 and March 31, 2016.

(b) Particulars of unhedged foreign currency exposure as on March 31, 2017:

Particulars	March 31, 2017			March 31, 2016		
	Currency	Amount in Foreign Currency	Amount in Rs.	Currency	Amount in Foreign Currency	Amount in Rs.
A. Receivable in foreign currency						
Trade Receivables*	USD	3,75,048	2,33,37,142	USD	3,74,983	2,33,32,927
Trade Receivables*	EURO	5,24,855	3,63,44,955	EURO	-	-
Advance to Suppliers	USD	62,668	42,68,230	USD	22,566	15,23,553
Advance to Suppliers	EURO	16,905	12,43,347	EURO	-	-
B. Payables in foreign currency						
Trade payables	USD	1,40,235	90,92,674	USD	58,414	38,62,549

* There is a provision of Rs. 2,33,32,927/- (March 31, 2016: Rs. 2,33,32,927/-) against these receivable balances.

Notes to the Financial Statements for the year ended March 31, 2017

47. Details of consumption and purchases

a. Raw material, packing material and other material consumed

(Amount in Rs)

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Nylon bristles	5,81,25,307	4,17,58,827
Anchor wire	1,05,00,522	75,54,195
Polyproplene	7,88,58,260	6,09,17,047
Chemicals	9,57,33,735	14,85,34,506
Flavour	5,60,28,577	7,56,87,868
Empty Tube	10,69,08,734	13,10,84,030
Monocarton	4,70,18,841	6,26,93,154
Packing/other material	16,86,36,298	15,75,60,164
Total	62,18,10,274	68,57,89,791

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

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	%	Amount (Rs.)	%	Amount (Rs.)
Raw material (including packing material)				
Imported	7.08	4,40,17,801	2.61	1,79,19,503
Indigenous	92.92	57,77,92,473	97.39	66,78,70,288
Total	100.00	62,18,10,274	100.00	68,57,89,791

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

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	%	Amount (Rs.)	%	Amount (Rs.)
Stores and Spares				
Imported	-	-	5.92	2,34,321
Indigenous	100.00	53,60,372	94.08	39,57,705
Total	100.00%	53,60,372	100.00	39,57,706

d. Value of imports on CIF basis

(Amount in Rs)

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Raw material	3,09,14,676	1,79,19,503
Capital goods	77,46,368	20,45,137
Spare Parts	-	2,34,321
WIP	14,11,708	6,17,137
Total	4,00,72,752	2,08,16,098

Notes to the Financial Statements for the year ended March 31, 2017

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

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

(Amount in Rs)

Particulars	JHS Svendgaard Brands Limited (Formerly known as JHS Svendgaard Dental Care Limited)	JHS Mechanical and Warehouse Private Limited
Balance as at March 31, 2017 excluding provision	5,11,745	15,17,14,653
	(4,38,445)	(15,16,39,653)
Maximum balance during the year ended March 31, 2017	5,11,745	15,17,14,653
	(4,38,445)	(15,16,39,653)
Provision against loan balance as at March 31, 2017	5,11,745	-
	(4,38,445)	(-)

Figures in brackets represents previous year figure.

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

Particulars of loan given

(Amount in Rs)

S.No.	Name	Outstanding Balances	Purpose
1	JHS Mechanical and Warehouse Private Limited	15,17,14,653 (15,16,39,653)	Purchase of land
2	A.R. Textiles Private Limited*	12,21,36,992 (12,21,36,992)	Intercompany financing

*Doubtful of recovery and fully provided for.

Figures in brackets represents previous year figure.

Particulars of Investment Made

(Amount in Rs)

S.No.	Name of Investee	Investment Made
1	JHS Svendgaard Brands Limited (Formerly known as JHS Svendgaard Dental Care Limited)#	38,99,010 (38,99,010)
2	JHS Mechanical and Warehousing Private Limited	99,990 (99,990)

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

Figures in brackets represents previous year figure.

Notes to the Financial Statements for the year ended March 31, 2017

50. The Company is not meeting the eligibility criteria as prescribed in section 135 of Companies Act 2013 for spending on corporate social responsibility and hence no such expenditure has been incurred during the year.
51. Previous year figures have been regrouped/ reclassified wherever considered necessary to confirm to the presentation of current year's financial statements.

As per our report of even date attached.

For S.N. Dhawan & Co LLP

(Formerly S. N. Dhawan & Co.)

Chartered Accountants

Firm Registration No.: 000050N/N500045

S.K.Khattar

Partner

Membership no.: 084993

Place : New Delhi

Date : 23.05.2017

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

Nikhil Nanda

Managing Director

DIN : 00051501

Deepshikha Tomar

Company Secretary &

Compliance Officer

Membership No. A40863

Vanamali Polavaram

Chairman

DIN : 01292305

Ajay Kumar Bansal

Chief Financial Officer

Independent Auditor's Report

To the Members of
JHS Svendgaard Laboratories Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of JHS Svendgaard Laboratories Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement, for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the group and its associates and its jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

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

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

Basis for Qualified Opinion

Referencing to the note no. 33 to the consolidated financial statements, the Company has not recognised an income amounting to Rs. 2,750.00 Lakhs on account of compensation agreed and received subsequent to the year-end in terms of settlement agreement with its customers dated March 28, 2017 in the financial statements for the year ended March 31, 2017, which constitutes a departure from the Accounting Standards prescribed in section 133 of the

Companies Act, 2013. Had the management recognised the said exceptional income, would have increased by Rs. 2,750.00 Lakhs. The carrying amount of other current assets would have increased by Rs. 2,475 Lakhs, net profit after tax and reserves and surplus would have increased by Rs. 1,900.25 Lakhs and deferred tax assets would have reduced by Rs. 849.75 Lakhs.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on the separate financial statements and on the other financial information of the subsidiaries as noted below, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group as at March 31, 2017, and their consolidated profit (financial performance), and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements two subsidiaries, included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs.1485.82 Lakhs and net assets of Rs. (46.55) Lakhs as at March 31, 2017, total revenues (after eliminating intra-group transactions) of Nil and net cash flows amounting to Rs.0.42 Lakhs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our qualified opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act and based on the auditor's reports and other financial information of the subsidiaries, as noted in the 'Other matter' paragraph, we report that:
 - a) We have sought, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors,
 - c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) Except for the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of the subsidiaries, as noted in the 'Other matter' paragraph:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group-Refer Note 32 to the consolidated financial statements;
 - (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries incorporated in India during the year ended March 31, 2017.
 - (iv) The Holding Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 43.

For **S.N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

S. K. Khattar
Partner
Membership No.: 084993

Place: New Delhi
Date: May 23, 2017

Annexure "A" to the Independent Auditor's Report

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of JHS Svendgaard Laboratories Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on Internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the respective company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, its

associate companies and jointly controlled companies as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls over financial reporting and their operating effectiveness. Our audit of Internal financial controls over financial reporting included obtaining an understanding of Internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Internal financial controls over financial reporting of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies as aforesaid.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's Internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of Internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud

may occur and not be detected. Also, projections of any evaluation of the Internal financial controls over financial reporting to future periods are subject to the risk that the Internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on Internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

For **S.N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

S. K. Khattar
Partner
Membership No.: 084993

Place: New Delhi
Date: May 23, 2017

Consolidated Balance Sheet as at March 31, 2017

(Amount in Rs)

	Notes	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	44,12,04,650	37,63,50,000
(b) Reserves and surplus	4	85,62,69,563	57,05,63,573
(c) Money received against share warrants		4,62,27,500	5,89,46,250
		1,34,37,01,713	1,00,58,59,823
(2) Deferred government grant	5	12,00,000	15,00,000
(3) Non-current liabilities			
(a) Long term borrowings	6	64,65,342	1,12,92,069
(b) Other Long Term liabilities	7	-	37,53,540
(c) Long term provisions	8	48,13,031	40,51,082
		1,12,78,373	1,90,96,691
(4) Current liabilities			
(a) Short term borrowings	9	9,80,946	25,43,446
(b) Trade payables	10		
- Total Outstanding dues of micro & small enterprises		-	-
- Total Outstanding dues of trade payables other than micro & small enterprises		13,97,11,824	13,36,06,504
(c) Other current liabilities	11	5,56,03,534	4,69,34,315
(d) Short term provisions	8	5,31,194	4,26,305
		19,68,27,498	18,35,10,570
TOTAL		1,55,30,07,584	1,20,99,67,084
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment			
- Tangible assets	12	65,01,15,225	65,02,20,555
- Intangible assets	12	5,79,980	7,73,823
- Capital work-in-progress		67,40,906	64,72,053
- Intangible assets under development		-	3,16,012
(b) Deferred tax assets (net)	13	16,84,87,000	-
(c) Long term loans and advances	14	30,07,06,988	19,40,54,479
(d) Other non-current assets	15	13,34,808	18,05,020
		1,12,79,64,907	85,36,41,942
(2) Current assets			
(a) Current Investments	16	99,34,221	-
(b) Inventories	17	10,72,43,832	9,31,16,094
(c) Trade receivables	18	13,95,43,676	6,91,10,647
(d) Cash and bank balances	19	5,86,63,326	2,88,17,551
(e) Short term loans and advances	20	8,33,00,562	4,33,02,051
(f) Other current assets	21	2,63,57,060	12,19,78,798
		42,50,42,677	35,63,25,142
TOTAL		1,55,30,07,584	1,20,99,67,084
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date attached.

For S.N. Dhawan & Co LLP

(Formerly S. N. Dhawan & Co.)

Chartered Accountants

Firm Registration No.: 000050N/N500045

S.K.Khattar

Partner

Membership no.: 084993

Place : New Delhi

Date : 23.05.2017

For and on behalf of the Board of Directors of

JHS Svendgaard Laboratories Limited
Nikhil Nanda

Managing Director

DIN : 00051501

Deepshikha Tomar

Company Secretary &

Compliance Officer

Membership No. A40863

Vanamali Polavaram

Chairman

DIN : 01292305

Ajay Kumar Bansal

Chief Financial Officer

Statement of Consolidated Profit and Loss for the year ended March 31, 2017 (Amount in Rs)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
INCOME			
Revenue from operations (Gross)	22	1,05,47,85,081	1,00,08,54,852
Less: Excise Duty		-	-
Revenue from operations (Net)		1,05,47,85,081	1,00,08,54,852
Other income	23	1,95,76,161	73,00,638
Total revenue		1,07,43,61,241	1,00,81,55,490
EXPENSES			
Cost of materials consumed	24	62,18,10,274	68,57,89,790
Purchase of stock in trade (packing material/raw material)		33,29,874	1,26,38,277
(Increase)/decrease in inventories of finished goods and work-in-progress	25	6,01,60,689	3,34,93,510
Employee benefits expense	26	8,60,56,331	7,23,12,075
Finance costs	27	49,59,682	36,47,789
Depreciation, amortisation and impairment	28	6,36,33,775	10,48,91,831
Other expenses	29	18,26,25,349	13,23,37,527
Total expenses		1,02,25,75,973	1,04,51,10,799
Profit/ (loss) before exceptional items, extra ordinary items and tax		5,17,85,268	(3,69,55,309)
Less: Exceptional Items	30 (A)	59,036	4,47,07,573
Less: Extraordinary Items	30 (B)	-	13,47,32,059
Profit/ (loss) before tax		5,17,26,232	(21,63,94,941)
Tax Expense:			
- Current tax		5,27,587	-
- Deferred tax charge / (benefit) (Refer note 13)		(16,84,87,000)	-
- Tax for earlier years		-	16,320
Total tax expense		(16,79,59,413)	16,320
Profit/ (loss) for the year		21,96,85,645	(21,64,11,261)
Earnings/ (loss) per share	39		
(Nominal value Rs. 10/- share)			
- Basic EPS (Including extra ordinary item)		5.46	(8.42)
- Diluted EPS (Including extra ordinary item)		3.70	(8.42)
- Basic EPS (Excluding extra ordinary item)		5.46	(3.18)
- Diluted EPS (Excluding extra ordinary item)		3.70	(3.18)
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date attached.

For S.N. Dhawan & Co LLP

(Formerly S. N. Dhawan & Co.)

Chartered Accountants

Firm Registration No.: 000050N/N500045

S.K.Khattar

Partner

Membership no.: 084993

Place : New Delhi

Date : 23.05.2017

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

Nikhil Nanda

Managing Director

DIN : 00051501

Deepshikha Tomar

Company Secretary &

Compliance Officer

Membership No. A40863

Vanamali Polavaram

Chairman

DIN : 01292305

Ajay Kumar Bansal

Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2017

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before exceptional, extra ordinary items, prior period expenses and tax	5,17,85,268	(3,69,55,309)
Adjustments for:		
Depreciation, amortisation and impairment	6,36,33,775	10,48,91,831
Interest income	(7,68,684)	(4,87,590)
Government grant amortisation (income)	(3,00,000)	(3,00,000)
Provisions no longer required written back	-	(12,78,059)
Security deposit written off	-	11,340
Turnover discount	(2,96,240)	(5,61,708)
Loss/(profit) on sale of fixed assets	3,12,233	8,66,811
Provision for doubtful receivables	-	5,01,470
Profit on sale of investment	(17,07,401)	(11,670)
Provision for doubtful advances Written back	-	(18,37,945)
Provision for doubtful advances	-	-
Provision for diminution in value of investments written back	-	(10,88,330)
Provision for slow moving stock written back	(1,40,84,115)	(1,99,353)
Advances written off	-	18,49,385
Intangible assets under development w/off	3,16,012	-
Unrealised Loss (gain) on foreign currency receivables and payables	(17,46,577)	-
Dividend income from investment	-	(50,580)
Interest and financial charges	49,59,682	36,48,488
Operating profit before working capital changes	10,21,03,953	6,89,98,782
Adjustment for:		
Increase in inventories	(43,623)	(27,89,974)
(Increase)/Decrease in trade receivables	(6,91,61,726)	5,35,46,367
Decrease/ (increase) in short term loans and advances	(3,99,98,511)	(2,23,29,665)
(Increase)/Decrease in other current assets	(49,82,220)	(4,37,955)
(Increase)/Decrease in long term loans and advances	(6,13,02,869)	(52,156)
(Increase)/Decrease in other non-current assets	7,08,069	(10,40,280)
Increase/ (decrease) in trade payables	68,76,834	1,72,48,783
Increase/ (decrease) in provisions	8,66,838	2,92,150
Increase/ (decrease) in Other long term & current liabilities	20,14,241	(15,10,87,965)
Cash generated from operations	(6,29,19,014)	(3,76,51,913)
Taxes paid	(4,15,926)	(33,465)
Net cash generated from operating activities	(6,33,34,940)	(3,76,85,379)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(10,77,24,400)	(2,96,75,099)
Sale of Property, Plant and Equipment	15,70,032	15,00,000
Proceeds from sale of current investment	10,44,73,180	-
Purchase of current investment	(11,27,00,000)	11,00,000
Sale proceeds of wave hygiene products business	10,05,00,000	4,14,00,000
Dividend Income	-	50,580
Interest income received	5,75,749	4,17,720
Net cash used in investing activities	(1,33,05,439)	1,47,93,201

Consolidated Cash Flow Statement for the year ended March 31, 2017

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/ (repayment of) long term borrowings	(48,26,727)	2,04,53,684
Proceeds from/ (repayment of) short term borrowings	(15,62,500)	(18,30,60,000)
Proceed from Share Capital and securities premium	13,08,74,995	14,89,37,228
Proceed/(utilization) from/of Share Warrant	(1,27,18,750)	5,89,46,250
Interest and financial charges	(52,80,864)	(32,14,521)
Net cash used in financing activities	10,64,86,154	4,20,62,640
Net Increase/(decrease) in cash and cash equivalents	2,98,45,775	1,91,69,410
Opening balance of cash and cash equivalents	2,88,17,551	96,48,141
Closing balance of cash and cash equivalents	5,86,63,326	2,88,17,551
Components of cash and cash equivalents as at end of the year		
Cash on hand	2,29,842	1,32,023
Balances with banks		
- on current account	3,83,05,354	2,47,18,032
- in term deposits with original maturity of 3 months or less	1,66,32,888	20,42,918
Other bank balances		
- in unpaid dividend account	1,32,839	1,67,691
- Term deposits with original maturity of more than 3 months but less than 12 months	33,62,403	17,56,887
Cash and bank balance (Refer note 19)	5,86,63,326	2,88,17,551

Note:

- I. The accompanying notes form an integral part of the financial statements.
- II. The above cash flow statement has been prepared under the indirect method set out in Accounting Standard 3 'Cash Flow Statement'.

As per our report of even date attached.

For S.N. Dhawan & Co LLP

(Formerly S. N. Dhawan & Co.)

Chartered Accountants

Firm Registration No.: 000050N/N500045

S.K.Khattar

Partner

Membership no.: 084993

Place : New Delhi

Date : 23.05.2017

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

Nikhil Nanda

Managing Director

DIN : 00051501

Deepshikha Tomar

Company Secretary &

Compliance Officer

Membership No. A40863

Vanamali Polavaram

Chairman

DIN : 01292305

Ajay Kumar Bansal

Chief Financial Officer

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

1. BACKGROUND

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

The Company along with its subsidiaries is hereinafter collectively referred to as a 'Group'. The entities under the group are engaged in trading of personal care products, providing dental care services and warehousing/renting services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of Consolidated financial Statements

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

b. Principles of Consolidation

i. The consolidated financial statements include the financial statements of JHS Svendgaard Laboratories Limited ("Parent company/company) and its subsidiaries (collectively known as "the group"):

Name of Subsidiaries	Country of Incorporation	Ownership Interest
JHS Svendgaard Brands Limited	India	95.12%
JHS Mechanical & Warehouse Private Limited	India	99.99%

ii. The consolidated financial statements have been prepared on the following basis:

- The consolidated financial statements have been prepared in accordance with the Accounting Standard 21, "Consolidated Financial Statements" specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- The financial statement have been consolidated on a line by line basis by adding together the book value of assets, liabilities, income & expenses, after fully eliminating intra group balances and intra group transaction resulting in unrealized profits/ losses, if any.
- The consolidated financial statements have been prepared by using uniform accounting policies for like transaction and other events in similar circumstances and are presented to the extent possible in the same manner as those of the Parent Company independent financial statements unless stated otherwise.
- The operations of the foreign subsidiaries have been considered by the management, as non integral operation.
- The difference between the cost to the company of its investments in its subsidiary and its portion of equity of subsidiary at the dates they become subsidiary, is recognized in the financial statements as goodwill or capital reserve, as the case may be. This is based upon determination of pre-acquisition profit/loss and of the net worth on the date of acquisition determined by the management on the basis of certain estimates which have been relied upon by the auditors.
- Minority interest in the consolidated financial statement is identified and recognized after taking into consideration, the minority share of movement in equity since the date parent-subsidiary relationship came into existence. The profit/loss attributable to the minorities is adjusted against the income of the group in order to arrive at the net income attributable to the company.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

- The consolidated financial statements are presented, to the extent possible and required, in the same format as that adopted by the Parent Company for its separate financial statements.

c. Use of estimates

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

d. Operating Cycle

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

e. Tangible assets

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

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

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

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

f. Intangible assets

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

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

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

g. Depreciation / Amortization

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Act, 2013.

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

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

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

h. Impairment of assets

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

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

i. Cash and cash equivalents

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

j. Inventories

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

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

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

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

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

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

k. Revenue recognition

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

Sale of goods

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Interest income

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

Dividend income

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

Export incentives

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

Sale of scrap

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

Service income

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

Reimbursement Receipts

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

l. Borrowing cost

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

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

m. Foreign currency transactions

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

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

Translation of integral and non integral foreign operations.

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

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

n. Investments

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

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

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

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

o. Employee Benefits

Short term employee benefits:

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

Long term employee benefits:

- Defined contribution plans: Provident Fund

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

Defined contribution plans: Employee State Insurance

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

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

- Defined benefit plans: Gratuity

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

- Other long-term benefits: Leave benefits

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

p. Segment reporting

Identification of segments

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

Allocation of common cost

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

Unallocated items

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

Segment policies

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

q. Accounting for taxes on income

Income tax expenses comprises of current tax and deferred tax.

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

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

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

r. Government grant

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

- (a) where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and
- (b) Where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.

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

s. Provisions, contingent liabilities and contingent assets

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Provision

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

Contingent liabilities

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

Contingent assets

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

t. Earnings per share

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

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

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

u. Leases

Operating lease

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

Finance lease

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

v. Material events

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

3 : SHARE CAPITAL

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

	As at March 31, 2017		As at March 31, 2016	
	Numbers	Amount in Rs	Numbers	Amount in Rs
Authorised shares				
Equity shares of Rs.10/- each	6,50,00,000	65,00,00,000	6,00,00,000	60,00,00,000
Issued, subscribed & fully paid up shares				
Equity shares of Rs.10/- each	4,41,20,465	44,12,04,650	3,76,35,000	37,63,50,000

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Numbers	Amount in Rs	Numbers	Amount in Rs
At the beginning of the year	3,76,35,000	37,63,50,000	2,40,95,252	24,09,52,520
Add : Shares issued during the year *	64,85,465	6,48,54,650	1,35,39,748	13,53,97,480
At the end of the year	4,41,20,465	44,12,04,650	3,76,35,000	37,63,50,000

* Pursuant to approval of shareholders by way of special resolution in accordance with section 42 & 62 of the Companies Act, 2013 and Rules made thereunder and as per SEBI (ICDR) Regulations, 2009 the Company approved preferential allotment of 34,974,748 fully convertible warrants of Rs.10 each at an issue price of Rs.11 per warrant. Out of this, the Company has converted 18164748 (upto March 31 2016: 13539748) fully convertible share warrants into equal number of fully paid up equity shares after receiving full issue price of Rs 11/- per warrant from the respective allottees.

Pursuant to special resolution passed in the Extraordinary General Meeting held on January 10, 2017, the Company has approved and issued on preferential basis, 1860465 nos. fully paid equity shares at an issue price of Rs 43/- per share to HT Media Limited via Share Subscription Agreement dated January 25, 2017. These shares have subsequently been listed.

b) Terms / rights attached to equity shares

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

Dividends : The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case where interim dividend is distributed. During the year ended March 31, 2017 and March 31, 2016, no dividend has been declared by the Company.

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

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

3 : SHARE CAPITAL (contd.)

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

	As at March 31, 2017			As at March 31, 2016		
	Numbers	% held	Amount in Rs	Numbers	% held	Amount in Rs
Nikhil Nanda	1,20,60,774	27.34%	12,06,07,740	1,12,10,774	29.79%	11,21,07,740
Tano Mauritius India FVCI	14,73,339	3.34%	1,47,33,390	34,99,999	9.30%	3,49,99,990
Sixth Sense India Opportunities-I	30,00,000	6.80%	3,00,00,000	30,00,000	7.97%	3,00,00,000
Sushma Nanda	30,65,983	6.95%	3,06,59,830	30,65,983	8.15%	3,06,59,830
Chaitali Vohra	35,00,000	7.93%	3,50,00,000	-	-	-
Amit Saxena	20,00,000	4.53%	2,00,00,000	20,00,000	5.31%	2,00,00,000

4 : RESERVES AND SURPLUS

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
4.1 Capital Reserves		
Opening balance	33,24,01,257	33,24,01,257
Addition/Deletion during the year	-	-
Closing balance (A)	33,24,01,257	33,24,01,257
4.2 Securities premium account		
Opening balance	84,07,50,836	82,72,11,088
Add : Premium on warrant converted to shares	46,25,000	1,35,39,748
Add : Premium on preferential issue (Refer foot note of Note 3(a))	6,13,95,345	-
Closing balance (B)	90,67,71,181	84,07,50,836
4.3 General reserves		
Opening balance	6,67,750	6,67,750
Addition during the year	-	-
Closing balance (C)	6,67,750	6,67,750
4.4 Deficit in the Statement of Profit and Loss		
Opening balance	(60,32,56,270)	(25,10,99,051)
Add: Profit/(loss) for the year transferred from the Statement of Profit and Loss	21,96,85,645	(21,64,11,261)
Add: Adjustment for Minority Interest	-	2,00,050
Less: Opening reserve of Foreign subsidiary	-	(13,59,46,008)
Closing balance (D)	(38,35,70,625)	(60,32,56,270)
4.5 Foreign Currency Translation Reserve		
Opening balance	-	4,58,57,342
Add: Addition during the year	-	-
Less : adjustment on a/c of sale of invetsment in subsidiary	-	4,58,57,342
Closing balance (E)	-	-
Total reserves and surplus (A+B+C+D)	85,62,69,563	57,05,63,573

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

5 : DEFERRED GOVERNMENT GRANT

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Opening balance (Refer footnote 5.1)	15,00,000	18,00,000
Less: Current year apportionment to Statement of Profit & Loss (Refer note 23)	3,00,000	3,00,000
Closing balance	12,00,000	15,00,000

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

6 : LONG TERM BORROWINGS

(Amount in Rs)

	Non-current portion		Current maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Secured				
Vehicle loans*				
from banks	-	2,92,069	2,92,069	7,70,777
from Others	64,65,342	-	13,91,400	-
	64,65,342	2,92,069	16,83,469	7,70,777
Amount disclosed under the head Other current liabilities (Refer note 11)	-	-	(16,83,469)	(7,70,777)
Net amount (A)	64,65,342	2,92,069	-	-
Unsecured				
Unsecured Loan from other **	-	1,10,00,000	1,10,00,000	1,10,00,000
	-	1,10,00,000	1,10,00,000	1,10,00,000
Amount disclosed under the head Other current liabilities (Refer note 11)	-	-	(1,10,00,000)	(1,10,00,000)
Net amount (B)	-	1,10,00,000	-	-
TOTAL (A+B)	64,65,342	1,12,92,069	-	-

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

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

7 : OTHER LONG TERM LIABILITIES

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Payable for capital goods	-	37,53,540
	-	37,53,540

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

8 : PROVISIONS

(Amount in Rs)

	Long term		Short term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Provisions for employees benefits				
Provision for gratuity	37,97,123	32,23,998	2,71,337	2,16,026
Provision for leave benefits	10,15,908	8,27,084	2,59,857	2,10,279
	48,13,031	40,51,082	5,31,194	4,26,305

9 : SHORT TERM BORROWINGS

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Unsecured		
Interest free loan from related parties repayable on demand (Refer note 36)	9,80,946	25,43,446
	9,80,946	25,43,446

10 : TRADE PAYABLES

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Trade payables (Refer note 41 for details of dues to Micro Small & Medium Enterprises)		
-Total Outstanding dues of Micro & Small Enterprises	-	-
-Total Outstanding dues of trade payables other than Micro & Small Enterprises	13,97,11,824	13,36,06,504
	13,97,11,824	13,36,06,504

11 : OTHER CURRENT LIABILITIES

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Current maturities of long-term Borrowings (Refer note 6)	1,26,83,469	1,17,70,777
Interest accrued but not due on borrowings	1,32,671	4,53,854
Book overdraft	20,98,795	4,27,203
Payable for Capital goods (Refer note 41 for details of dues to Micro Small & Medium Enterprises)	1,07,75,924	75,53,303
Advance received from customers	61,99,727	34,73,992
Unclaimed dividend *	1,32,749	1,67,602
Statutory dues	34,95,699	49,88,962
Expenses payables (Refer note 41 for details of dues to Micro Small & Medium Enterprises)	70,17,558	78,81,154
Payable to employees (Refer note 36)	1,30,66,941	1,02,17,468
	5,56,03,534	4,69,34,315

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

12: Property, Plant and Equipment

(Amount in Rs)

Particulars	GROSS BLOCK (AT COST)			ACCUMULATED DEPRECIATION & AMORTIZATION			NET BLOCK		
	As at April 1, 2016	Additions	Disposals/ adjustments*	As at March 31, 2017	As at April 1, 2016	Depreciation & amortization for the year	Disposals/ adjustments*	As at March 31, 2017	As at March 31, 2016
Own assets:									
Tangible assets									
Freehold Land	2,34,67,254	-	-	2,34,67,254	-	-	-	2,34,67,254	2,34,67,254
Factory Building	20,16,37,358	95,00,000	-	21,11,37,358	4,47,51,654	66,10,824	-	15,97,74,880	15,68,85,704
Office Building	1,71,16,367	-	-	1,71,16,367	28,15,705	6,03,991	-	1,36,96,672	1,43,00,662
Plant & Machinery	69,33,21,094	3,57,44,712	-	72,90,65,806	29,28,02,596	4,21,28,208	-	39,41,35,002	40,05,18,498
Mould & Dies	18,99,64,613	1,22,42,573	-	20,22,07,186	17,52,62,624	31,25,680	-	2,38,18,881	1,47,01,989
Electronic Equipment	4,80,70,043	-	-	4,80,70,043	2,93,44,301	53,72,531	-	1,33,53,212	1,87,25,742
Lab Equipment	10,20,211	-	-	10,20,211	4,92,797	1,09,761	-	4,17,654	5,27,414
Furniture & fixture	2,07,82,085	5,02,329	-	2,12,84,414	1,20,59,660	19,39,086	-	72,85,668	87,22,428
Office Equipment	1,05,65,915	8,09,688	-	1,13,75,603	98,71,977	1,34,103	-	13,69,524	6,93,938
Vehicle	2,61,07,731	61,68,477	64,46,385	2,58,29,823	1,47,60,320	32,01,275	45,64,121	1,24,32,349	1,13,47,411
Computer	34,92,112	1,43,040	-	36,35,153	31,89,621	96,764	-	3,48,767	3,02,491
Computer network	82,687	-	-	82,687	55,663	11,661	-	15,363	27,024
Total Tangible assets	1,23,56,27,472	6,51,10,819	64,46,385	1,29,42,91,905	58,54,06,919	6,33,33,882	45,64,121	65,01,15,225	65,02,20,555
Previous year	1,75,88,32,165	1,85,91,167	54,23,86,088	1,23,50,37,244	68,14,25,167	10,45,56,351	20,08,17,353	64,98,73,078	
Own assets:									
Intangible assets									
Computer software	6,77,59,53	1,06,050	-	68,82,003	60,02,130	2,99,893	-	5,79,980	7,73,823
Total Intangible assets	6,77,59,53	1,06,050	-	68,82,003	60,02,130	2,99,893	-	5,79,980	7,73,823
Previous year	6,77,59,53	-	-	6,77,59,53	57,08,208	2,93,922	-	7,73,823	

* Refer Note 29(ii) & (iii)

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

13 : DEFERRED TAX ASSETS

Deferred tax assets and liabilities are attributable to the following:

(Amount in Rs)

	As at March 31, 2017	Charges/(Benefits) for the year	As at March 31, 2016
Deferred tax assets			
Provision for bonus	5,28,410	5,28,410	-
Provision for doubtful receivables	73,29,774	73,29,774	-
Provision for gratuity	12,57,154	12,57,154	-
Provision for leave encashment	3,94,211	3,94,211	-
Provision for doubtful advance	6,30,16,545	6,30,16,545	-
Provision for diminution in value of investments	12,04,796	12,04,796	-
Brought forward losses	15,99,81,707	15,99,81,707	-
Total Deferred tax assets (A)	23,37,12,597	23,37,12,597	
Deferred tax liability			
Depreciation and amortisation	6,52,25,597	6,52,25,597	-
Total Deferred tax liability (B)	6,52,25,597	6,52,25,597	-
Deferred tax assets (net) (A-B)	16,84,87,000	16,84,87,000	-

(Refer note no. 38)

14 : LONG TERM LOANS AND ADVANCES

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
(Unsecured and considered good unless stated otherwise)		
Security deposits (Refer note 36)	6,23,85,925	9,72,039
Capital advances:		
- Considered good	23,08,11,817	18,53,50,516
- Considered doubtful	7,30,23,078	7,30,23,078
	30,38,34,895	25,83,73,594
Less: Provision for doubtful capital advances	(7,30,23,078)	(7,30,23,078)
	23,08,11,817	18,53,50,516
Advance tax including tax deducted at source (Net of provisions for income tax Rs 527,587) (March 31,2016: Rs NIL)	72,44,106	73,55,766
Loans and advances to related parties (Refer note 36)		
-Considered good	-	-
-Considered doubtful	-	-
	-	-
Less: Provision for doubtful advances to related parties	-	-
	-	-
Loans and advances to others		
- Considered doubtful	82,73,024	82,73,024
Less: Provision for doubtful advances to others	(82,73,024)	(82,73,024)
	-	-
Deposits with excise authorities	70,124	70,124
Prepaid Expenses	1,95,017	3,06,034
	30,07,06,988	19,40,54,479

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

15 : OTHER NON-CURRENT ASSETS

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
(Unsecured considered good unless stated otherwise)		
Deposits with Banks having maturity period of more than twelve months*	10,48,818	17,56,887
Interest accrued on non current fixed deposits	2,85,990	48,133
	13,34,808	18,05,020

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

16 : CURRENT INVESTMENT

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Unquoted, Non Trade (Valued at lower of cost and fair value)		
Investment in units of Mutual Fund		
6340.17 units (March 31, 2016: Nil) of LGR-Union Liquid Fund Growth NAV of units of Mutual Fund is Rs. 10,264,403 (March 31, 2016: Nil)	99,34,221	-
	99,34,221	-

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

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Raw material (includes in transit Rs.Nil (Previous Year Rs.492,886)	4,03,81,483	4,34,41,438
Packing material	3,30,92,626	3,27,85,299
Work-in-progress	1,70,25,195	1,63,08,333
Finished goods	1,49,15,679	1,31,60,750
Stores and spares	18,28,849	15,04,389
	10,72,43,832	10,72,00,209
Less: Provision for obsolete stock	-	1,40,84,115
	10,72,43,832	9,31,16,094

18 : TRADE RECEIVABLES

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
(Unsecured considered good unless stated otherwise)		
a) Outstanding for a period exceeding six months from the date they were due for payment		
Considered good	2,86,80,763	1,23,29,775
Considered doubtful	2,37,20,952	2,37,20,952
	5,24,01,715	3,60,50,727
Less: Provision for doubtful debts	(2,37,20,952)	(2,37,20,952)
	2,86,80,763	1,23,29,775
b) Other receivables (considered good)	11,08,62,913	5,67,80,872
Total (a+b)*	13,95,43,676	6,91,10,647

* Includes amount due from related parties (Refer note 36)

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

19 : CASH AND BANK BALANCES

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Cash on hand	2,29,842	1,32,023
Balances with banks		
On current accounts	3,83,05,354	2,47,18,032
term deposits with original maturity of 3 months or less*	1,66,32,888	20,42,918
(A)	5,51,68,084	2,68,92,973
Other bank balances		
Term deposits with original maturity of more than 3 months but less than 12 months*	33,62,403	17,56,887
Unpaid dividend	1,32,839	1,67,691
(B)	34,95,242	19,24,578
Total	(A+B)	2,88,17,551

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

20. SHORT TERM LOANS AND ADVANCES

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
(Unsecured considered good unless stated otherwise)		
Loans and advances to employees	77,23,301	29,07,122
- Balances with statutory/government authorities	-	
Service tax receivable	339	339
Value Added tax	1,20,60,377	91,14,469
Prepaid expenses	2,41,656	9,08,105
- Advance to suppliers	4,28,70,104	3,03,72,016
-Loans and advances to corporates and others		
Considered doubtful	12,21,36,992	12,21,36,992
Less: Provision for doubtful advances	(12,21,36,992)	-
Security deposit	2,04,04,785	-
	8,33,00,562	4,33,02,051

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

21 : OTHER CURRENT ASSETS

(Amount in Rs)

	As at March 31, 2017	As at March 31, 2016
Interest accrued but not due on fixed deposits with banks	3,35,840	3,80,762
Asset held for sale	4,39,000	4,39,000
Other receivables*	2,06,00,000	12,11,59,036
Promotional Items	49,82,220	
	2,63,57,060	12,19,78,798

* As per the terms of Business Transfer Agreement (BTA) dated March 21, 2016 with Avalon Cosmetics Private Limited to sell/transfer one of its undertakings known as "Waves Hygiene Products" on a 'slump sale' basis for a lump sum consideration without values being assigned to individual assets and liabilities. The agreed total consideration for sale of undertaking under slump sale was Rs.162,500,000. Out of which Rs.141,900,000 (March 31, 2016: Rs.4,14,00,000) has been received and balance is receivable.

22. REVENUE FROM OPERATIONS

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations		
Sale of manufactured goods (Refer note 35)	1,01,61,60,017	98,10,51,360
Job Work Income	2,47,15,690	
Other operating revenue		
Scrap sales	81,82,736	71,65,215
Sale of packing material/raw material	57,26,638	1,26,38,277
Revenue from operations (gross)	1,05,47,85,081	1,00,08,54,852
Less: Excise duty (Refer Note 22.1)	-	-
Revenue from operations (net)	1,05,47,85,081	1,00,08,54,852

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

23. OTHER INCOME

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Interest income on fixed deposits	7,50,204	4,68,890
Interest income Others	18,480	18,700
Provision no longer required written back	-	12,78,059
Government grant (Refer note 5)	3,00,000	3,00,000
Foreign exchange gain (net)	-	3,11,952
Profit on sale of investment	17,07,401	11,670
Dividend income from investment	-	50,580
Provision for diminution in investment written back	-	10,88,330
Provision for doubtful advances written back	-	18,37,945
Provision for slow moving inventories written back	1,40,84,115	1,99,353
Turnover and other discounts	2,96,240	5,61,708
Miscellaneous income	24,19,719	11,73,451
	1,95,76,161	73,00,638

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

24. COST OF MATERIALS CONSUMED

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Cost of Raw Materials Consumed		
Stock at the beginning of the year	4,34,41,438	4,07,94,823
Add: Purchases	35,20,58,583	38,91,63,253
	39,55,00,021	42,99,58,076
Less: Stock at the end of the year	4,03,81,483	4,34,41,438
	35,51,18,538	38,65,16,638
Cost of packing materials consumed		
Stock at the beginning of the year	3,27,85,299	4,03,33,089
Add: Purchases	26,69,99,063	29,17,25,362
	29,97,84,362	33,20,58,451
Less: Stock at the end of the year	3,30,92,626	3,27,85,299
	26,66,91,736	29,92,73,152
	62,18,10,274	68,57,89,790

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

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Finished goods		
At the beginning of the year	1,31,60,750	1,36,94,035
Less: At the end of the year	1,49,15,679	1,31,60,750
	(17,54,929)	5,33,285
Work-in-progress		
At the beginning of the year	1,63,08,333	94,99,687
Add: Purchases	6,26,32,480	3,97,68,871
Less: At the end of the year	1,70,25,195	1,63,08,333
	6,19,15,618	3,29,60,225
	6,01,60,689	3,34,93,510

26. EMPLOYEE BENEFITS EXPENSE

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages, bonus and other allowances	7,97,92,149	6,70,80,594
Contribution to provident and other funds (Refer note 34)	37,11,182	30,08,517
Workmen and staff welfare expenses	15,52,717	13,81,256
Gratuity (Refer note 34)	7,38,637	6,70,757
Leave encashment (Refer note 34)	2,61,646	1,70,951
	8,60,56,331	7,23,12,075

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

27. FINANCE COSTS

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense	49,08,849	34,89,928
Interest on delay in deposit of Statutory dues	50,833	1,57,861
	49,59,682	36,47,789

28. DEPRECIATION, AMORTISATION & IMPAIRMENT

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of tangible assets	6,33,33,882	10,45,97,909
Amortisation of intangible assets	2,99,893	2,93,922
	6,36,33,775	10,48,91,831

29. OTHER EXPENSES

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Consumption of stores and spares	53,60,372	39,57,706
Power and fuel	3,44,86,515	2,99,60,703
Rent	22,87,270	21,16,172
Advertisement expenses	14,87,113	20,81,959
Business promotion expenses	19,82,897	42,73,243
Brokerage & Commission	8,93,133	6,66,159
Brand promotion expenses	29,95,483	12,38,941
Repairs and maintenance	-	-
Plant and machinery	1,04,18,565	63,41,307
Building	11,54,492	16,43,553
Others	15,10,427	19,79,116
Provision for doubtful loan and advances	-	-
Provision for doubtful receivables	-	5,01,470
Fixed Deposit Witten Off	85,225	-
Freight and cartage outward	68,15,581	43,35,491
Insurance	14,03,902	6,46,096
Legal and professional fees	1,41,03,350	1,02,37,412
Rates and taxes	39,48,389	33,82,444
Telephone and postage	14,90,690	13,86,542
Printing and stationery	9,27,234	5,79,949
Travelling and conveyance expenses	2,38,89,681	1,76,92,776
Loss on sale of fixed assets (Net)	3,12,233	8,66,811
Intangible assets under development w/off	3,16,012	-
Directors' sitting fees	5,90,000	4,60,000

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

29. OTHER EXPENSES (contd.)

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
Job work charges	4,59,76,306	2,50,25,429
Foreign exchange Loss	65,937	-
Testing charges	89,973	1,42,728
Auditor's remuneration	17,74,448	12,70,364
Office maintenance	29,88,002	32,90,815
Advances written off	-	18,49,385
Security deposit written off	-	11,340
Service Tax Expenses	87,75,780	47,47,091
Miscellaneous expenses	64,96,339	16,52,523
	18,26,25,349	13,23,37,527

30. EXCEPTIONAL AND EXTRAORDINARY ITEMS

(Amount in Rs)

	Year ended March 31, 2017	Year ended March 31, 2016
(A) EXCEPTIONAL ITEMS		
(a) Payment / Provision for fines & penalties	-	17,90,000
(b) Loss on asset discontinue from Active Use & held for sale	-	4,29,17,573
(c) Balances written off	59,036	-
	59,036	4,47,07,573
(B) EXTRAORDINARY ITEMS		
Loss on sale of undertaking under slump sale	-	13,47,32,059
	-	13,47,32,059

- (i) The Company was unable to publish its quarterly financial results within the time as specified under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the listing agreement due to some unforeseen reasons beyond the control of the Company. The Company had paid /provided penalty amounting to Nil (March 31, 2016: Rs.1,790,000) levied by the Stock Exchanges (i.e. BSE & NSE) for non compliance of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .
- (ii) In previous year, Management had carried out a detailed exercise to identify fixed assets which were not in active use and were lying idle. As a result, fixed assets having gross value and written down value of Rs.119,615,649 and Rs.43,356,573 respectively were identified as on March 31, 2016. Consequently these assets had been classified under the head "Other Current Assets" as assets held for sale/disposal at a estimated realisable value of Rs.439,000. Therefore, loss of Rs.42,917,573 had been charged to the statement of profit and loss in previous year and shown as exceptional item.
- (iii) In previous year, the Company had entered into a Business Transfer Agreement (BTA) on March 21, 2016 with Avalon Cosmetics Private Limited to sell/transfer one of its undertakings known as "Waves Hygiene Products" on a 'slump sale' basis for a lump sum consideration without values being assigned to individual assets and liabilities. The agreed total consideration for sale of undertaking under slump sale was Rs.162,500,000 against the net assets value of Rs. 297,232,059 as on 21st March 2016. Consequently, loss of Rs.134,732,059 had been charged to the statement of profit and loss shown as an extraordinary item in previous year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

31. Contingent liabilities

- I. Claims/litigations made against the Company not acknowledged as debts:
- Sales tax demand Nil (Previous Year Nil).
 - Winding up petition filed against the Company Nil (Previous Year Nil).
 - Matters under litigation:
 - Claims against the Company by employees, vendors & customers amounting to Rs.77,59,722 (Previous Year Rs.3,72,38,145).

The management of the company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial condition and results of operations.
- II. Others:
- Bank Guarantee issued by Bank amounting to Rs. 71,10,605 (Previous Year Rs. 69,10,605)

32. Capital commitments:

(Amount in Rs)

Particulars	March 31, 2017	March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances Rs.8,02,07,264 (March 31, 2016: Rs.1,82,296).	9,67,66,087	11,08,368

33. As per the Master Settlement Agreement dated March 28, 2017 the ongoing dispute at various courts between the Company and various group companies of one of its major customers in India, have been settled with mutual consent and concluded positively for the Company. The Compensation amounting to Rs. 2750.00 Lakhs has been received by the Company subsequent to the year end in terms of the settlement agreement.

34. Employee benefit obligations

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

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

(Amount in Rs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Contribution to Provident fund*	29,00,779	23,71,733
Contribution to Employees' State Insurance Scheme*	8,10,403	6,36,784
Total	37,11,182	30,08,517

*Included in contribution to provident and other funds under employee benefit expenses (Refer Note 26)

- b) **Defined benefit plan**

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

34. Employee benefit obligations (contd.)

I. Actuarial assumptions

(Amount in Rs)

Particulars	Gratuity (unfunded)		Leave benefits (unfunded)	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Economic assumptions:				
Discount rate (p.a.)	7.30%	7.90%	7.30%	7.90%
Rate of escalation in salary (p.a.)	7.00%	7.00%	7.00%	7.00%
Rate of availing leave in the long run (p.a.)	-	-	11.00%	11.00%
Demographic assumptions:				
Retirement age	58 Years			
Mortality table (IALM)	IALM(2006-08) (March 31 2016 IALM 2006-08)			
Withdrawal rates (All ages)	7.00%			

Note:

The discount rate has been assumed at 7.30% (March 31, 2016: 7.90%) which is determined by reference to market yield at the Balance Sheet date on Government Securities. The estimate for rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

II. Reconciliation of opening and closing balances of defined benefit obligation

(Amount in Rs)

Particulars	Gratuity (unfunded)		Leave benefits (unfunded)	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Defined benefit obligation at the beginning of the year	34,40,024	31,85,899	10,37,363	9,91,592
Interest cost	2,71,762	2,48,500	81,952	77,344
Past service cost	-	-	-	-
Current service cost	10,07,733	11,42,246	2,90,420	2,48,951
Actuarial (gain)/loss on obligation	(5,40,858)	(7,19,989)	(1,10,726)	(1,52,500)
Benefits paid	(1,10,201)	(4,16,632)	(23,244)	(1,28,024)
Present value of obligation at the end of the year	40,68,460	34,40,024	12,75,765	10,37,363
Short term provisions (Refer note 8)	2,71,337	2,16,026	2,59,857	2,10,279
Long term provisions (Refer note 8)	37,97,123	32,23,998	10,15,908	8,27,084

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

34. Employee benefit obligations (contd.)

III. Expense recognized during the year

(Amount in Rs)

Particulars	Gratuity (unfunded)		Leave benefits (unfunded)	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Current service cost	10,07,733	11,42,246	2,90,420	2,48,951
Interest cost	2,71,762	2,48,500	81,952	77,344
Curtailment cost/(credit)	-	-	-	-
Net Actuarial (gain)/loss recognized	(5,40,858)	(7,19,989)	(1,10,726)	(1,52,500)
Expenses/ (income) recognized in the Statement of Profit and Loss (Refer note 26)	7,38,637	6,70,757	2,61,646	1,70,951

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

(Amount in Rs)

Particulars	Gratuity (unfunded)				
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Present value of obligation	40,68,460	34,40,024	31,85,899	19,10,952	31,80,443
Deficit	(40,68,460)	(34,40,024)	(31,85,899)	(19,10,952)	(31,80,443)
Experience gain/ (loss) on present benefit obligation	7,56,752	6,86,472	3,82,841	17,08,615	12,89,250

Particulars	Leave benefits (Unfunded)				
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Present value of obligation	12,75,765	10,37,363	9,91,592	6,36,695	16,47,471
Deficit	(12,75,765)	(10,37,363)	(9,91,592)	(6,36,695)	(16,47,471)
Experience gain/ (loss) on present benefit obligation	1,41,898	1,48,195	(1,73,060)	6,91,759	4,57,773

V. Employer's best estimate of contribution towards gratuity during the next year is Rs.10,23,009 (March 31, 2016: Rs. 14,29,332)

Employer's best estimate of contribution towards leave benefits during the next year is Rs.3,82,394 (March 31, 2016: Rs. 3,22,681)

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

35. Segment reporting

The disclosures as required by Accounting Standard 17 "Segment Reporting" are as under.

a) Primary Segment Reporting- Business Segment

The group's business segments are classified as under:

- i) Full services goods based contract manufacture –oral care: Includes manufacturing of oral care products as a contractor for other brands.
- ii) Full services goods based contract manufacture sale –oral care: Includes manufacturing of own brand of toothbrush and toothpaste.
- iii) Job Work- Oral care and hygiene care: Includes job work for customers on oral care and hygiene care products.
- iv) Marketing and distribution: Includes trading of goods and distribution activities.
- v) Dental care clinics: Includes dental care clinic services.

Particulars	(Amount in Rs)	
	March 31, 2017	March 31, 2016
A SEGMENT REVENUE		
i) Full service goods based-contract manufacturer - Oral care	88,06,70,261	90,37,99,877
ii) Manufacturing sale- Oral care	14,93,99,130	9,70,54,975
iii) Job work – Oral care and hygiene care	2,47,15,690	-
iv) Marketing & Distribution	-	-
v) Dental Care Clinics	-	-
Total	105,47,85,081	100,08,54,852
B SEGMENT RESULTS		
i) Full service goods based-contract manufacturer - Oral care #	5,68,30,796	(13,12,064)
ii) Manufacturing sale- Oral care #	-	-
iii) Job work – Oral care and hygiene care #	-	(3,00,75,486)
iv) Marketing and distribution	(50,576)	(36,577)
v) Dental care clinics	(1,09,254)	(94,399)
vi) Unallocated	-	(17,90,000)
Total	56,67,09,66	(3,33,08,526)
Less :		
Finance Cost	49,59,682	36,47,789
Prior period Expense	-	-
Exceptional Item	59,036	4,47,07,573
Total profit/(loss) from ordinary activities before Tax	5,16,52,248	(8,16,63,888)
C Capital expenditure		
i) Full service goods based-contract manufacturer - Oral care #	6,97,69,728	2,50,63,220
ii) Manufacturing sale- Oral care #	-	-
iii) Job work – Oral care and hygiene care (Refer Note 30 (B) (iii)) #	-	-
iv) Marketing and distribution	-	-
v) Dental care clinics	-	-
Total	6,97,69,728	2,50,63,220

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

35. Segment reporting (contd.)

(Amount in Rs)

Particulars	March 31, 2017	March 31, 2016
D Depreciation		
i) Full service goods based-contract manufacturer - Oral care #	6,35,92,457	8,25,93,735
ii) Manufacturing sale- Oral care #	-	-
iii) Job work – Oral care and hygiene care #	-	2,22,56,538
iv) Marketing and distribution	-	-
v) Dental care clinics	41,318	41,558
Total	6,36,33,775	10,48,91,831
E Net segment assets*		
i) Full service goods based-contract manufacturer - Oral care #	119,02,48,054	97,43,17,682
ii) Manufacturing sale- Oral care #	-	-
iii) Job work – Oral care and hygiene care (Refer Note 30 (B) (iii)) #	-	-
iv) Marketing and distribution	-	-
V) Dental care clinics	-	-
Total	119,02,48,054	97,43,17,682

* Net Segment Assets = Segment Assets- Segment liabilities

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

b) Secondary Segment Reporting-Geographical Segments

The analysis of geographical segments is based on the geographical location of the customers.

Secondary Segment Information: Geographical Segment

Particulars	India	Others	Total
**Segment Revenue	1,05,47,85,081	-	1,05,47,85,081
	(1,00,08,54,852)	-	(1,00,08,54,852)

Figures in bracket indicate previous year figures.

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

Segment revenue is inclusive of excise duty.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

36. Related party disclosures

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

a. Names of related parties and description of relationship:

S. No.	Relationships	Name of Related Party
i.	Individuals having significant influence over the Company and Key Management Personnel (KMP)	a) Mr. Nikhil Nanda (Managing Director)
		b) Mr. Vishal Sarad Shah (upto 01.06.2016 Whole Time Director)
		c) Mr. Paramveer Singh (Chief Executive Officer)
		d) Mr. Neeraj Kumar (upto 27.10.2016 Chief Financial Officer)
		e) Mr. Ajay Kumar Bansal (w.e.f 27.10.2016 Chief Financial Officer)
		f) Ms Deepshikha Tomar (Company Secretary w.e.f 27.10.2016)
		g) Mr Dheeraj Kumar Jha (Company Secretary upto 22.10.2016)
ii.	Relatives of persons in (i)	a) Mrs Sushma Nanda
iii.	Enterprises over which significant influence can be exercised by persons mentioned in (i) and (ii) above or enterprise that have a member of key management in common with the reporting enterprise.	a) Berco Engineering Private Limited
		b) Dr. Fresh Inc, USA.
		c) Sunehari Exports Limited
		d) Number One Real Estate Private Limited
		e) JHS Svendgaard Retail Ventures Private Limited (Formerly known as JHS Svendgaard Infrastructure Private Limited)
		f) Apogee Manufacturing Private Limited
		g) Dr. Fresh IT Parks Private Limited
		h) Magna Waves Impex Private Limited
		i) Secure Rail India Private Limited
		j) Starpool Consultants and Advisors LLP

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

(Amount in Rs)

S. No.	Transactions	Key management personnel and relatives of key management personnel	Enterprises over which key management personnel and their relatives exercise significant influence
a.	Revenue:		
(i)	Sales of products		
	-Apogee Manufacturing Private Ltd	-	59,45,505
		(-)	(38,91,489)
b.	Expenditure:		
(i)	Rent expenses		
	-Nikhil Nanda	7,42,073	-
		(6,87,368)	(-)
(ii)	Electricity expenses		
	-Nikhil Nanda	6,13,748	-
		(5,52,586)	(-)
(iii)	Directors/KMP Remuneration #		
	- Nikhil Nanda	58,43,822	-
		(27,00,000)	(-)
	-Paramveer Singh	16,13,168	-
		(15,08,328)	(-)
	-Vishal Sarad Shah	1,00,000	-
		(4,50,000)	(-)

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

36. Related party disclosures (contd.)

(Amount in Rs)

S. No.	Transactions	Key management personnel and relatives of key management personnel	Enterprises over which key management personnel and their relatives exercise significant influence
	-Neeraj Mittal	4,44,604	-
		(6,48,891)	(-)
	-Deepshikha Tomar	1,41,264	-
		(-)	(-)
	-Dhiraj Kumar Jha	2,07,731	
		(4,48,661)	
	-Ajay Kumar Bansal	7,37,155	-
		(-)	(-)
c.	Unsecured loans/Advances:		
(i)	Loans/ Advances taken		
	-Nikhil Nanda	66,00,000	-
		(1,73,00,000)	(-)
	-Apogee Manufacturing Private Limited	-	33,95,000
		(-)	(-)
(ii)	Loans/ Advance repaid:		
	-Apogee Manufacturing Private Limited	-	33,95,000
		(-)	(14,55,292)
	-Nikhil Nanda	81,62,500	-
		(18,03,60,000)	(-)
d.	Loans and advances:		
(i)	Loans and advances given (including security deposits):		
	-Nikhil Nanda	20,25,000	-
		(-)	(-)
(ii)	Advance Rent:		
	-Nikhil Nanda	18,00,000	-
		(-)	(-)
(e)	Preferential allotment :		
(i)	Preferential allotment-Amount Received (Refer foot note of Note 3(a))		
	-Nikhil Nanda	70,12,500	-
		(9,26,06,250)	(-)
	-Sushma Nanda	-	-
		(3,13,50,000)	(-)
(ii)	Preferential allotment-Amount Refunded		
	-Nikhil Nanda	-	-
		(3,15,56,250)	(-)
(iii)	Share warrants Issued (Refer foot note of Note 3(a))		
	-Nikhil Nanda	93,50,000	-
		(2,64,00,00)	(-)
	-Sushma Nanda	-	-
		(3,13,50,000)	(-)

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

36. Related party disclosures (contd.)

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

(Amount in Rs)

S. No.	Transactions	Key management personnel and their relatives	Enterprises over which key management personnel and their relatives exercise significant influence
a.	Payables		
(i)	Unsecured loan:		
	-Nikhil Nanda	(1,33,089)	-
		(16,95,589)	(-)
	-Number One Real Estate	(8,47,857)	
		(8,47,857)	
(ii)	Other liabilities:		
	-Nikhil Nanda	(-)	-
		(11,81,220)	(-)
	-Vishal Sarad Shah	(-)	-
		(36,610)	(-)
b.	Receivables:		
(i)	Loans and advances (including security deposits):		
	-Nikhil Nanda	20,25,000	-
		(-)	(-)
(ii)	Trade receivables (excluding provision if any) :	(-)	
	-Dr. Fresh Inc., USA		36,16,955
		(-)	(36,16,955)
	-Nikhil Nanda	18,00,000	-
		(-)	(-)
	-Apogee Manufacturing Private Limited	-	60,71,250
		(-)	(1,25,745)
c.	Provision:		
(i)	Provision for doubtful trade receivables		
	Dr Fresh Inc, USA	-	(36,16,955)
		(-)	(36,16,955)
(d)	Money received against share warrants		
	-Nikhil Nanda	3,23,12,500	
		(3,46,50,000)	

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

38. Deferred Tax

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

However, during the year, the Company has, based on its operational parameters and future earnings, assessed and recognized deferred tax asset on unabsorbed depreciation and carried forward business losses. The management is confident about its virtual certainty that sufficient future taxable income will be available against which such asset can be realized. Consequently, the net deferred tax assets as at March 31, 2017 has been recognised amounting to Rs 16,84,87,000/-.

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

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

S. No.	Particulars	Units	Year ended March 31, 2017	Year ended March 31, 2016
A	Profit/(Loss) after tax	Rs.	21,96,85,645	(21,64,11,261)
B	Weighted average no. of equity shares	Nos.	4,02,40,464	2,56,87,855
C	Number of equity shares for Dilutive EPS*	Nos.	5,94,03,793	2,56,87,855
	Nominal value per share	Rs.	10	10
	Basic Earnings/(Loss) per share (A/B)	Rs.	5.46	(8.42)
	Dilutive Earnings/(Loss) per share (A/C)	Rs.	3.70	(8.42)

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

40. Obligation on long term, cancellable operating lease:

The Company has taken premises under cancellable operating leases with an option of renewal at the end of the lease term with mutual consent. There are scheduled escalation clauses. Lease rental expense of Rs. 22,87,270 (March 31, 2016: Rs. 21,16,172) charged to the Statement of Profit and Loss during the year.

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

42. Details of derivative instruments and un hedged foreign currency exposures as at March 31, 2017 are as under:

- (a) There are no derivative instruments during the year and as at March 31, 2017 and March 31, 2016.
 (b) Particulars of unhedged foreign currency exposure as on March 31, 2017:

Particulars	March 31, 2017			March 31, 2016		
	Currency	Amount in Foreign Currency	Amount in Rs.	Currency	Amount in Foreign Currency	Amount in Rs.
A. Receivable in foreign currency						
Trade Receivables*	USD	3,75,048	2,33,37,142	USD	3,74,983	2,33,32,927
Trade Receivables*	EURO	5,24,855	3,63,44,955	EURO	-	-
Advance to Suppliers	USD	62,668	42,68,230	USD	22,566	15,23,553
Advance to Suppliers	EURO	16,905	12,43,347	EURO	-	-
B. Payables in foreign currency						
Trade payables	USD	1,40,235	90,92,674	USD	58,414	38,62,549

* There is a provision of Rs. 2,33,32,927/- (March 31, 2016: Rs. 2,33,32,927/-) against these receivable balances.

43. Disclosure on details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 is as under:

(Amount in Rs)

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on 08 November 2016	36,000	21,92,823	22,28,823
(+) Permitted receipts	NIL	23,55,300	23,55,300
(-) Permitted payments	NIL	41,32,750	41,32,750
(-) Amount deposited in Banks	36,000	NIL	36,000
Closing cash in hand as on 30 December 2016	NIL	4,15,373	4,15,373

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

45. JHS Svendgaard Mechanical and Warehouse Private Limited has accumulated losses of Rs.35,84,498 as on 31st March 2017 and its net worth has been fully eroded. The company has incurred a net loss of Rs.50,576 during the current year and Rs.36,577 during the previous year.

JHS Svendgaard Brands Limited (Formerly known as JHS Svendgaard Dental Care Limited) has accumulated losses of Rs.52,69,698 as on 31st March 2017 and its net worth has been fully eroded. The company has incurred a net loss of Rs.1,68,290 during the current year and Rs.95,444 during the previous year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2017

46. Additional information regarding subsidiaries

Name of Entity	Net Assets*		Share in Profit or loss	
	% of consolidated net assets	Amount (Rs.)	% of consolidated net assets	Amount (Rs.)
Parent				
JHS Svendgaard Laboratories Limited	100.64%	1,35,23,55,850	100.07%	21,98,31,209
Subsidiaries				
JHS Svendgaard Mechanical and Warehouse Private Limited	(0.27) %	(35,84,488)	(0.01) %	50,576
JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care Limited)	(0.38) %	(50,69,658)	(0.06) %	1,68,290
Minority Interest in all subsidiaries				

*Net Assets means total assets minus liabilities.

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

As per our report of even date attached.

For S.N. Dhawan & Co LLP

(Formerly S. N. Dhawan & Co.)

Chartered Accountants

Firm Registration No.: 000050N/N500045

S.K.Khattar

Partner

Membership no.: 084993

Place : New Delhi

Date : 23.05.2017

For and on behalf of the Board of Directors of

JHS Svendgaard Laboratories Limited

Nikhil Nanda

Managing Director

DIN : 00051501

Deepshikha Tomar

Company Secretary &

Compliance Officer

Membership No. A40863

Vanamali Polavaram

Chairman

DIN : 01292305

Ajay Kumar Bansal

Chief Financial Officer

FORM AOC1

Persuant to first proviso to sub-section (3) of 129 read with rule 5 of companies (Accounts) Rules, 2014

Statement Containing salient feature of the Financial Statement of Subsidiaries

PART "A" : Subsidiaries

Name Of Subsidiary	JHS SVENDGAARD BRANDS LIMITED	JHS SVENDGAARD MECHNICAL AND WAREHOUSE PRIVATE LIMITED
	Indian Subsidiary	Indian Subsidiary
Reporting Currency	INR	INR
Share Capital	40,99,050.00	1,00,000.00
Reserve and Surplus	(52,69,698.00)	(35,84,498.00)
Total Assets	3,34,937.00	14,82,47,405.00
Total Liabilities	15,05,585.00	15,17,31,903.00
Investments	-	-
Turnover	-	-
Profit Before Taxation	(1,68,290.00)	(50,576.00)
Provision For Taxation	-	-
Profit After Taxation	(1,68,290.00)	(50,576.00)
Proposed Dividend	-	-
% of Shareholding	95.12%	99.99%

Nikhil Nanda
Managing Director
DIN : 00051501

Vanamali Polavaram
Chairman
DIN : 01292305

Deepshikha Tomar
Company Secretary &
Compliance Officer
Membership No. A40863

Ajay Kumar Bansal
Chief Financial Officer

NOTICE

To

The Members,

NOTICE is hereby given that the thirteenth (13th) Annual General Meeting of the Members of **JHS SVENDGAARD LABORATORIES LIMITED** will be held on Tuesday, 29th August, 2017 at 12:00 Noon at the Registered Office of the Company at Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, District: Sirmaur, Himachal Pradesh - 173 030 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Balance Sheet and Profit and Loss for the financial year ended on 31st March, 2017 together with the Directors' & Auditors' Report thereon
2. To appoint a Director in place of Mr. Vanamali Polavaram (DIN: 01292305) who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of M/s S. N. Dhawan & Co. LLP (F R N: 00050N) as the statutory auditors of the Company and to fix their remuneration by passing the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and other applicable Rules, if any, framed thereunder, as amended from time to time, pursuant to the recommendation of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 01st September, 2015, the appointment of M/s S. N. Dhawan & Co. LLP, Chartered Accountants (Firm Registration No.00050N), as the statutory auditors of the company to hold the office till the conclusion of the next Annual General Meeting be and is hereby ratified and that the board of directors be and is hereby authorized to fix the remuneration payable to them for the financial year March 31, 2018 as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed between the auditors and the Board of Directors."

By order of the Board of Directors

For JHS Svendgaard Laboratories Limited

Sd/-

Nikhil Nanda

(Managing Director)

DIN: 00051501

Place: New Delhi

Date: 03rd August, 2017

NOTES:

1. **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.**
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than 10 percent Share capital of the Company. Members holding more than 10 percent of the total Share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member. The instrument appointing a proxy as per the format in the Annual Report should, however, be deposited at the registered office of the Company not later than 48 (forty eight) hours before the commencement of the meeting. Proxies submitted on behalf of Companies, societies, partnership firm, etc. must be supported by appropriate resolution / authority, as applicable, issued by the member of organization.
3. The Register of Members and Share Transfer Register of the Company shall remain closed from Wednesday, 23rd August, 2017 to Tuesday, 29th August, 2017 (both days inclusive).
4. The Notice of the AGM along with the Attendance slip and Proxy form is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice is being sent by the permitted mode.
5. Members may also note that the Notice of the AGM will be available on the Company's website, www.svendgaard.com. The Notice will also be available at the Company's registered office for inspection during normal business hours on working days. Members may write to us at cs@svendgaard.com if they have any queries or require communication in physical form in addition to electronic communication.
6. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
7. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on **26th August, 2017 (09:00 am)** and ends on **28th August, 2017 (5:00 pm)**. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd August, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote

- e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select “EVEN” of “Name of the company”.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@svendgaard.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

<u>EVEN (Remote e-voting Event Number)</u>	
<u>USER ID</u>	<u>PASSWORD/PIN</u>
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
 - VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd August, 2017.
 - X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd August, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or cs@svendgaard.com/ rta@alankit.com.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
 - XII. A person, whose name is recorded in the register of members or in the register of beneficial owners

maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. Mohit Dahiya (Membership No.-30192, COP: 11722) of M/s. Mohit & Associates, Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting

at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.svendgaard.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

DETAILS OF DIRECTORS WHO ARE PROPOSED TO BE APPOINTED/ REAPPOINTED AT THE ENSUING ANNUAL GENERAL MEETING, AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, ARE AS UNDER:-

Name of Director	Vanamali Polavaram
Date of Birth	24th September, 1946
Brief Resume	Mr. P. Vanamali, Non-Executive Director, (IAS Retired) aged 66 years, is a MA (English), MA (Political Science) MBA. He retired as Resident Commissioner, Government of West Bengal. He worked with the State Government of West Bengal and Government of India in various positions. He has administrative experience of over 30 years to his credit.
Date of Appointment	02nd February, 2007
Qualifications	IAS, MA (English), MA (Political Science), MBA
Expertise in specific Functional Area	Technical Guidance in Administration
Directorship held in other public Companies	1. GTFS Multi Services Limited 2. ABIRA Securities Limited 3. ABIRA Commotrade Limited
Membership/chairmanship of other public companies	Nil
Shareholding in the Company	Nil
Relationship with other Directors and KMPs of the Company	Nil

**By Order of the Board
For JHS Svendgaard Laboratories Ltd**

Date : 03rd August, 2017

Place: New Delhi

**Sd/-
Nikhil Nanda
Managing
Director
DIN: 00051501**



JHS SVENDGAARD LABORATORIES LIMITED

CIN: L24230HP2004PLC027558

Regd. Office : Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, Distt. Sirmour, Himachal Pradesh-173030

Tel: +91-1702-302100, Fax: +91-1702-238831

Website : www.svendgaard.com, E-Mail : enquiry@svendgaard.com, cs@svendgaard.com

PROXY FORM

Table with 4 columns: Name of the Member(s), Address, Email Id, Folio No./*Client Id, *DP Id.

I / We, being the member(s) of _____ shares of JHS Svendgaard Laboratories limited, hereby appoint:

- 1) _____ of _____ having mail ID _____ or failing him
2) _____ of _____ having mail ID _____ or failing him
3) _____ of _____ having mail ID _____ or failing him

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of the Company to be held on Tuesday, August 29, 2017 at Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, Distt. Sirmour, Himachal Pradesh, at 12:00 Noon and at any adjournment thereof in respect of such resolutions as are indicated below:

*I wish my above proxy to vote in the manner as indicated in the box below

Table with 4 columns: Resolution No., Resolutions, For, Against. Contains 3 rows of resolutions.

*Applicable for investors holding shares in electronic form.

Signed this day of, 2017



Signature of the member

Signature of the Proxy Holder(s)

NOTE:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights.
4. **This is only optional. Please put a 'X' in the appropriate column against the Resolution indicated in the Box If you leave the 'For ' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



JHS SVENDGAARD LABORATORIES LIMITED

CIN: L24230HP2004PLC027558

Regd. Office : Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, Distt. Sirmour, Himachal Pradesh-173030

Tel: +91-1702-302100, Fax: +91-1702-238831

Website : www.svendgaard.com, E-Mail : enquiry@svendgaard.com, cs@svendgaard.com

ATTENDANCE SLIP

(PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

Name of the attending Member (In Block Letters)	
Member's Folio Number/Client ID & DP ID	
No. of shares held Name of Proxy (in Block Letters) to be filled in if the Proxy attends instead of the Member)	

I hereby record my presence at the 13th Annual General Meeting of the Company at Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, Distt. Sirmour, Himachal Pradesh on Tuesday, August 29, 2017 at 12:00 Noon and any adjournment thereof.

*To be signed at the time of handing over the slip

*Member's/Proxy's Signature



JHS Svendgaard Laboratories Limited

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

Corporate Office: B-1/E-23, Mohan Co-operative Industrial Area, Mathura Road, New Delhi-110044