

Corporate Information

BOARD OF DIRECTORS

Chairman	D.S. Grewal
Managing Director	Nikhil Nanda
Whole-time Director	G.K. Nanda
Non Executive Director	Naveen Breja
Non Executive Independent Director	P. Vanamali J.K. Rao Mukul Pathak

COMPANY SECRETARY

Naveen Bhatnagar

STATUTORY AUDITORS

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

BANKERS

Centurion Bank of Punjab Ltd.
Oriental Bank of Commerce
Punjab National Bank
UCO Bank

REGISTRAR AND SHARE TRANSFER AGENT

Intime Spectrum Registry Limited
C-13, Panna Lal Silk Mills Compound
L.B.S. Marg, Bhandup (west),
Mumbai - 400078
Tel: 022-25960320-28
Fax: 022-25960329

REGISTERED OFFICE

Trilokpur Road, Kheri (Kala-amb),
Tehsil - Nahan, District Sirmour
Himachal Pradesh - 173 030 INDIA
Tel: + 91-1734-325128/30
Fax: + 91-1734-325130

CORPORATE OFFICE

B-1/E-23 Mohan Co-operative
Industrial Area, Mathura Road
New Delhi - 110 044 INDIA
Tel: + 91-11-30885601/02/40
Fax: + 91-11-30885604
Website: www.svendgaard.com

3rd Annual Report 2006-2007

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NOTICE

NOTICE is hereby given that the Third Annual General Meeting of the Members of the Company will be held on Saturday, 29th September 2007 at 2:30 P.M. at the Registered Office of the Company at Trilokpur Road, Kheri (Kala-amb), Tehsil-Nahan, District Sirmour, Himachal Pradesh, Pin Code - 173 030 to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Profit & Loss Account for the year ended March 31, 2007 and the Balance Sheet as on that date together with the Directors' Report & Auditors' Report of the Company.
2. To appoint a Director in place of Mr. D.S. Grewal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mukul Pathak who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Statutory Auditors of the Company and pass the following Resolution to the effect: -

"RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956 Haribhakti & Co., Chartered Accountants, 215, Nariman Point, Mumbai be and are hereby re-appointed as Statutory Auditors of the Company for the Audit of Accounts relating to the Financial Year ending March 31st, 2008 and to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such Remuneration as may be decided by the Board of Directors' of the Company"

SPECIAL BUSINESS:

1. To regularize appointment of Shri. G.K. Nanda, Director as Whole-time Director in respect of whom the Company has received a notice, in writing, from a member proposing his candidature for the office of Director and to move the following resolution as Ordinary Resolution: -

"RESOLVED THAT subject to the provisions of Section 198, 269, 309, 310, 311, 316, 317, Schedule XIII and other applicable provisions, if any of the Companies Act 1956 and Articles 110 of the Articles of Association of the Company, the consent be and is hereby granted to the appointment of Mr. G.K. Nanda as Whole-Time Director of the Company w.e.f. March 24, 2007 for a period of 5 years whose term in the office shall be liable to retire by rotation, on a monthly remuneration as decided by the Remuneration Committee from time to time"

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the company during his tenure as Whole time Director of the company, the remuneration payable to him shall be in accordance with the limits prescribed in Schedule XIII of the Companies Act 1956 as amended from time to time subject to compliance of provisions thereof"

"RESOLVED FURTHER THAT Mr. Nikhil Nanda, Managing Director, be and is hereby authorized to comply with all the formalities in this regard"

2. To regularize appointment of Shri. P.Vanamali, Additional Director in respect of whom the Company has received a notice, in writing, from a Member proposing his candidature for the office of Director and to move the following resolution as an Ordinary Resolution: -

"RESOLVED THAT pursuant to Section 257 of the Companies Act 1956, Mr. P.Vanamali, Additional Director in respect of whom a letter proposing his candidature has been received be and is hereby appointed as the Director of the Company and shall be liable to retire by rotation"

3. To consider and if thought fit pass the following resolution as a Special Resolution for approval of Employees Stock Options Scheme (ESOP):

"RESOLVED THAT pursuant to the provisions of Section 81 (IA) and all other applicable provisions, of the Companies Act, 1956, SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,

1999, {hereinafter referred to as “the Guidelines”} and any further statutory amendment, modifications & re-enactment thereto and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which expression shall also include a “Compensation Committee” constituted by the Board) or as may be prescribed or imposed while granting such Approvals, Permissions and Sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in the permanent Employment of the Company including Directors of the Company, as may be decided solely by the Board under the scheme titled ‘Employee Stock Option Scheme’ (hereinafter referred to as ‘the ESOP’ or ‘the Scheme’) such number of Equity Shares and/ or equity linked instruments (including Options) and/or any other instruments or Securities of the Company which would give rise to the issue of Equity Shares not exceeding 1,00,000 annually (or) 5,00,000 over a period of 5 {five} years in number at such price, in manner, during such period in one or more tranches and on such other terms and conditions as the Board may decide in accordance with the regulations or other provisions of the Law as may be prevailing at the relevant time”

“RESOLVED FURTHER THAT these Equity Shares and/or Securities may be allotted directly to such Employees/ Directors or in accordance with a Scheme framed in that behalf through any appropriate mechanism including a Trust which may be set up in any permissible manner for that purpose and that such Scheme may also contain provisions for providing financial assistance to the employees/trust/entity to enable the employees/trust/entity to acquire, purchase or subscribe to the Equity Shares and/or Securities”

“RESOLVED FURTHER THAT such Equity Shares and/or Securities as are issued by the Company in the manner aforesaid shall rank pari-passu in all respects with the then existing fully Paid up Shares of the Company”

“RESOLVED FURTHER THAT the Board is authorised to take necessary steps for the listing of the Equity Shares and/or Securities allotted under the ESOP Scheme 2007 on the Stock Exchanges where the Securities of the Company are listed in accordance with the provisions of Listing Agreement with the concerned Stock Exchange and other Guidelines, Rules and Regulations”

“RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of the Equity Shares and/or Securities, the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring into effect the Scheme and to make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any Statutory Authority and to do all other acts, deeds matters and things which are necessary to give effect to the above Resolution and to settle any questions or difficulties that may arise with regard to the creation, offer, issue and Allotment of Shares without requiring the Board to secure any further consent or approval of the Members of the Company”

By order of the Board of Directors
For JHS Svendgaard Laboratories Ltd.

Place : New Delhi
Date : 29.06.2007

(Nikhil Nanda)
Managing Director

NOTES:-

- 1. A member is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company. The instrument appointing a Proxy should however be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.**
2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business set out in the Notice is attached.

3. All documents referred to in the Notice or in the accompanying Explanatory Statement are open for inspection by the Members at the registered office of the Company between 11:00 a.m and 1:00 p.m. on all working days upto the date of Annual General Meeting.
4. The Register of Members and Share Transfer Register of the Company shall remain closed from Tuesday the 25th September 2007 to Saturday the 29th September 2007.
5. The Member are requested to: -
 - a) Intimate changes if any in their Address to the Company or to the Registrar and Share Transfer Agent of the Company.
 - b) Quote Folio number in all their correspondence with the Company.
 - c) Bring their copies of Annual Report including Attendance slip at the Venue for the AGM.
 - d) You are requested to write at least 05 days prior to the date of AGM, any information that you may desire including on the Annual Accounts of the Company, to enable the Management to keep the information ready.
6. Members holding shares in physical form are requested to lodge share transfer, transmission and intimate changes, if any, in their registered address, bank account and mandate details, residential status etc. quoting their folio number(s) to Company's share transfer Agents.
7. Given below are brief Resumes of those Directors appointed, re-appointed in terms of Clause 49 of the Listing Agreement viz. S/Sh. D.S. Grewal, Mukul Pathak, G.K. Nanda and P.Vanamali.

Shri. Daljit Singh Grewal, Chairman, 70 years, is a fellow member of the Institute of Cost & Works Accountants of India and holds a Bachelor's degree in Science. He has administrative and corporate experience of 36 years to his credit and exposure in varied industries from Chemical/Fertilizers to Coal, Mining, Ship building and power transmission etc. He has served illustrious organizations such as IFCI group, Hindustan Shipyard Ltd in the capacities of Director (Finance) and Administration and acting Chairman & MD respectively. In Coal India Ltd he was in the capacity of Director Finance- Adviser and in 1995 as CEO of Mukut Pipes Ltd. He was the ex-chairman of the Punjab Chapter of the Institute of Costs and Works Accountants of India, President of All India Management Association (AIMA), Vishakhapatnam and has been an active member of Haryana Chamber of Commerce and Industry, Punjab and Confederation of Indian Industries, Punjab.

Mr. Mukul Pathak, Independent Director, aged 40 years, is a Masters in Psychology from Anna Malai University. He has over 15 years of experience in the field of education to his credit. He started his career from Vajiram & Ravi, an esteemed institution renowned in the field of imparting education for the preparation of Civil Services Examination and currently working with the same institution in Delhi.

Mr. G.K. Nanda, aged 56 years He is MSC (Statistics). He had successful Career of over 25 years as Statistical Officer, Administrator in Modi Group. He has hands on experience in general administration, Human Resource training etc.

Other information

Name of Director	D.S. Grewal	Mukul Pathak	G.K. Nanda	P.Vanamali
Date of Birth	15.11.1936	3.01.1967	02.01.1951	24.09.1946
Directorship/ Committee Membership held in other Companies Board	Nil	DNR Industries (P) Ltd. {Director}	NIL	Nil
Shareholding in the Company {Equity Shares}	1500	Nil	120	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956.

Special Business

Item No (1)

Shri G.K. Nanda has been appointed as Additional Director and subsequently appointed as Whole-time Director of the Company pursuant to resolution passed at the Board meeting held on 24th March 2007 for a period of 5 years on remuneration of Rs 10,000/- per month. The remuneration payable to him was confirmed in the meeting of the Remuneration Committee held on 24th March 2007.

The appointment as whole-time Director needs to be approved by the shareholders in their meeting so the Directors recommend approval of the resolution as an Ordinary Resolution.

The above mentioned resolutions and connected documents are open for inspection at the registered office of the Company on any working day during office hours.

None of the Director is interested except Shri. G.K. Nanda.

Item No (2)

Shri P.Vanamali has been appointed as an Additional Director of the Company pursuant to resolution passed at the Board Meeting held on 2nd February 2007. His term of Office shall expire at the AGM and the Board of Directors recommend approval of the Resolution as an Ordinary Resolution for the appointment of Shri. P.Vanamali as Director liable to Retire by Rotation.

The above mentioned resolution and connected documents are open for inspection at the registered office of the Company on any working day during office hours.

None of the Directors is interested in the aforesaid resolution except Shri. P.Vanamali.

Item NO (3)

In the present competitive economic environment in the Country and in the long-term interests of the Company and its Shareholders, it is necessary that the company adopts suitable measures for attracting and retaining qualified, talented and competent personnel. An ESOP, designed to foster a sense of ownership and belonging amongst personnel, is a well-accepted approach to this end. It is therefore appropriate to consider introducing a Stock Option Scheme for Employees of the Company.

The Scheme will be under the superintendence of and be administered by the "Compensation Committee" of the Board of Directors of the Company which will formulate the detailed terms and conditions of the scheme including: -

- (a) the quantum of option to be granted under an ESOP per employee and in aggregate ;
- (b) the conditions under which option vested in employees may lapse in case of termination of Employment for misconduct ;
- (c) the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period ;
- (d) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee ;
- (e) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period ;
- (f) the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.
- (g) the grant, vesting and exercise of option in case of employees who are on long leave ;
- (h) lock-in-period for the Equity Shares and/or Securities issued pursuant to exercise of the Options ; and

- (i) any other related or incidental matters.

The salient features of the ESOP are as under:

(a) The total number of options to be granted

The total number of Options that may, in the aggregate, be granted shall not exceed 1,00,000 *annually or 5,00,000 over a period of 5 {five} years* equity shares of the Company.

(b) Identification of classes of employees entitled to participate in the ESOP

Persons who are 'Employees' of the Company including Directors, as defined in the Guidelines for the time being in force and as may be decided by the "Compensation Committee" from time to time. The class of Employees eligible for participating in the ESOP shall be determined on the basis of grade of the Employee, length of service, his role and contribution to overall performance of the company, the performance of profit center/division to which he belongs, merits of the employee, future potential contribution by the employee, sense of loyalty and/or such other criteria as may be decided by the compensation committee in its sole discretion from time to time. The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

(c) Requirement of vesting and period of vesting

Vesting of options may commence after a period of not less than one year from the date of grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting as may be stipulated by the compensation committee in its sole discretion.

(d) Maximum period within which the options shall be vested

The maximum period of vesting may extend to 5 years.

(e) Exercise price or pricing formula

The exercise price for the purpose of grant of options will be decided by the compensation committee at the time of the grant of options to an employee and shall not be less than the par value of the company's equity share.

(f) Exercise period and the process of exercise

The exercise period may commence from the date of vesting and will expire not later than 5 years from the date of grant of options or such other period as may be decided by the 'Compensation Committee' from time-to-time. The option will be exercised by the Employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the "Compensation Committee" from time-to-time. The Options will lapse if not exercised within the specified exercise period. The Options may also lapse under certain circumstances even before expiry of the specified exercise period.

(g) Appraisal process for determining the eligibility of employees to the scheme

The appraisal process for determining the eligibility of employees will be specified by the compensation committee and will be based on criteria such as grade of the employee, length of service, performance record, merits of the employee, future potential contribution by the employee, and/or any such criteria that may be determined by the compensation committee in its sole discretion.

(h) Maximum number of options to be granted per employee and in the aggregate

The maximum number of options to be granted to each employee will depend upon the rank/designation of the employee as on the date of grant of option. The maximum number of options granted per employee will not exceed 1 % of the total paid up equity capital of the Company as on 31st March, 2007 and in aggregate shall not exceed 1,00,000 *annually or 5,00,000 over a period of 5 {five} years* shares. The securities may be allotted directly to the eligible employees/directors or in accordance with a scheme framed in that behalf through any appropriate mechanism.

(i) **Accounting Methods**

The company shall conform to the accounting policies specified in clause 13.1 in the said guidelines.

(j) **Method of valuation of these options**

The method of valuation of these options will be as decided by the Compensation Committee of the Company.

As the Scheme will entail further Equity Shares to be offered to persons other than existing Shareholders of the Company, consent of the Members is sought pursuant to the provisions of section 81(IA) and all other applicable provisions, if any, of the Companies Act, 1956.

The Resolution thus seeks the consent of the Members pursuant to the provisions of section 81(IA) and other applicable Provisions of the Companies Act 1956, as per the requirement of the Guidelines so as to enable the Company to introduce the ESOP and issue Equity Shares in the manner set out therein.

The Board recommends the Special Resolution for Members approval.

The Directors may be deemed to be concerned or interested in the resolution to the extent of the Equity Shares and/or Securities, which may be offered to them in pursuance of the ESOP.

DIRECTORS' REPORT

Dear Shareowners,

Your Directors are pleased to present 3rd Annual Report on the business and operations of your company together with the Audited Statement of Accounts and the Auditors Report for the financial period ended March 31st 2007.

COMPANY'S PERFORMANCE:

The Financial highlights of the Company, are given below:

(Amount Rs. In Lacs)

	31.03.2007	31.03.2006
Gross Sales/Income from Operations	3391.15	3003.75
Other Income	61.25	57.81
Interest & Finance Charges	117.52	69.36
Depreciation	60.56	42.06
Profit before Tax	482.39	451.38
Provision for Tax	45.01	48.62
Profit after Tax	437.38	402.76
Paid up Equity Share Capital (Face Value of Rs.10/- each)	1250.00	579.97
Reserves excluding revaluation reserves	4029.68	780.25
Basic and diluted EPS (in Rs not annualized)	4.93	9.92

MANAGEMENT'S DISCUSSION & ANALYSIS OF PERFORMANCE:

ECONOMIC BACKDROP AND FMCG ENVIRONMENT:

The Global economy grew at a higher pace of 5.4% in 2006, as compared to 4.9% in 2005. According to the IMF, global growth is likely to moderate to 4.9% in 2007, due to expected slowdown in the US economy.

The Indian Economy witnessed robust growth for the fourth successive year. In 2006-07, the Economy is estimated to have grown by 9.2%, building on 9% growth in the previous year. There are many positive features of this growth, which reinforce its solid foundations: the broad based nature of the growth relying on domestic demand and exports, with manufacturing sector contributing to the strong growth momentum.

The Oral Care market consists of four main segments viz. Toothpaste, Toothpowder, Toothbrush and Mouthwash. The outlook of current financial year 2007-08 is encouraging. With enhanced capacities and opening up of the retail sector, the Private label Oral Care market is now poised to grow tremendously over the coming years due to the overall growth in the country giving an enormous disposable income opportunity for all classes of people and increasing awareness amongst masses to maintain good health. At present, the oral care market is estimated to be about Rs 12 billion on manufacturing cost and Rs. 36 billion on MRP. The total market for toothbrushes is estimated in the region of 600 million including free brushes and local brands. Of these, the organized market for toothbrush (comprising of the leading national brands) is estimated to be about 450 million brushes per annum. There is large unorganized market segment, consisting of several smaller brands which are sold at less than half the price of well known brands estimated at 150 million.

In the recent budget, the excise duty is imposed on MRP of the toothbrush as in the case of other FMCG products to put a safeguard against the misdeclaration of prices. The move is appreciated by the Industry and somehow helps the Indian Manufacturers to compete with the cheaper imported goods, especially from CHINA.

OVERVIEW OF THE COMPANY:

The Company is in the business of manufacture of wide variety of Dental and Oral Health Care Products as contract manufacturer for many Domestic as well as Global Brands. Though not significant we also exclusively manufacture and sell toothpaste under the brand name '**TAAZGI**' in the local market. The range of our products include: -

- Toothbrushes
- Toothpaste
- Whitening gel
- Whitening Mouth Rinse
- Denture Cleaning Effervescent Tablets
- Tongue cleaners

Our strategy is primarily focused on constant product innovation, rationalization of cost structure, increasing our production capacity to achieve economies of scale. In-house designing facilities, lower turn around time, constant product innovations, good labor relations, operational efficiency and focused growth in the dental and oral care segment are our competitive strengths.

PERFORMANCE REVIEW:

There has been moderate increase in revenue during the period under review. The gross sales/income from operations has increased to Rs. 3,391.15 lakhs as compared to Rs 3,003.75 lakhs in the previous year reflecting an increase of 12.9%. The Net Profit (after tax) also showed improvement from Rs. 402.76 lakhs to Rs. 437.38 reflecting an increase of 8.6%. During the year, sales growth was limited due to capacity constraints and shall be improved due to increased capacities coming in place this year 2007-08.

The unabated steps for continued modernization at plants and for operation with new technical know-how have been taken by the management to ensure quality of the products.

KALA-AMB PROJECT:

In the last Annual Report we had discussed setting up of an integrated plant at Kala-amb, Himachal Pradesh. You will be happy to learn that the 1st phase of Commercial Production at Kala-amb project has already begun on 2nd April 2007 and the second stage is expected to begin during the year. This facility will be a catalyst in the Company's future growth strategy.

SUNEHARI SVENDGAARD LABORATORIES DIVISION (SSL):

The Division undertakes manufacturing of toothbrushes for many national and international brands. We are undertaking contract manufacturing of toothbrushes. We have been developing new products and innovative variants of existing products to strengthen the company's market position.

The turnover of the Division has sharply increased by 42.3% from Rs. 1764.30 lakhs during 2005-06 to Rs. 2510.93 lakhs in the current financial year.

SUNEHARI ORAL CARE DIVISION (SOC):

The Division was instrumental in the development of a number of dental and other formulations such as toothpaste, mouth rinse. The Division has recently exported denture adhesive cream, peanut mouthwash for U.S.A. market, supplied Dr. Beam Fresh for Subhiksha Retail Stores and other prominent FMCG players in India.

The turnover of the Division has increased from Rs.317.80 during 2005-06 to Rs.347.23 in the current financial year.

JAI HANUMAN EXPORTS DIVISION (JHE):

The Division is a 100% export oriented unit (EOU). The Division undertakes export of Oral Care products to the US and other nations. The turnover of the Division has decreased from Rs. 921.65 lakhs during 2005-06 to Rs. 532.99 lakhs in the current financial year, mainly due to appreciating rupee against dollar.

SWOT ANALYSIS:

STRENGTHS

- **Experience of our Promoter** - Our Promoter has a decade long experience in the dental care industry. We have a complete team of professionals managing the operations of our Company.
- **Locational Advantage** - Our Company has set up toothbrush manufacturing plant in the State of Himachal Pradesh, which is an excise free zone and 1st phase of Commercial Production has already begun.
- **In-House designing facilities** - We have an in-house team of designers where we are able to process all our customers' artwork, even create new options for them. This provides our customers with a one-stop solution enabling them to undertake the study about the look, feel of the product in prototype and ensuring a good product from the word go.
- **Lower Turnaround Time** - Due to our in-house designing capabilities as well as prototyping facilities we are able to turnaround a product in 6-8 weeks as against a normal period of 10-12 weeks.
- **Economies of Scale** - Our capacities provide the benefit of having economies of scale with greater volume to leverage fixed costs on which we shall further be able to leverage on still greater volumes.
- **High Productivity** - We are able to ensure greater productivity to the work force through continuous training and regular routine assessment of their skills.
- **Dental Solutions Company** - Today we are the only manufacturer supplying products under one roof covering complete dental care category.
- **Continued Focus on oral and dental health care products** - Our core competence is in the oral and dental care segment and we shall continue to stick to our capabilities and enhance customer satisfaction in this particular area rather than diverting attention to other areas.

Weakness:

- Foreign exchange fluctuation has affected our export realization. Again, slowdown in US economy, which is a major market for our Exports and strengthening of Indian Rupee against Dollar, has affected our Exports.
- As compared to directly selling of the Company's products in Company's brand name, Contract manufacturing activity has its own limitation on the margins/realization.

Opportunities:

As competition gathers momentum, we need to be agile and alert so as to encash the Opportunities. But Opportunities are beset with risks as well and we have to clearly articulate our risk appetite and take on risk which we can manage effectively. Keeping these as the guiding principles, your Company's strategy is to keep interest & operational costs down, leverage Technology and size/volumes.

Your company zeroed onto the state of Himachal Pradesh due to excellent tax benefits which are offered such as income tax and excise. This will give your company a pricing edge over competitors.

Your Company has been eyeing an ever growing demand towards oral care products in the domestic as well as the international markets. The Company plans to launch new effective products for both the domestic and the international markets.

Threats:

The Company major revenues still are dependent on a single product, TOOTHBRUSHES. Tough competition could force the Company to reduce prices or give value addition in existing products which could in turn effect the bottom-line. To counter this, the Company has already added TOOTHPASTE/Mouthwash, Whitening Gels and other oral care products and also plans to launch cosmetic/new products in the coming period. This would no longer keep the company over dependent on any one activity.

Outlook:

While the business outlook is bright, JHS, which has been in operation for about a decade - as a proprietary concern, has gained momentum. JHS' limited track record heightens the risk of the ambitious scale of its expansion project. Products such as Whitening Gel and mouth rinse that are in demand in the West are yet to take off in a big way in India, where dental hygiene awareness is poor, even in urban markets. Retailers in international markets have successfully sold private labels across categories, in India; they are yet to make a mark in segments dominated by brands.

USE/APPLICATION OF IPO PROCEEDS:

Out of Rs.3,886.19 lakhs collected/raised in IPO, total expenses of Rs.2192.87 Lacs was incurred upto 31st March 2007 and unutilized funds are invested in high quality interest/dividend bearing short-term liquid instruments & Bank fixed deposit.

Particulars	Utilization as projected in the Prospectus (Rs. In lakhs)	Actual as on 31.03.2007 (Rs. In lakhs)
I. Expansion plan/new project		
Building and civil works	766.88	127.47
Plant & Machinery	4013.14	1115.55
Margin Money for Working	160.25	160.25
CapitalContingencies	237.13	35.96
II. General Corporate purposes	445.60	378.31
III. Issue expenses	413.00	375.33
Total	6036.00	2192.87

SUBSIDIARY COMPANY:

Your Company has acquired 9400 equity shares of Rs.10/- each of M/s Nikiven Personal Care Products Private Ltd {NIKIVEN} constituting 51.08% of its Paid-up Capital. With this acquisition, Nikiven has become a Subsidiary of the Company w.e.f 10th April 2007.

As on 31st March 2007, there was no subsidiary Company of the Company, as such, no information is provided under Section 212(8) of the Companies Act 1956 for the financial year 2006-07.

INTERNAL CONTROL:

The company has adequate Internal Control Systems, which provide, inter-alia, reasonable assurances of recording the transactions of its operations in all material respects and providing protection against misuse or loss of Company Assets.

Further, the Internal Audit system is commensurate with the nature and size of the business. The internal audit for the financial year ending 31st March 2007 was entrusted to M/s R. Khattar & Associates, Chartered Accountants, New Delhi.



RECOGNITION/AWARD:

- Your Company's efforts have been recognized by top Indian Pharma Companies and have recently listed the Company as their Vendor for supply of oral care products.
- You will be happy to note that in recognition of organization's quality system which complies with ISO 9001:2000, your company has been recently registered by the UKAS quality management, UK.
- Your Company received top exporter award for tooth brushes and dental plate brushes for three years consecutively from 2003-04 to 2005-06 from the Plastics Export Promotion Council (PLEX), sponsored by the Ministry of Commerce, Government of India (GOI).

LISTING:

Your Company Equity Shares were listed during the year on 21st October 2006 on the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. The Company has made payment of the Listing Fees for the period of 1st April 2007 to 31st March 2008.

INDUSTRIAL RELATIONS:

As on 31st March 2007, in all there were **88** employees on the rolls of the Company. Of these, **29** were at the Executive level and the remaining **59** in non-executive level. Apart from them, the workers have been appointed through Contractors.

Industrial relations situation in various units of the Company continued to be cordial and peaceful.

RISK MANAGEMENT:

Your Company has a strong risk management framework that enables active monitoring of the business environment and identification, assessment and mitigation of potential internal or external risks.

The senior management team sets the overall tone and risk culture of the organization through defined and communicated corporate values, clearly assigned risk responsibilities, appropriately delegated authority, and a set of processes and guidelines. There are laid down procedures to inform the Board members about the risk assessment and risk minimization procedures. Your Company promotes strong ethical values and high level of integrity in all its activities, which in itself is significant risk mitigation.

In addition, there are regular internal audit activities carried out by the team of Internal Auditors who give their independent assessment on the risk mitigating measures and provide recommendations for improvement.

OPERATIONAL EXCELLENCE:

Your Company believes that robust policies are critical to its long term sustainability and growth and "*Operational Excellence*" is the key for achieving pre-determined targets. This involves institutionalizing standard operating procedures, strengthening Project Management capabilities, sharpening Cost and delivery Competitiveness, reduce Cycle Time.

In this backdrop, you will be happy to note that during the year, your Company had taken daunting task to develop Standard Operating Procedures (SOP) in respect of various activities including the HR function. Ernst & Young {E&Y} - internationally acclaimed 'Consultants' were engaged for its development and implementation. They have completed the work in a time bound manner.

The Company has also simultaneously taken up the task for the implementation of Enterprise Resource Planning (ERP). With these efforts, it is hoped that major operational control would be achieved and at the same time reduce cost and curtail inefficiency.

PARTICULARS OF EMPLOYEES:

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

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

Requisite information is given in the statements placed at **Annexure “A” & “B”**, respectively.

INSURANCE:

All the properties of the Company including Plants & Machinery, Stocks etc. have been adequately insured.

FIXED DEPOSITS:

The Company has not accepted any Deposits within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

DIRECTORS:

After the last Annual General Meeting, the following changes were made in the composition of the Board of Directors of your Company: -

- Shri. P.Vanamali, IAS (retd.) was appointed as a Director w.e.f. 2nd February 2007.
- Shri. P.K. Manglik tendered his resignation as whole-time Director (WTD) w.e.f. 24th March 2007. His resignation has been accepted by the Board of Directors.
- Shri. G.K. Nanda has been appointed as whole-time Director of the Company w.e.f. 24th March 2007.

The Board wishes to place on record its appreciation for the valuable contribution made and services rendered by Shri. P.K. Manglik during his tenure.

S/Shri D.S. Grewal and Mukul Pathak, Directors, Retire by Rotation at the forthcoming Annual General Meeting on 29th September 2007 and being eligible, offer themselves for re-appointment.

AUDITORS:

The Company has received a requisite certificate pursuant to Section 224(IB) of the Companies Act 1956 from M/s Haribhakti & Co., Chartered Accountants, the Statutory Auditors of the Company regarding their eligibility for re-appointment as Auditors, who retire at the Annual General Meeting on 29.09.2007 and are eligible for re-appointment.

Remarks to Auditors' observation:

The Auditors in their report in point no. II(f) have mentioned that the details of dues to Micro, Small and Medium Enterprises are not available. We hereby mention that the Company is in the process of identifying the status of Creditors whether a SSI or not. Accordingly, letters were sent during the financial year to all Creditors to confirm their status. Whereas, few of them responded and others did not revert/respond despite our telephonic reminders. Therefore, the Company was not in a position to mention the action/dues to SSI which have been outstanding for more than 30 days, because of non availability of requisite information.

CORPORATE GOVERNANCE:

A separate Section titled “Report on Corporate Governance” follows immediately after this Report. A Compliance Certificate on Corporate Governance dated 29.06.2007 from M/s Ashish Kapoor & Associates., Company Secretaries, Delhi is **attached** hereto and forms part of this report and it is ensured compliance with Clause 49 of listing agreement is made to the extent applicable/required.

CAUTIONARY STATEMENT:

Statement in this report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking statements are identified in this report, by using the words 'anticipates', 'believes', 'expects', 'intends' and similar expression of words. Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by



numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, in relation to financial statements for the Financial Year ending March 31st 2007, the Board of Directors report that: -

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of Affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding of the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT:

We would like to thank all our Shareholders for the faith reposed in us and in supporting us in our endeavor.

The Employees of the Company have worked with great zeal and enthusiasm and they deserve special appreciation. We would also like to place on record the close support and co-operation of our fellow colleagues on the Board and wish to place sincere thanks to them who have given their valuable time and contribution in guiding the Company's progress.

We would also like to thank the team of Auditors for their co-operation in timely presentation of the results of the Company. We would also like to thank SEBI, Stock Exchanges, Government, Bankers and various other Statutory Authorities for their kind co-operation.

Last but not the least, the Board is extremely thankful to all the Customers who have been a source of strength in our growth progress and we would like to express our gratitude to them.

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

Place : New Delhi
Date : 29.06.2007

(Nikhil Nanda)
Managing Director

(Mukul Pathak)
Director

**FORM A OF "THE COMPANIES
(DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

Power and fuel Consumption		2006-07	2005-06
I. Electricity			
(A) Purchased			
• Units	(kwh)	1401455	1565381
• Total Amount	(Rs. In lacs)	68.78	65.81
• Rate/Unit	(Rs)	4.91	4.20
(B) Own Generator			
• Through Diesel Generator Units	(Kwh)	313670	440603
• Units per litre of Diesel oil	(Kwh)	5.38	5.38
Cost/Units		5.85	5.55
• Through steam turbine/generator		-	-
2. Others/Internal generation lightLight diesel oil/ diesel oil/furnace oil Quantity	(kl)	-	-
Total cost	(Rs)	-	-
Average Rate	(Rs/Kl)	-	-
(B) Consumption per unit of production			
1) ElectricityOral Care Products	(kwh/per unit)	0.02	0.03
2) Through Diesel Generator		-	-
Oral Care Products	(kwh/per unit)	0	0.01

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

RESEARCH & DEVELOPMENT {R&D} & TECHNOLOGY ABSORPTION

Continuous effort is being made on research and development to minimize the consumption of power and fuel. The Company undertakes from time to time, various studies for process improvement, quality improvement and economies in production cost. These are the combined and ongoing efforts of production and R&D team and to segregate the amount spent on R&D is difficult. The R&D team of the Company is having good experience and is 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. The first phase of Commercial Production of Kala-amb Project has already begun on 2nd April 2007 and the second phase is expected to begin during the year with installation of new machinery, technology and production process.

Foreign Exchange Earnings and outgo

Particulars	2006-07	2005-06
Foreign Exchange Outgo		
• Traveling	6,55,973	4,59,685
• Consultancy	-	-
• Others	-	-
Imports		
• Raw Materials	2,81,41,643	5,79,28,853
• Finished Goods	-	64,47,091
• Capital Goods	2,40,73,368	93,93,450
• Others	-	-
Foreign Exchange Earnings		
• Earnings in foreign exchange	9,59,56,718	16,31,41,554

ANNEXURE - III

Particulars of the employees drawing remuneration of more than Rs. 24,00,000/- for the 12 months period from 01.04.2006 to 31.03.2007 or Rs. 2,00,000/- per month as per Section 217(2A) of the Companies Act, 1956.

Name	Age (Yrs)	Designation	Remuneration (Yearly in Rs.)	Qualification	Experience (Years)	Date of Employment	Last Employment	Nature of employment whether contractual or otherwise and duties	The percentage of equity shares held by the employee in the company
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Notes:

1. Remuneration comprises Salary, House Rent Allowance and Conveyance Allowance.
2. All the employees mentioned above have adequate experience to discharge the duties assigned to them.

REPORT ON CORPORATE GOVERNANCE

In accordance with the Clause 49 of the Listing Agreement, the details of compliance by the Company are as under:

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy continues to be responsive to the aspirations of customers, suppliers, lenders, employees, the shareholders and the expectations of the society and at the same time attain highest level of transparency, accountability and integrity. This objective extends not merely to meet with statutory requirements but also to go beyond them by putting into place procedures and systems which are in accordance with best practices for governance.

BOARD OF DIRECTORS

The size and composition of the Board of Directors confirms the requirement of Listing Agreement. The Board of Directors comprises of Chairman, Managing Director, Whole-time and other Directors.

The Composition of Board of Directors is as follows: -

Executive Promoter Director	:	S/Sh. Nikhil Nanda
Executive Director	:	G.K. Nanda
Independent Non-Executive Directors	:	P. Vanamali J.K. Rao Mukul Pathak
Non-executive Directors	:	D.S. Grewal Naveen Breja

The Chairman of your Company Mr. D.S. Grewal, is a non-Executive Director.

BOARD MEETINGS

During the Financial Year 2006-07, 16 Board Meetings were held as per following details:-

S. No.	Date of Board Meeting	S. No.	Date of Board Meeting
1.	17 th April 2006	2.	8 th May 2006
3.	26 th July 2006	4.	28 th August 2006
5.	12 th September 2006	6.	25 th September 2006
7.	26 th September 2006	8.	8 th October 2006
9.	9 th October 2006	10.	16 th October 2006
11.	1 st December 2006	12.	15 th January 2007
13.	2 nd February 2007	14.	27 th February 2007
15.	2 nd March 2007	16.	27 th March 2007

Composition of Board of Directors and their Attendance in the Board Meetings held as specified above

Name of Director	Designation	No. of Board Meetings		Attendance at last AGM 29.09.06	No. of other Directorships	Committee Membership	Committee Chairmanship
		Held	Attended				
D.S. Grewal	Chairman	16	11	Yes	Nil	-	-
Nikhil Nanda	Managing Director	16	16	Yes	2	-	-
G.K. Nanda	Whole time Director {w.e.f. 24.3.07}	01	01	Not applicable	Nil	-	-
PK Manglik	Whole time Director {upto 24.3.07}	15	10	No	Nil	-	-
J.K. Rao	Independent Director	16	03	Yes	Nil	-	-
Naveen Breja	Non-executive Director	16	15	Yes	4	-	-
PVanamali	Independent Director {w.e.f. 02.02.2007}	04	03	Not applicable	Nil	-	-
Mukul Pathak	Independent Director	16	15	No	1	-	-

COMMITTEES OF THE BOARD

The Company has constituted Audit Committee, Remuneration Committee and Investor's Grievances' Committee as per Clause 49 of the Listing Agreement. The Composition of these committees as on 31st March 2007 is given below:

Name of the Director	Audit	Remuneration	Shareholder's/Investors Grievances
Nikhil Nanda	Yes	-	-
Mukul Pathak	Yes	-	-
J.K. Rao	Yes	Yes	-
D.S. Grewal	-	Yes	Yes
Naveen Breja	-	Yes	Yes

The decision regarding the constitution of the Committee, appointment of members of the Committee are taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and attendance, are provided below:

AUDIT COMMITTEE

The Company has constituted an Audit Committee of Directors on 1st August 2005 as mandated under the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Constitution of the Audit Committee as on 31.03.2007, is as follows:

Name of the Member	Designation	Chairman/Member
J.K. Rao	Independent Director	Chairman
Nikhil Nanda	Managing Director	Member
Mukul Pathak	Independent Director	Member

The details of Audit Committee meetings & presence of Members in the same are as follows: -

Dates of Audit Committee Meeting	Name of Director (Nikhil Nanda)	Name of Director (Mukul Pathak)	Name of Director (J.K. Rao)
07.05.2006	Present	Present	Present
28.08.2006	Present	Present	Present
17.11.2006	Present	Present	Present
15.01.2007	Present	Present	Present
31.03.2007	Present	Present	Present

Functions of the Audit Committee

The functions and powers of the Audit Committee are as specified in Clause 49 of the listing agreement entered with the Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd.

Minutes of the Audit Committee Meetings are placed in the Board.

REMUNERATION COMMITTEE

The Remuneration Committee comprises of three non-executive directors, Mr. J.K. Rao acts as Chairman of the Committee. The Remuneration Committee was constituted on 1st August 2005. The Constitution of the Remuneration Committee is as follows: -

Name of the Member	Designation	Chairman/Member
J.K. Rao	Independent Director	Chairman
D.S. Grewal	Chairman	Member
Naveen Breja	Director	Member

The details of Remuneration Committee meetings & presence of Members in the same are as follows: -

S. No.	Dates of Remuneration Committee Meeting	Name of Director (J.K.Rao)	Name of Director (D.S. Grewal)	Name of Director (Naveen Breja)
1.	27.06.2006	Leave of Absence	Present	Present
2.	24.03.2007	Leave of Absence	Present	Present

The functioning and terms of reference of the Committee are as prescribed under Schedule XIII of the Companies Act 1956. The Committee determines the Company's policy on all elements of the remuneration of Directors and senior managerial personnel. The remuneration of Directors is approved by the Remuneration Committee and the Board of Directors as per the remuneration policy of the Company within the ceiling fixed by the shareholders. The remuneration policy of the Company is aimed at rewarding performance based on periodic review of achievements. The overall philosophy is to keep employees motivated to deliver higher performance within the overall targeted wage bill. The Remuneration paid to the directors were as follows:

Name of the Director (S/Sh.)	Salary & Perquisites (Rs)	Sitting Fees (Rs)	Total (Rs)
D.S. Grewal	–	7,500.00	7,500.00
Nikhil Nanda	16,51,326.00	–	16,51,326.00
G.K. Nanda	2,258.00	–	2,258.00
P.K. Manglik	4,70,967.00	–	4,70,967.00
J.K.Rao	–	4,000.00	4,000.00
Naveen Breja	–	7,000.00	7,000.00
P.Vanamali	–	1,500.00	1,500.00
Mukul Pathak	–	9,000.00	9,000.00
	21,24,551.00	29,000.00	21,53,551.00

No Commission is paid to any of the Directors. The Non Executive Independent Directors of the Company do not hold any shares of the Company.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee comprises of two Non-Executive Directors. The Shareholders'/Investors' Grievance Committee was constituted on 25th November 2005. The Constitution of the Shareholders'/Investors' Grievance as on 31.03.2007 is as follows:

Name of the Member	Designation	Chairman/Member
D.S. Grewal	Chairman	Member
Naveen Breja	Director	Chairman

The details of Shareholders'/Investors' Grievance Committee meetings & presence of Members in the same are as follows:

S No	Dates of Shareholders'/Investors' Grievance Committee Meeting	Name of Director (Naveen Breja)	Name of Director (D.S. Grewal)
1.	27.11.2006	Present	Present
2.	15.01.2007	Present	Present

The responsibilities of the Shareholders'/ Investors' Grievance Committee is to supervise the mechanism of investor grievance redressal and to ensure cordial investor relations. The Company has received 138 Complaint from the shareholders during the financial year ending March 31, 2007 and all the complaints were disposed off during the year. This Committee also approves/rejects the applications for share transfers /transmission/duplicate /split/remat/consolidation etc.

COMPLIANCE OFFICER:

The Company Secretary of the Company has been nominated as the compliance officer.

GENERAL BODY MEETINGS:

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

The details of the last two Annual General Meetings are as follows:

Financial Year	Category	Venue	Date	Time
2005-06	AGM	Trilokpur Road, Kheri (Kalaamb), Tehsil- Nahan, District Sirmour, Himachal Pradesh- 173 030	23.09.2006 (Saturday)	11.00 A.M.
2004-05	AGM	Trilokpur Road, Kheri (Kalaamb), Tehsil- Nahan, District Sirmour, Himachal Pradesh- 173 030	29.09.2005 (Thursday)	11.00 A.M.

During past two financial years since incorporation, the Company has passed following Special Resolutions: -

- In the Annual General Meeting held on 29.09.2005 a resolution u/s 81(IA) of the Companies Act 1956 for preferential allotment of shares to public was approved.
- In the Extra-ordinary General Meeting on 19th April 2005 and 30th November 2005 a proposal for appointment of Shri Nikhil Nanda as Managing Director of the Company and amendment in Memorandum/Articles of Association, respectively were approved.

No resolution was conducted through postal ballot during the financial year.

Other Disclosures:

The Company has complied with the requirements of Stock Exchanges or SEBI or any Statutory Authority related to Capital Markets.

There were no materially significant related party transactions with its Promoters, Directors, the management or relatives that have a potential conflict with the interest of the Company at large.

There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges does not arise.

The Managing Director and the CFO have certified to the Board, Compliance in respect of all matters specified in sub clause V of the clause 49 of the listing Agreement regarding CEO/CFO certification.

The company has complied with all the mandatory compliances of the report and has constituted the Remuneration Committee as a compliance with the non mandatory requirement of the listing agreement.

FINANCIAL RESULTS

The Results of the Company are furnished to the Stock Exchanges on a periodic basis (quarterly, half yearly and annually) after the review of the Audit Committee of the Board and thereafter approval by the Board of Directors. The company has published quarterly results in,

1. The Economic Times – all India Edition
2. Navbharat Times – Delhi and Mumbai Edition
3. Diviy Himachal –vernacular daily.
4. Mumbai Mirror-Mumbai
5. Other financial daily/magazine.

The results were also displayed on the Company's website: www.svendgaard.com . During the financial year 2006-07 the Company published its financial results in the following newspapers:

Financial Results	Newspapers	Date of Publication
Unaudited Financial Results for the Quarter ended December 31, 2006	The Economic Times All India Edition	17.01.2007
	Diviy Himachal, Chandigarh Edition	17.01.2007
Audited Financial Results for the Quarter and Year ended March 31, 2007	The Economic Times, Delhi and Times of India Delhi Edition	01.07.2007
	The Economic Times All India Edition other than Delhi	03.07.2007
	The Navbharat Times, Delhi and Mumbai Editions	03.07.2007
	Diviy Himachal, Chandigarh Edition	01.07.2007
	Financial Times, Delhi	08.07.2007

FINANCIAL CALENDER

Accounting year April 1, 2007 to March 31, 2008:-

- 1st Quarter Results (April –June, 2007) By Last Week of July 2007.
- 2nd Quarter Results (July –September, 2007) By Last Week of October 2007.
- 3rd Quarter Results (October-December, 2007) By Last Week of January 2008.
- 4th Quarter Results (January-March, 2008) By Last Week of April 2008 or
- Audited results for the Year Ended 31st March, 2008 By June 30, 2008.
- Annual General Meeting for the Accounting year 2007-2008 By August/September 2008.

Listing on Stock Exchanges:

(1) Bombay Stock Exchange, Mumbai

Floor 25, PJ Towers, Dalal Street, Mumbai 400 001
Tel: 022- 22721233/34
Fax: 022-22722082/2132
Website: www.bseindia.com
Scrip Code: 532771

(2) National Stock Exchange Of India Ltd.,

Exchange Plaza, Bandra-Kurla Complex, Bandra (East)
Mumbai- 400 051.
Tel: 022-26598235/36
Fax: 022-26598347/48
Email: cmlist@nse.co.in
Website: www.nse-india.com
Symbol: JHS

(3) ISIN-INE 544H01014

Stock Market Price Data:

The High and Low Prices of the Companies Shares at the Bombay Stock Exchange & National Stock Exchange and Performance in relation thereof, is as under:

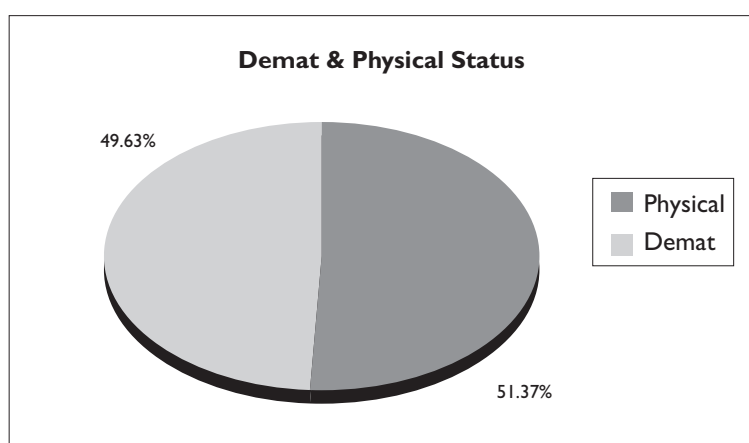
Month	BSE (High) (Rs.)	BSE (Low) (Rs.)	NSE (High) (Rs.)	NSE (Low) (Rs.)
October 2006	62.00	41.25	95.00	41.55
November 2006	45.40	33.55	47.00	33.55
December 2006	35.40	28.25	38.00	28.40
January 2007	43.50	31.30	43.00	32.10
February 2007	40.40	29.00	40.45	28.30
March 2007	33.20	27.35	33.00	27.50

Registrar and Share Transfer Agent

In-time Spectrum Registry Ltd.
 C-13, Pannalal Silk Mills Compound
 L.B.S. Marg, Bhandup (W)
 Mumbai - 400 078
 Tel: 022- 25963838
 Fax : 022-25946969
 Email: jhsipo@intimespectrum.com
 Website: www.intimespectrum.com

Dematerialization of Shares and Liquidity-

The Shares of the Company are compulsorily traded in dematerialized form by all categories of Investors. The company has arrangements with both the National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL), to establish electronic connectivity of our Shares for scrip less trading. As on March 31st 2007, 53.60% shares of the Company were held in dematerialized form.

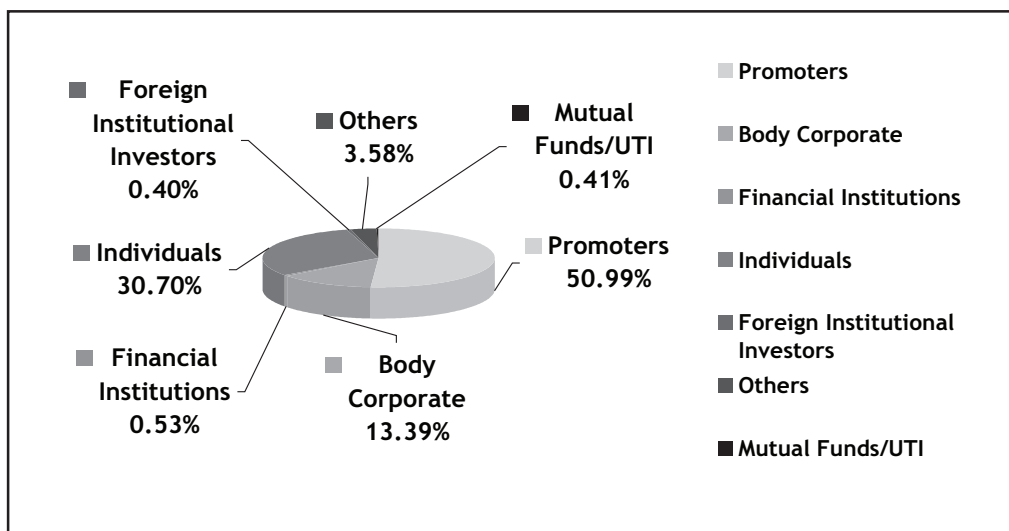


Liquidity

The shares of your company are actively traded at the Stock Exchange, Mumbai and The National Stock Exchange of India Ltd. thus considered as Liquid Securities.

Shareholding Pattern as on 31.03.2007

Category of shareholder	Share Holders		Share Amount (Rs.)	
	No. of Shareholders	Percentage of Shareholders	No. of shares	Percentage of Shares
(A) Shareholding of Promoter Group				
Individuals	4	0.035902	63,73,823	50.99056
(B) Public Shareholding				
Institutions				
- Mutual Funds/UTI	1	0.008975	51,312	0.41050
- Financial Institutions/Banks	1	0.008975	65,765	0.52612
- Foreign Institutional Investors	1	0.008975	50,000	0.40000
Non-institutions				
- Bodies Corporate	348	3.1233	16,73,431	13.38744
- Individuals	10247	91.9673	38,37,869	30.70293
- Non Resident Individuals	127	1.1398	2,20,638	1.76510
- Clearing Members	45	0.40387	61,155	0.48924
- Hindu Undivided Families	368	3.30281	1,66,014	1.32811
Total Public Shareholding	11138	99.9641	61,26,184	49.00944
Total {A+B}	11142	100.00	1,25,00,007	100.00



Distribution Schedule as on 31st March 2007

Shares holding of nominal value of (Rs.)	Shareholders Number	Shareholders Percentage of total	Total (in Rs.)	Percentage to total
Upto 2,500	6,432	57.728	86,77,980	6.942
2,501-5,000	2,790	25.040	97,88,590	7.831
5,001-10,000	1,349	12.107	98,09,630	7.848
10,001-20,000	302	2.710	46,42,370	3.714
20,001-30,000	104	0.933	26,73,950	2.139
30,001-40,000	37	0.332	1,32,63,80	1.061
40,001-50,000	31	0.278	14,69,730	1.176
50,001-1,00,000	52	0.467	37,95,030	3.036
1,00,001 & Above	45	0.404	8,28,16,410	66.253
Total	11,142	100.00	12,50,00,070	100.000

Monthly high-low data graph of the share prices of the Company's equity shares during 2006-07 on the National Stock Exchange (NSE):

Code of Conduct:

The Company's Code of Conduct, as adopted by the Board of Directors, is applicable to all the Directors, Senior Management and Employees of the Company. The Managing Director confirms and affirms compliance with the Company's code of Conduct for the year ending 31st March 2007. The Code is derived from three essential and basic principles, which form the ingredient of a growing company viz. Good Corporate Governance, Good Corporate Citizenship and Good Ethics.

SEBI prevention of Insider Trading:

With SEBI imposing the responsibility of "Prohibition of Insider Trading" on the Organization, the Board has designed a Code of Conduct strictly in accordance with the Model Code of Conduct prescribed by SEBI. The Code, besides other relevant matters, prohibits an insider from dealing in the shares of the company, while in possession of the unpublished price sensitive information in relation to the Company. Further, the Trading windows for dealing in shares of the company is periodically closed for the Directors and Employees of the company as per the Insider Trading code in force in the company.

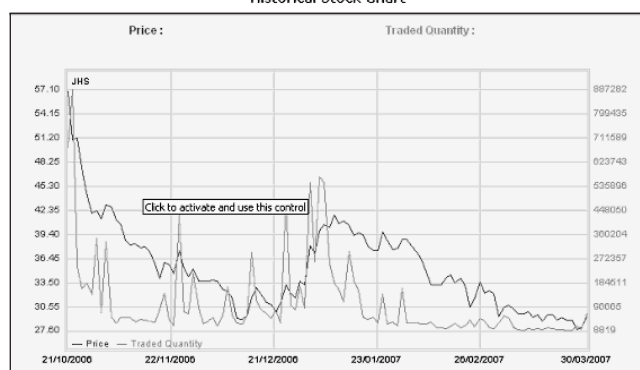
Risk Management Policy

The company has laid down the risk management policy defining the risk assessment and minimization procedures of the company which was approved by the Board in the meeting dated 7th April 2007.

The purpose to the policy is to periodically review the risk assessment in order to ensure that the executive management controls risk through means of a properly defined framework.

General Shareholders Information:

Historical Stock Chart



Annual General Meeting

Date : Saturday the 29th September 2007.
Time : 2:30 P. M.
Venue : Trilokpur Road, Kheri (Kala-amb), Tehsil- Nahan,
District Sirmour, Himachal Pradesh - 173 030

Book Closure

The Date of Book closure will be 25th September 2007 to 29th September 2007 {both days inclusive}.

Dividend

Considering the future expansion plans of the Company, the Board of Directors does not recommend any dividend for the financial year ending March 31, 2007.

Internet Access: www.svendgaard.com.

The website of the Company contains all relevant information about the JHS Family. The Annual Report, Shareholding pattern, un-audited quarterly results and all other material information as and when prepared will be hosted in this site.

Plant Locations:

Kala-amb:	Trilokpur Road, Kheri (Kala-amb), Tehsil- Nahan, District Sirmour, Himachal Pradesh- 173 030
SSL:	Sunehari Svendgaard Laboratories {a unit of Company} B-1/E-23, Mohan Co-operative Industrial Area Mathura Road, New Delhi – 110 044
SOC:	Sunehari Oral Care {a unit of Company} B-1/E-13, Mohan Co-operative Industrial Area Mathura Road, New Delhi – 110 044
JHE:	Jai Hanuman Exports {a unit of Company} SDF Nc.H-3B, Noida Special Economic Zone Guatam Budh Nagar, Noida

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity - Not Applicable.

The Company has adopted the following non-mandatory requirement on Corporate Governance recommended under Clause 49 of the Listing Agreement:-

- i. The Board constituted a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.
- ii. A Director's office with requisite facilities is being maintained by the Company for use by the Company.
- iii. As the financial performance of the Company is well published, individual communication of half yearly results is not sent to the shareholders.
- iv. The Company has not established Whistle Blower Policy.
- v. The Company has not undergone any formal training for Board members as yet.
- vi. The Company has not followed the method of peer group evaluation for performance evaluation of its non-executive Directors.

DECLARATION

I hereby confirm that all the Board Members and senior management personnel of the company have affirmed their compliance of the '**Code of Conduct for Members of the Board and Senior Management**' for the period from 1st April 2006 to the 31st March 2007 in terms of Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges.

Place : New Delhi
Date : 29th June 2007

Nikhil Nanda
Managing Director

CEO and CFO certification

I, Nikhil Nanda, Managing Director of the Company appointed in terms of the Companies Act, 1956 and Pradeep Sharma, Heading the Finance function discharging that function hereby certify to the Board that: -

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2007 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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) There are, to the best of their 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) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they 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.

(Nikhil Nanda)
Managing Director

Place : New Delhi
Dated : 29th June 2007

(Pradeep Sharma)
DGM (Accounts)



COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To the Shareholders of JHS Svendgaard Laboratories Limited

We have examined the compliance of conditions of Corporate Governance by JHS Svendgaard Laboratories Limited for the year ended on 31ST March, 2007 as stipulated by Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the provisions relating to 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 us, we certify that the Company has complied in all material aspects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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 Ashish Kapoor & Associates.

(Ashish Kapoor)
Company Secretaries

Place : Delhi.

Date : 29.06.2007

AUDITORS' REPORT

TO THE MEMBERS OF JHS SVENDGAARD LABORATORIES LIMITED

We have audited the attached Balance Sheet of JHS SVENDGAARD LABORATORIES LIMITED ("the Company"), as at 31st March, 2007, the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto.

Respective Responsibility Of The Management And The Auditor:

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of Opinion:

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion

Opinion:

We report as under:

- I. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us by the management, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- II. Further to our comments in the Annexure referred to in paragraph I above:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Profit & Loss Account, Balance Sheet and Cash Flow Statement comply with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent they are applicable to the Company.
 - e) On the basis of written representations received from the Directors of the Company as on 31st March, 2007, and taken on record by the Board of Directors of the Company, we report that none of the Director is disqualified as on 31st March, 2007 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act.
 - f) In our opinion and to the best of information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Act in the manner so required except that as explained in note no. 21, the details of dues to Micro, Small and Medium enterprises are not available; give a true and fair view in conformity with the accounting policies generally in India:

- i) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
- ii) in case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
- iii) in case of Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For Haribhakti & Co.,
Chartered Accountants

Chetan Desai
Partner

Membership No. 17000

Place : Delhi

Date : 29th June, 2007

ANNEXURE REFERRED TO IN PARAGRAPH I OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF JHS SVENDGAARD LABORATORIES

Fixed Assets:

1. The Company has a policy for physical verification of its fixed assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the Management during the year. We are informed that no material discrepancies were noticed on such verification.
2. During the year, the Company has not disposed off major part of its fixed assets.

Inventories:

3. As explained to us, the inventory has been physically verified by the management. In our opinion, the frequency of verification is reasonable.
4. According to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate according to the size of the Company and the nature of its business.
5. On the basis of our examination of the records of the Company, we are of the opinion that the Company is maintaining proper records of inventory.

Related party transactions:

6. According to the information and explanations given to us, the Company has not granted loans during the year to the parties covered in the register maintained under section 301 of the Act.
7. According to the information and explanations given to us, the Company has taken interest free unsecured loans from two parties during the previous years. The maximum amount outstanding during the year is aggregated to Rs. 303.95 lacs and the year end balance of such loan is Rs. 10.07 lacs.
8. In our opinion, the rate of interest and other terms and conditions on which loans have been taken by the Company are prima facie not prejudicial to the interest of the Company.
9. According to the information and explanations given to us, the Company is regular in repayment of principal amount.
10. On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that, the transactions in which directors were interested as contemplated under Section 297 and sub section (6) of section 299 of the Act, and which were required to be entered in the register maintained under section 301 of the said act, have been so entered.

11. In our opinion and according to the information and explanations given to us, each of these transactions exceeding the value of rupees five lacs in respect of any party during the year, are made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

Internal Controls:

12. In our opinion and according to the information and explanations given to us, the internal control system needs to be strengthened with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, no major weakness has been noticed in the internal controls.

Internal Audit:

13. According to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

Deposits:

14. According to the information and explanations provided to us, the Company has not accepted any deposits from the 'public' to which the provisions of section 58A and section 58AA of the Act, and the rules framed there under apply.

Potentially Sick Company:

15. The Company does not have any accumulated losses at the year end, and has not incurred any cash losses during the financial year and in the immediately preceding financial year.

Statutory Dues:

16. According to the information and explanations given to us, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education & protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and other statutory dues, if any, applicable to the Company

17. According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.

Default in repayment of dues:

18. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.

Loans and Advances granted on the basis of securities:

19. According to the records of the Company and according to the information and explanations provided to us, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Guarantees Given:

20. According to the information and explanations provided to us the Company has not given guarantee for loans taken by others from banks or financial institutions.

Term Loan:

21. In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which they were obtained.

Sources and Application of Funds:

22. Based on our examination of the balance sheet of the Company as at March 31, 2007 on an overall basis and as per the information and explanation given to us, we find that no funds raised on short term basis were utilized for long term purpose.

Preferential Allotment

23. According to the information and explanations given to us, the Company has not made preferential allotments of equity shares to the parties listed in the register maintained under Section 301 of the Act.

Security or Charge created in respect of Debentures:

24. According to the information and explanations given to us, the Company has not issued debentures.

End use of money raised by public issue:

25. According to the records of the Company and according to the information and explanations provided to us, we found that end use of money raised by public issue has been properly disclosed in the notes to accounts.

Fraud:

26. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Miscellaneous:

27. The clauses (iii) (b) (c) & (d), (viii), (xiii) and (xiv) of the paragraph 4 & 5 of the Order are not applicable to the Company and hence not reported upon.

For Haribhakti & Co.,
Chartered Accountants

Chetan Desai
Partner

Membership No. 17000

Place : Delhi
Date : 29th June, 2007

JHS SVENDGAARD LABORATORIES LTD.

BALANCE SHEET AS AT 31ST MARCH, 2007

(in Rs.)

	Schedule No.		As at 31st March, 2007	As at 31st March, 2006
I. Shareholders' Funds:				
a) Share Capital	1	125,000,070	57,996,750	
c) Reserves and Surplus	2	402,967,795	527,967,865	78,025,048
				136,021,798
2. Loan Funds :				
a) Secured Loans	3	108,981,840		74,049,412
b) Unsecured Loans	4	1,007,665	109,989,505	2,503,530
			410,000	287,000
3. Deferred Tax Liability				
TOTAL			638,367,370	212,861,740
II. APPLICATION OF FUNDS:				
I. Fixed Assets:				
a) Gross Block		76,116,654		55,712,098
b) Less : Depreciation		(10,262,570)		(4,206,232)
Net Block	5	65,854,084		51,505,866
c) Capital Work in Progress	5(A)	39,090,419	104,944,503	2,188,578
			156,692,950	-
2. Investments :				
3. Current Assets, Loans & Advances:				
a) Inventories	7	148,837,741		92,495,198
b) Sundry Debtors	8	75,087,606		78,194,699
c) Cash & Bank Balances	9	36,802,059		5,789,777
d) Other Current Assets	10	3,519,727		3,481,708
e) Loans & Advances	11	167,269,737		38,789,122
		431,516,870		218,750,504
Less : Current Liabilities & Provisions:				
a) Current Liabilities	12	49,482,540		54,858,168
b) Provisions	13	5,304,413		4,725,040
		54,786,953		59,583,208
Net Current Assets:			376,729,917	159,167,296
TOTAL			638,367,370	212,861,740
Notes forming part of the Accounts	21			

As per our attached report of even date.

For Haribhakti & Co.
Chartered Accountants

On Behalf of the Board of Directors
JHS Svendgaard Laboratories Limited

Chetan Desai
Partner

Nikhil Nanda
Managing Director

Mukul Pathak
Director

Naveen Bhatnagar
Company Secretary

Place : New Delhi
Date : 29th June, 2007



JHS SVENDGAARD LABORATORIES LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

(in Rs.)

	Schedule No.	For the year ended 31st March, 2007	For the year ended 31st March, 2006
INCOME			
Sales		339,114,600	300,374,823
Less: Excise Duty		(20,473,701)	(11,171,746)
		318,640,899	289,203,077
Other Income	14	6,125,008	5,781,407
TOTAL		324,765,907	294,984,484
EXPENDITURE:			
Increase /(Decrease) in Finished Goods	15	20,022,026	14,804,251
Material Consumed & Manufacturing Expenses	16	205,577,325	187,703,665
Employees' Emoluments	17	11,252,825	9,599,016
Finance Expenses	18	11,751,790	6,935,698
Selling and Distribution Expenses	19	4,802,635	12,926,175
Other Expenses	20	17,063,667	13,039,469
Depreciation	5	6,056,340	4,206,232
Preliminary Expenses written off		-	632,180
TOTAL		276,526,608	249,846,686
Profit before taxation		48,239,299	45,137,798
Less: Provision for taxation			
Current Tax		3,875,000	4,250,000
Deferred Tax		123,000	287,000
Fringe Benefit Tax		490,000	305,000
Wealth Tax		13,000	20,000
Profit after Taxation		43,738,299	40,275,798
Add: Balance as per previous year		20,275,798	-
Less: Transferred to General Reserve		-	20,000,000
Balance carried to Balance Sheet		64,014,097	20,275,798
Earnings per share			
Basic Earnings Per Share		4.93	9.92
Diluted Earnings Per Share (face value Rs.10/-) (Refer Note No.11 of Notes to Accounts)		4.93	9.92
Notes forming part of the Accounts	21		

As per our attached report of even date.

For Haribhakti & Co.
Chartered Accountants

On Behalf of the Board of Directors
JHS Svendgaard Laboratories Limited

Chetan Desai
Partner

Nikhil Nanda
Managing Director

Mukul Pathak
Director

Naveen Bhatnagar
Company Secretary

Place : New Delhi
Date : 29th June, 2007

Schedules annexed to and forming part of the Balance Sheet

(in Rs.)

	As at 31st March, 2007	As at 31st March, 2006
SCHEDULE '1' : SHARE CAPITAL		
Authorised:		
18,000,000 (18000000) Equity Shares of Rs.10/- each	180,000,000	180,000,000
Issued and Subscribed:		
12,500,007 (5799675) Equity Shares of Rs.10/- each	125,000,070	57,996,750
Paid up :		
12,500,007 (5799675) Equity shares of Rs. 10/- each, fully paid up.	125,000,070	57,996,750
TOTAL	125,000,070	57,996,750

SCHEDULE '2' : RESERVE AND SURPLUS

General Reserve :			
As per previous year	667,750	-	
Transferred from Profit and Loss Account	-	20,000,000	
Less : Utilised for Bonus Shares	-	19,332,250	667,750
Securities Premium	378,697,436	57,081,500	-
Less : IPO Expenses	40,411,488	-	57,081,500
Profit and Loss Account	64,014,097	-	20,275,798
	402,967,795	-	78,025,048

SCHEDULE '3' : SECURED LOANS

Term Loan	14,089,421	4,437,037
Cash Credit	26,095,249	13,482,020
Bill Discounting	18,395,005	34,982,538
Packing Credit	46,425,969	19,761,629
Vehicle Loan	3,976,196	1,031,300
Machinery Loan	-	354,888
	108,981,840	74,049,412

1. Term Loan, Cash Credit, Packing Credit, Bill Discounting is secured against first exclusive charge on fixed assets including plant & machinery present and future including the one created at Kala-Amb.
2. Vehicle loans are secured against hypothecation of specific vehicles against which the finance is obtained.
3. Machinery loans is secured against hypothecation of specific machine against which the finance is obtained.

SCHEDULE '4' : UNSECURED LOANS

Short Term

From Directors	1,007,665	2,503,530
	1,007,665	2,503,530

SCHEDULE '5' : FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2006	Addition during the year	Deductions during the year	As on 31.03.2007	Up to 01.04.2006	For the Year	Sale/ Adjustment	Up to 31.03.2007	As on 31.03.2007	As on 31.03.2006
*Land	8,684,000	-	-	8,684,000	-	-	-	-	8,684,000	8,684,000
Building	101,642	-	-	101,642	830	3,395	-	4,225	97,417	100,812
Plant & Machinery	32,388,100	12,028,901	-	44,417,001	1,994,375	2,783,313	-	4,777,688	39,639,313	30,393,725
Mould & Dies	5,434,955	3,020,709	-	8,455,664	1,525,190	2,368,607	-	3,893,797	4,561,867	3,909,764
Computers	464,821	365,608	-	830,429	64,728	97,817	-	162,545	667,884	400,092
Furniture & Fixture	5,845,402	378,899	-	6,224,301	355,756	377,369	-	733,125	5,491,176	5,489,647
Vehicle	2,793,178	4,610,439	-	7,403,617	265,351	425,839	-	691,190	6,712,427	2,527,826
Current Year	55,712,098	20,404,556	-	76,116,654	4,206,230	6,056,340	-	10,262,570	65,854,084	51,505,866
Previous Year	37,050,492	21,398,956	2,737,350	55,712,098	-	4,206,232	-	4,206,232	51,505,866	-

* Includes Rs. 42,19,250/- being value of land which is yet to be registered in the name of Company

(in Rs.)

As on
31st March, 2007

As on
31st March, 2006

SCHEDULE '5A' : CAPITAL WORK IN PROGRESS

WIP

Building under Construction	23,069,256		2,188,578	
Less : Pre- operative Exp.	(3,074,855)	19,994,401	(724,455)	1,464,123
Plant & Machinery		15,706,684		-
Mould		180,000		-
Furniture & fixture		134,479		-
		36,015,564		1,464,123

Add : Pre-operative Expenses

Bank Interest	666,278		-	
Bank Charges	30,440		30,440	
Cartage freight and Octrai	66,756		-	
Consulting Charges	72,750		44,690	
Conveyance	3,110		-	
Electricity Expenses	247,416		5,429	
Fees,Rates and Taxes	815,400		449,112	
Foreign Travelling	288,000		-	
General Expenses	11,030		-	
Generator Running and Maintainence	25,000		-	
Internet Expenses	42,043		-	
Labour Charges	2,032		-	
Legal and professional Charges	342,629		82,800	
Misc. Expenses		12,595		8,265
Other	24,095		24,095	
Printing and Stationery	8,949		3,277	

(in Rs.)

	As on 31st March, 2007		As on 31st March, 2006
Rent, taxes and rates	30,000	-	
Repair and Maintenance	1,000	-	
Salary	216,227	-	
Staff Welfare	3,030	1,362	
Telephone Expenses	59,427	12,526	
Travelling Expenses	76,677	62,459	
Vehicle Running and Maintenance	29,971	-	724,455
	<u>3,074,855</u>		
	<u>39,090,419</u>		<u>2,188,578</u>

(in Rs.)

	As at 31st March, 2007		As at 31st March, 2006
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SCHEDULE '6' : INVESTMENT

Short Term Liquid Mutual Fund/ Fixed Maturity Plan

Birla Fixed Term Plan (Quarterly Series 5)	50,000,000	-
DSP Merrill Lynch Liquid Plus - Weekly Dividend	15,000,000	-
DSP Merrill Lynch Liquid Plus - Daily Dividend	10,000,000	-
Sundram BNP Paribas Fixed Term Plan Series XXV	31,206,450	-
Sundram Mutual Fund Series XXIII	50,486,500	-
	<u>156,692,950</u>	<u>-</u>

SCHEDULE '7' : INVENTORIES

(As taken, valued and certified by the Management)

Stock in trade :		
- Raw Materials	114,203,621	75,265,341
- Consumable Stores	52,080	5,659
- Work in Progress	2,364,831	3,419,761
- Finished Goods	32,217,209	13,804,437
TOTAL	<u>148,837,741</u>	<u>92,495,198</u>

SCHEDULE '8' : SUNDRY DEBTORS

Unsecured, Considered Good Unless Otherwise Stated

Considered Good		
More Than Six Months	12,607,778	5,875,160
Others	62,479,828	72,319,539
	<u>75,087,606</u>	<u>78,194,699</u>
Considered Doubtful	369,358	369,358
Less: Provision for Doubtful Debts	<u>369,358</u>	<u>-</u>
TOTAL	<u>75,087,606</u>	<u>78,194,699</u>

(in Rs.)

	As at 31st March, 2007	As at 31st March, 2006
SCHEDULE '9' : CASH AND BANK BALANCES		
Cash on hand (As certified by the management)	894,713	957,307
Balances with scheduled banks :		
In Current Accounts	4,924,832	173,066
In Fixed Deposit Account	30,982,514	4,659,404
TOTAL	36,802,059	5,789,777
SCHEDULE '10' : OTHER CURRENT ASSETS		
Export Incentive Receivable	3,519,727	3,481,708
TOTAL	3,519,727	3,481,708
SCHEDULE '11' : LOANS AND ADVANCES		
(Unsecured & Good Unless Otherwise Stated)		
Balance with Excise Department	267	2,036
Advances recoverable in cash or in kind or for value to be received	152,468,021	32,818,826
Advance Tax- FBT (A.Y. 2007-08)	290,000	-
Advance Tax- (A.Y. 2006-07)	7,769	2,000,000
Self Assessment Tax (A.Y.2006-07)	728	-
Tax Deducted at Source	4,191,624	730,255
Advance With Supplier	10,311,328	3,238,005
TOTAL	167,269,737	38,789,122
SCHEDULE '12' : CURRENT LIABILITIES		
Sundry Creditors	40,350,295	47,783,013
Duties & Taxes	2,003,809	280,207
Expenses Payable	2,049,175	1,361,618
Advance From Customer	5,079,261	5,433,330
TOTAL	49,482,540	54,858,168
SCHEDULE '13' : PROVISIONS		
Provision for Gratuity	815,612	455,040
For Taxation (including wealth tax and fringe benefit tax)	4,488,801	4,270,000
TOTAL	5,304,413	4,725,040

Schedules annexed to and forming part of the Profit & Loss Accounts

(in Rs.)

	As at 31st March, 2007	As at 31st March, 2006
SCHEDULE '14' : OTHER INCOME		
Export incentive	89,068	1,641,124
Unclaimed balance written back	-	11,175
Interest on FDR's (TDS Rs.227312 for 2006-07 & Rs 14640 for 2005-06)	1,133,586	145,838
Miscellaneous income	272,397	251,747
Exchange Fluctuation Gain (Net)	(987,218)	3,731,523
Dividend Received	5,607,019	-
Profit on Redemption of Mutual Fund	10,156	-
	<u>6,125,008</u>	<u>5,781,407</u>
SCHEDULE '15' : INCREASE / DECREASE IN FINISHED GOODS		
Opening Stock	13,804,437	12,379,959
Add : Purchase	38,434,798	16,228,729
TOTAL	<u>52,239,235</u>	<u>28,608,688</u>
Less : Closing Stock	<u>32,217,209</u>	<u>13,804,437</u>
	<u>20,022,026</u>	<u>14,804,251</u>
SCHEDULE '16' : MATERIAL CONSUMED AND MANUFACTURING EXPENSES		
Raw Material Consumed :		
Opening Stock	75,213,015	12,395,598
Add : Purchases	221,924,234	231,873,104
	<u>297,137,249</u>	<u>244,268,702</u>
Less : Closing Stock	<u>114,203,621</u>	<u>75,213,015</u>
	<u>182,933,628</u>	<u>169,055,687</u>
Store and Tools Consumed :		
Opening Stock	5,659	59,254
Add : Purchases	1,087,265	942,922
	<u>1,092,924</u>	<u>1,002,176</u>
Less : Closing Stock	<u>52,080</u>	<u>5,659</u>
	<u>1,040,844</u>	<u>996,517</u>
Manufacturing Expenses :		
Job Work Charges	6,594,757	3,940,161
Freight Inward	2,645,559	1,421,259
Delhi State Excise Duty	95,501	1,096,434
Power, Fuel and Electricity	8,783,967	9,149,401
Testing Charges	84,777	163,725
Wages	2,291,036	861,070
(Increase)/Decrease in Work in Progress		
Opening Stock	3,472,087	4,491,498
Less : Closing Stock	<u>2,364,831</u>	<u>3,472,087</u>
	<u>1,107,256</u>	<u>1,019,411</u>
	<u>205,577,325</u>	<u>187,703,665</u>

(in Rs.)

	As at 31st March, 2007	As at 31st March, 2006
SCHEDULE '17' : EMPLOYEES' EMOLUMENTS		
Salaries & Wages, Bonus, Allowances etc.	10,254,746	8,490,573
Contribution to the Provident Fund	109,374	111,703
Contribution to Employee's State Insurance Scheme	62,720	48,238
Staff Welfare Expenses	149,988	465,651
Recruitment and Training Expenses	315,425	27,811
Gratuity	360,572	455,040
	<u>11,252,825</u>	<u>9,599,016</u>
SCHEDULE '18' : FINANCIAL EXPENSES		
Interest		
- Term Loan	428,445	548,186
- Vehicle Loan	177,083	198,126
- Cash Credit	3,433,399	1,117,947
- Packing Credit	2,384,046	851,133
- Bill Discounting	2,451,620	2,468,429
Bank Charges	2,877,197	1,751,877
TOTAL	<u>11,751,790</u>	<u>6,935,698</u>
SCHEDULE '19' : SELLING AND DISTRIBUTION EXPENSES		
Freight & cartage Outward	577,740	334,095
Export Expenses	56,419	7,316
Development Charges	-	10,000
Advertisement Expenses	1,140,407	345,513
Shipping & Clearing Charges	3,028,069	12,229,251
TOTAL	<u>4,802,635</u>	<u>12,926,175</u>
SCHEDULE '20' : OTHER EXPENSES		
Postage, Telephone, Printing Stationery etc	1,229,457	980,106
Insurance	578,600	725,197
Legal & Professional Fees	815,821	1,321,365
Auditor's remuneration (Inclusive of service tax)	426,932	432,124
Directors' remuneration	2,124,552	1,300,000
Directors' Sitting Fees	29,000	38,000
Repairs & Maintenance		
- Plant and Machinery	2,995,859	1,456,772
- Building	126,189	77,562
- Others	665,096	631,409
Business Promotion	308,763	528,298
Freight Cartage Exp.	368,000	324,389
Travelling & Conveyance Expenses	3,099,889	1,627,332
Rent Rate & Taxes	2,656,964	2,362,521
Sundry Expenses	1,638,545	865,036
Provision for Doubtful Debts	-	369,358
TOTAL	<u>17,063,667</u>	<u>13,039,469</u>

SCHEDULE '21' : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Significant Accounting Policies

1. Basis of Accounting

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India under the historical cost convention on the accrual basis of accounting and comply with the mandatory accounting standards and statements issued by Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956.

2. Fixed assets and depreciation

Fixed assets are stated at cost of acquisition. Cost includes taxes, freight, non-refundable duties and other incidental expenses related to acquisition.

Depreciation on fixed assets is provided on Straight Line Method at the rate and in the manner Prescribed in Schedule XIV to the Companies Act, 1956 except that moulds and dies have been depreciated at 33.33% p.a based on the expected useful life thereof.

In case of self constructed fixed assets the ascertainable direct and indirect expenses are accumulated in capital work in progress and will be allocated directly in case of direct expenditure and on pro- rata basis of the prime cost of fixed assets in case of indirect expenditure.

3. Inventories

Raw material, packing material, stores, and spares are valued at cost. Finished goods and work in progress are valued at lower of cost and net realisable value. Cost is ascertained on FIFO basis and in case of finished products and work in progress includes appropriate production overheads.

4. Revenue recognition

- a) Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the customer, which is generally on dispatch of goods from factory.
- b) Revenue other than sales is recognized on accrual basis.
- c) Dividend is recognized when the right to receive of the same is established.

5. 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 realisation is certain.

6. Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rates prevailing on the dates of the transaction. Monetary foreign currency assets and liabilities are translated at the year end exchange rate, as applicable. Resultant gains or losses are recognised in the profit and loss account.

7. Retirement benefits

Provision for gratuity is based on actuarial valuation done as at the balance sheet date by independent actuaries.

8. Accounting for taxes on income

Provision for current tax is made based on the tax payable for the year under the Income-tax Act, 1961 and based upon expected outcome of assessments and appeals.

Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date.

Deferred tax assets, other than on unabsorbed tax depreciation and unabsorbed tax losses, are recognised only to the extent that there is a reasonable certainty of their realisation. Deferred tax assets on unabsorbed tax depreciation and unabsorbed tax losses are recognised only to the extent that there is virtual certainty of their realization supported by convincing evidence.

9. Impairment of Assets

An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Impairment Loss if any is charged to Profit & Loss A/c in the year in which impairment is identified.

10. Borrowing Cost

Borrowing cost that is directly attributable to the acquisition or construction of qualifying assets is capitalized as part of the cost of assets. Other borrowing costs are recognized as an expense.

11. Investments

Current Investments are held at lower of cost and Market value. Long Term Investments are stated at cost. Mutual funds units are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

12. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

Notes to Accounts

1. Contingent liabilities

	As at March 31, 2007	As at March 31, 2006
a) Guarantees given by banks	Rs. 1,33,05,000/-	Rs. 18,00,000/-
b) Outstanding letter of credit	Rs. 11,79,70,373/-	Rs. 1,60,65,920/-
2. Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) Rs. 15,87,97,438/- (Rs. 85,17,337/-) to be fulfilled in next year.		
3. In the opinion of the Board, current assets, loans and advances have a value of at least equal to the amounts shown in the balance sheet, if realised in the ordinary course of the business. The provision for all the known liabilities including depreciation is adequate and not in excess of the amount reasonably necessary.		
4. The details of Funds raised through IPO and utilization of such funds are given below: -		

Particulars

	Amount (In Rs.)
a) Funds raised through Initial Public Offerings	38,86,19,256
b) Utilization by way of expansion plan/New Project	
-Building and civil works	1,27,47,743
-Plant and Machinery	11,15,54,784
-Margin money for working capital	1,60,25,000
-Contingencies	35,96,000

General Corporate Purposes	3,78,30,987
Issue expenses	3,75,32,589
Total Funds utilized upto 31.03.2007	21,92,87,103

C) The unutilized funds as at March 31st, 2007 have been temporarily invested in Bank Fixed Deposit and other short term investments as follows:-

Particulars	Amount (In Rs.)
i) Fixed Deposit Receipts	3,00,00,000
ii) Short Term Investments	14,10,00,000
Total Unutilized funds	17,10,00,000

- During the year, the Company issued and allotted 6700332(NIL) Equity Share of face value of Rs 10/- each at a premium of Rs. 48/- per share through an Initial Public Offerings. Consequently, the Issued and Paid - Up Share Capital of the company has increased to Rs. 12,50,00,070/- as at 31.03.2007.
- The Company has incurred Rs. 4,04,11,487/- (NIL) in IPO Expenses including advertisement. The Share issue Expenses including auditors remuneration & out of pocket expenses to the extent of IPO work of Rs. 2,47,146/- has been adjusted against the Security Premium on issue of share in accordance with Section 78 of the Companies Act, 1956.
- Debtor's and Creditor's balances are subject to confirmation.
- Segment Reporting**

The company has only one business segment viz manufacture and sale of oral care products. The relevant disclosure in respect of geographical segments is as under:-

	(Amount in Rupees)			
	Exports		Domestic	
	2006-07	2005-06	2006-07	2005-06
Sales	9,59,56,718	16,31,41,555	24,31,57,882	13,72,33,268
Assets	3,78,21,483	5,71,79,715	3,76,35,488	2,13,84,343

The Liabilities of the company and other Income and Expenditure of the company are not identifiable to any particular segment.

9. Related party disclosure

a. The following are the names of related parties and description of relationship:

Key management personnel

- Mr. Nikhil Nanda
- Mr. Puneet Kumar Manglik
- G.K. Nanda

Enterprises over which key management personnel and their relatives exercise significant influence

- Berco Engineering (P) Limited
- Dr. Fresh , USA.
- Prince Plastic Technologies

- b. The following are the volume of transactions with related parties during the year and outstanding balances as on year end disclosed in aggregate by type of related party:

(Amount in Rupees)

Transactions	Key Management Personnel		Enterprises over which Key Management Personnel and their Relatives exercise Significant Influence		Relatives of Key Management personnel Mrs. Sushma Nanda (Mother of Nikhil Nanda)	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Job Work Charges paid to						
- Prince Plastic Technologies	-	-	5,18,035	12,54,037	-	-
Repair & Maintenance (Plant & Machinery Paid to)						
- Prince Plastic Technologies	-	-	15,226	-	-	-
Material Purchased from						
- Prince Plastic Technologies	-	-	26,19,929	32,85,273	-	-
Finished Goods Sold to						
- Prince Plastic Technologies	-	-	14,58,424	11,19,650	-	-
-Dr. Fresh Inc.	-	-	3,22,53,744	3,99,21,313	-	-
Rent paid to						
- Berco Engineers (P) Ltd.	-	-	15,00,000	15,00,000	-	-
- Nikhil Nanda	6,00,000	3,00,000				
Electricity expense paid to						
- Nikhil Nanda	67,38,635	63,03,106	-	-	-	-
Directors Remuneration						
- Nikhil Nanda	12,00,000	11,40,000	-	-	-	-
- P. K. Manglik	4,70,967	1,60,000	-	-	-	-
- G K Nanda	2,258	-	-	-	-	-
Loan from director						
- Nikhil Nanda (Accepted)	2,90,00,000	10,09,89,649	-	-	-	-
-Nikhil Nanda (Repaid)	2,95,85,869	12,45,47,128	-	-	-	-
- Relatives of Key Management Personnel (Accepted)						32,10,233
- Relatives of Key Management Personnel (Repaid)					9,09,996	23,00,237
Issue of Share						
-Equity Share Allotment to Nikhil Nanda (under Promoter Contribution in Public Issue) Rs 2,90,00,000 (Allotment includes Security Premium amounting to Rs. 2,40,00,000)						

Balance outstanding	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
- Credit balances						
- Nikhil Nanda (Electricity)	56,461	(4,86,889)	-	-	-	-
- Nikhil Nanda (Rent)	41,585	2,49,510	-	-	-	-
- Director's Remuneration	4,68,545	1,88,673	-	-	-	-
- Sitting Fees	-	4,500				
- Prince Plastics Technologies	-	-	3,65,202	-	-	-
- Debit balances	-	-	81,82,822	37,04,865	-	-
- Dr. Fresh	-	-	79,05,088	-	-	-
- Berco Engineering	-	-	2,77,734	-	-	-

10. (A): Details of remuneration to Managing Director is as under:

Particulars	(Amount in Rupees)	
	2006-07	2005-06
Salary	12,00,000	11,40,000
Monetary Perquisites	4,51,326	NIL
Total (Rs.)	16,51,326	11,40,000

(B). Remuneration to Whole Time Directors is as under

Particulars	(Amount in Rupees)	
	2006-07	2005-06
Salary	4,73,225	1,60,000
Monetary Perquisites	NIL	NIL
Total (Rs.)	4,73,225	1,60,000

(C) Sitting fee paid to Director is of Rs. 29000 (Rs.38000)

11. Earnings per share

Particulars	(Amount in Rupees)	
	2006-07	2005-06
Net profit for the year	4,37,38,299	4,02,75,798
Weighted average number of equity shares	88,65,306	40,61,913
Nominal value per share	10	10
Earnings per share Basic and diluted	4.93	9.92

12. Earnings in foreign exchange

Particulars	(Amount in Rupees)	
	2006-07	2005-06
FOB value of exports	93,826,447	15,51,36,522
Freight	21,30,271	80,05,032
Total	95,956,718	16,31,41,554

13. CIF Value of Imports

(Amount in Rupees)

Particulars	2006-07	2005-06
Raw material	2,81,41,643	5,79,28,853
Finished Goods	-	64,47,091

14. Expenditure in foreign currency on travelling Rs. 6,55,973/- (Rs. 4,59,685).

15. Quantitative Information

Particulars	Unit	2006-07	2005-06
Licensed capacity			
(Oral Care Products)	Pcs	Not Applicable	Not Applicable
Installed capacity *			
(Oral Care Products)	Pcs	7,00,00,000	5,50,00,000
Actual Production			
(Oral Care Products)	Pcs	6,74,01,682	4,91,97,875

* As certified by the management this being technical matter.

16. Stock of finished goods

Products	2006-07		2005-06	
	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Oral Care Products	52,14,422	3,22,17,209	22,48,672	1,38,04,437

17. Raw Material consumed

Particulars	Quantity		Amount (In Rs.)	
	2006-07	2005-06	2006-07	2005-06
Nylon Bristles	64,626.32	47,440.18	1,73,98,121	3,32,29,993
Anchor Wire	17,238.65	14,270.55	58,94,657	32,11,566
Plastic Granules	17,10,219.20	13,91,916.70	10,94,36,231	7,26,86,176
Glycerin	24,580.50	80,487.00	9,91,393	34,00,637
Citric Acid	40,668.69	12,570.60	21,31,488	6,54,747
Sorbitol	1,38,348.88	1,50,884.33	33,91,242	26,62,006
Packing Material/Others			4,36,90,496	5,26,79,260
TOTAL			18,29,33,628	16,85,24,385

18. Lease Rentals

(Amount in Rupees)

Particulars	2006-07	2005-06
Total Lease Rentals Charged *	21,00,000	18,00,000

* Above disclosure is given for all the leasehold premises except for one in the absence of relevant documents.

19. Deferred taxes

The deferred tax assets/(liabilities) arising out of timing differences comprise of the following major Components

(Amount in Rupees)

Particulars	2006-07	2005-06
Difference between book and tax depreciation on base of fixed assets	(27,70,517)	(21,82,801)
Deferred tax liabilities	(9,41,698)	(7,34,730)
Provision for doubtful debt	3,69,358	3,69,358
Provision for Preliminary expenses	3,79,308	5,05,744
Provision for Gratuity	8,15,612	4,55,040
Deferred tax Assets	5,31,698	4,47,725
Net Liability	(4,10,000)	(2,87,005)

20. Auditors remuneration includes (including service tax, where applicable)

(Amount in Rupees)

Particulars	2006-07	2005-06
Statutory Audit fees	3,37,080	3,64,780
Tax Audit fees	56,180	67,344
Limited Review	33,672	-
Out of Pocket Expenses	Nil	Nil
Total	4,26,932	4,32,124

21. The company is in process of identifying the Micro ,Small and Medium Enterprises units if any included in the sundry creditors.

22. Previous years figures have been regrouped and rearranged wherever necessary.

23. Figures in brackets represent figures for the Previous year.

24. Schedule I to 21 forms an integral part of the Balance Sheet and have been authenticated as such.

For Haribhakti & Co.
Chartered Accountants

For and on behalf of the Board
JHS Svendgaard Laboratories Limited

Chetan Desai
Partner

Nikhil Nanda
Managing Director

Mukul Pathak
Director

Naveen Bhatnagar
Company Secretary

Place : New Delhi

Date : 29th June, 2007

JHS SVENDGAARD LABORATORIES LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

(Figures in Rs.)

PARTICULARS	Year Ended 31st March, 2007	Year Ended 31st March, 2006
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit, as before Tax	48,239,299.00	45,137,798.00
Adjusted for :		
Depreciation	6,056,340.00	4,206,232.00
Interest, Dividend and Miscellaneous Income	(6,750,761.00)	(145,838.00)
Interest and financial Charges	11,751,790.00	6,935,698.00
Operating Profit before Working Capital Changes	59,296,668.00	56,133,890.00
Adjusted for :		
(Increase)/Decrease in Inventories	(56,342,544.00)	(63,168,888.00)
Decrease/(Increase) in Debtors	3,107,093.00	55,059,881.00
(Increase)/Decrease in Loan & Advances	(127,084,615.00)	(13,217,328.00)
Decrease/(Increase) in other current assets	(38,019.00)	3,451,365.00
(Decrease)/ Increase in Current liabilities and provisions	(9,174,256.00)	(19,522,885.00)
Decrease/(Increase) in Miscellaneous Expenditure written off	-	819,530.00
Cash generated from Operations	(130,235,673.00)	19,555,565.00
Income Taxes Paid	(1,396,000.00)	(2,000,000.00)
Net Cash generated from Operating Activities	(131,631,673.00)	17,555,565.00
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(57,306,397.00)	(23,587,534.00)
Purchase of Investments	(156,692,950.00)	-
Sale of Fixed Assets	-	2,737,350.00
Interest and Dividend Income Received	6,740,605.00	145,838.00
Profit on Redemption on Mutual Fund	10,156.00	-
Net Cash used in Investing Activities	(207,248,586.00)	(20,704,346.00)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	67,003,320.00	8,154,500.00
Share Application	-	(8,497,950.00)
Proceeds from Share Premium	321,615,936.00	57,081,500.00
Proceeds from Secured Loans	34,932,428.00	18,601,504.00
Paid towards Unsecured Loans	(1,495,865.00)	(59,465,298.00)
Paid towards IPO Expenses	(40,411,488.00)	-
Interest Paid	(11,751,790.00)	(6,935,698.00)
Net Cash Flow from Financing Activities	369,892,541.00	8,938,558.00
Net (Decrease)/Increase in Cash and Cash Equivalents	31,012,282.00	5,789,777.00
Opening Balance of Cash and Cash Equivalents	5,789,777.00	-
Closing Balance of Cash and Cash Equivalents	36,802,059.00	5,789,777.00

As per our attached report of even date.

For Haribhakti & Co.
Chartered Accountants

On Behalf of the Board of Directors
JHS Svendgaard Laboratories Limited

Chetan Desai
Partner

Nikhil Nanda
Managing Director

Mukul Pathak
Director

Naveen Bhatnagar
Company Secretary

Place : New Delhi

Date : 29th June, 2007

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

I) Registration Details

Registration No.	:	U24230HP2004PLC27558
State Code	:	06
Balance Sheet Date	:	March 31, 2007

II) Capital raised during the year

Public issue	:	670.03
Right issue	:	Nil
Bonus issue	:	Nil
Private Placement	:	Nil

III) Position of mobilisation and deployment of funds (Amount in Lacs)

Total Liabilities		6383.6
Total Assets		6383.67

Source of funds

Paid up capital		1250.00
Share Application Money		-
Reserves and Surplus		4029.68
Secured loan		1089.82
Unsecured loans		10.07
Deferred tax liability		4.10

Application of funds

Net fixed assets		1049.44
Investments		1566.93
Net current assets		3767.30
Miscellaneous expenditure		Nil

IV) Performance of Company (Amount in Lacs)

Turnover		3186.41
Other Income		61.25
Total Expenditure		2765.27
Profit before tax		482.39
Profit after tax		437.38
Weighted no. of equity shares		88.65
Earning per shares (Basic)		4.93
Earning per shares (Dilute)		4.93
Interim dividend		Nil
Dividend		Nil

V) Generic names of Three principal products/services of company (as per monetary terms)

Products description

As per our attached report of even date.

For Haribhakti & Co.
Chartered Accountants

On Behalf of the Board of Directors
JHS Svendgaard Laboratories Limited

Chetan Desai
Partner

Nikhil Nanda
Managing Director

Mukul Pathak
Director

Naveen Bhatnagar
Company Secretary

Place : New Delhi
Date : 29th June, 2007

JHS SVENDGAARD LABORATORIES LTD.

Registered Office : 207, Roopraj Building, 497, S.V.P. Road, Opera House, Mumbai - 400 004

PROXY FORM

I/We _____
of _____
being a member/members of JHS Svendgaard Laboratories Limited hereby appoint _____ of or failing
him/her _____ of as my/our
proxy to attend and vote for me/us on my/our behalf at the 3rd Annual General Meeting of the Company to be held on **Saturday, 29th
day of September, 2007 at 2:30 P.M.** at the Registered Office of the Company at Trilokpur Road, Kheri (Kala-amb), Tehsil - Nahan,
District Sirmour, Himachal Pradesh - 173 030 and/or at any adjournment hereof.

Signed this _____ day of _____ 2007.

* DP ID No. _____

* Client ID No. _____

* Name & Address _____

Folio Number _____

Affix a
30 paise
Revenue
Stamp

(Signature of the Shareholder)

*Applicable for investors holding shares in demat form.

Note: The proxy must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting.

----- TEAR HERE -----

JHS SVENDGAARD LABORATORIES LTD.

Registered Office : 207, Roopraj Building, 497, S.V.P. Road, Opera House, Mumbai - 400 004

ATTENDANCE SLIP

FOLIO NO. _____

NO. OF SHARES _____

DP ID/CLIENT ID* _____

NAME OF THE MEMBER _____

AUTHORISED REPRESENTATIVE _____

NAME OF THE PROXY _____

I hereby record my presence at the **3RD ANNUAL GENERAL MEETING** of the Company being held on **Saturday, 29th day of
September, 2007 at 2:30 P.M.** at the Registered Office of the Company at Trilokpur Road, Kheri (Kala-amb), Tehsil - Nahan,
District Sirmour, Himachal Pradesh - 173 030 to transact the business.

Signature of the Member/ Signature of the Proxy

Authorised Representative

*Applicable for investors holding shares in demat form.

Note : To be handed over at the entrance of the meeting hall.

BOOK - POST

If undelivered, please return to:

JHS Svendgaard Laboratories Ltd.

B-1/E-23, Mohan Co-operative Industrial Area,
Mathura Road, New Delhi , INDIA.

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