

CORPORATE INFORMATION

Board of Directors

Chairman Daljit Singh Grewal
 Managing Director Nikhil Nanda
 Whole-Time Director Gopal Krishan Nanda
 Executive Director Puneet Kumar Manglik
 Independent Directors Vanamali Polavaram
 Mukul Pathak
 Guninder Bhalla

Corporate office

B-1/ E-23, Mohan Cooperative Industrial Area, Mathura Road, New Delhi-110044
 Ph: 011-30885601/60
 Fax: 011-30885604

Registered office

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

Registrar and Transfer Agent

Link Intime India Private Limited
 A-40, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi - 110028
 Ph: 011-41410592
 Fax: 011-41410591
 Email: delhi@linkintime.co.in

Company Secretary & Compliance Officer
 Jagmohan Bijalwan

Unit I

Sunehari Oral Care
 B-1/ E-13, Mohan Cooperative Industrial Area, Mathura Road, New Delhi-110044

Unit II

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

Statutory Auditors

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

Bankers
 ICICI Bank Limited

Unit III

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

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NOTICE

NOTICE is hereby given that the Fifth Annual General Meeting of the Members of the Company will be held on Tuesday, 22nd day of September 2009 at 2:00 PM at the Registered Office of the Company at Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, District Sirmour, Himachal Pradesh, Pin- 173030 to transact the following businesses:-

ORDINARY BUSINESSES:

1. To receive, consider, and adopt the Audited Profit & Loss Account for the year ended March 31, 2009 and the Balance Sheet as on that date together with the Directors' Report & Auditors' Report thereon.
2. To declare dividend for the financial year ended March 31, 2009 @ Rs.0.25 per equity shares of Rs.10 each.
3. To appoint a Director in place of Mr. Gopal Krishan Nanda who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Daljit Singh Grewal who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint auditors and fix their remuneration.

SPECIAL BUSINESSES:

6. To regularise the appointment of Mr. Guninder Bhalla, Additional Director and to move the following resolution as an Ordinary Resolution: -

"**RESOLVED THAT** pursuant to Section 257 of the Companies Act 1956, Mr. Guninder Bhalla, 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".

7. To regularise the appointment of Mr. Puneet Kumar Manglik, Additional Director and to move the following resolution as an Ordinary Resolution: -

"**RESOLVED THAT** pursuant to Section 257 of the Companies Act 1956, Mr. Puneet Kumar Manglik, 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".

8. To approve the appointment of Mr. Puneet Kumar Manglik, Director as Whole-time Director designated as Executive 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 Memorandum and Articles of Association of the Company, the consent be and is hereby granted to the appointment of Mr. Puneet Kumar Manglik as Whole-time Director designated as Executive Director of the Company w.e.f. October 31, 2008 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 The Board of Directors, be and are hereby authorized to comply with all the formalities in this regard".

9. To Issue 11,00,000 warrants under section 81(1A) to persons belonging to Promoter and Non-Promoter Group, and to move the following resolution as Special Resolution: -

"**RESOLVED THAT** pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory amendment thereto or re-enactment thereof) and subject to the provisions of the Memorandum of Association and Articles of Association of the Company and the Listing Agreement entered into with the Stock Exchange where the Equity Shares of the Company are listed and in accordance with the existing guidelines, rules and regulations of the Securities and Exchange Board of India ("SEBI") (including the SEBI (Substantial Acquisition of Shares and Takeovers Regulations, 1997) (including any statutory amendment(s) modification(s) and or re-enactment(s) thereof, for the time being in force) and subject to the approvals, consents, permissions and/ or sanctions, as may be necessary of the appropriate authorities, institution or body and subject to such terms, conditions, alterations, corrections, changes, variations and/or, modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents permissions and/ or sanctions and which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "Board" which terms shall be deemed to include any committee duly constituted by the Board of Directors or any committee which the Board of Directors may hereafter constitute, to exercise one or more of its powers, including the powers conferred by this resolution), consent of the Company be and is hereby accorded and Board is hereby authorized to issue, offer and allot up to 11,00,000 (Eleven Lac) Convertible Warrants (Warrants) on preferential basis, to be convertible at the option of warrant holder in one or more tranches, within 18 (eighteen) months from its allotment date

into 1 fully paid up Equity Share of the Company of face value of Rs.10/- each for cash at an exercise price of Rs.30/-(including premium of Rs.20/-) and to issue fresh Equity Shares on the conversion of the warrants, on such further terms and conditions as may be finalized by the Board of Directors to the following persons belonging to Promoter and Non Promoters group :

Name of Person	No of Warrants
Promoter Group	
Mr. Nikhil Nanda	10,00,000
Non-Promoter Group	
Mr. Siddharth Misra	50,000
Mrs. Sabina Sood Lall	50,000
Total	11,00,000

FURTHER RESOLVED THAT the amount to be paid on the warrants at the time of allotment shall be 25% of the exercise price and the rights attached to them and other terms and conditions of the warrants as may be decided in accordance with SEBI Guidelines and other provisions of the applicable laws by the Board of Directors.

FURTHER RESOLVED THAT the relevant date for the purpose of calculating the exercise price under Chapter XIII of SEBI Guidelines is August 23, 2009.

FURTHER RESOLVED THAT the Equity Shares which will arise on conversion of warrants shall rank pari passu in all respects with the then existing equity shares of the Company.

FURTHER RESOLVED THAT 1,00,000 (One Lac) warrants being allotted to Non-Promoter Strategic Investors shall be locked in for a minimum period of one year and 10,00,000 (Ten Lac) Warrants being allotted to persons belonging to Promoter group shall be locked in for a minimum period of three years from the date of allotment, or up to such extended period as per the provisions of SEBI (DIP) Guidelines for Issue of Shares on Preferential basis, as amended."

FURTHER RESOLVED THAT the Warrants shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in as provided under SEBI Guidelines except to the extent and in the manner permitted there under.

FURTHER RESOLVED THAT for the purpose of issue and allotment of the warrants and after their conversion into Equity Shares and listing thereof with the Stock Exchange(s), the Board of Directors be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the Equity Shares of the Company, as in the absolute discretion, deem fit and proper."

NOTES:-

- 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.
- The Register of Members and Share Transfer Register of the Company shall remain closed from September 14, 2009 to September 22, 2009 (both days inclusive).
- Members are informed that in case of joint holders attending the meeting, only such joint holder who is first in the order of names will be entitled to vote.
- Shareholders holding the shares in physical form and desirous of making nominations are requested to send their requests in Form No.2B in duplicate (which will be made available on request).
- Dividend will be distributed through Electronic Clearing Services. Member holding shares in electronic form are requested to notify any change of address and change in bank details to their Depositories Participants. Their details as per the records of the DP before the Book closure date will be considered for dividend distribution.
- The communication address of our Registrar and Share Transfer Agent (RTA) is Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited) A-40, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi - 110028.
- Certificate from the auditors of the Company certifying that the company Employee Stock Option Scheme-2008 are being implemented in accordance with SEBI Guidelines and in accordance with the resolution passed at the Annual General Meeting, will be available for inspection by the members at the meeting.
- The Members are requested to bring their copies of Annual Report including Attendance slip at the venue for the Annual General Meeting.



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

Item No. 6

Confirmation of Mr. Guninder Bhalla

Mr. Guninder Bhalla has been appointed as an Additional Director of the Company w.e.f. August 13, 2009 pursuant to resolution passed at the Board Meeting held on August 13, 2009. His term of Office shall expire at the Annual General Meeting and the Board of Directors recommend approval of the Resolution as an Ordinary Resolution for the appointment of Mr. Guninder Bhalla as Independent Non-Executive 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 Mr. Guninder Bhalla.

Item No.7 & 8

Regularisation of Mr. Puneet Kumar Manglik as Director and Confirmation as Whole-time Director

Mr. Puneet Kumar Manglik has been appointed as Additional Director and subsequently appointed as Whole-time Director of the Company w.e.f. October 31, 2008 pursuant to resolution passed at the Board meeting held on October 31, 2008 for a period of 5 years on remuneration of Rs.35,000/- per month. The remuneration payable to him was confirmed in the meeting of the Remuneration Committee held on October 31, 2008.

His term of Office as additional Director shall expire at the Annual General Meeting and the Board of Directors recommend approval of the Resolution as an Ordinary Resolution for the appointment of Mr. Puneet Kumar Manglik as Director liable to Retire by Rotation. The appointment as Whole-time Director also needs to be approved by the shareholders in their meeting. The Directors recommend approval of the resolution as Ordinary Resolutions.

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 Directors is interested in the aforesaid resolution except Mr. Puneet Kumar Manglik.

Item No.9

Issue of 11,00,000 warrants under section 81(1A) to persons belonging to Promoter and Non-Promoter Group:

The Board of Directors proposes to raise the money from Promoter and strategic investors belonging to Non promoters group by issuing warrants convertible into shares by way of Preferential allotment, the approval of members for which under section 81(1A) of the Companies Act, 1956 is required by means of Special Resolution.

The Warrant holder shall pay at least Rs.7.5/-, being 25% of the subscription price in respect of the Equity Shares that may be allotted upon conversion of the warrants determined in accordance with the SEBI Guidelines, on the date of allotment of Warrants. The Warrant holder has the option to apply for and be allotted Equity Shares of the Company of face value of Rs.10 each at a premium of Rs.20 per share, in the ratio of 1 (one) Equity Share for every 1 (one) Warrant by paying the balance subscription price after adjusting the upfront payment made on the date of allotment of Warrants at any time before the expiry of 18 months from the date of allotment of the Warrants.

The Company reserves the right to forfeit the amount paid at the time of allotment of warrants as per clause 13.1.2.3 (c) of the SEBI Guidelines in case of failure by the warrant holder to apply for the equity shares of the Company before the expiry of the specified period of 18 months.

1. Object of the issue:

We are the manufacturer of oral care products which requires dynamic replacement by designs, models and moulds. In order to upgrade its existing products ranges by new designs, models and moulds additional funds will be required for these activities and to meet out the requirement, the Board of Directors proposes to raise the money from promoter/ Promoter group and strategic investors belonging to Non promoters group by issuing warrants convertible into shares by way of preferential allotment.

2. Pricing:

The board has decided the issue price at Rs. 30/- per warrant. In compliance with the SEBI Pricing Norms, the price arrived is Rs.27.68/- on the basis of August 23, 2009 being the relevant date. The price above is determined on the basis of the quotes available on National Stock Exchange of India Ltd. Website.

3. Intention of Promoters/ Directors/ Key Management Persons to subscribe the offer:

For meeting the requirement of the funds, Mr. Nikhil Nanda, the Promoter of the Company is also participating in the proposed preferential allotment to the extent of 10,00,000 (Ten Lac) warrants.

4. Relevant Date:

"Relevant Date" for the preferential issue is August 23, 2009 i.e. 30 days prior to the date of meeting of the members of the Company i.e. September 22, 2009.

5. Shareholding Pattern of the Company before and after the issue:

The shareholding pattern of the company before and after the present proposed allotment 11,00,000 Equity Shares arise out conversion of warrants is as under:

SN	Category	Pre Issue		After conversion of warrants	
		No. of share held	%of share holding	No. of shares held	% of share holding
A	Promoters' holding:				
1	Indian: Individual	5993621	46.46	6993621	49.95
	Bodies Corporate	-	-	-	-
2	Foreign Promoters	-	-	-	-
	Sub Total (A)	5993621	46.46	6993621	49.95
B	Non-Promoters' holding :				
1	Institutional Investors (FI)	79463	0.62	79463	0.57
2	Non-Institution : Corporate Bodies	2934537	22.75	2934537	20.96
	Indian Public	3508499	27.20	3608499	25.77
	Clearing Members	79864	0.62	79864	0.57
	NRI	161264	1.25	161264	1.15
	HUFs	142759	1.10	142759	1.02
	Sub Total (B)	6906386	53.54	7006386	50.05
	GRAND TOTAL	12900007	100	14000007	100

Note: Shareholding pattern has been prepared on the assumption that all the warrants will be converted into equity shares before the expiry of 18 months.

6. Proposed time within which the allotment shall be completed:

The Board proposes to allot the warrants within a period of 15 days from the date of passing of this resolution by the shareholders or within 15 days from the date of approval of any regulatory authority, whichever is later.

7. The identity of the proposed allottees and the percentage of the preferential issue that may be held by them:

S.N.	Name of the Proposed Allottees	Category	Pre-Issue Shareholding		Number of Warrants proposed to be allotted	Post Issue after conversion of warrants	
			No. of shares	%		No. of shares	%
1.	Mr. Nikhil Nanda	Promoter	5816785	45.09	10,00,000	6816785	48.69
2.	Mr. Siddharth Misra	Non- Promoter	-	-	50,000	50000	0.36
3.	Mrs. Sabina Sood Lall	Non- Promoter	-	-	50,000	50000	0.36

8. Consequential Changes in the Voting Rights:

Voting rights will change in tandem with the shareholding pattern.

9. Auditors' Certificate:

M/s Haribhakti & Co., Chartered Accountants, the Statutory Auditor of the Company has certified that the preferential issue is being made in accordance with the requirements contained in SEBI (Disclosure and Investor Protection) Guidelines, 2000. A copy of the certificate will be laid before the meeting of the shareholders.

10. Lock-in :

The warrants to be allotted to persons mentioned as Non-Promoters in Point 7 above will be locked in for a period of One Year from the date of allotment and warrants to be allotted to persons mentioned as Promoters in Point 7 above will be locked in for a period of three Years from the date of allotment. The lock in will be as per the SEBI Guidelines as applicable in this regard

11. Change in Management:

The issue of warrants or Equity Shares upon the conversion of the warrants will not result in any change in the management or control of the Company.

In terms of provisions of the Companies Act, 1956, consent of the members is sought under Section 81(1A) of the Companies Act, 1956, for the offer, issue and allotment of the warrants, as detailed in the resolution. The board may be authorized to issue the warrants, in accordance with the terms of offer, as detailed in the resolution and to take necessary actions without any limitation for implementation the resolution.

Mr. Nikhil Nanda the Managing Director being the proposed allottee himself is concerned or interested in the said resolution to the extent of allotment of warrants.

The Board of Directors recommends the resolution for the approval of the shareholders.

Given below a re brief Particulars of those Directors appointed/reappointed in terms of Clause 49 of the Listing Agreement forming part of explanatory statement.

Mr. Gopal Krishan Nanda, aged 58 year, is M. Sc. (Statistics). He has successful Career of over 27 years as Statistical Officer, Administrator in Modi Group. He has hands on experience in general administration, Human Resource training etc.



Mr. Daljit Singh Grewal, Chairman, 72 year, 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 38 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 and 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. Guninder Bhalla, 37 year, has over 16 year of business experience as an entrepreneur. He currently serves on the Board of several companies and is also the CEO and MD of Horizon Group of companies which include divisions in Outsourcing, Retail, F&B. He holds B.Com and M.Com degree and has completed an Executive Education course at Harvard Business School, USA in Launching New Ventures.

Mr. Puneet Kumar Manglik, Whole Time Director, 56 year, holds a degree in Masters of Business Administration - Production from Newport University and is a Bachelor in Science with over 23 year experience in various capacities at different levels of management. His last assignment was with Gillette India Limited in the oral care division as a member of Manufacturing and Technical Operations looking after quality assurance and handling contract manufacturing locations.

His strength lies in the formalization and implementation of systems in the Organization through development of MIS within different departments of our Company right up to the Board of Directors. He has a good exposure in oral care, which further enhances value to our existing systems. He gives practical and effective solutions to the various technology related issues in the Company.

Other information:

Name of Director	Gopal Krishan Nanda	Daljit Singh Grewal	Guninder Bhalla	Puneet Kumar Manglik
Date of Birth	02.01.1951	15.11.1936	23.07.1972	02.07.1953
Qualification	M. Sc. (Statistics)	FCWA, B.Sc.	M.Com.	MBA
Directorship/ Committee Membership held in other Companies Board	NIL	NIL	Horizon BPO Pvt. Ltd. PMGO Pvt. Ltd. MDS Pvt. Ltd.	JHS Svendgaard Hygiene Products Ltd. AR Textiles Pvt. Ltd.
Shareholding in the Company {Equity Shares}	120	1500	52997	NIL

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

**Place : New Delhi
Date : August 25, 2009**

**sd/-
Jagmohan Bijalwan
Company Secretary**

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present Fifth Annual Report and the Statements of Accounts for the year ended March 31, 2009.

FINANCIAL RESULTS:

The Financial highlights of the Company are given below: -

(Amount in Rs. Lacs)

Particulars	31.03.2009	31.03.2008
Net Sales/Income from Operations	2799.43	3637.50
Other Income	36.80	92.58
Interest & Finance Charges	293.10	274.37
Depreciation	304.10	193.74
Profit before Tax	163.11	406.67
Provision for Tax	16.57	49.54
Profit after Tax	146.54	357.13
Paid up Equity Share Capital(Face Value of Rs.10/- each)	1290	1290
Reserves excluding revaluation reserves	4674.33	4529.99
Basic EPS (in Rupees not annualized)	1.14	2.85
Diluted EPS (in Rupees not annualized)	1.12	2.85

DIVIDEND:

Your Directors are pleased to recommend the Final Dividend of Rs.0.25 (2.5%) per share for the financial year ending March 31, 2009.

PERFORMANCE REVIEW:

Due to the current financial slow down in the national as well international market there has been decline in the revenue during the period under review. The net sales/income from operations has gone down to Rs.2799.43 Lac as compared to Rs.3637.50 Lac in the previous year. The Net Profit (after tax) has declined from Rs.357.13 Lac to Rs.146.54 Lac. This sharp decline in the profit of the Company is due to decline in sales, increase in the cost of material, consumed, manufacturing expenses, financial charges, and depreciation which have increased marginally.

APPLICATION OF IPO AND PREFERENTIAL ALLOTMENT PROCEEDS:

Out of Rs.3,886.19 Lac collected in IPO, total amount of Rs.3883.25 Lac was utilised up to March 31, 2009. The Company has Utilised the proceeds of preferential issue for its subsidiary company in Ras Al Khaimah, UAE and for the purpose of expansion of the business of the Company.

ISSUE OF SHARES & WARRANTS:

In the month of August, 2009, the Board decided to issue 11 Lac share warrants convertible into the equity share of Rs.10/- each to promoter and non- promoter investors. The warrants are proposed to be issued at Rs.30/- per warrant (including the premium of Rs.20/- per warrants) 25% of the price was paid as upfront payment at the time of issue of warrants.

EMPLOYEE STOCK OPTION PLAN 2008:

To motivate and retain the efficient employees, the Company has introduced Employee Stock Option Plan 2008. On July 31, 2008 the Company has issued 245008 equity options to its eligible employees, giving a right to each option holder to apply for one equity share of the Company, during the exercise period. Due to effect of economic downturn and its constraints on cash flows none of the employee could give their acceptance of the options given to them. Your Company have decided to reissue the option again as per the scheme. The Auditors' certificate pertaining to implementation of scheme in accordance with ESOP Guidelines will be placed before the shareholders in the forthcoming Annual General Meeting. Statement with reference to ESOP data is provided as Annexure A to the report.

RECOGNITION/AWARD:

Your Company have received the Best Performing Enterprise Award "Runner-up" (Turnover from Rs.26 to 100 Cr.) at Plasticon Awards 2009 on February 4, 2009, for " the oral care business with a Complete Range of Oral Care Products including Toothbrush, Dental Plate Brush Toothpaste, Mouthwash, Mouth-rinse, Tongue Cleaner, Denture Tablets and Tooth powder, etc from 'The Plastindia Foundation' (organized by "the All India Plastic Manufacturers Association)".



DIRECTORS:

Reappointments

Mr. Gopal Krishan Nanda and Mr. Daljit Singh Grewal, Directors of the company, liable to retire by rotation at the forthcoming Annual General Meeting on September 22, 2009 and being eligible, offer themselves for re-appointment.

Appointments

Mr. Puneet Kumar Manglik was appointed as Additional Director and Whole-time Director on October 31, 2008 and his appointment as Director and Whole-time Director is to be confirmed by shareholders in the forthcoming Annual General Meeting on September 22, 2009.

Mr. Guninder Bhalla was appointed as Additional Director by the Board on August 13, 2009 and he is proposed as Independent Non Executive Director in the forthcoming Annual General Meeting on September 22, 2009.

Resignation

During the year, Mr. Naveen Breja has resigned from the Directorship with effect from October 31, 2008.

AUDITORS:

The Company has received a requisite certificate pursuant to Section 224(1B) of the Companies Act 1956 from M/s Haribhakti & Co., Chartered Accountants; Statutory Auditors of the Company regarding their eligibility for re-appointment as Auditors, who retire at the Annual General Meeting on September 22, 2009 and being eligible offers them selves for re-appointment.

REMARK TO AUDITORS OBSERVATION:

The auditor in there report in point no 4 and 7 have suggested for improvement of internal control system and internal audit system. The Board has taken the remark into record and will take necessary actions for the improvement.

LISTING:

Your Company's equity shares are listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has paid the applicable listing fee to both the stock exchanges.

SUBSIDIARY COMPANIES:

Jones H Smith, FZE, was incorporated as 100% subsidiary of your company in 2007 in Ras Al Khaimah Free Trade Zone, UAE. The company is established for the trading in all personal care products, in the international market specially Middle-East Countries. The subsidiary will provide a platform for your Company to expend its market internationally.

JHS Svendgaard Dental Care Limited was incorporated as subsidiary company in the month of April 2008. Presently your Company holds 59.99% of total paid up share capital of the subsidiary. The subsidiary Company has proposed plans of opening a chain of dental clinics in all the major cities across India. During the year, the subsidiary has successfully launched two clinic in Delhi.

JHS Svendgaard Hygiene Products Limited was formally known as Nikiven Personal Care Products Private Limited. As on March 31, 2009 your company holds 33.33% of the total paid up share capital of the subsidiary. The proposed project of subsidiary at Kala-Amb is already in advance stage and is proposed to be operative in the year 2010.

The statement of financial information pursuant to section 212 of the Companies Act, 1956, regarding subsidiary companies forms part of this Annual Report.

PARTICULARS OF EMPLOYEES:

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

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

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

CORPORATE GOVERNANCE:

A separate Section on Corporate Governance forming part of the Directors' Report and the Certificate confirming the compliance with Clause 49 of listing agreement is included in the annual report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A report on Management Discussion and Analysis as required under clause 49 of the Listing Agreement is annexed to this report.

DEPOSITS:

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

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, in relation to financial statements for the Financial Year ending March 31, 2009, the Board of Directors report that: -

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

INDUSTRIAL RELATIONS:

As on March 31, 2009, in all there were 70 employees on the roll of the Company. Out of these, 30 were at the executive level and the remaining 40 were in non-executive level. Apart from them, the workers have been appointed through Contractors.

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

ACKNOWLEDGEMENT:

Your Directors takes this opportunity to express their deep gratitude to the esteemed customers, associates, suppliers and stakeholders for their continued support and co-operation.

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

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

**Place : New Delhi
Date : August 25, 2009**

**sd/-
Nikhil Nanda
Managing Director**

**sd/-
Mukul Pathak
Director**



REPORT ON CORPORATE GOVERNANCE

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 Board of Directors presently comprises of seven Directors, out of which four are Non-Executive Directors. The Company has a Non-Executive Chairman and three Directors are Independent Directors comprising more than two third of the total strength of the Board of Directors. Details of composition and category of the Board, attendance of Directors in the Board Meetings and last AGM, number of directorships and chairmanships/memberships of committee of each Director held in other companies as in March 31, 2009 are shown below:

Name of Director	Category	Director Identification Number	Board Meetings attended during the FY	Attendance at the AGM	Directorship in other Cos.	Committee positions held in other Cos.	
						Chairman	Member
Daljit Singh Grewal	Non-Executive Chairman	00051627	3	Yes	Nil	Nil	Nil
Nikhil Nanda	Managing Director	00051501	8	Yes	6	Nil	Nil
Gopal Krishan Nanda	Whole-time Director	01490288	8	No	Nil	Nil	Nil
Naveen Breja*	Non-executive Director	00052710	3	Yes	NA	NA	NA
Puneet Kumar Manglik**	Executive Director	00063881	4	NA	2	Nil	Nil
Vanamali Polavaram	Independent Director	01292305	6	Yes	Nil	Nil	Nil
Mukul Pathak	Independent Director	00051534	8	Yes	1	Nil	Nil
Guninder Bhalla***	Independent Director	01987186	N A	N A	3	Nil	Nil

NOTE : None of the director are related to each other as per the provisions of the Companies Act. 1956.

* Mr. Naveen Braja has resigned from the Directorship w.e.f October 31, 2008.

** Mr. Puneet Kumar Manglik was appointed as Executive Director w.e.f. October 31, 2008.

*** Mr. Guninder Bhalla was appointed as Independent Director w.e.f. August 13, 2009.

BOARD MEETINGS:

During the financial year 2008-09, total 8 Board Meetings were held on June 19, 2008, July 31, 2008, September 3, 2008, October 7, 2008, October 31, 2008, November 14, 2008, January 16, 2009 and January 23, 2009.

AUDIT COMMITTEE:

The Company has constituted an Audit Committee of Directors as per the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Constitution of the Committee is as follows: -

Name of the Member	Designation	Chairman/ Member	Meeting Attended
Mukul Pathak	Independent Director	Chairman	5
Nikhil Nanda	Managing Director	Member	5
Vanamali Polavaram	Independent Director	Member	5

The meetings of the committee were held on June 19, 2008, July 31, 2008, September 3, 2008, October 31, 2008 and January 16, 2009. All the members of the committee are having financial and accounting knowledge. The Company Secretary acts as the Secretary of the committee.

The terms of reference of the Audit Committee of the Company includes all activities stipulated under Section 292A of the Companies Act, 1956 and Clause 49 of the listing agreement and, inter-alia, includes overseeing the audit functions, review of Company's financial performance, review of critical findings of internal audit, review of financial reporting systems & processes, review of the quarterly, half yearly and annual financial statements and other financial disclosures including their adequacy, correctness and credibility.

REMUNERATION COMMITTEE:

The Remuneration Committee comprises of three non-executive directors, Mr. Mukul Pathak acts as Chairman of the Committee. The Constitution of the Committee is as follows: -

Name of the Member	Designation	Chairman/ Member	Meetings Attended
Mukul Pathak	Independent Director	Chairman	1
Daljit Singh Grewal	Non-Executive Chairman	Member	1
Vanamali Polavaram	Independent Director	Member	1

The meeting of the committee was held on October 31, 2008.

The functioning and terms of reference of the Committee are as prescribed under Listing Agreement. 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 was as follows:

Name of the Director	Designation	Salary & Perquisites (Rs)
Nikhil Nanda	Managing Director	12,09,543
Gopal Krishan Nanda	Whole time Director	1,20,000
Puneet Kumar Manglik	Executive Director	1,75,000
Total		15,04,543

Total Sitting fees paid during the financial year to Non -Executive Directors is Rs.21000/-.

No commission is paid to any of the Directors. Mr. Guninder Bhalla, Independent Director holds 52997 (0.41%) Equity Shares in the Company and other Independent Director of the Company do not holds any shares of the Company. The Non-Executive Directors Mr. Daljit Singh Grewal holds 1500 Equity Share of the Company.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The Shareholders'/Investors' Grievance Committee comprises of two Non-Executive Directors. The Constitution of the committee is as follows:-

Name of the Member	Designation	Chairman/ Member	Meetings attended
Mukul Pathak*	Director	Chairman	2
Daljit Singh Grewal	Chairman	Member	3
Naveen Breja*	Ex-Director	Ex- Chairman	2

*Mr. Naveen Braja has resigned from the Chairmanship w.e.f October 31, 2008 and was replaced by Mr. Mukul Pathak

Three meetings of the committee were held on July 31, 2008, October 31, 2008 and January 16, 2009.

The responsibilities of the Committee are to supervise the mechanism of investor grievance redressal and to ensure cordial investor relations. The Company has received 18 complaints from the shareholders during the financial year ending March 31, 2009 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.

COMPENSATION COMMITTEE:

The Company has constituted a Compensation Committee of Directors for implementation and control of Employee Stock Option Plan 2008. The composition of the Committee is as follows: -

Name of the Member	Designation	Chairman/ Member	Meetings attended
Nikhil Nanda	Managing Director	Chairman	1
Mukul Pathak	Independent Director	Member	1
Vanamali Polavaram	Independent Director	Member	1

The meeting of the committee was held on July 31, 2008.

The committee is constituted for the formulation, supervision and implementation of the Employee Stock Option Plan 2008 of the Company.

COMPLIANCE OFFICER:

Mr. Jagmohan Bijalwan, Company Secretary of the Company has been nominated as the Compliance Officer.

CODE OF CONDUCT:

The Company has code of conduct for its Board of Directors and senior employees, which is available on the Company's website. All the board members and senior management of the Company have affirmed compliance with their respective code of conduct for the financial year ended March 31, 2009. A declaration to this effect, duly signed by the Managing Director is annexed hereto. 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.



SUBSIDIARY COMPANIES:

The Company does not have any material non listed company and hence, it is not required to have an independent director of the Company on the Board of such subsidiary company. The Audit Committee also reviewed the financial statements of the subsidiary companies. The board and audit committee also reviewed investments made by the Company's non listed subsidiaries during the year under review.

The minutes of all the subsidiaries are placed before the Board of Directors of the Company and the attention of the directors is drawn to all significant transactions and arrangements entered into by the subsidiary companies.

GENERAL BODY MEETINGS:

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

Year	Category	Venue	Date	Time
2007-08	Annual General Meeting	Trilokpur Road, Kheri (Kala-Amb),	30.09.2008 (Tuesday)	2.00 PM
2006-07	Annual General Meeting	Tehsil-Nahan, District-Sirmour,	29.09.2007 (Saturday)	2.30 PM
2005-06	Annual General Meeting	Himachal Pradesh-173030	23.09.2006 (Saturday)	11.00 AM

All resolutions moved at the last Annual General Meetings were passed by show of hands by the requisite majority of members attending the meeting.

The following are the special resolutions passed at the General Meetings held in last three years:

Type of Meeting	Meeting Date	Summary
Annual General Meeting	29.09.2007	Resolution u/s 81(1A) of the Companies Act, 1956 for approval of Employees Stock Option Scheme (ESOP)
Extraordinary General Meeting	03.01.2008	Resolution u/s 81(1A) of the Companies Act, 1956 for Preferential Issue of Shares and warrants.

None of the items were transacted during the Financial Year through Postal Ballot, and none of the resolution proposed to be transacted through Postal Ballot.

OTHER DISCLOSURES:

During the year under review, the Company had entered into transactions in the normal course of business with some of the entities in which some of the Directors are interested and which have been disclosed adequately in the notes forming part of the accounts. There was no potential conflict of interest with that of the Company.

The Company has complied with various rules and regulations prescribed by the stock exchanges, Securities and Exchange Board of India (SEBI) or any other statutory authorities on all matters relating to the capital markets, and no penalties or strictures have been imposed on the Company by any of them in this regard during the last three years.

The Company has followed the accounting standards laid down by the Institute of Chartered Accountants of India.

The Company is complying with all mandatory requirements of Clause 49 of the Listing Agreement. Non-mandatory requirements relating to Remuneration Committee have been adopted by the Company.

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 as 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 window 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 risk management policy defining the risk assessment and minimization procedures of the Company. 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.

MEANS OF COMMUNICATION:

The quarterly/ half yearly/ annual Results of the Company are regularly submitted to the stock exchanges in accordance with the Listing Agreement and are published in The Economic Times, Navbharat Times, Mumbai Mirror-Mumbai, Financial Express, Jansatta and Divya Himachal and Other financial daily/magazines.

COMPANY'S WEBSITE: www.svendgaard.com

The website of the Company contains all relevant information about the Company. The Annual Report, Shareholding Pattern, Results and all other material information as and when prepared are posted in this site.

GENERAL INFORMATION FOR MEMBERS:

- **Day & Date of AGM** : Tuesday, September 22, 2009.
- **Time of the AGM** : 2.00 PM
- **Venue of the AGM** : Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan, District-Sirmour, Himachal Pradesh-173030
- **Book Closure** : September 14, 2009 to September 22, 2009 (Both days inclusive)
- **Dividend Payment Date** : October 9, 2009
- **Financial Year** : April 1, 2008 to March 31, 2009
- **Listing on Stock Exchange and Stock Code** : Bombay Stock Exchange Limited (Scrip Code: 532771) and National Stock Exchange of India Limited (Symbol: JHS). The ISIN of the Company is INE 544H01014.

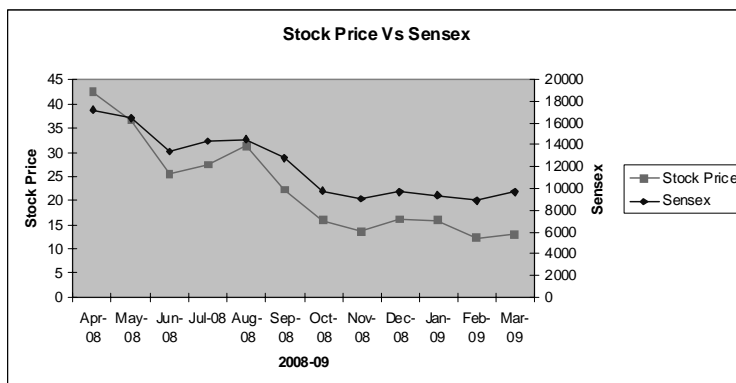
□ **Stock Market Price Data :**

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

Month	Bombay Stock Exchange		National Stock Exchange	
	(High) (Rs.)	(Low) (Rs.)	(High) (Rs.)	(Low) (Rs.)
April 2008	44.95	37.50	46.00	35.40
May 2008	46.50	36.60	50.00	37.60
June 2008	38.00	25.50	39.25	25.05
July 2008	29.00	22.05	29.00	20.10
August 2008	35.00	26.00	35.80	25.60
September 2008	34.00	19.80	34.70	20.90
October 2008	24.90	13.00	24.00	11.15
November 2008	18.00	12.50	17.70	17.70
December 2008	21.40	12.75	20.50	12.80
January 2009	19.40	13.15	18.45	13.95
February 2009	17.50	11.25	17.35	10.50
March 2009	14.45	10.12	14.80	10.10

□ **Share Price Performance:**

Monthly high-low data graph of the share prices of the Company's equity shares during 2008-09 the Bombay Stock Exchange:-

□ **Registrar and Share Transfer Agent:**

Members are Requested to correspond with the Company's Registrar and Transfer Agent, who is entrusted the share transfer system of the Company, quoting their folio no./ DP-Client ID at the following address:

Link Intime India Private Limited (formerly known as Intime Spectrum Registry Ltd.)

A-40, Naraina Industrial Area,
Phase-II, Near Batra Banquet Hall,
New Delhi - 110028

Ph: 011-41410592

Fax: 011-41410591

Email: delhi@linkintime.co.in



□ E-mail ID for Investor Grievances: enquiry@svendgaard.com

□ **Shareholding Pattern as on March 31, 2009:**

Category	As on March 31, 2009		As on March 31, 2008		% Variance 2009 Vs 2008
	No. of shares	%	No. of shares	%	
Promoter Group	5993621	46.46	5808879	45.03	1.43
Mutual Funds/UTI	-	-	-	-	-
Government Companies, Financial Institutions, Banks	-	-	-	-	-
Foreign Institutional Investors	-	-	-	-	-
Bodies Corporate	2994985	23.22	2949302	22.86	0.32
Individuals	3585934	27.80	3785231	29.34	(1.45)
Non Resident Individuals	170531	1.32	168154	1.31	0.01
Other	154936	1.20	188441	1.46	(0.31)
Total	12900007	100	12900007	100	

□ **Distribution Schedule as on March 31, 2009:**

Nominal value of Shareholding		Shareholders		Shares Amount				
Rs.	Rs.	Number	% of Total	Physical	NSDL	CDSL	Total	% of total
Up to	2,500	4707	63.90	50	3953280	1465420	5418750	4.20
2,501	5,000	1489	20.21		4051630	1415850	5467480	4.24
5,001	10,000	665	9.03		3990770	1235360	5226130	4.05
10,001	20,000	254	3.45	105000	2557650	1243260	3905910	3.03
20,001	30,000	55	0.75		735940	724370	1460310	1.13
30,001	40,000	38	0.51		859460	499260	1358720	1.05
40,001	50,000	29	0.39		918850	465770	1384620	1.07
50,001	1,00,000	64	0.87		3224320	1605480	4829800	3.74
1,00,001 & Above		65	0.88		85631050	14317300	99948350	77.48
TOTAL		7366	100.00	105050	105922950	22972070	129000070	100.00

□ **Dematerialization of Shares and Liquidity:**

As on March 31, 2009, 99.92% shares of the Company were held in dematerialized mode. The Shares of the Company are compulsorily traded in dematerialized form by all categories of Investors.

□ **Outstanding Securities:**

Company has issued 16 Lac warrants to promoters and non promoter strategic investors at the price of Rs.46/- each (Including the premium of Rs.36/- each), on March 26, 2008, which are convertible into one equity share of Rs.10 each within 18 months from the date of issue.

Except the above warrants, the Company has never issued any GDRs/ ADRs/ or any Convertible Instruments.

□ **Correspondence Addresses:**

Corporate Office

B-1/ E-23, Mohan Cooperative Industrial Area, Mathura Road,
New Delhi-110044
Ph: 011-30885601/60
Fax: 011-30885604
Email : enquiry@svendgaard.com

Registered Office

Trilokpur Road, Kheri (Kala-Amb),
Tehsil-Nahan, District-Sirmour,
Himachal Pradesh-173030
Email : enquiry@svendgaard.com

□ **Location of Units:**

	Location
Unit I	Sunehari Oral Care (a unit of JHS Svendgaard Laboratories Limited) B-1/E-13, Mohan Co-operative Industrial Area, Mathura Road, New Delhi - 110 044
Unit II	Jai Hanuman Exports (a unit of JHS Svendgaard Laboratories Limited) SDF N.H-3B, Noida Special Economic Zone, Guatam Budh Nagar, Noida
Unit III	JHS Svendgaard Laboratories Limited Trilokpur Road, Kheri (Kala-Amb), Tehsil- Nahan, District- Sirmour, Himachal Pradesh-173030

MANAGEMENT'S DISCUSSION & ANALYSIS OF PERFORMANCE

INDUSTRY STRUCTURE AND DEVELOPMENT:

During the year 2008-09, the oral care market grew by about 16 per cent. The overall market environment continued to be intense and in the face of an intense competitive scenario and despite difficult economic conditions, your Company continues to find its niche in the Oral Care market and got in its portfolio several big customers who can improve the financials of the Company substantially.

Oral care sector comprises mainly of Toothbrush, Toothpaste, Toothpowder, Mouthwash, Denture tablets, etc.. The all India penetration of toothbrushes is 48.6% while toothpaste/toothpowder is 72.3%. Since the Indian market size is very large the penetration level is low, it offers huge potential for growth. Only 7% Indians brush twice a day but the usage is improving due to increasing awareness of oral hygiene in the country.

Toothbrush

Approximately 700 million units per year of toothbrush are sold in the Country, the Company manufactures 250 million including export. By 2012 the Company plans to capture 60 -70% of the projected 1700 million unit toothbrush market.

Toothpaste

Out of the total sales of toothpaste 60% is from family platform and 35% sales on cosmetic propositions and 5% sale for therapeutic benefits. We use advanced machines and manufacture products for both domestic & international clients catering to their specific needs as per required standards.

FUTURE OUTLOOK:

The Company manufactures wide range of Dental and Oral Care Products as contract manufacturer for many Domestic as well as Global Brands. The range of our products includes Toothbrushes, Toothpaste, Whitening gel, Whitening Mouth Rinse, Denture Cleaning Effervescent Tablets, etc. and several other exciting innovations are in the pipeline. Many of these products helped to expand international business.

While the business of the Company has been confined to the Oral Care category where it faced intense competition, the outlook for industry is positive given the size of the opportunity. The Company is hopeful that through a combination of powerful marketing strategies, innovative new products and market development and expansion activities, the dentifrice market in India would continue to grow strongly over the next several years.

OPPORTUNITIES AND THREATS:

Opportunities

Oral Care market is substantially unexplored in India, per capita expenditure on Oral Care and Oral Hygiene is very low in India. 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.

Threats

Increasing raw material prices and tough competition could force the Company to reduce prices or give value addition in existing products which could in turn effect the bottom-line. To counter this, the Company has already added Toothpaste, Mouthwash, Whitening Gels 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.

RISK AND CONCERNS:

The Company like any other enterprise having national as well global business interests are exposed to business risks which may be internal as well as external. To ensure our long term corporate success, it is therefore essential that risks be effectively identified, analyzed and then migrated by means of appropriate control measures.

The Company has comprehensive risk management system where the senior management team sets the overall tone and risk culture of the organization through defined and communicated corporate values, which enables us to recognize and analyze risks early and to take appropriate action. This enables active monitoring of the business environment and identification, assessment and mitigation of potential internal or external risks. The Board provides oversight and reviews the Risk Management Policy. In addition, there are regular internal audit activities carried out by the team of Internal Auditors who give their independent assessment on the risk mitigating measures and provide recommendations for improvement.

INTERNAL CONTROL:

The Company is trying to achieve adequate Internal Control Systems, which are well commensurate with the nature of its business and the size and complexity of its operations and provide reasonable assurances of recording the transactions of its operations in all material respects and protection against misuse or loss of Company Assets. Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to



strengthening of the Company's risk management policies and systems. The internal audit for the financial year ending March 31, 2009 was entrusted to M/s L. K. Kapoor & Co., Chartered Accountants, New Delhi.

ENVIRONMENT, HEALTH AND SAFETY:

The Company pays utmost attention to safety of employees, related communities and environment at large and we are continuously focusing on the vision of a safe and pollution free environment.

HUMAN RESOURCES:

We have made significant efforts for training in the areas of marketing excellence, customer service and building capabilities for organised retail trade. Human Resources always have been, and shall continue to be, central to the growth of Company. We consider our human resource to be our most important assets. We are continually making efforts in the development of HR through a series of employee-friendly measures aimed at talent acquisition, development, motivation and retention. Our endeavor is to develop a culture where a sense of belongingness and ownership of work are the key motivating factors and provide world class training to create a world-class work force.

SEGMENT-WISE PERFORMANCE:

The Company operates only in the oral care segment and hence segment-wise reporting is not applicable to the company.

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. 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.

ANNEXURE "A"

The status of employee stock option, as on March 31, 2009 is as under:

S. N.	Particulars	2008-09
1	Options granted	245008
2	Pricing formula	N A
3	Options vested	Nil
4	Options exercised	Nil
5	Number of Shares arising as a result of exercise of Options	Nil
6	Options lapsed/ cancelled	245008
7	Variation of terms of Options	Nil
8	Money realized by exercise of options (in Rs.)	Nil
9	Total No. of Options in force	Nil
10	Employee wise details of options granted	
a	Options granted to the Senior Managerial Persons, Promoter, Directors	Nil
b	Employees who have received Options in one year, amounting to 5% or more of Options granted during that year	Nil
c	Employees who were granted Options, during one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversations) of the Company at the time of grant	Nil
11	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option	N A
12	Difference between the employee compensation cost computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on EPS	N A
13	Weighted average exercise prices and weighted-average fair values of options	N A
14	Exercise price	Rs.10

ANNEXURE "B"

1. Conservation of Energy

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

Power and fuel Consumption	Units	2008-09	2007-08
1. Electricity			
(A) Purchased			
- Units	Kwh	2514201	1642846
-Total Amount	Rs. In Lacs	101.83	66.96
-Rate/Unit	Rs.	4.05	4.08
(B) Own Generator	-	-	-
-Through Diesel Generator Units	Kwh	339830	325154
-Unit per litre of Diesel Oil	Kwh	5.38	5.76
Cost/Unit	Rs.	6.41	6.15
Through steam turbine/generator	-	-	-
2. Other/ Internal generation light/-diesel oil/ diesel oil/ furnace oil			
(A) Quantity			
Total cost	-	-	-
Average Rate	-	-	-
(B) Consumption Per unit of production			
1) Electricity			
Oral Care Products	Kwh/ Per Unit	0.02	0.02
2) Through Diesel Generator			
Oral Care Products	Kwh/ Per Unit	0.00	0.00

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

ANNEXURE "C"

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

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

2. Foreign Exchange Earnings and Outgo

(Amount in Rupees)

Particulars	2008-09	2007-08
Foreign Exchange Outgo		
Travelling	907,934.45	1,458,319.00
Raw Materials	126,022,384.50	82,007,106.00
Finished Goods	-	-
Capital Goods	23,262,652.16	300,214,176.00
Foreign Exchange Earnings		
Earning in Foreign Exchange	10,942,599.75	108,672,675.00



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 2008 to the 31st March 2009 in terms of Clause 49(l) (D)(ii) of the Listing Agreement with the Stock Exchanges.

For JHS Svendgaard Laboratories Limited
Sd/-

Nikhil Nanda
Managing Director

Place : New Delhi
Date : August 25, 2009

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
JHS Svendgaard Laboratories Limited.

I have examined all the relevant records of JHS Svendgaard Laboratories Ltd. for the purpose of certifying compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited & National Stock Exchange of India Limited, for the financial year ended 31st March 2009. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

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

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

For Ashish Kapoor & Associates
Company Secretaries

Sd/-
Ashish Kapoor
Proprietor
Membership No. 20479
CP No. 7504

Place : New Delhi
Date : August 25, 2009

AUDITORS' REPORT TO THE MEMBERS OF JHS SVENDGAARD LABORATORIES LIMITED

1. We have audited the attached Balance Sheet of JHS SVENDGAARD LABORATORIES LIMITED (hereinafter referred to as the "Company"), as at 31st March 2009, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our Responsibility is to express opinion on these financial statements based on our Audit.
2. We conducted our audit in accordance with the 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 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 explanations given to us, we annex here to a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the annexure referred to in paragraph 3 above we report as under:
 - 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 those books.
 - c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement comply with the Accounting standards dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report 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. As regards compliance with AS-18 pertaining "Related Party Disclosures", we have relied upon the written representations received from the Company.
 - e) On the basis of the written representations received from the Directors of the Company as on 31st March, 2009, and taken on record by the Board of Directors of the Company, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - 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 companies act, 1956 in the manner so required and give a true and fair view in conformity with the accounting policies generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009; and
 - b. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - c. in case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

**For Haribhakti & Co.,
Chartered Accountants**

**sd/
Raj Kumar Agarwal
Partner
Membership No. 74715**

**Place : New Delhi
Date : 30th June, 2009.**



ANNEXURE TO THE AUDITORS' REPORT ON THE ACCOUNTS OF JHS SVENDGAARD LABORATORIES LIMITED, FOR THE YEAR ENDED 31ST MARCH, 2009 AS REFERRED TO IN PARAGRAPH I OF OUR REPORT OF EVEN DATE.

1. Fixed Assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets pertaining to the Company.
- b) The fixed assets have been physically verified by the management at the year-end as per phased programme which in our opinion is reasonable having regard to the size of the Company & nature of its assets. We are informed that no material discrepancies have been noticed by the management on such verification as compared with the record of fixed assets maintained by the Company.
- c) No substantial part of Fixed Assets pertaining to the Company has been disposed off during the year which has bearing on the going concern assumption.

2. Inventories:

- a) As explained to us, the inventory has been physically verified by the Management during the year.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company & the nature of its business.
- c) The records of inventory maintained by the Company need to be improved so as to segregate the inventory of the Company and those of the customers. The discrepancies between the physical inventory and the book inventory noticed on physical verification have been properly dealt within the books of account.

3. Loans & advances:

- a) According to the information and explanations given to us, the Company has taken interest free, unsecured loan from one party covered in the register maintained under section 301 of the Companies Act, 1956 which is repayable on demand. The maximum amount outstanding during the year is Rs. 1,376,500 (P.Y. Nil) & outstanding balance at year end is Rs. 1,376,500 (Nil).
- b) The rate of interest and other terms and conditions of loan taken by the Company are prima facie not prejudicial to the interest of the Company.
- c) The payments term of the principal amount and interest has not been started yet.

4. Internal controls:

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.

5. Contracts & Arrangements with parties covered under section 301 of the Act:

- a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lakh in respect of any party during the year, have been made at prices which are *prima facie* reasonable having regard to prevailing market prices at the relevant time.

6. Deposits:

According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed therein.

7. Internal Audit System:

In our opinion, the present internal audit system of the *Company needs to be strengthened to be commensurate with the size and nature of its business*.

9. Statutory Dues:

- a) According to the information & explanations given to us, the Company is generally regular in depositing undisputed statutory

dues including Provident Fund, Employee's State Insurance, Income tax, Sales tax, Wealth Tax, Service tax, Cess and any other statutory dues with the appropriate authorities. However there were no arrears of outstanding statutory dues, as at the last day of the financial year, outstanding for a period of more than six months from the date they become payable.

- b) As at 31st March 2009, according to the information and explanation given to us, there are no dues of sales tax, Incomes tax, custom duty, service tax, excise duty or Cess which have not been deposited on account of any dispute.

Other Matters:

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. According to information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanation given to us, the Company is not a chit fund/ nidhi / mutual benefit/ societies. Accordingly the clause (xiii) of the order is not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the clause (xiv) of the order is not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions, the term and conditions whereof are prejudicial to the interest of the Company.
16. According to the information and explanations given to us, during the year the Company has applied term loans for the purpose for which they were obtained.
17. On the basis of review of utilization of funds, which is based on an overall examination of the balance sheet of the Company, related information as made available to us and as represented to us by the management, we report that no funds raised on short term basis have been *prima facie* used for long term investment.
18. According to the information and explanations given to us, the Company has not made preferential allotment of equity shares during the year.
19. According to the information and explanations given to us, the Company has not issued debentures. Accordingly the clause (xix) of the order is not applicable to the Company.
20. We have verified the end use of money raised by public issue as disclosed in the notes to financial statements.
21. 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 year.

**For Haribhakti & Co.
Chartered Accountants**

**Place : New Delhi
Date : June 30, 2009**

**sd/-
Raj Kumar Agarwal
Partner
Membership No. 74715**



BALANCE SHEET AS ON 31ST MARCH, 2009

	Schedule No.	As at 31.03.2009 (in Rs.)		As at 31.03.2008 (in Rs.)	
I. SOURCES OF FUNDS:					
1. Shareholders' Funds :					
a) Share Capital	1	129,000,070		129,000,070	
b) Share Warrant		7,360,000		7,360,000	
c) Reserves and Surplus	2	<u>467,433,246</u>	603,793,316	<u>452,999,323</u>	589,359,393
2. Loan Funds :					
a) Secured Loans	3	470,617,580		331,801,334	
b) Unsecured Loans	4	<u>1,376,500</u>	471,994,080	-	331,801,334
3. Deferred Tax Liability			(57,827)		922,000
	TOTAL		<u>1,075,729,569</u>		<u>922,082,727</u>
II. APPLICATION OF FUNDS :					
1. Fixed Assets :					
a) Gross Block		538,066,111		393,442,075	
b) Less : Depreciation		<u>(59,465,724)</u>		<u>(29,636,662)</u>	
Net Block	5	478,600,387		363,805,413	
c) Capital Work in Progress	5(A)	<u>294,002,164</u>	772,602,551	<u>221,765,912</u>	585,571,325
2. Investments :	6		2,178,680		29,512,211
3. Current Assets, Loans & Advances :					
a) Inventories	7	161,829,236		140,951,115	
b) Sundry Debtors	8	69,371,928		64,628,578	
c) Cash & Bank Balances	9	14,123,986		90,561,226	
d) Other Current Assets	10	3,576,076		3,560,278	
e) Loans & Advances	11	<u>99,123,092</u>		<u>121,370,012</u>	
		<u>348,024,319</u>		<u>421,071,209</u>	
Less : Current Liabilities & Provisions :					
a) Current Liabilities	12	32,311,650		105,461,093	
b) Provisions	13	<u>14,764,331</u>		<u>8,610,925</u>	
		<u>47,075,981</u>		<u>114,072,018</u>	
Net Current Assets :			300,948,338		306,999,191
	TOTAL		<u>1,075,729,569</u>		<u>922,082,727</u>
Significant Accounting Policies and Notes forming integral 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

sd/-
Raj Kumar Agarwal
Partner

sd/-
Nikhil Nanda
Managing Director

sd/-
Mukul Pathak
Director

sd/-
Jagmohan Bijalwan
Company Secretary

Place : New Delhi
Date : 30th June, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Amount in Rs.)

	Schedule No.	For the year ended 31st March, 2009	For the year ended 31st March, 2008
INCOME			
Sales	14	288,769,435	378,534,138
Less: Excise Duty		(8,825,998)	(14,783,651)
		279,943,437	363,750,487
Other Income	15	3,680,097	9,258,530
	TOTAL	283,623,534	373,009,017
EXPENDITURE:			
Increase /(Decrease) in Finished Goods	16	4,620,837	10,786,453
Material Consumed & Manufacturing Expenses	17	130,968,003	219,234,494
Personnel Expenses	18	23,050,638	16,680,422
Administrative, Selling & Other Expenses	19	48,952,466	38,829,646
Finance Expenses	20	29,310,314	27,437,205
Depreciation	5	30,410,287	19,374,092
	TOTAL	267,312,545	332,342,312
Profit before taxation		16,310,989	40,666,705
Less: Provision for taxation			
Current Tax		1,600,000	4,000,000
Corporate Dividend Tax		548,089	
Deferred Tax		(979,827)	512,000
Fringe Benefit Tax		445,000	410,000
Wealth Tax		44,000	32,000
Profit after Taxation		14,653,727	35,712,705
Less Proposed Dividend		3,225,002	-
Add: Balance as per previous year		99,726,803	64,014,097
Balance carried to Balance Sheet		111,155,528	99,726,802
Earnings per share			
Basic Earnings Per Share		1.14	2.85
Diluted Earnings Per Share		1.12	2.85
Face value Rs.10/- each			
(Refer Note No 14 of Notes to Accounts)			
Significant Accounting Policies and Notes forming integral part of the Accounts	21		

As per our attached report of even date.

For Haribhakti & Co.
Chartered AccountantsOn Behalf of the Board of Directors
JHS Svendgaard Laboratories Limitedsd/-
Raj Kumar Agarwal
Partnersd/-
Nikhil Nanda
Managing Directorsd/-
Mukul Pathak
Directorsd/-
Jagmohan Bijalwan
Company SecretaryPlace : New Delhi
Date : 30th June, 2009



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

(Amount in Rs.)

	As at 31.03.2009 (in Rs.)	As at 31.03.2008 (in Rs.)
SCHEDULE '1' : SHARE CAPITAL		
Authorised:		
18,000,000 (1,80,00,000) Equity Shares of Rs.10/- each	180,000,000	180,000,000
Issued and Subscribed :		
12,900,007 (1,29,00,007) Equity Shares of Rs.10/- each	129,000,070	129,000,070
Paid up :		
12,900,007 (1,29,00,007) Equity Shares of Rs.10/- each fully paid up.	129,000,070	129,000,070
TOTAL	129,000,070	129,000,070

SCHEDULE '2' : RESERVE AND SURPLUS

General Reserve :	667,750	667,750
Add : Addition During the Year*	3,005,200	3,672,950
Securities Premium	352,604,768	- 338,285,948
Add : Addition During the Year	-	14,400,000
Less : Share Issue Expenses	-	352,604,768 81,180
Profit and Loss Account	111,155,528	99,726,804
TOTAL	467,433,246	452,999,323

*This amount relates to exchange fluctuation for the year 2007-08. As the Company exercise option with respect to revised AS 11 according the exchange fluctuation for previous year has been revised.

SCHEDULE '3' : SECURED LOANS

(1) Term Loan From Bank		
(a) Foreign Currency Loan	330,156,000	307,984,695
(2) Working Capital Loan From Bank		
(a) Rupee Loan	138,307,250	20,507,586
(3) Vehicle Loan	2,154,330	3,309,053
TOTAL	470,617,580	331,801,334

- Term Loan in the form of ECB & FCTL is secured Against exclusive charge on all movable fixed assets and first charge on all the immovable fixed assets of the company present and future, Equitable mortgage of land owned by the company at Kala-Amb and personal guarantee of one of the Directors
- Working Capital Loans in the form of Cash Credit, Packing Credit, Bill Discounting is Secured by hypothecation of the Company's entire stock, book debts, export bill, both present & future and Personal guarantee of one of the Directors.
- Vehicle Loan are Secured against Hypothecation of specific vehicle against which the finance is obtained.

SCHEDULE '4' : UNSECURED LOANS

Short Term

From Directors	1,376,500	-
TOTAL	1,376,500	-

SCHEDULE '5' : FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2008	Addition during The Yr.	Deductions During The Yr.	As On 31.03.2009	Up To 01.04.2008	For The Year	Sale/ Adjustment	Up to 31.03.2009	As on 31.03.2009	As on 31.03.2008
Land	8,684,000	421,752	-	9,105,752	-	-	-	-	9,105,752	8,684,000
Building	33,109,643	109,848,045	-	142,957,688	213,475	750,795	-	964,270	141,993,417	32,896,168
Plant & Machinery	315,041,403	23,765,788	-	338,807,192	18,199,755	24,588,305	-	42,788,060	296,019,132	296,841,650
Mould & Dies*	15,689,986	1,535,195	975,000	16,250,181	8,108,923	2,398,322	350,685	10,156,559	6,093,621	7,581,063
Computers	1,780,186	181,540	-	1,961,726	362,383	307,405	-	669,789	1,291,937	1,417,803
Computer Software	136,848	4,846,685	-	4,983,533	15,330	670,659	-	685,989	4,297,544	121,518
Furniture & Fixture	9,051,883	3,949,791	-	13,001,674	1,198,455	630,109	-	1,828,564	11,173,110	7,853,428
Vehicle	9,948,126	1,764,004	713,765	10,998,365	1,538,343	1,064,693	230,543	2,372,493	8,625,872	8,409,783
Current Year	393,442,074	146,312,800	1,688,765	538,066,110	29,636,664	30,410,287	581,227	59,465,724	478,600,386	363,805,413
Previous Year	76,116,654	317,325,421	-	393,442,075	10,262,570	19,374,092	-	29,636,662	363,805,413	-

* Mould & Dies includes discarded assets of Rs.25000/-

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

(Amount in Rs.)

	As on 31.03.2009	As on 31.03.2008
SCHEDULE '5 A' : Capital Work in Progress		
Building under Construction		47,975,590
Less : Pre- operative Exp.	-	12,543,030
Plant & Machinery	15,245,663	2,217,550
Computer Software	-	-
Mould	138,768,946	627,284
Furniture & fixture	-	63,363,454
Add : Pre-operative Expenses	154,014,609	8,726,360
Add : Advance Against Fixed Asstes	139,987,555	149,676,098
	<u>294,002,164</u>	<u>221,765,912</u>
SCHEDULE '6' : INVESTMENT		
Long Term & Unquoted Investment In Subsidiary		
29996(NIL) fully paid Equity Shares of face value of Rs 10/-of JHS Svendgaard Dental Care Limited.	299,960	
1 (1) fully paid Equity Shares of AED 100000 of Jones H Smith, U.A.E.	1,378,720	1,088,330
50000.(25516) fully paid Equity Shares of face value of Rs 10/- of JHS Svendgaard Hygiene Products Limited (formally known as Nikiven Personal Care Private Limited, India)	500,000	255,160
TOTAL	<u>2,178,680</u>	<u>1,343,490</u>
Investment in Mutual Funds		
NIL (28125) Units of DSP Merrill Lynch Liquid Plus of F V of Rs1000/-each	-	28,168,721
TOTAL	<u>2,178,680</u>	<u>29,512,211</u>
SCHEDULE '7' : INVENTORIES		
<i>(As taken, valued and certified by the Management)</i>		
- Raw Materials	100,054,325	74,696,852
- Consumable Stores	49,837	31,950
- Work in Progress	3,628,146	4,754,997
- Finished Goods	63,317,314	61,467,316
	<u>167,049,622</u>	<u>140,951,115</u>
Less: Provision for Slow/ Non Moving Stock	5,220,386	
TOTAL	<u>161,829,236</u>	<u>140,951,115</u>
SCHEDULE '8' : SUNDRY DEBTORS		
(Unsecured, Considered Good Unless Otherwise Stated)		
More than Six Months	31,763,656	2,825,139
Others	37,977,631	62,172,797
	69,741,287	64,997,936
Less: Provision for Doubtful Debts	369,358	369,358
TOTAL	<u>69,371,929</u>	<u>64,628,578</u>
SCHEDULE '9' : CASH AND BANK BALANCES		
Cash on hand (As certified by the management)	2,689,271	3,331,783
Balances with scheduled banks :		
- In Current Accounts	10,442,475	54,076,634
- In Fixed Deposit Account	992,240	33,152,809
TOTAL	<u>14,123,986</u>	<u>90,561,226</u>
SCHEDULE '10' : OTHER CURRENT ASSETS		
Deposits with Sales Tax Department	10,000	10,000.00
Export Incentive Receivable	3,566,076	3,550,278
TOTAL	<u>3,576,076</u>	<u>3,560,278</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

(Amount in Rs.)

	As on 31.03.2009	As on 31.03.2008
SCHEDULE '11' : LOANS AND ADVANCES		
(Unsecured & Good Unless Otherwise Stated)		
Advances recoverable in cash or in kind or for value to be received	18,939,613	23,765,805
Advance Tax & Tax deducted at source	15,022,483	10,249,917
Advance to Supplier	779,542	43,175,379
Advance for services	511,551	207,686
Loans & Advance to subsidiary	45,786,108	14,597,740
Balance with Excise & Customs Department	16,358,920	23,612,615
Prepaid Expenses	672,625	-
Security & Other Deposits	1,052,250	4,775,550
TOTAL	<u>99,123,092</u>	<u>121,370,012</u>
SCHEDULE '12' : CURRENT LIABILITIES		
Sundry Creditors	20,326,044	69,654,780
Advance From Customer	1,197,202	30,430,282
Duties & Taxes	1,264,255	1,090,059
Expenses Payable	6,631,690	3,798,785
Other liability	1,170,145	418,122
Interest accrued but not Due	1,722,314	69,065
TOTAL	<u>32,311,650</u>	<u>105,461,093</u>
SCHEDULE '13' : PROVISIONS		
Provision for Gratuity	925,078	581,139
Provision for Proposed Dividend	3,225,002	-
Provision for Taxation	10,614,251	8,029,786
TOTAL	<u>14,764,331</u>	<u>8,610,925</u>
SCHEDULE '14' : SALES		
Domestic Sales	215,237,304	249,570,254
Exports Sales	68,760,101	108,672,675
Trading Sales	2,742,542	18,968,275
DTA Sales	-	630,099
Scrap sales	2,029,488	692,835
TOTAL	<u>288,769,435</u>	<u>378,534,138</u>
SCHEDULE '15' : OTHER INCOME		
Interest	491,616	3,005,395
Dividend	766,026	5,898,982
Export Incentives	-	30,550
Miscellaneous income	2,422,455	272,397
Excess Provision Written Back	-	259,603
TOTAL	<u>3,680,097</u>	<u>9,258,530</u>
SCHEDULE '16' INCREASE / (DECREASE) IN FINISHED GOODS		
Finished Goods		
Opening Stock	61,467,315	32,217,209
Add : Purchase	-	859,637
Total	61,467,315	33,076,846
Less : Closing Stock	63,067,666	61,467,315
Provision for Slow/Non Moving Stock	3,346,240	-
	(1,745,889)	(28,390,469)
Work in Progress		
Opening Stock	4,754,996	2,364,830
Add : Purchase	1,748,098	41,567,089
Total	6,503,094	43,931,919
Less : Closing Stock	3,628,146	4,754,997
	2,874,948	39,176,922
TOTAL	<u>4,620,837</u>	<u>10,786,453</u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

(Amount in Rs.)

	As on 31.03.2009	As on 31.03.2008
SCHEDULE '17' MATERIAL CONSUMED AND MANUFACTURING EXPENSES		
Raw Material Consumed :		
Opening Stock	74,696,851	114,203,622
Add : Purchases	<u>124,982,392</u>	<u>157,413,079</u>
	199,679,243	271,616,701
Less : Closing Stock	100,054,325	74,696,852
Provision For Slow/Non Moving Stock	<u>1,874,146</u>	-
	101,499,063	196,919,849
Store and Tools Consumed :		
Opening Stock	31,950	52,080
Add : Purchases	<u>1,960,273</u>	<u>3,070,753</u>
	1,992,223	3,122,833
Less : Closing Stock	<u>49,837</u>	<u>31,950</u>
	1,942,386	3,090,883
Manufacturing Expenses :		
Job Work Charges	574,015	4,936,805
Freight Inward	-	-
State Excise Duty	1,436,144	-
Power and Fuel	12,599,848	11,614,591
Testing Charges	132,763	72,859
Wages	12,783,784	2,599,507
TOTAL	<u>130,968,003</u>	<u>219,234,494</u>
SCHEDULE '18' : PERSONNEL EXPENSES		
Salaries, Bonus, & Allowances	20,516,944	15,300,385
Contribution to Provident Fund & ESIC	1,209,862	466,052
Workmen and Staff Welfare	743,487	717,545
Recruitment and Training	236,406	171,310
Gratuity	343,939	25,130
TOTAL	<u>23,050,638</u>	<u>16,680,422</u>
SCHEDULE '19' : ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Auditor's remuneration	551,500	561,800
Advertisement Expenses	3,386,889	2,091,319
Business Promotion	302,669	372,643
Directors' Sitting Fees	21,000	28,500
Directors' Remuneration	1,504,543	1,337,281
Export Expenses	2,696,405	2,820,729
Exchange Fluctuation (Net)	10,942,600	3,859,978
Freight & Cartage	2,395,022	1,825,758
Insurance	1,674,000	598,739
Legal & Professional Fees	2,775,461	4,240,186
Postage, Telephone, Printing Stationery	2,315,418	1,946,814
Rent, Rate & Taxes	6,797,626	7,475,334
Repairs & Maintenance	-	-
- Building	1,764,824	1,172,752
- Others	486,890	459,924
- Plant and Machinery	5,068,904	3,588,074
Sundry Expenses	2,357,052	2,797,216
Travelling & Conveyance Expenses	3,084,126	3,652,599
Loss on Sale of Assets / Assets W/o	827,537	-
TOTAL	<u>48,952,466</u>	<u>38,829,646</u>
SCHEDULE '20' : FINANCIAL EXPENSES		
Bank Interest	24,995,728	10,514,408
Bank Charges	4,314,586	16,922,797
TOTAL	<u>29,310,314</u>	<u>27,437,205</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNTS

SCHEDULE '21': SIGNIFICANT ACCOUNTING POLICIES

A. Significant Accounting Policies

1. Basis of Accounting

The financial statements have been prepared under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") and mandatory accounting standards as specified in the companies (Accounting Standard) Rules, 2006, the provisions of the Companies Act, 1956. All income & expenditure having a material bearing on the financial statements are recognized on accrual basis. Accounting policies have been consistently applied. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

2. Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are crystallized.

3. Fixed assets

1. Fixed assets are stated at cost of acquisition. Cost includes all cost incurred to bring the assets to its present location & condition.
2. In case of self constructed fixed assets, the ascertainable direct and indirect expenses are initially accumulated as capital work in progress and , on completion of the project, allocated to the respective assets directly in case of direct expenditure and on pro- rata basis of the prime cost of fixed assets in case of indirect expenditure .

4. Depreciation

1. 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 are amortized over the period of useful life of 5 Years as estimated by the management.
2. Intangibles computer software is amortized over a period of 5 years on S.L.M

5. Inventories

- a) Raw material, packing material, stores, and spares are valued at lower of cost and net realizable value. However, materials and other item held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. Finished goods and work in progress are valued at lower of cost and net realizable value.
- b) Cost is ascertained on weighted moving average method basis and in case of finished products and work in progress includes appropriate production overheads. Cost of finished goods includes excise duty.

6. 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) Interest income is recognized on accrual basis.
- c) Dividend is recognized when the right to receive of the same is established.
- d) Export incentives principally comprise of Duty Entitlement Pass Book Scheme (DEPB). The benefit under these incentive schemes are available based on the guideline formulated for respective schemes by the government authorities. DEPB is recognized as revenue on accrual basis to the extent it is probable that realization is certain.

7 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. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense.

8. Foreign currency transactions

Exchange Differences arising on reporting of long –term foreign currency monetary Item at rates different from those at which they were initially recorded during the period, or reported in previous financial statement, in so far as they relate to the acquisition of depreciable capital assets is being added /deducted from the cost of assets and shall be depreciated over the balance life of Assets. and in other cases, it is being accumulated in a "Foreign Monetary Item Transaction Difference Account" and amortized over the balance period of such long term asset/liability but not beyond 31st March 2011, by recognition as income or expenses in each of such period, with the exceptions of exchange differences dealt with in accordance with paragraph 15 of accounting standard 11 issued by ICAI.

9. Investments

Investments are classified into long term and current investments based on the intent of management at the time of acquisition. Long term investments are stated at cost and provision is made to recognize any decline, other than temporary, in the value of such investments. Current investments are stated at the lower of cost and the fair value.

10. Employee Benefits

Employee's benefit in the form of provident fund and ESI is a defined contribution scheme and contributions are charged to the Profit and Loss Account for the year/period when the contributions are due.

Gratuity is a defined benefit obligation and is provided on the basis of an actuarial valuation made at the end of each year.

11. Accounting for taxes on income

Tax expenses comprise Current Tax, Deferred Tax and Fringe Benefit Tax.

Current Tax is calculated after considering benefits admissible under Income Tax Act, 1961. Deferred Tax is recognized on timing differences being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets, Subject to the consideration of prudence are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available which such Deferred Tax Assets can be realized. The tax effect is calculated on the accumulated timing difference at the year-end based on the tax rates and laws enacted or substantially enacted on balance sheet date.

12. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognized but are disclosed in the notes to accounts; disputed demands in respect of Central excise, Customs, Income Tax and Sales Tax are disclosed as Contingent Liabilities. Payment in respect of such demands, if any, is shown as advance, till the final outcome of the matter.

Contingent Assets are neither recognized nor disclosed in the financial statements.

13. Impairment of Assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization.

14. Earning per share

Basic earning per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti-dilutive.

B. Notes to Accounts

- Contingent liabilities not provided for in the books of accounts

(Amount in Rupees)

Particulars	As at March 31, 2009	As at March 31, 2008
Guarantees given by banks	500,0000	950,0000
Outstanding letter of credit	Nil	64,744,052
Bill Discounted	Nil	18,904,741

- Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) Rs 114,002,114/- (Rs 61,407,409/-).
- During the year the company has acquired 59.99% of Equity Share of JHS Svendgaard Dental Care limited on 5th April 2008. This subsidiary has commenced the business.

Jones H Smith, FZE, UAE Wholly owned subsidiary of company is yet to commence business.

4. The details of Fund raised through IPO and utilization of such fund are given below: -

Particulars	As at March 31, 2009	As at March 31, 2008
A. Funds raised through Initial Public Offerings	388,619,256	388,619,256
B. Utilization by way of expansion plan/New Project		
- Building and civil works	86,339,862	44,467,219
- Plant and Machinery	210,208,224	191,274,882
- Margin money for working capital	16,025,000	16,025,000
- Contingencies	-	3,596,000
- General Corporate Purposes	37,830,987	37,830,987
- IPO Expenses	37,921,369	37,721,369
Total Funds utilized	388,325,442	330,915,457
C. The unutilized funds as at March 31st, 2009 have been temporarily invested in Bank Fixed Deposit and other short term investments as follows:-		
Fixed Deposit Receipts (Including Bank Balance)	293,814	29,535,078
Short Term Investments	-	28,168,721
Total Unutilized funds	293,814	57,703,799

5. 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.
6. Balances under Sundry debtors, creditors and advances there of are Subject to Confirmation/Reconciliation and Consequential adjustment if any.
7. Employee Benefit Obligations

A. Defined Contribution Plans:

The Company has recognized the following amounts in the Profit and Loss Account for the year:

Particulars	Year ended 31st March 2009 (Amount in Rs.)	Year ended 31st March 2008 (Amount in Rs.)
Contribution to Provident Fund	958,008	311,257
Contribution to Employee's State Insurance Scheme	251,854	154,795

B. Defined Employee Benefit Scheme:

Gratuity

In case of permanent employees, liability in respect of Gratuity is ascertained annually on actuarial valuation.

I. Change in Benefit Obligation

Particulars	Gratuity	
	Year ended 31st March 2009 (Amount in Rs.)	Year ended 31st March 2008 (Amount in Rs.)
(a) Present value of Obligation as at 1st April 2008	581,139	556,009
(b) Interest Cost	46,491	44,481
(c) Past Service Cost	-	556,009
(d) Current Service Cost	383,004	428,388
(d) Benefits Paid	Nil	Nil
(e) Actuarial(Gains)/Loss	(85,556)	(447,738)
(f) Present value of Obligation as at 31st March, 2009	925,078	581,139

II. Fair Value of Plan Assets During the period

Particulars	Gratuity	
	Year ended 31st March 2009 (Amount in Rs.)	Year ended 31st March 2008 (Amount in Rs.)
(a) Present value of Plan assets as at 1st April 2008	Nil	Nil
(b) Expected Return on Plan Assets	Nil	Nil
(c) Actuarial(Gain)/Loss	Nil	Nil
(d) Employers' Contributions	Nil	Nil
(e) Employees' Contributions	Nil	Nil
(f) Benefits Paid	Nil	Nil
(g) Fair Value of Assets as at 31st March, 2009	Nil	Nil

III. Expenses recognized in the Statement of Profit and Loss Account

Particulars	Gratuity	
	Year ended 31st March 2009 (Amount in Rs.)	Year ended 31st March 2008 (Amount in Rs.)
Current Service Cost	383,004	428,388
Past Service Cost	Nil	Nil
Interest Cost	46,491	44,481
Expected Return on Plan Assets	Nil	Nil
Curtailment Cost/(Credit)	Nil	Nil
Settlement Cost/(Credit)	Nil	Nil
Net Actuarial(Gain)/Loss	(85,556)	(447,738)
Total Expenses recognized in the Profit and Loss Account	343,939	25,131

IV. Amounts recognized in the Balance Sheet

Particulars	Gratuity	
	Year ended 31st March 2009 (Amount in Rs.)	Year ended 31st March 2008 (Amount in Rs.)
(a) Present Value of Obligation as at 31st March 2009	925,078	581,139
(b) Fair value of Plan Assets as at 31st March 2009	Nil	Nil
(c) Net Liability recognized in the Balance Sheet	925,078	581,139

V. Actuarial Assumptions

Particulars	Gratuity	
	Year ended 31st March 2009 (Amount in Rs.)	Year ended 31st March 2008 (Amount in Rs.)
(i) Discount Rate (Per annum)	7.60%	8%
(ii) Rate of increase in Compensation levels	5.00%	7%
(iii) Rate of Return on Plan Assets	-	8%
(iv) Average Outstanding Service of Employees up to Retirement:	25 years	32.97 years
(v) Estimated Term of Benefit Obligations	17 years	-

8. 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:-

Particulars	(Amount in Rupees)			
	Exports		Domestic	
	2008-09	2007-08	2008-09.	2007-08.
Sales	68,760,101	108,672,675	220,009,334	255,077,812
Assets(Debtors)	35,357,023	42,981,580	34,384,263	22,016,357



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

9. Related Party

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

A. Following are the names of related parties and description of relation ship, with which there are transactions during the year.

I. Key management personnel

- (a) Mr. Nikhil Nanda
- (b) Mr. G.K. Nanda

II Relatives of Key Management Personnel

- (a) Mrs. Sushma Nanda

III. Subsidiary Companies:

- (a) Jones H. Smith, FZE.
- (b) JHS Svendgaard Dental Care Limited
- (c) JHS Svendgaard Hygiene Products Limited (Formerly known as Nikiven Personal Care Pvt. Ltd.)

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

- (a) Berco Engineering Private Limited
- (b) Dr. Fresh, USA.
- (c) Number One Real Estate Pvt. Ltd.

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	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Job Work Charges paid to						
- Prince Plastic Technologies	-	-	-	32,357	-	-
Repair & Machinery (Plant &						
- Prince Plastic Technologies	-	-	-	30,054	-	-
Material Purchase from						
- Prince Plastic Technologies	-	-	-	255,369	-	-
Finished goods sold to						
- Prince Plastic Technologies	-	-	-	145,367	-	-
- Dr Fresh Inc			21,815,458	68,741,624	-	-
Rent Paid to						
- Berco Engineers (P) Ltd.	-	-	1,682,825	1,654,500	-	-
- Nikhil Nanda	4,492,340	5,212,380	-	-	-	-
Electricity expenses paid to						
- Nikhil Nanda	4,067,425	5,117,054	-	-	-	-
Director Remuneration						
- Nikhil Nanda	1,200,000	1,200,000	-	-	-	-
- P.K.Manglik	175,000					
- G.K.Nanda	120,000	120,000	-	-	-	-
Loans & Advances						
- Nikhil Nanda (accepted)	1,376,500	700,924	-	-	-	-
- Nikhil Nanda (Repaid)	-	1,708,589	-	-	-	-
- Number One Real Estate Pvt. Ltd (Accepted)	-	-	19,010,000	-	-	-
- Equity share warrant Allotment to Sushma Nanda @ 46 per warrant & amount up per warrant is Rs. 4.60	-	-	-	-	-	3,680,000

Transaction with Subsidiary Company

Particulars	Jones H Smith FZE		JHS Svendgaard Hygiene Products Limited		JHS Svendgaard Dental Care Limited	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Investment in Equity shares	1,088,330	1,088,330	500,000	255,160	299,960	-
Unsecured Loans	373,253	373,253	44,269,492	14,224,487	1,049,050	-
(Maximum Outstanding during the year)	373,253	373,253	44,269,492	14,224,487	1,049,050	-

Balance outstanding

Credit Balance	2008-09	2007-08
- Nikhil Nanda (Electricity)	532,170	481,333
- Nikhil Nanda (Rent)	965,397	1,550,591
- Director Remuneration	66,010	542,673
- Sitting Fees	116,500	95,500
- Prince Plastic Technologies	-	537,615
- Berco Engineering	225,524	277,734
- Dr Fresh	5,205,398	508,693

10. Obligation on long term, non-cancelable operating leases:

The lease rental charged during the year and maximum obligation on long term non-cancelable operating leases payable as per the rentals started in the respective agreements

(Amount in Rupees)

Particulars	2008-09	2007-08
Lease Rental recognized during the year	6,797,626	6,866,880
Obligations		
Within one of the year of the Balance Sheet Date	3,542,484	8,427,000
Due in a period between 1 year & 5 year	564,384	8,427,000
Due after 5 year	Nil	Nil

11. The calculation of Earning per Share (EPS) has been made in accordance with Accounting Standard (AS) 20 issued by the ICAI. A statement on calculation of Basic and Diluted EPS is as under:

(Amount in Rupees)

Particulars		UNITS	2008-09	2007-08
Profit after Tax (after extraordinary items)	A	Rs.	14,653,726	35,712,707
Weighted average no. of equity shares	B	Nos.	12,900,007	12,506,582
Add: Dilutive potential equity shares		Nos.	160,000	1,610
Number of equity shares for Dilutive EPS	C	Nos.	13,060,007	12,508,192
Notional value per share			10	10
Basic Earning Per Share (A/B)		Rs.	1.14	2.85
Diluted Earning Per Share (A/C)		Rs.	1.12	2.85

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

(Amount in Rupees)

Particulars	2008-09	2007-08
Difference between books & tax depreciation on base of fixed Assets	(7,042,224)	(3,217,354)
Deferred tax Liabilities	(2,393,652)	(1,093,579)
Provision for Bonus	571,097	226,789
Provision for doubtful debt	369,358	Nil
Provision for Preliminary expenses	126,436	252,872
Provision for Gratuity	925,078	25,130
Provision for obsolete stock	5,220,386	-
Deferred tax Assets	2,451,479	171,579
Net Deferred (Liabilities) Assets	57,827	(922,000)

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

(Amount in Rupees)

Particulars	2008-09	2007-08
Salary	1,200,000	1,200,000
Monetary Perquisites	9,543	17,281
Total (Rs.)	1,209,543	1,217,281

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

(Amount in Rupees)

Particulars	2008-09	2007-08
Salary	295,000	120,000
Monetary Perquisites	Nil	Nil
Total (Rs.)	295,000	120,000

(C) Sitting fee paid to Director Rs. 21,000 (Rs.28,500)
14. Auditors remuneration includes (including service tax, where applicable)

Amount in Rupees)

Particulars	2008-09	2007-08
Statutory Audit fees	468,775	477,530
Tax Audit fees	82,725	84,270
Limited Review	168,540	168,540
Certification fees	8,824	38,202
Out of Pocket Expenses	10,526	7,447
Total	739,390	775,989

15. Sundry Creditors in Schedule No.12; Accounts include

- (a) Rs. Nil/- due to creditors registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME); and
 (b) Rs. Nil/- is payable for interest during the year to Micro, Small and Medium Enterprises.
 (c) The above information has been determined to the extent such Parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSME.

16 Earnings in foreign exchange

(Amount in Rupees)

Particulars	2008-09	2007-08
FOB value of exports	68,760,101	106,441,947
Freight	3,024,789	2,230,728
Total	71,771,743	108,672,675

17. Expenditure in foreign currency on travelling Rs. 907,934 (1,458,319)
18. CIF Values of Imports

(Amount in Rupees)

Particulars	2008-09	2007-08
Raw material	49,513,574	82,007,106
Capital goods	123,246,126	300,214,176

19. Quantitative Information

Particulars	Unit	2008-09	2007-08
Licensed capacity			
(Oral Care Products)	Pcs	Not Applicable	Not Applicable
Installed capacity *			
(Oral Care Products)	Pcs	246,240,000	116,000,000
Actual Production			
(Oral Care Products)	Pcs	107,535,628	115,554,716

* As certified by the management this being technical matter and relied upon by auditor.

20. Stock of finished goods

Oral Care Products	2008-09		2007-08	
	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
Opening Stocks	14,190,320	61,467,315	5,214,422	32,217,209
Closing Stocks	20,476,053	63,317,314*	14,190,320	61,467,315

*Includes Rs. 249,648 on account of excise duty on Finished Goods.

21. Details of Raw Material, Consumables & Work in Progress

Particulars	Opening Balance		Consumption		Closing Balance	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Nylon Bristles						
2008-09	31,184	10,468,066	32,247	11,446,700	56,811	30,037,551
2007-08	34,961	58,843,605	97,732	53,701,695	31,184	10,468,066
Anchor Wires						
2008-09	13,987	5,459,931	12,986	5,012,999	17,905	6,591,318
2007-08	3,028	1,222,007	21,295	7,841,065	13,987	5,459,931
Plastic Granules						
2008-09	-	-	806,642	61,304,878	66,000	4,720,659
2007-08	-	-	1,453,553	102,456,156	-	-
Glycerine						
2008-09	-	-	7,302	329,000	256	11,534
2007-08	453	15,795	329,000	980,516	-	-
Citric Acid						
2008-09	-	-	11	582	3,989	206,913
2007-08	486	25,392	582	963,088	-	-
Sorbitol						
2008-09	-	-	61,767	1,990,181	9,631	324,211
2007-08	96	2,626	1,990,181	892,120	-	-
Packing Materials/others						
2008-09		63,555,801		19,540,577		61,840,122
2007-08		104,886,646		30,085,209	-	63,555,801
Total						
2008-09	45,172	79,483,799	920,955	99,624,917	154,593	103,732,308
2007-08	4,062	116,620,532	3,892,343	196,919,849	45,172	79,483,799

22. The company has exercised an option relating to "The Effects of changes in foreign exchange rates" (Notification No. G.S.R 225 (E)). With the exercise of such option the amount remaining to be amortized in the financial statement is RS. NIL. However, the company has capitalized the sum of Rs.3,005,200 on account of exchange difference incurred in previous year in relation to acquisition which was booked as revenue expenditure hitherto. Had the company adopted earlier method, the profit would have increased by Rs. 16,282,374 & accordingly Net Profit Before Tax would have been Rs. 32,593,363.

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

24. Schedule 1 to 21 forms integral part of the Balance Sheet and have been authenticated as such.

As per our attached report of even date.

For Haribhakti & Co.
Chartered Accountants

On Behalf of the Board of Directors
JHS Svendgaard Laboratories Limited

sd/-
Raj Kumar Agarwal
Partner

sd/-
Nikhil Nanda
Managing Director

sd/-
Mukul Pathak
Director

sd/-
Jagmohan Bijalwan
Company Secretary

Place : New Delhi
Date : 30th June, 2009



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

I) Registration Details

Registration No.
State Code
Balance Sheet Date

II) Capital raised during the year

Public issue	Nil	Nil
Right issue	Nil	Nil
Bonus issue	Nil	Nil
Private Placement	Nil	Nil

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

Total Liabilities	10,757.30	9,202.83
Total Assets	10,757.30	9,202.83
Source of funds		
Paid up capital	1,290.00	1,290.00
Share Application Money	-	-
Reserves and Surplus	4,674.33	4,529.99
Secured loan	4,706.18	3,318.01
Unsecured loans	13.77	-
Deferred tax liability	(57,827.00)	9.22
Application of funds	(0.58)	
Net fixed assets	7,726.03	5,855.71
Investments	21.79	295.12
Net current assets	3,009.48	3,069.99
Miscellaneous expenditure	Nil	Nil

IV) Performance of Company (Amount in Lacs)

Turnover	2,799.43	3,637.50
Other income	36.80	92.58
Total Expenditure	2,673.13	3,323.42
Profit before tax	163.11	406.67
Profit after tax	146.54	357.13
Weighted no. of equity shares	125.07	125.07
Earning per share (Basic)	1.14	2.85
Earning per share (Diluted)	1.12	2.85
Interim dividend	Nil	Nil
Dividend	Nil	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

sd/-
Raj Kumar Agarwal
Partner

sd/-
Nikhil Nanda
Managing Director

sd/-
Mukul Pathak
Director

sd/-
Jagmohan Bijalwan
Company Secretary

Place : New Delhi
Date : 30th June, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(in Rs.)

Particulars	As on March 31, 2009	As on March 31, 2008
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit, as before Tax	16,310,989	40,666,707
Adjusted for:		
Depreciation	30,410,287	19,374,092
Interest, Dividend and Miscellaneous Income	(1,257,642)	(8,904,377)
Excess Provision / sundry balances written Back	(2,406,658)	(259,603)
Loss (Profit) on disposal & Write off of Fixed Assets	827,537	-
Stock Written off	5,220,386	-
Profit on Redemption on Mutual Fund	(15,798)	-
Adjustment with FCMTDA	3,005,200	-
Interest and financial Charges	29,310,314	27,437,204
Operating Profit before Working Capital Changes	81,404,615	78,314,023
Adjusted for:		
(Increase)/Decrease in Inventories	(26,098,507)	7,886,628
Decrease/(Increase) in Debtors	(4,743,351)	10,459,028
(Increase)/ Decrease in Loan & Advances	27,019,485	(103,776,374)
Decrease/(Increase) in other current assets	(15,798)	(40,551)
(Decrease)/ Increase in Current liabilities and provisions	(70,398,846)	55,102,668
Cash generated from Operations	7,167,599	47,945,422
Income Taxes Paid	4,825,190	-
Net Cash generated from Operating Activities	2,342,409	47,945,422
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(218,549,053)	(350,324,815)
Sale of Fixed Assets	280,000	-
(Purchase)/Sale of Investments	(835,190)	127,180,739
Interest and Dividend Income Received	1,257,642	8,904,377
Sale of Redemption on Mutual Fund	28,184,519	-
Net Cash used in Investing Activities	(189,662,082)	(214,239,699)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	4,000,000
Share Warrant	-	7,360,000
Proceeds from Share Premium	-	14,400,000
Proceeds from Secured Loans	138,816,246	222,819,493
Paid towards Unsecured Loans	1,376,500	(1,007,665)
Paid towards Preference Share Issue expenses	-	(81,180)
Interest and financial Charges	(29,310,313)	(27,437,204)
Net Cash Flow from Financing Activities	110,882,433	220,053,444
Net (Decrease) / Increase in Cash and Cash Equivalents	(76,437,240)	53,759,167
Opening Balance of Cash and Cash Equivalents	90,561,226	36,802,059
Closing Balance of Cash and Cash Equivalents	14,123,986	90,501,226

As per our attached report of even date.

For Haribhakti & Co.
Chartered AccountantsOn Behalf of the Board of Directors
JHS Svendgaard Laboratories Limitedsd/-
Raj Kumar Agarwal
Partnersd/-
Nikhil Nanda
Managing Directorsd/-
Mukul Pathak
Directorsd/-
Jagmohan Bijalwan
Company SecretaryPlace : New Delhi
Date : 30th June, 2009



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

	Name of the Subsidiary	Jones H Smith, FZE	JHS Svendgaard Hygiene Products Limited (Formerly known as Nikiven Personal Care Products Private Limited)	JHS Svendgaard Dental Care Limited
1	Financial year ended	31.03.2009	31.03.2009	31.03.2009
2	Holding Company's interest	100% in Equity Share Capital	33.33% in Equity Share Capital	59.992% in Equity Share Capital
3	Shares held by the Holding Company in the Subsidiary	1 share of AED 100,000/- each	50,000 shares of Rs. 10/- each	29,996 shares of Rs. 10/- each
4	The net aggregate of profits or losses for the above financial Year of the Subsidiary so far as it concerns the members of the Holding Company			
	a. dealt with or provided for in the accounts of the Holding Company	Nil	Nil	Nil
	b. not dealt with or provided for in the accounts of the Holding Company	Loss: AED 14,700/-	Loss: Rs. 6,98,398/-	Loss: Rs. 8,65,629/-
5	The net aggregate of profits or losses for the previous financial years of the Subsidiary so far as it concerns the members of the Holding Company			
	a. dealt with or provided for in the accounts of the Holding Company	Nil	Nil	Nil
	b. not dealt with or provided for in the accounts of	Loss: AED 12,323/-	Loss: Rs. 198,743/-	Nil

As per our attached report of even date.

For Haribhakti & Co.
Chartered Accountants

On Behalf of the Board of Directors
JHS Svendgaard Laboratories Limited

sd/-
Raj Kumar Agarwal
Partner

sd/-
Nikhil Nanda
Managing Director

sd/-
Mukul Pathak
Director

sd/-
Jagmohan Bijalwan
Company Secretary

Place : New Delhi
Date : 30th June, 2009

AUDITORS' REPORT FOR CONSOLIDATED FINANCIAL STATEMENTS

- 1) We have audited the attached Consolidated Balance Sheet of JHS SVENDGAARD LABORATORIES LIMITED (the Company) and its subsidiaries as at 31st March 2009 and the Consolidated Profit and Loss account and Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require obtaining 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) We further report that we did not audit the financial statement of subsidiaries, whose financial statements reflect total assets of Rs 763 Lac as at March 31, 2009, and total revenue of Rs 3.81 Lac for the year ended on that date. These financial statements and some financial information have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the report of other auditors.
- 4) We report that the consolidated financial statement have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (AS) 21, Consolidated Financial Statements and on the basis of the separate audited financial statements and other information referred in paragraph 3 above.
- 5) Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as at 31st March, 2009; and
 - b. in the case of the Consolidated Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - c. in case of the Consolidated Cash Flow Statement, of the Cash Flow for the year ended on that date.

**For Haribhakti & Co.,
Chartered Accountants**

**sd/-
Raj Kumar Agarwal
Partner
Membership No. 74715**

**Place : New Delhi
Date : 30th June, 2009.**



CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2009

	Schedule No.	March 31, 2009 (in Rs.)	March 31, 2008 (in Rs.)
I. SOURCES OF FUNDS:			
1. Shareholders' Funds :			
a) Share Capital	1	129,000,070	129,000,070
b) Share Warrant		7,360,000	7,360,000
c) Reserves and Surplus	2	<u>466,295,230</u>	<u>452,832,380</u>
		602,655,300	589,192,450
2. Loan Funds :			
a) Secured Loans	3	485,783,030	331,801,333
b) Unsecured Loans	4	<u>3,295,296</u>	<u>893,458</u>
		489,078,326	332,694,791
3. Deferred Tax Liability		(884,740)	863,545
4. Minority Interest		<u>261,623</u>	<u>147,516</u>
	TOTAL	<u>1,091,110,509</u>	<u>922,898,302</u>
II. APPLICATION OF FUNDS :			
1. Fixed Assets :			
a) Gross Block		599,500,120	407,034,575
b) Less : Depreciation		<u>(59,504,043)</u>	<u>(29,636,662)</u>
Net Block	5	<u>539,996,077</u>	<u>377,397,913</u>
c) Capital Work in Progress	5(A)	<u>294,002,164</u>	<u>221,765,912</u>
		833,998,241	599,163,825
2. Investments :	6	-	28,168,721
3. Goodwill on Consideration		49,910	49,910
4. Current Assets, Loans & Advances :			
a) Inventories	7	161,829,236	141,543,221
b) Sundry Debtors	8	69,464,595	64,721,244
c) Cash & Bank Balances	9	25,243,205	92,337,109
d) Other Current Assets	10	3,576,076	3,560,278
e) Loans & Advances	11	<u>56,961,763</u>	<u>107,402,992</u>
		<u>317,074,875</u>	<u>409,564,844</u>
Less : Current Liabilities & Provisions :			
a) Current Liabilities	12	45,176,337	105,510,832
b) Provisions	13	<u>14,876,108</u>	<u>8,610,925</u>
		<u>60,052,445</u>	<u>114,121,757</u>
Net Current Assets :		257,022,430	295,443,087
5. Miscellaneous Expenditure	14	39,928	72,760
	TOTAL	<u>1,091,110,509</u>	<u>922,898,302</u>
Significant Accounting Policies and Notes forming integral part of the Accounts	22		

As per our attached report of even date.

For Haribhakti & Co.
Chartered Accountants

On Behalf of the Board of Directors
JHS Svendgaard Laboratories Limited

sd/-
Raj Kumar Agarwal
Partner

sd/-
Nikhil Nanda
Managing Director

sd/-
Mukul Pathak
Director

sd/-
Jagmohan Bijalwan
Company Secretary

Place : New Delhi
Date : 30th June, 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule No.	March 31, 2009 Rs.	March 31, 2008 Rs.
INCOME			
Sales	15	288,769,435	378,534,138
Less: Excise Duty		(8,825,998)	-14,783,651
		279,943,437	363,750,487
Other Income	16	4,061,954	9,263,265
	TOTAL	284,005,391	373,013,752
EXPENDITURE :			
Increase /(Decrease) in Finished Goods	17	4,620,837	10,786,454
Material Consumed & Manufacturing Expenses	18	131,760,237	219,234,493
Personnel Expenses	19	23,050,638	16,680,422
Administrative, Selling & Other Expenses	20	50,820,008	39,014,395
Finance Expenses	21	29,518,860	27,465,433
Depreciation	5	30,448,606	19,374,092
	TOTAL	270,219,186	332,555,290
Profit before taxation		13,786,204	40,458,463
Less: Provision for taxation			
Current Tax		1,600,000	4,000,000
Corporate Dividend Tax		548,089	
Deferred Tax		(1,748,285)	498,201
Fringe Benefit Tax		446,371	410,000
Wealth Tax		44,000	32,000
Profit after Taxation before Minority Interest		12,896,029	35,518,262
Add: Minority Interest		938,415	27,502
Profit after Tax & Minority Interest		13,834,444	35,545,764
Less: Proposed Dividend		3,225,002	0
Add: Balance as per previous year		99,358,160	64,014,097
Balance carried to Balance Sheet		110,017,512	99,559,861
Earnings per share			
Basic Earnings Per Share		1.07	2.84
Diluted Earnings Per Share		1.06	2.84
Face value Rs.10/- each (Refer Note No 14 of Notes to Accounts)			
Significant Accounting Policies and Notes forming integral part of the Accounts	22		

As per our attached report of even date.

For Haribhakti & Co.
Chartered Accountants

On Behalf of the Board of Directors
JHS Svendgaard Laboratories Limited

sd/-
Raj Kumar Agarwal
Partner

sd/-
Nikhil Nanda
Managing Director

sd/-
Mukul Pathak
Director

sd/-
Jagmohan Bijalwan
Company Secretary

Place : New Delhi
Date : 30th June, 2009



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET (in Rs.)

	March 31, 2009	March 31, 2008
SCHEDULE '1': SHARE CAPITAL		
Authorised:		
18,000,000 (1,80,00,000) Equity Shares of Rs.10/- each	180,000,000	180,000,000
Issued and Subscribed :		
12,900,007 (1,29,00,007) Equity Shares of Rs.10/- each	129,000,070	129,000,070
Paid up :		
12,900,007 (1,29,00,007) Equity Shares of Rs.10/- each fully paid up.	129,000,070	129,000,070
TOTAL	<u>129,000,070</u>	<u>129,000,070</u>
SCHEDULE '2': RESERVE AND SURPLUS		
General Reserve :		
Add Addition During the Year	667,750	667,750
	<u>3,005,200</u>	-
	3,672,950	-
Securities Premium	352,604,768	338,285,948
Add : Addition During the Year	-	14,400,000
Less : Share Issue Expenses	-	81,180
	352,604,768	352,604,768
Profit and Loss Account	110,017,512	99,559,861
TOTAL	<u>466,295,230</u>	<u>452,832,380</u>
SCHEDULE '3': SECURED LOANS		
(1) Term Loan From Bank		
(a) Foreign Currency Loan	330,156,000	307,984,695
(b) Rupee Loan	15,165,450	-
(2) Working Capital Loan From Bank		
(a) Rupee Loan	138,307,250	20,507,586
	<u>2,154,330</u>	<u>3,309,053</u>
(3) Vehicle Loan		
TOTAL	<u>485,783,030</u>	<u>331,801,334</u>
1. Term Loan in the form of ECB & FCTL is secured Against exclusive charge on all movable fixed assets and first charge on all the immovable fixed assets of the company present and future, Equitable mortgage of land owned by the company at Kala-Amb and personal guarantee of one of the Directors		
2. Working Capital Loans in the form of Cash Credit, Packing Credit, Bill Discounting is Secured by hypothecation of the Company's entire stock, book debts, export bill, both present & future and Personal guarantee of one of the Directors.		
3. Vehicle Loan are Secured against Hypothecation of specific vehicle against which the finance is obtained.		
SCHEDULE '4': UNSECURED LOANS		
Short Term		
From Directors	2,598,564	696,732
From Others	<u>696,732</u>	<u>196,726</u>
TOTAL	<u>3,295,296</u>	<u>893,458</u>

SCHEDULE '5': FIXED ASSETS (Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2008	Addition during the Year	Deductions During The Year	As On 31.03.2009	Up To 01.04.2008	For The Year	Sale/ Adjustment	Up to 31.03.2009	As on 31.03.2009	As on 31.03.2008
Land	22,276,500	1,190,754	-	23,467,254	-	-	-	-	23,467,254	22,276,500
Building	33,109,643	109,848,045	-	142,957,688	213,475	750,795	-	964,271	141,993,417	32,896,168
Building under construction	-	45,664,938	-	45,664,938	-	-	-	-	45,664,938	-
Plant & Machinery	315,041,403	24,732,476	-	339,773,880	18,199,755	24,616,853	-	42,816,608	296,957,272	296,841,650
Mould & Dies*	15,689,986	1,535,195	975,000	16,250,181	8,108,923	2,398,322	350,685	10,156,560	6,093,621	7,581,063
Computers	1,780,186	256,500	-	2,036,686	362,383	313,365	-	675,749	1,360,937	1,417,803
Computer Software	136,848	4,846,685	-	4,983,533	15,330	670,659	-	685,989	4,297,544	121,518
Furniture & Fixture	9,063,883	4,315,712	12,000	13,367,595	1,208,448	633,918	9,992	1,832,374	11,535,221	7,853,428
Vehicle	9,948,126	1,764,004	713,765	10,998,365	1,538,343	1,064,693	230,543	2,372,493	8,625,872	8,409,783
Current Year	407,046,574	194,154,309	1,700,765	599,500,120	29,646,657	30,448,606	591,219	59,504,043	539,996,077	377,397,913
Previous Year	76,128,654	317,325,421	-	393,454,075	10,262,570	19,374,092	-	29,636,662	363,817,413	

* Mould & Dies includes discarded assets of Rs.25000/-

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

(in Rs.)

	As on 31.03. 2009	As on 31.03. 2008
SCHEDULE '5 A' : Capital Work in Progress		
Building under Construction	-	47,975,590
Plant & Machinery	15,245,663	12,543,030
Computer Software	-	2,217,550
Mould	138,768,946	-
Furniture & fixture	-	627,284
	<u>154,014,609</u>	<u>63,363,454</u>
Add : Pre-operative Expenses	-	8,726,360
Add : Advance Against Fixed Assets	139,987,555	149,676,098
TOTAL	<u>294,002,164</u>	<u>221,765,912</u>
SCHEDULE '6' : INVESTMENT		
Investment in Mutual Funds		
NIL (28125) Units of DSP Merrill Lynch Liquid Plus of F V of Rs1000/-each	-	28,168,721
TOTAL	<u>-</u>	<u>28,168,721</u>
SCHEDULE '7' : INVENTORIES		
<i>(As taken, valued and certified by the Management)</i>		
- Raw Materials	100,054,325	74,696,852
- Consumable Stores	49,837	31,950
- Work in Progress	3,628,146	4,754,997
- Finished Goods	<u>63,317,314</u>	<u>61,467,315</u>
	167,049,622	140,951,114
Less: Provision for Stock	<u>5,220,386</u>	<u>-</u>
TOTAL	<u>161,829,236</u>	<u>140,951,114</u>
SCHEDULE '8' : SUNDRY DEBTORS		
(Unsecured, Considered Good Unless Otherwise Stated)		
More than Six Months	31,856,322	2,825,139
Others	<u>37,977,631</u>	<u>62,172,797</u>
	69,833,953	64,997,936
Less: Provision for Doubtful Debts	<u>369,358</u>	<u>369,358</u>
TOTAL	<u>69,464,595</u>	<u>64,628,578</u>
SCHEDULE '9' : CASH AND BANK BALANCES		
Cash on hand (As certified by the management)	4,034,165	3,331,783
Balances with scheduled banks :		
- In Current Accounts	20,160,433	54,076,634
- In Fixed Deposit Account	<u>1,048,607</u>	<u>33,152,809</u>
TOTAL	<u>25,243,205</u>	<u>90,561,226</u>
SCHEDULE '10' : OTHER CURRENT ASSETS		
Deposits with Sales Tax Department	10,000	10,000
Export Incentive Receivable	<u>3,566,076</u>	<u>35,550,278</u>
TOTAL	<u>3,576,076</u>	<u>35,560,278</u>
SCHEDULE '11' : LOANS AND ADVANCES		
(Unsecured & Good Unless Otherwise Stated)		
Advances recoverable in cash or in kind or for value to be received	22,461,436	24,396,524
Advance Tax & Tax deducted at source	15,036,553	10,249,917
Advance to Supplier	779,542	43,175,379
Advance for services	511,551	207,686
Balance with Excise & Customs Department	16,358,920	23,612,615
Prepaid Expenses	720,149	985,320
Security & Other Deposits	<u>1,093,612</u>	<u>4,775,550</u>
TOTAL	<u>56,961,763</u>	<u>107,402,991</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET / PROFIT & LOSS ACCOUNT
(in Rs.)

	As on 31.03.2009	As on 31.03.2008
SCHEDULE '12' : CURRENT LIABILITIES		
Sundry Creditors	31,973,535	69,654,780
Advance From Customer	1,197,203	30,430,282
Duties & Taxes	1,264,255	1,090,059
Expenses Payable	7,696,625	3,848,524
Other liability	1,322,405	418,122
Interest accrued but not Due	1,722,314	69,065
TOTAL	<u><u>45,176,337</u></u>	<u><u>105,510,832</u></u>
SCHEDULE '13' : PROVISIONS		
Provision for Gratuity	925,078	581,139
Provision for Proposed Dividend	3,225,002	-
Provision for Taxation	10,615,622	8,029,786
Provision for Expenses	110,406	-
TOTAL	<u><u>14,876,108</u></u>	<u><u>8,610,925</u></u>
SCHEDULE 14 : MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Preoperative, Project & Incidental Expenditure	10,210	-
Less: Written off During the year	2,042	-
Preliminary Expenses	39,700	-
Less: Written off During the year	7,940	-
TOTAL	<u><u>39,928</u></u>	<u><u>-</u></u>
SCHEDULE '15' : SALES		
Domestic Sales	215,237,304	249,570,254
Exports Sales	68,760,101	108,672,675
Trading Sales	2,742,542	18,968,275
DTA Sales	-	630,099
Scrap Sales	2,029,488	692,835
TOTAL	<u><u>288,769,435</u></u>	<u><u>378,534,138</u></u>
SCHEDULE '16' : OTHER INCOME		
Interest	491,616	3,005,395
Dividend	766,026	5,898,982
Export Incentives	-	30,550
Miscellaneous income	2,503,386	68,735
Excess Provision Written Back	-	259,603
Income From Clinic	300,926	-
TOTAL	<u><u>4,061,954</u></u>	<u><u>9,258,530</u></u>
SCHEDULE '17' INCREASE / (DECREASE) IN STOCK		
Finished Goods		
Opening Stock	61,467,315	32,217,209
Add : Purchase	-	859,637
Total	61,467,315	33,076,846
Less : Closing Stock	63,067,666	61,467,315
Provision for Slow/Non Moving Stock	3,346,240	-
	<u>1,745,889</u>	<u>28,390,469</u>
Work in Progress		
Opening Stock	4,754,996	2,364,830
Add : Purchase	1,748,099	41,567,089
	6,503,095	43,931,919
Less : Closing Stock	3,628,147	4,754,997
	<u>2,874,948</u>	<u>39,176,922</u>
TOTAL	<u><u>4,620,837</u></u>	<u><u>10,786,454</u></u>

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT

(in Rs.)

	As on 31.03.2009	As on 31.03.2008
SCHEDULE '18' MATERIAL CONSUMED AND MANUFACTURING EXPENSES		
Raw Material Consumed :		
Opening Stock	74,696,851	114,203,622
Add : Purchases	<u>124,982,391</u>	<u>158,951,967</u>
	199,679,242	273,155,589
Less : Closing Stock	<u>100,054,325</u>	<u>74,696,852</u>
Provision for Slow/Non Moving Stock	1,874,146	-
	101,499,063	198,458,737
Store and Tools Consumed :		
Opening Stock	31,950	52,080
Add : Purchases	<u>1,960,273</u>	<u>1,531,865</u>
	1,992,223	1,583,945
Less : Closing Stock	<u>49,837</u>	<u>31,950</u>
	1,942,386	1,551,995
Manufacturing Expenses :		
Job Work Charges	574,015	4,936,805
State Excise Duty	1,436,144	-
Power and Fuel	12,799,975	11,614,591
Testing Charges	132,763	72,859
Material Return of	592,107	-
Wages	12,783,784	2,599,507
TOTAL	<u>131,760,237</u>	<u>219,234,493</u>
SCHEDULE '19' : PERSONNEL EXPENSES		
Salaries, Bonus, & Allowances	20,516,944	15,300,385
Contribution to Provident Fund & ESIC	1,209,862	466,052
Workmen and Staff Welfare	743,487	717,545
Recruitment and Training	236,406	171,310
Gratuity	343,939	25,130
TOTAL	<u>23,050,638</u>	<u>16,680,422</u>
SCHEDULE '20' : ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Auditors' remuneration	585,136	561,800
Advertisement Expenses	3,386,889	2,091,319
Business Promotion	302,669	372,643
Directors' Sitting Fees	21,000	28,500
Directors' Remuneration	1,504,543	1,337,281
Export Expenses	2,696,405	2,820,729
Exchange Fluctuation (Net)	10,942,600	3,864,147
Freight & Cartage	2,395,022	1,825,758
Insurance	1,674,000	598,739
Legal & Professional Fees	3,341,632	4,240,186
Postage, Telephone, Printing Stationery	2,368,372	1,946,814
Electricity Expenses	7,453	-
Telephone Expenses	17,178	-
Rent, Rate & Taxes	7,210,918	7,475,334
Repairs & Maintenance	10,200	-
- Building	1,764,824	1,172,752
- Others	486,890	459,924
- Plant and Machinery	5,068,904	3,588,074
Sundry Expenses	2,368,256	2,977,797
Travelling & Conveyance Expenses	3,089,349	3,652,599
Assets W/o	827,537	-
Preliminary Expenses W/o	478,262	-
Balance W/o	16,514	-
Staff Expenses	255,455	-
TOTAL	<u>50,820,008</u>	<u>39,014,395</u>
SCHEDULE '21' : FINANCIAL EXPENSES		
Bank Interest	25,026,978	10,514,408
Bank Charges	4,491,882	16,951,026
TOTAL	<u>29,518,860</u>	<u>27,465,434</u>



SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

SCHEDULE '22': SIGNIFICANT ACCOUNTING POLICIES

A. Significant Accounting Policies

1. Basis of Preparation of Consolidated Financial Statements

- a) The Consolidated Financial Statement relates to JHS Svendgaard Laboratories Limited (the Company) and its subsidiaries together called as JHS GROUP and have been prepared in compliance with the applicable accounting standard issued by the Institute of Chartered Accountants of India, and relevant provisions of Companies Act, 1956.
- b) The Consolidated Financial Statement has been prepared under historical cost convention & accrual basis.

2. Principles of Consolidation

- a) The subsidiaries considered in the Consolidated Financial Statements are as under and have been incorporated/ acquired during the year.

Name of the Subsidiaries	Country of Incorporation	Ownership Interest	Financial Year ends on
Jones H. Smith, FZE	UAE	100%	31st March, 2009
JHS Svendgaard Hygiene Products Limited.	India	33.33%	31st March, 2009
JHS Svendgaard Dental Care Limited	India	59.992. %	31st March, 2009

- b) The consolidated Financial Statements have been prepared on the following basis:

- i) The consolidated financial statements have been prepared in accordance with the accounting Standard 21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- ii) The financial statement have been consolidated on a line by line basis by adding together the book value of assets, liabilities income & expenses, after fully eliminating Intra Group balances and Intra group transaction resulting in unrealized profits/ losses, if any.
- iii) The Consolidated Financial Statements have been prepared by using uniform accounting policies for like transaction and other events in similar circumstances and are presented to the extent possible in the same manner as those of the parent companies independent financial statements unless stated otherwise.
- iv) The operation of the foreign subsidiaries have been considered by the management, as non integral operation.
- v) The difference between the cost to the Company of its investments in its subsidiary and its portion of equity of subsidiary at the dates they become subsidiary, is recognised in the financial statements as goodwill or capital reserve, as the case may be. This is based upon determination of pre-acquisition profit/loss and of the net worth on the date of acquisition determine by the management on the basis of certain estimates which have been relied upon by the auditors.
- vi) Minority interest in the Consolidated Financial Statement is identified and recognized after taking into consideration, the minority share of movement in equity since the date parent- subsidiary relationship came into existence. The profit/loss attributable to the minorities are adjusted against the income of the group in order to arrive at the net income attributable to the Company.
- vii) The financial statement of the subsidiary for the year ended March 31st, 2009 have been prepared and audited as per the Generally Accepted Accounting Principles (GAAP) of the countries in which they are operating. These financial statements have been converted by the management as per requirement of Indian GAAP
- viii) Other significant accounting policies are as set out in standalone financial statement of JHS Svendgaard Laboratories Limited to the extent applicable.

B. Notes to Accounts**1. Contingent liabilities not provided for in the books of accounts**

(Amount in Rupees)

Particulars	As at March 31, 2009	As at March 31, 2008
Guarantees given by banks	5,000,000	9,500,000
Outstanding letter of credit	Nil	64,744,052
Bill Discounted	Nil	18,904,741
Claim not acknowledge as debts	242,000	242,000

1.1. Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) Rs 114,002,114/-(P.Y. Rs 61,407,409/-).

2. The details of Fund raised through IPO and utilization of such fund are given below: -

Particulars	As at March 31, 2009	As at March 31, 2008
A. Funds raised through Initial Public Offerings	388,619,256	388,619,256
B. Utilization by way of expansion plan/New Project		
- Building and civil works	86,339,862	44,467,219
- Plant and Machinery	210,208,224	191,274,882
- Margin money for working capital	16,025,000	16,025,000
- Contingencies	-	3,596,000
- General Corporate Purposes	37,830,987	37,830,987
- IPO Expenses	37,921,369	37,721,369
Total Funds utilized	388,325,442	330,915,457
C. The unutilized funds as at March 31 st , 2009 have been temporarily invested in Bank Fixed Deposit and other short term investments as follows:-		
- Fixed Deposit Receipts (Including Bank Balance)	293,814	29,535,078
- Short Term Investments	-	28,168,721
Total Unutilized funds	293,814	57,703,799

3. 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)

Particulars	Exports		Domestic	
	2008-09	2007-08	2008-09	2007-08.
Sales	68,760,101	108,672,675	220,009,334	255,077,812
Assets(Debtors)	35,357,023	42,981,580	34,384,263	22,016,357

The Liabilities & other Income & Expenditure of the Company are not identifiable to any particular segment.

4. Related Party

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

A. Following are the names of related parties and description of relation ship, with which there are transactions during the year.

I. Key management personnel

- (a) Mr. Nikhil Nanda
(b) Mr. G.K. Nanda

II Relatives of Key Management Personnel

- (a) Mrs. Sushma Nanda

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

- (a) Berco Engineering Private Limited
(b) Dr. Fresh, USA.
(c) Number One Real Estate Pvt. Ltd.



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	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Job Work Charges paid to						
- Prince Plastic Technologies	N.A.	-	-	32,357	-	-
Repair & Machinery (Plant & Machinery paid to)						
- Prince Plastic Technologies	N.A	-	-	30,054	-	-
Material Purchase from						
- Prince Plastic Technologies	N.A	-	-	255,369	-	-
Finished goods sold to						
- Prince Plastic Technologies	N.A	-	-	145,367	-	-
- Dr Fresh Inc			21,815,458	68,741,624	-	-
Rent Paid to						
- Berco Engineers (P) Ltd.			1,682,825	1,654,500	-	-
- Nikhil Nanda	4,492,340	5,212,380	-	-	-	-
Electricity expenses paid to						
- Nikhil Nanda	4,067,425	5,117,054	-	-	-	-
Director Remuneration						
- Nikhil Nanda	1,200,000	1,200,000	-	-	-	-
- P.K.Manglik	175,000					
- G.K.Nanda	120,000	120,000	-	-	-	-
Loan from Director						
- Nikhil Nanda (accepted)	1,376,500	897,650	-	-	-	-
- Nikhil Nanda (Repaid)	-	1,708,589	-	-	-	-
Sushma Nanda	-	-			696,732	696,732
H.C Nanda					1,000,000	-
Relatives of Key Management Personnel (Accepted)	19,010,000	-	-	-	-	-
Relatives of Key Management Personnel (Repaid)	-	-	-	-	-	-
Equity share warrant Allotment to Sushma Nanda @ 46 Per warrant & amount up per warrant is Rs. 4.60	-	-	-	-	-	3,680,000

Balance outstanding

(Amount in Rupees)

Credit Balance	2008-09	2007-08
- Nikhil Nanda (Electricity)	532,170	481,333
- Nikhil Nanda (Rent)	965,397	1,550,591
- Director Remuneration	66,010	542,673
- Sitting Fees	116,500	95,500
- Prince Plastic Technologies	-	537,615
- Berco Engineering	225,524	277,734
- Dr Fresh	5,205,397.73	508,693

5. Obligation on long term, non-cancelable operating leases:

The lease rental charged during the year and maximum obligation on long term non-cancelable operating leases payable as per the rentals started in the respective agreements

(Amount in Rupees)

Particulars	2008-09	2007-08
Lease Rental recognized during the year	6,797,626	6,866,880
Obligations		
Within one of the year of the Balance Sheet Date	3,542,484	8,427,000
Due in a period between 1 year & 5 year	564,384	8,427,000
Due after 5 year	Nil	Nil

6. The calculation of Earning per Share (EPS) has been made in accordance with Accounting Standard (AS) 20 issued by the ICAI. A statement on calculation of Basic and Diluted EPS is as under:

(Amount in Rupees)

Particulars		UNITS	2008-09	2007-08
Profit after Tax (after extraordinary items)	A	Rs.	13,834,441	35,518,262
Weighted average no. of equity shares	B	Nos.	12,900,007	12,506,582
Add: Dilutive potential equity shares		Nos.	160,000	1,610
Number of equity shares for Dilutive EPS	C	Nos.	13,060,007	12,508,192
Notional value per share			10	10
Basic Earning Per Share (A/B)		Rs.	1.07	2.84
Diluted Earning Per Share (A/C)		Rs.	0.06	2.84

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

(Amount in Rupees)

Particulars	2008-09	2007-08
Difference between books & tax depreciation on base of fixed Assets	(7,149,300)	(1,782,776)
Deferred tax Liabilities	(2,430,047)	(609,050)
Provision for Bonus	571,097	-
Provision for doubtful debt	369,358	-
Provision for Preliminary expenses	84,919	261,945
Provision for Gratuity	925,078	25,130
Provision for obsolete stock	5,220,386	-
Unabsorbed losses	2,607,455	181,297
Deferred tax Assets	3,314,787	156,116
Net Deferred (Liabilities) Assets	884,740	(453,545)

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

(Amount in Rupees)

Particulars	2008-09	2007-08
Salary	1,200,000	1,200,000
Monetary Perquisites	9,543	17,281
Total (Rs.)	1,209,543	1,217,281

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

(Amount in Rupees)

Particulars	2008-09	2007-08
Salary	295,000	120,000
Monetary Perquisites	Nil	Nil
Total (Rs.)	295,000	120,000

- (C). Sitting fee paid to Director Rs. 21000 (P.Y. Rs.28500)

9. The company has exercised an option relating to "The Effects of changes in foreign exchange rates" (Notification No. G.S.R. 225 (E)). With the exercise of such option the amount remaining to be amortized in the financial statement is RS. NIL. However, the company has capitalized the sum of Rs.3,005,200 on account of exchange difference incurred in previous year in relation to acquisition which was booked as revenue expenditure hitherto. Had the Company adopted earlier method, the profit would have increased by Rs. 16,282,374 & accordingly Net Profit Before Tax would have been Rs. 29,278,403.

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

11. Figures in brackets represent figures for the previous year.

12. Schedule 1 to 21 forms integral part of the Balance Sheet and have been authenticated as such.

As per our attached report of even date.

For Haribhakti & Co.
Chartered Accountants

On Behalf of the Board of Directors
JHS Svendgaard Laboratories Limited

sd/-
Raj Kumar Agarwal
Partner

sd/-
Nikhil Nanda
Managing Director

sd/-
Mukul Pathak
Director

sd/-
Jagmohan Bijalwan
Company Secretary

Place : New Delhi
Date : 30th June, 2009



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	As on March 31, 2009 (In Rs.)	As on March 31, 2008 (In Rs.)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as before Tax	13,786,203	40,458,463
Adjusted for:		
Depreciation	30,448,606	19,374,092
Interest, Dividend and Miscellaneous Income	(1,216,112)	(8,909,112)
Excess Provision / sundry balances written Back	(2,406,658)	(259,603)
Preliminary & Preoperative Exps W/O	9,982	9,982
Loss (Profit) on disposal & Write off of Fixed Assets	827,537	9,992
Stock Written off	5,220,386	-
Profit on Redemption on Mutual Fund	(15,798)	-
Adjustment with FCMTDA	3,005,200	4,170
Interest and financial Charges	29,477,330	27,465,433
Operating Profit before Working Capital Changes	79,136,676	78,153,417
Adjusted for:		
(Increase)/Decrease in Inventories	(25,506,400)	7,886,628
Decrease/(Increase) in Debtors	(4,743,351)	10,252,822
(Increase)/ Decrease in Loan & Advances	23,908,107	(89,588,802)
Decrease/(Increase) in other current assets	(15,798)	(40,551)
(Decrease)/ Increase in Current liabilities and provisions	(57,299,782)	55,126,857
Cash generated from Operations	15,479,453	61,790,371
Income Taxes Paid	4,826,561	-
Net Cash generated from Operating Activities	10,652,893	61,790,371
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(266,390,562)	(363,917,315)
Sale of Fixed Assets	280,000	-
(Purchase)/Sale of Investments	(835,190)	128,585,069
Interest and Dividend Income Received	1,257,642	8,909,112
Sale of Redemption on Mutual Fund	28,184,519	-
Net Cash used in Investing Activities	(237,503,591)	(226,423,134)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	1,500,000	4,000,000
Share Warrant	-	7,360,000
Proceeds from Share Premium	-	14,400,000
Proceeds from Secured Loans	156,252,810	222,819,493
Paid towards Unsecured Loans	31,224,779	(1,007,665)
Paid towards Preference Share Issue expenses	-	(81,180)
Interest and financial Charges	(29,518,860)	(27,465,433)
Net Cash Flow from Financing Activities	159,458,729	220,025,215
Net (Decrease) / Increase in Cash and Cash Equivalents	(67,391,969)	55,392,452
Opening Balance of Cash and Cash Equivalents	92,635,174	36,944,657
Closing Balance of Cash and Cash Equivalents	<u>25,243,205</u>	<u>92,337,109</u>

As per our attached report of even date.

For Haribhakti & Co.
Chartered Accountants

On Behalf of the Board of Directors
JHS Svendgaard Laboratories Limited

sd/-
Raj Kumar Agarwal
Partner

sd/-
Nikhil Nanda
Managing Director

sd/-
Mukul Pathak
Director

sd/-
Jagmohan Bijalwan
Company Secretary

Place : New Delhi
Date : 30th June, 2009

DIRECTORS' REPORT

TO THE MEMBERS OF JHS SVENDGAARD HYGIENE PRODUCTS LIMITED

Your Directors have pleasure in presenting their Tenth Annual Report together with the audited statement of Accounts for the year ended March 31, 2009.

FINANCIAL RESULTS/ OPERATIONS:

A net loss of Rs.1039208.29 is generated during the year ended March 31, 2009 as against loss of Rs.69960 during the year ended March 31, 2008. Your directors are confident to achieve better results in near future. The financial results are summarized here under:

(Amount in rupees)

Particulars	31.3.2009	31.3.2008
Total Revenues	4415.00	4735.00
Total Expenditures	1043623.29	74695.00
Loss for the year	(1039208.29)	(69960.00)
Less: Provision for Taxation – Deferred Assets	349810.00	13799.00
Add: Loss Brought Forward from Previous Years	(198743.20)	(142582.20)
Loss Carried Forward	(888141.49)	(198743.20)

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, 2009.

DEPOSITS:

During the year under review, there were no deposits received/ invited from public within the meaning of section 58A of the Companies Act, 1956.

OTHER INFORMATIONS:

There are no employees drawing remuneration in excess of provision made under section 217(2A) of the Companies Act, 1956. Disclosure of information regarding conservation of Energy, Technology Absorption and Foreign Exchange earning and outgo as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, being not applicable, hence, not given.

AUDITORS:

The Auditors of the Company M/s L. K. KAPOOR & CO., Chartered Accountants, New Delhi retire at the conclusion of the forthcoming Annual General Meeting and being eligible, they are recommended for re-appointment.

DIRECTORS:

Reappointments

Mr. Chhabi Lal Prasad, Director of the Company, liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

Appointments

Mr. Nikhil Nanda and Mr. Puneet Kumar Manglik were appointed as Additional Directors on October 31, 2008 and their appointments are to be confirmed by shareholders in the forthcoming Annual General Meeting.

Resignation

During the year, Mr. Harish Chander Nanda and Mrs. Sushma Nanda resigned from the Directorship with effect from November 25, 2008

SHARE CAPITAL & SHARE ALLOTMENT:

Company has increased authorised capital from 2 Crore to 10 Crore.

During the year, the Company came out with Preferential Allotment and has increased its Paid up Share Capital to Rs.15 Lac. The Company has allotted on preferential basis 100000 Equity Shares on March 23, 2009 to Mr. Nikhil Nanda the Promoter of the Company in proportion to their existing shareholding.

After March 31, 2009 Company has further allotted 1850000 Equity Shares to Promoter and other strategic investors.



HOLDING COMPANY:

Our Company is a subsidiary of JHS Svendgaard Laboratories Limited and as on March 31, 2008 JHS Svendgaard Laboratories Limited hold 33.33% of total paid of share capital.

CHANGE OF NAME OF THE COMPANY:

The name of your Company was changed from Nikiven Personal Care Products Private Limited to Nikiven Personal Care Products Limited and subsequently changed to JHS Svendgaard Hygiene Products Limited.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

The company has not started its operations till date so there is no information available on energy technology and foreign exchange.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. appropriate accounting policies as mentioned in Schedule No. XI have been selected and applied consistently, and have 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 as at March 31, 2009 and of the loss of the Company for the year ended March 31, 2009.
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGMENTS:

Your Directors place on record their appreciation to the staff, banks and to the persons associated for their continued support and co-operation extended to the company by them, during the period under review.

**On behalf of the Board of Directors
For JHS Svendgaard Hygiene Products Limited**

**Place : New Delhi
Date : May 15, 2009**

**sd/-
Chhabi Lal Prasad
Director**

**sd/-
Nikhil Nanda
Director**

AUDITORS' REPORT

To,
The Members of
JHS SVENDGAARD HYGIENE PRODUCTS LIMITED

1. We have audited the attached Balance Sheet of JHS Svendgaard Hygiene Products Limited (formerly Nikiven Personal Care Products Pvt. Ltd.) as at 31st March, 2009 and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. 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.
2. We conducted our audit in accordance with auditing standards 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 check basis, evidence supporting the amounts and disclosures in 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.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in term of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex here to a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in Paragraph 2 above, we report that:
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, in so far as they are applicable to the company;
 - v. On the basis of our review of the confirmation received and the information and explanation given to us, none of the directors of the company are as on 31st March, 2009, disqualified from being appointed as director of the company under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
 - vi. In our opinion and the best of our information and according to the explanations given to us, the said accounts subject to paragraph 3 (iv) above, read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - a. In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008 and
 - b. In so far as it relates to the Profit & Loss Account, of the loss for the year ended on that date.
 - c. In case of the cash Flow statements, of the cash flow for the year ended on that date.

For L. K. KAPOOR & CO.
Chartered Accountants

Place : New Delhi
Dated : 15.05.2009

sd/-
CA. L. K. KAPOOR
Prop.
Ms. No. 086942

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph '3' of the Auditors' Report.

To the Members of JHS Svendgaard Hygiene Products Limited on the accounts for the year ended 31st March, 2009.

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) During the year, the company has not disposed off any fixed assets.
2. (a) As explained to us, physical verification of inventory has been conducted by the management at reasonable intervals. In our opinion, the frequency of such verification is reasonable.
(b) In our opinion, the procedures of verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were properly dealt with in the books of account.
3. (a) (i) The company has taken loans from its holding company covered in the register maintained under section 301 of the Companies Act, 1956. The amount outstanding as on 31.3.2009 is Rs.442.69 Lac (maximum amount outstanding during the year is Rs.442.69 Lac). The company also taken loan from other parties covered in the register maintained under section 301 of the Companies Act, 1956. Number of such parties are two and amount outstanding is Rs.6.97 Lac (maximum amount outstanding during the year is Rs.8.93 Lac).
(ii) In our opinion, the rate of interest and the other terms and conditions on which loans have been taken from/granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are, prima facie, not prejudicial to the interest of the company.
(b) The company has not granted loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, if any. The other parties and firms have repaid the principal amounts as stipulated and have been regular in the payment of interest.
(d) There is no overdue amount of loan taken or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to connect major weakness in internal controls.
5. In our opinion and according to the information and explanations provided by the management, we are of the opinion that there are no particulars that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. In our opinion and accordance to the information and explanations given to us, the company has not accepted any deposits from the public during the year covered under section 58A and 58AA or any other relevant provision of the Companies Act, 1956.
7. In our opinion, the Company's internal audit system is commensurate with the size and nature of its activities.
8. The company has not commenced any production activities therefore matters specified in the item (viii) of clause (B) of paragraph 4 of the said order towards maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 are not applicable to the company.
9. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, there is no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom duty, Excise duty, cess and service tax were in arrears, as at 31st March, 2009 for a period of more than six months from the date they become payable except TDS of Rs.353496/- which is over due for payment for a period of more than six months
(c) According to the information and explanations given to us, there is no dues of sale tax, income tax, custom duty, wealth tax, excise duty, cess and service tax which have not been deposited on account of the dispute.

10. The company has accumulated losses of Rs.8.88 Lac at the end of the financial year and it has incurred cash losses of Rs.10.44 Lac during the financial year and Rs.0.75 Lac in the immediately preceding financial year.
11. Based on or audit procedure and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank and debenture holders.
12. In our opinion, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the order is not applicable.
14. According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
16. According to the information and explanation given to us, the term loans raised have been applied for the purposes for which they were obtained.
17. According to the information and explanation given to us, Company has not raised any short term loan during the year.
18. The Company has allotted on preferential basis 100000 Equity Shares on March 23, 2009 to Mr. Nikhil Nanda, the Promoter of the Company.
19. The Company has not issued any debentures during the year.
20. During the year no money has been raised by public issues.
21. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For L. K. KAPOOR & CO.
Chartered Accountants**

**Place : New Delhi
Dated : 15.05.2009**

**sd/-
CA. L. K. KAPOOR
Prop.
Ms. No. 086942**



**JHS SVENDGAARD HYGIENE PRODUCTS LIMITED
(FORMERLY KNOWN AS NIKIVEN PERSONAL CARE PRODUCTS PVT. LTD.)
BALANCE SHEET AS AT 31ST MARCH, 2009.**

(Amount in rupees)

	Schedule	As At 31.3.2009	As At 31.3.2008
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Share Capital	I	1,500,000.00	500,000.00
LOAN FUNDS			
Secured Loans	II	15,165,450.00	-
Unsecured Loans	III	44,966,224.00	15,117,945.00
	TOTAL	61,631,674.00	15,617,945.00
APPLICATION OF FUNDS			
FIXED ASSETS			
	IV		
Gross Block		60,026,440.00	13,592,500.00
Less: Depreciation		-	-
Net Block		60,026,440.00	13,592,500.00
NET CURRENT ASSETS			
CURRENT ASSET, LOANS & ADVANCES:			
Inventories	V	-	592,107.55
Sundry Debtors	VI	92,666.21	92,666.21
Cash and Bank Balances	VII	9,342,057.60	658,787.60
Loan & Advances	VIII	3,458,000.00	424,514.44
		12,892,723.81	1,768,075.80
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities & Provisions	IX	12,608,824.30	37,239.00
Provisions	X	15,000.00	12,500.00
		12,623,824.30	49,739.00
NET CURRENT ASSETS		268,899.51	1,718,336.80
DEFERRED TAX ASSET		408,265.00	58,455.00
MISCELLANEOUS EXPENDITURE	XI	39,928.00	49,910.00
PROFIT & LOSS ACCOUNT		888,141.49	198,743.20
TOTAL		61,631,674.00	15,617,945.00
Significant Accounting Policies & Notes on Accounts.	XII		
Schedule I to XII from an integral part of accounts.			

As per our Report of even date.

For JHS Svendgaard Hygiene Products Limited

For L. K. KAPOOR & CO.
Chartered Accountants

sd/-
Nikhil Nanda
Director

sd/-
Chhabi Lal Prasad
Director

sd/-
L. K. Kapoor
Prop.

Place : New Delhi
Date : 15.05.2009

**JHS SVENDGAARD HYGIENE PRODUCTS LIMITED
(FORMERLY KNOWN AS NIKIVEN PERSONAL CARE PRODUCTS PVT. LTD.)
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2009.**

(Amount in rupees)

PARTICULARS	Schedule	For the year ended 31.3.2009	For the year ended 31.3.2008
INCOME			
Other Income		4,415.00	4,735.00
Total....		<u>4,415.00</u>	<u>4,735.00</u>
EXPENDITURES			
Material Written Off		592,107.55	-
General and Administrative Expenses		284,499.74	46,466.00
Interest and Financial Charges		167,016.00	28,229.00
Total....		<u>1,043,623.29</u>	<u>74,695.00</u>
Profit/Loss for the year (+/-)		(1,039,208.29)	(69,960.00)
Less: Provision for Deferred Tax Liability/Assets		349,810.00	13,799.00
Less: Provision for Fringe Benefit Tax		-	-
Add: Loss Brought Forward from Previous Year		(198,743.20)	(142,582.20)
Balance carried to Balance Sheet		(888,141.49)	(198,743.20)
Significant Accounting Policies & Notes on Accounts	XII		
Schedule I to XII form an integral part of accounts.			

As per our Report of even date.

For JHS Svendgaard Hygiene Products Limited

sd/-
Nikhil Nanda
Director

sd/-
Chhabi Lal Prasad
Director

For L. K. KAPOOR & CO.
Chartered Accountants

sd/-
L. K. Kapoor
Prop.

Place : New Delhi
Date : 15.05.2009



**JHS SVENDGAARD HYGIENE PRODUCTS LIMITED
(FORMERLY KNOWN AS NIKIVEN PERSONAL CARE PRODUCTS PVT. LTD.)
SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS.**

	As At 31.3.2009	As At 31.3.2008
SCHEDULE- I		
SHARE CAPITAL		
Authorised :		
20,00,000 Equity Shares of Rs.10/- each	20,000,000.00	20,000,000.00
Issued, Subscribed and Paid up:		
150000 Equity Shares (Previous Year : 50000) of Rs.10/- each.	1,500,000.00	500,000.00
Total -	1,500,000.00	500,000.00
SCHEDULE - II		
SECURED LOANS		
Loan from OBC agt. Property under Equitable Mortgage Scheme	15,165,450.00	-
Total -	15,165,450.00	-
SCHEDULE - III		
UNSECURED LOANS		
From Directors	-	196,726.00
From JHS Svendgaard Laboratories Ltd. (Holding Company)	44,269,492.00	14,224,487.00
From Others	696,732.00	696,732.00
Total -	44,966,224.00	15,117,945.00

**SCHEDULE -IV
FIXED ASSETS**

Sl. No.	Nature of Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1.4.2008	Additions during the year	Sales/Adj. during the year	As at 31.03.09	Upto 31.03.08	For the year	On Sales/ Adj. during the year	Upto 31.3.2009	As at 31.3.2009	As at 31.3.2008
1	Land at Kalamb	13592500.00	769002.00	0.00	14361502.00	0.00	0.00	0.00	0.00	14361502.00	13592500.00
2	Furniture & Fixture (Hyd.)	12000.00	0.00	12000.00	0.00	2008.00	0.00	9992.00	0.00	0.00	0.00
3	Building Under Construction	0.00	45664938.00	0.00	45664938.00	0.00	0.00	0.00	0.00	45664938.00	0.00
	Total	13604500.00	46433940.00	12000.00	60026440.00	2008.00	0.00	9992.00	0.00	60026440.00	13592500.00
	Previous Year	12000.00	13592500.00	12000.00	13592500.00	2008.00	0.00	9992.00	0.00	13592500.00	9992.00

**SCHEDULE -V
INVENTORIES**

(As taken, valued and certified by the management)

Packing Material	-	37,275.00
Trading Goods	-	554,832.55
Total....	-	592,107.55

**SCHEDULE - VI
SUNDRY DEBTORS**

(Considered Doubtful and Unsecured)

Debts outstanding for a period exceeding six months	92,666.21	92,666.21
Total...	92,666.21	92,666.21

**SCHEDULE - VII
CASH & BANK BALANCES**

Cash on hand	1,178,926.00	404,295.00
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Bank Balances:
With Other Banks

**JHS SVENDGAARD HYGIENE PRODUCTS LIMITED
(FORMERLY KNOWN AS NIKIVEN PERSONAL CARE PRODUCTS PVT. LTD.)**

	As At 31.3.2009	As At 31.3.2008
- In Current Account	8,106,764.60	202,540.60
- In FDR Account incld. Int. accrued thereon.	56,367.00	51,952.00
Total....	<u>9,342,057.60</u>	<u>658,787.60</u>
SCHEDULE - VIII		
LOAN AND ADVANCES		
Advances recoverable in cash or in kind or for which value to received	3,458,000.00	424,514.44
Total....	<u>3,458,000.00</u>	<u>424,514.44</u>
SCHEDULE - IX		
CURRENT LIABILITIES		
Sundry Creditors		
- against Capital Goods	11,507,496.79	34,375.00
Other Liabilities	66,724.30	2,864.00
TDS Payable	<u>1,034,603.21</u>	<u>37,239.00</u>
SCHEDULE - X		
PROVISIONS		
- for Expenses	15,000.00	12,500.00
Total....	<u>15,000.00</u>	<u>12,500.00</u>
SCHEDULE - XI		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preoperative, Project & Incidental Expenditure	10210.00	
Less: Written off during the year	<u>2042.00</u>	10,210.00
Preliminary Expenses	39700.00	
Less: Written off during the year	<u>7940.00</u>	<u>39,700.00</u>
Total....	<u>39,928.00</u>	<u>49,910.00</u>
DETAIL OF UNSECURED LOAN AS ON 31.3.2009:		
I. JHS Svendgaard Laboratories Ltd., Holding Company	44,269,492.00	14,224,487.00
II. From Directors:		
1 Nikhil Nanda	-	196,726.00
III. From Others:		
1 Sushma Nanda	696,732.00	696,732.00
Total	<u>696,732.00</u>	<u>893,458.00</u>
DETAIL OF SUNDRY CREDITORS AS ON 31.3.2009:		
I. Others:		
1 Sunder Singh	-	34,375.00
II. Agt. Capital Goods:		
2 Prabhu Dayal Builders (I) Pvt. Ltd.	11,250,246.79	-
3 Subhash Chandra Contractors	<u>257,250.00</u>	-
Total	<u>11,507,496.79</u>	<u>34,375.00</u>
DETAIL OF OTHER LIABILITIES AS ON 31.3.2009:		
1 L. K. Kapoor & Co., CA	-	2,864.00
2 Corporate Professionals	4,080.00	-
3 Interest on TDS	<u>62,644.30</u>	-
Total	<u>66,724.30</u>	<u>2,864.00</u>
DETAIL OF PROVISIONS FOR EXPENSES AS ON 31.3.2009:		
1 Audit Fees Payable	15,000.00	12,500.00
Total	<u>15,000.00</u>	<u>12,500.00</u>



**JHS SVENDGAARD HYGIENE PRODUCTS LIMITED
(FORMERLY KNOWN AS NIKIVEN PERSONAL CARE PRODUCTS PVT. LTD.)**

	As At 31.3.2009	As At 31.3.2008
DETAIL OF SUNDRY DEBTORS AS ON 31.3.2009:		
1 Harsh Agencies	92,666.21	92,666.21
Total	92,666.21	92,666.21
DETAIL OF BANK ACCOUNTS AS ON 31.3.2009:		
1 HDFC Bank Ltd.	84,230.60	147,565.60
2 Oriental Bank of Commerce	4,945.00	-
3 Punjab National Bank C/A No.	17,489.00	54,975.00
4 State Bank of India	8,000,100.00	-
Total	8,106,764.60	202,540.60
DETAIL OF ADVANCES RECOVERABLE AS ON 31.3.2009:		
1 Sale Tax Refundable	-	16,514.44
2 Mercury Travels	408,000.00	408,000.00
3 DMA Consulting Services	50,000.00	-
4 Tata Blue Scope	3,000,000.00	-
Total	3,458,000.00	424,514.44
DETAIL OF MATERIAL WRITTEN OFF AS ON 31.3.2009:		
1 Packing Material	37,275.00	-
2 Trading Goods	554,832.55	-
Total	592,107.55	-
DETAIL OF GENERAL AND ADMINISTRATIVE EXPENSES AS ON 31.3.2009:		
1 Filing Fees	24,580.00	2000.00
2 Payment to Auditors:		
- Audit Fees	15,000.00	12,500.00
- Income Tax	3,636.00	-
3 Assets Written Off	-	9,992.00
4 Balance Written Off	16,514.44	-
5 Rate, Taxes & Fees	150,100.00	6,000.00
6 Legal & Proff. Charges	5,992.00	-
7 Preliminary Exp. W/o	7,940.00	7,940.00
8 Preoperative Exp. W/o	2,042.00	2,042.00
9 Printing & Stationery	471.00	-
10 Interest on TDS	62,644.30	-
11 Legal Expenses	1,572.00	-
Total	284,499.74	46,466.00
DETAIL OF INTEREST AND FINANCIAL CHARGES AS ON 31.3.2009:		
1 Bank Charges	167,016.00	28,229.00
Total	167,016.00	28,229.00

SCHEDULE XII - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

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, duties, freight and other incidental expenses related to acquisition.

In case of self constructed fixed assets, the ascertainable direct and indirect expenses are initially accumulated as capital work in progress and on completion of the project, allocated to the respective assets directly in case of direct expenditure and on pro-rata basis of the prime cost of fixed assets in case of indirect expenditure.

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.

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 realizable value. Cost is ascertained on FIFO basis and in case of finished products and work in progress includes appropriate production overheads.

4. Revenue recognition

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.

Revenue other than sales is recognized on accrued basis.

5. Retirement benefits

Company's contributions to defined contribution schemes are charged to the profit and loss account on accrual basis. Provision for gratuity is based on actuarial valuation done as at the balance sheet date by independent actuaries.

6. 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.

7. 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.

8. 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.

9. Contingent Liability:

Unprovided contingent liabilities are disclosed in the accounts by way of notes giving nature and quantity of such liabilities.

Notes to Accounts

1. Capital Commitment in respect of contracts to be executed on capital account (Net of Advances) are Rs. Nil (Previous Year Rs. Nil).

2. Contingent Liabilities not provided for in respect of

	Current Year(Rs.)	Previous Year(Rs.)
Claim not acknowledged as debts	2.42 lacs	2.42 lacs

3. Balance of debtors, creditors and loans and advances are subject to confirmation.

4. Advances recoverable of Rs.16514.44 (Previous Year Rs.16514.44) due as sale tax refundable which is not recoverable since no claim has been made by the company for the same, therefore, written off during the year.

5. In the opinion of the Board, the current assets, loans and advances are of the value stated if realized in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably required.

6. Section 349 of the Companies Act, 1956 is not being enumerated since no commission has been paid to the Directors and, as per Schedule XIII to the Companies Act, 1956.

	This Year	Previous Year
i) Number of Non-Resident Shareholders.	Nil	Nil
ii) Earnings/Expenditure/Remittances in Foreign Currency.	Nil	Nil

8. There is no employees drawing salary in excess of provision made under section 217(2A) of the Companies Act, 1956, during the year.

9. In absence of any taxable profit no provision for Income Tax has been made for the year as per the provisions of the Income Tax Act, 1961.

10. Provisions of Provident Fund Act are not applicable to the Company.

11. Previous year figures were regrouped/ rearranged wherever considered necessary.

12. In view of losses, the Earning Per Share (EPS) is - 19.81 (Previous Year - 1.40) as per computation given here under:

	This Year(Rs.)	Previous Year (Rs.)
Loss as per Accounts	-1039208.29	-69960.00
Loss attributable to equity share holders	-1039208.29	-69960.00
Weighted Average no. of shares	52466	50000
Basic EPS (Rupees)	-19.81	-1.40

13. The company is in process of identifying the SSI units if any included in the sundry creditors.

14. During the year ended on 31st March, 2009, the company had allotted 100000 equity shares of Rs.10/- each at par on private placement basis on 23.3.2009 resulting into reduction in holding of M/s JHS Svendgaard Laboratories Limited from 51.02% as on 31.3.2008 to 33.33% as on 31.3.2009.

15. During the year, inventory and packing material stock valuing Rs.592107.55 is written off as obsolete and has no realizable value.

16. Auditors' Remuneration

	This Year (Rs.)	Previous Year (Rs.)
Audit Fees	15000.00	12500.00

17. Quantitative and Value analysis of goods traded in and goods sold are nil, hence not provided. However, quantitative and value analysis of opening and closing stock are given as under:



JHS Svendgaard Laboratories Limited

Stock at Close:

Class of Goods	Unit of Measure	As at 31.3.2009		As at 31.3.2008	
		Qty.	Rs.	Qty.	Rs.
Tooth Brush - Magic	Nos.	Nil	0.00	196976	554832.55
Total			0.00		554832.55

18. As specified in Accounting Standard 22 on "Accounting for Taxes on Income" issued by ICAI, deferred tax assets/liability (net) (+/-) arising out of Timing Differences amounting to Rs.408265.00 during the year ending on 31st March, 2009 (Previous Year Rs.58455.00) has been charged from Profit & Loss Account.

The principal components of the net deferred tax Assets are as follows: 2008-09(Rs.) 2007-08(Rs.)

Deferred Tax Liabilities/Assets:	2008-09(Rs.)	2007-08(Rs.)
Opening as on 1.4.2008		58455.00
Preliminary Expenses - Timing Difference		-3084.00
Unabsorbed Losses - Timing Difference		346726.00
Net Deferred Tax Assets	408265.00	58455.00

19. Related Party Disclosures

Pursuant to Accounting Standard (AS -18) - "Related Party Disclosure" issued by ICAI following parties are to be treated as related parties along with their relationships:

Related party disclosure

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

Enterprises where control exists:

Ultimate Holding Company

1. JHS Svendgaard Laboratories Limited

Other Related Parties with whom the Company had transactions:

Key management personnel

1. Mr. Nikhil Nanda

Relatives of Key management personnel

1. Mrs. Sushma Nanda

2. Mr. H. C. Nanda

- 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	31.3.2009	31.3.2008
Transactions with the Holding Company during the year		
Unsecured Loan Recd. from		
- JHS Svendgaard Laboratories Ltd..	30045005.00	14224487.00
Transactions with Key Management Personnel & their relatives during the year		
Unsecured Loan Recd. from		
- Nikhil Nada	0.00	196726.00
- Sushma Nanda	0.00	696732.00
Unsecured Loan Repaid		
- Nikhil Nada	196726.00	0.00
Balance outstanding as on March 31, 2008		
- JHS Svendgaard Laboratories Ltd. (Credit Balance)	44269492.00	14224487.00
- Mr. Nikhil Nanda (Credit Balance)	0.00	196726.00
- Mrs. Sushma Nanda (Credit Balance)	696726.00	696726.00

No amount has been written off during the year.

Note: Related party relationship is as identified by the company and relied upon by the auditors.

20. Schedule Nos. I to XII from integral part of accounts and have been duly authenticated.

As per our Report of even date.

For JHS Svendgaard Hygiene Products Limited

For L. K. KAPOOR & CO.
Chartered Accountants

sd/-

Nikhil Nanda
Director

Place : New Delhi
Date : 15.05.2009

sd/-

Chhabi Lal Prasad
Director

sd/-

L. K. Kapoor
Prop.

DIRECTORS' REPORT

TO THE MEMBERS OF JHS SVENDGAARD DENTAL CARE LIMITED

Your Directors have pleasure in presenting their First Annual Report together with the audited statement of Accounts for the year ended March 31, 2009.

FINANCIAL RESULTS/ OPERATIONS:

A net loss of Rs.1282906.30 is generated during the year ended March 31, 2009 The financial results are summarized here under:

(Amount in rupees)

Particulars	31.3.2009
Total Revenues	377441.00
Total Expenditures	1660347.30
Loss for the year	(1282906.30)
Less: Provision for Taxation – Deferred Assets	418648.00
Loss Carried Forward	(865629.30)

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, 2009.

DEPOSITS:

During the year under review, there were no deposits received/ invited from public within the meaning of section 58A of the Companies Act, 1956.

OTHER INFORMATIONS:

There are no employees drawing remuneration in excess of provision made under section 217(2A) of the Companies Act, 1956. Disclosure of information regarding conservation of Energy, Technology Absorption and Foreign Exchange earning and outgo as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, being not applicable, hence, not given.

AUDITORS:

The Auditors of the Company M/s L. K. KAPOOR & CO., Chartered Accountants, New Delhi retire at the conclusion of the forthcoming Annual General Meeting and being eligible, they are recommended for re-appointment.

HOLDING COMPANY:

During the year JHS Svendgaard Laboratories Limited hold acquired 4501 additional Equity Shares of the Company which constituted 59.99% of the total Paid up Share Capital of the Company. The Company is continued to be the subsidiary of JHS Svendgaard Laboratories Limited.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

This is the first year of operation of the company so, till date so there is no information available on energy technology and foreign exchange.

DIRECTORS' RESPOSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. appropriate accounting policies as mentioned in Schedule No. XI have been selected and applied consistently, and have 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 as at March 31, 2009 and of the loss of the Company for the year ended March 31, 2009
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGMENTS:

Your Directors place on record their appreciation to the staff, banks and to the persons associated for their continued support and co-operation extended to the company by them, during the period under review.

On behalf of the Board of Directors

For JHS Svendgaard Dental Care Limited

Place : New Delhi
Date : May 15, 2009

sd/-
H.C. Nanda
Director

sd/-
Nikhil Nanda
Director



AUDITORS' REPORT

To,
The Members of
JHS SVENDGAARD DENTAL CARE LIMITED

We have audited the attached Balance Sheet of JHS Svendgaard Dental Care Limited as at 31st March, 2009 and also the Profit & Loss Account and Cash Flow Statement for the period from 3rd April, 2008 i.e. the date of incorporation to 31st March, 2009 on that date, annexed thereto. 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 and report as follows:-

1. We conducted our audit in accordance with auditing standards 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 check basis, evidence supporting the amounts and disclosures in 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.
2. This Report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003 issued by the Department of Company affairs in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, since in our opinion and according to the information and explanations given to us, the said order is not applicable to the company.
3. Further to our comments referred to in Paragraph 2 above:
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - iii. The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet and the Profit & Loss Account referred to in this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, in so far as they are applicable to the company.
 - v. On the basis of our review of the confirmation received and the information and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - vi. In our opinion and the best of our information and according to the explanations given to us, the said accounts subject to paragraph 3 (iv) above, read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - a In so far as it relates to the Balance Sheet, of the STATE OF AFFAIRS of the Company as at 31st March, 2009 and
 - b In so far as it relates to the Profit & Loss Account, of the LOSS for the period ended on that date, and
 - c in the case of the cash flow statement, of the cash flow for the period on that date

For L. K. KAPOOR & CO.
Chartered Accountants
Ms. No.: 086942

Place : New Delhi
Date : 15.05.2009

sd/-
CA. L. K. KAPOOR
Prop.

JHS SVENDGAARD DENTAL CARE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2009.

(Amount in rupees)

	Schedule	As At 31.3.2009
SOURCES OF FUNDS		
SHAREHOLDER'S FUNDS		
Share Capital	I	500,000.00
LOAN FUNDS		
Unsecured Loans	II	2,271,114.00
TOTAL		<u>2,771,114.00</u>
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	III	1,407,569.00
Less: Accumulated Depreciation		<u>38,319.00</u>
Net Block		1,369,250.00
NET CURRENT ASSETS		
CURRENT ASSET, LOANS & ADVANCES:		
Cash and Bank Balances	IV	362,000.70
Loan & Advances	V	<u>77,893.00</u>
		439,893.70
LESS: CURRENT LIABILITIES & PROVISIONS		
Current Liabilities	VI	225,530.00
Provisions	VII	<u>96,777.00</u>
		322,307.00
NET CURRENT ASSETS		117,586.70
DEFERRED TAX ASSETS		418,648.00
PROFIT & LOSS ACCOUNT		865,629.30
TOTAL		<u>2,771,114.00</u>
Significant Accounting Policies & Notes on Accounts.	VIII	

Schedule I to VIII from an integral part of accounts.

As per our Report of even date.

For JHS Svendgaard Dental Care Limited

For L. K. KAPOOR & CO.
Chartered Accountantssd/-
Nikhil Nanda
Directorsd/-
H.C Nanda
Directorsd/-
L. K. Kapoor
Prop.Place : New Delhi
Date : 15.05.2009



**JHS SVENDGAARD DENTAL CARE LIMITED
PROFIT & LOSS A/C FOR THE PERIOD ENDED ON 31ST MARCH, 2009.**

(Amount in rupees)

PARTICULARS	Schedule	For the Period ended on 31.3.2009
INCOME		
Other Income		377,441.00
Total....		377,441.00
EXPENDITURES		
Material Consumed		200,127.15
Staff Expenses		255,455.00
General and Administrative Expenses		1,124,916.00
Interest and Financial Charges		41,530.15
Depreciation		38,319.00
Total....		1,660,347.30
Profit/(Loss) for the year		(1,282,906.30)
Less: Provision for Deferred Tax Assets		418,648.00
Less: Provision for Fringe Benefit Tax		(1,371.00)
Balance carried to Balance Sheet		(865,629.30)
Significant Accounting Policies & Notes on Accounts	VIII	
Schedule I to VIII form an integral part of accounts.		

As per our Report of even date.

For JHS Svendgaard Dental Care Limited

For **L. K. KAPOOR & CO.**
Chartered Accountants

sd/-
Nikhil Nanda
Director

sd/-
H.C Nanda
Director

sd/-
L. K. Kapoor
Prop.

Place : New Delhi
Date : 15.05.2009

JHS SVENDGAARD DENTAL CARE LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS.

(Amount in rupees)

As At 31.3.2009

SCHEDULE - I
SHARE CAPITAL

Authorised :

1000000 Equity Shares of Rs.10/- each

10,000,000.00

Issued, Subscribed and Paid up:

50000 Equity Shares of Rs.10/- each

500,000.00

Total -

500,000.00

SCHEDULE - II
UNSECURED LOANS

From JHS Svendgaard Laboratories Ltd. (Holding Company)

1,049,050.00

From Directors

1,222,064.00

Total -

2,271,114.00

SCHEDULE - III
FIXED ASSETS

Amount In Rs

Sl. No.	Nature of Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1.4.2008	Additions during the year	Sales/Adj. during the year	As at 31.03.09	Upto 31.03.08	For the year	On Sales/ Adj. during the year	Upto 31.3.2009	As at 31.3.2009	As at 31.3.2008
1	Plant & Machinery	0.00	956000.00	0.00	956000.00	0.00	28513.00	0.00	28513.00	927487.00	0.00
2	Furniture & Fixture	0.00	365921.00	0.00	365921.00	0.00	3809.00	0.00	3809.00	362112.00	0.00
3	Computer	0.00	74960.00	0.00	74960.00	0.00	5962.00	0.00	5962.00	68998.00	0.00
4	Equipments	0.00	10688.00	0.00	10688.00	0.00	35.00	0.00	35.00	10653.00	0.00
	Total	0.00	1407569.00	0.00	1407569.00	0.00	38319.00	0.00	38319.00	1369250.00	0.00

SCHEDULE - IV
CASH & BANK BALANCES

Cash on hand

165,968.00

Bank Balances:

With Other Banks

- In Current Account

196,032.70362,000.70

SCHEDULE - V
LOAN AND ADVANCES

Advances recoverable in cash or in kind or for which value to received

63,823.00

TDS Recoverable A Y. 2009-10

14,070.00

Total....

77,893.00

SCHEDULE - VI

CURRENT LIABILITIES

Sundry Creditors

- for Others

139,994.00

- Other Liabilities

3,934.00

- TDS Payable

81,602.00

Total....

225,530.00

SCHEDULE - VII

PROVISIONS

- for Expenses

95,406.00

- for Taxation

1,371.00

Total....

96,777.00



JHS Svendgaard Laboratories Limited

JHS SVENDGAARD DENTAL CARE LIMITED SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS.

(Amount in Rs.)

Sl. No.	Name of Party	As on 31.3.2009
Detail of Unsecured Loan as on 31.3.2009:		
I. From Holding Company		
1	JHS Svendgaard Laboratories Ltd.	1,049,050.00
II. From Directors		
1	H.C.Nanda	1,000,000.00
2	Nikhil Nanda	222,064.00
Total		2,271,114.00
Detail of Sundry Creditors as on 31.3.2009:		
1	Cottex Pharma	950.00
2	Dr. Amit Dixit	1,056.00
3	Dr. Rashmi	14,355.00
4	Dr. Sukhdeep Singh	275.00
5	Gee Kay printers	28,525.00
6	Innodent India	7,812.00
7	Metro India Ltd.	28,441.00
8	Paramount Dental Lab	35,900.00
9	Ravi Kant Sharma	2,920.00
10	S. R. Traders	19,760.00
Total		139,994.00
Detail of Other Liabilities as on 31.3.2009:		
1	Dr. Amit Dixit- Imprest	3,768.00
2	Dr. Rashmi- Imprest	166.00
Total		3,934.00
Detail of Provisions for Expenses as on 31.3.2009:		
1	Salary & Wages Payable	51,371.00
2	Telephone Exp. Payable.	1,326.00
3	Interest Payable	27,709.00
4	Audit Fees Payable	15,000.00
Total		95,406.00
Detail of Loan & Advances as on 31.3.2009:		
I. Advances Recoverable		
1	Mayur Health Care Pvt. Ltd.	63,823.00
Total		63,823.00
Detail of Bank Accounts as on 31.3.2009:		
1	HDFC Bank Ltd. A/c No.118102000004084	196,032.70
Total		196,032.70
Detail of Other Income as on 31.3.2009:		
1	Income from Clinic	300,926.00
2	Misc. Income	76,515.00
Total		377,441.00
Detail of Staff Expenses as on 31.3.2009:		
1	Salary & Wages	180,148.00
2	Incentives	73,287.00
3	Staff Welfare	2,020.00
Total		255,455.00
Detail of General and Administrative Expenses as on 31.3.2009:		
1	Legal & Proff. Charges	508,307.00
2	Rent	25,000.00
3	Conveyance	5,223.00
4	Electricity Exp.	7,453.00
5	Telephone Exp.	17,178.00
6	Interest on TDS	3,208.00
7	Payment to Auditors:	
-	Audit Fees	15,000.00
8	Laboratory Charges	2,760.00
9	General Expenses	1,704.00
10	Printing & Stationery	52,443.00
11	Repair, Upkeep & Maint. Exp.	10,200.00
12	Web Designing Expenses	6,740.00
13	Preliminary Expenses	193,331.00
14	Preoperative Expenses	274,949.00
15	Postage & Courier	40.00
16	Legal Expenses	1,380.00
Total		1,124,916.00
Detail of Interest and Financial Charges as on 31.3.2009:		
1	Interest on Loan	31,250.00
2	Bank Charges	10,280.15
Total		41,530.15

JHS SVENDGAARD DENTAL CARE LIMITED**SCHEDULE VIII - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT****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, duties, freight 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.

Pre-Operative expenditure is accumulated in capital work in progress and to be allocated in the basis of prime cost of fixed assets.

3. Inventories

Consumable stores are charged to consumption in the year of its purchase.

4. Revenue recognition

Revenue from services rendered is recognized on accrued basis as per accounting standards applicable to India.

5. Retirement benefits

Company's contributions to defined contribution schemes are charged to the profit and loss account on accrual basis. Provision for gratuity is based on actuarial valuation done as at the balance sheet date by independent actuaries.

No provision towards present liabilities, for the future payment of gratuity to employees under the Payment of Gratuity Act, 1972 has been made in the accounts, as the provisions of the Act are not applicable to the Company.

6. 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.

7. 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.

8. 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.

10. Contingent Liability:

Unprovided contingent liabilities are disclosed in the accounts by way of notes giving nature and quantity of such liabilities.

11. Events Occurring after Balance Sheet Date:

Events occurring after balance sheet date have been considered in the preparation of financial Statements.

12. Earning per Share:

Basic earning per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end except where the results would be anti-dilutive.

Notes to Accounts

1. Capital Commitment in respect of contracts to be executed on capital account (Net of Advances) are Rs. Nil (Previous Year Rs. Nil).
2. Contingent Liabilities not provided for in respect of Claim not acknowledged as debts Nil
3. These accounts are for the period from 3rd April, 2008 i.e. the date of incorporation to 31st March, 2009.
4. Previous year figures were not furnished as this is the first balance sheet of the company. The first financial year of the company will be the period from 3rd April, 2008 i.e. the date of incorporation to 31st March, 2009.
5. Balance of debtors, creditors and loans and advances are subject to confirmation.
6. This company has been incorporated as subsidiary company to M/s JHS Svendgaard Laboratories Ltd. on 3rd April, 2008 which holding 50.99% of equity shares of the company. During the period, the said holding company has acquired an additional 9.90% of equity shares which resulted into total holding to 59.99% of equity shares as on 31.3.2009.
7. In the opinion of the Board, the current assets, loans and advances are of the value stated if realized in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably required.
8. Section 349 of the Companies Act, 1956 is not being enumerated since no commission has been paid to the Directors and, as per Schedule XIII to the Companies Act, 1956. This Period
Nil
9. i) Number of Non-Resident Shareholders. Nil
ii) Earnings/Expenditure/Remittances in Foreign Currency. Nil
10. Auditors' Remuneration This Period (Rs.)
Audit Fees 15000.00



11. There is no employees drawing salary in excess of provision made under section 217(2A) of the Companies Act, 1956, during the period.
12. In absence of any taxable profit no provision for Income Tax has been made for the year as per the provisions of the Income Tax Act, 1961.
13. In view of losses, the Earning Per Share (EPS) is – 16.91.
14. The company is in process of identification of Macro, Small & Medium Enterprises suppliers and service providers, at this point of time, if any.
15. Quantitative and Value analysis of goods traded in and goods sold are nil, hence not provided.
16. As specified in Accounting Standard 22 on "Accounting for Taxes on Income" issued by ICAI, deferred tax assets arising out of Timing Differences amounting to Rs.418648.00 during the period ending on 31st March, 2009 has been charged from Profit & Loss Account.

The principal components of the net deferred tax Assets are as follows:

	2008-09 (Rs.)
Deferred Tax Assets/Liabilities:	
Preliminary/Preoperative Expenses - Timing Difference	22966.00
Depreciation - Timing Difference	36395.00
Unabsorbed Losses – Timing Difference	<u>-478009.00</u>
Net Deferred Tax Assets	<u>-418648.00</u>

17. Related Party Disclosures

Pursuant to Accounting Standard (AS –18) – "Related Party Disclosure" issued by ICAI following parties are to be treated as related parties along with their relationships:

Related party disclosure

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

Enterprises where control exists:

Ultimate Holding Company

1. JHS Svendgaard Laboratories Limited

Other Related Parties with whom the Company had transactions:

Key management personnel

1. Mr. H. C. Nanda
2. Mr. Nikhil Nanda
3. Mrs. Sushma Nanda

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:

Transactions	(Amount in Rupees)
	31.3.2009
Transactions with the Holding Company during the year	
Unsecured Loan Recd. from	
- JHS Svendgaard Laboratories Ltd..	1593050.00
Unsecured Loan repaid to	
- JHS Svendgaard Laboratories Ltd.	544000.00
Transactions with Key Management Personnel & their relatives during the year	
Unsecured Loan Recd.:	
- Mr. H. C. Nanda	1000000.00
- Mr. Nikhil Nanda	244639.00
Unsecured Loan repaid:	
- Mr. Nikhil Nanda	22575.00
Interest Paid:	
- Mr. H. C. Nanda	31250.00
Rent Paid:	
- Mr. H. C. Nanda	25000.00
Balance outstanding as on March 31, 2009	
- JHS Svendgaard Laboratories Ltd. (Credit Balance)	1049050.00
- Nikhil Nanda (Credit balance)	222064.00
- H. C. Nanda (Credit balance)	1000000.00
No amount has been written off during the year.	

Note: Related party relationship is as identified by the company and relied upon by the auditors.

18. Schedule Nos. I to VIII from integral part of accounts and have been duly authenticated.

For JHS Svendgaard Dental Care Limited

sd/-

Nikhil Nanda
Director

Place : New Delhi
Date : 15.05.2009

sd/-

H.C Nanda
Director

As per our Report of even date.

For L. K. KAPOOR & CO.
Chartered Accountants

sd/-

L. K. Kapoor
Prop.

DIRECTORS' REPORT

To the Members of
Jones H Smith FZE,

Your Directors have pleasure in presenting the First Annual Report together with audited accounts of the Company for the year ended 31st March 2009.

Financial Results:

The Company was incorporated in December 2007 and during the financial year Company has a loss of AED 14700. The company has yet not started its operations and the loss occurring in the financial statements is the fixed expenses and the incorporations expenses only.

Share Capital:

During the year under review, no shares were allotted. In the previous year 100000 shares were allotted to JHS Svendgaard Laboratories Limited.

Auditors:

"M/s. AL KTTBI & ASSOCIATES" was appointed as the Auditors of the Company.

Auditors' report:

The observations made by the Auditors with reference to notes on the accounts for the year under report are self-explanatory and need no further comments from the Directors.

Deposits:

During the year the Company has not accepted or invited any deposit from Public within the meaning of section 58A of the Companies Act, 1956 and the rules made there under.

Acknowledgement:

Your Directors wish to place on record their thanks for the support extended to the company by its partners, customers, dealers, suppliers, bankers, investors and other government and local or foreign authorities.

Your Directors also acknowledge the contribution made by the Company's personnel, who by dedication and drive for excellence have helped your company to move ahead.

For & On behalf of the Board of Directors
Jones H Smith, FZE

Place: New Delhi
Date: 25/05/2009

sd/-
Nikhil Nanda
Director



INDEPENDENT AUDITORS' REPORT

To
The Shareholder
Jones H Smith, FZE,
Ras Al Khaimah Free Trade Zone,
P.O.Box 10559,
Ras Al Khaimah,
United Arab Emirates.

We have audited the accompanying financial statements of Jones H Smith FZE - Ras Al Khaimah Free Trade Zone, United Arab Emirates, which comprise the balance sheet as at March 31, 2009 and the statements of changes in shareholder's equity, statement cash flows for the period 1st April, 2008 to March 31, 2009 and a summary of significant accounting policies and other explanatory notes.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Jones H Smith FZE -Ras Al Khaimah Free Trade Zone, Ras, AL Khaimah, United Arab Emirates as of March 31, 2009 and of its financial performance and its cash flows for the period then ended in accordance with Generally Accepted Accounting Standards.

Also in our opinion, subject to the above, there were no contraventions during the period of the provisions of the Emiri decree dated 1/ 5/2000 issued by the ruler of Ras Al Khaimah applicable to Ras Al Khaimah Free Zone entities which might have materially affected the financial position of the Establishment or the result of its operations for the period.

sd/-

K. Ramu

Managing Partner

AL KTTBI & ASSOCIATES

CHARTERED ACCOUNTANTS

DUBAI-UNITED ARAB EMIRATES

Dated : May 15, 2009

Jones H Smith FZE
Ras Al Khaimah Free Zone
Ras Al Khaimah - United Arab Emirates
BALANCE SHEET
As of March 31, 2009

(In United Arab Emirates Dirhams)

	Notes	2009	2008
Assets			
Current assets:			
Cash and bank	4	102,643	102,643
Other receivables and prepayments	5	6,447	18,947
Total current assets		109,090	121,590
Total Assets		109,090	121,590
Liabilities and Shareholder's Equity			
Current Liabilities			
Other Payables	6	2,200	0
Total Current Liabilities	A	2,200	0
Shareholder's Equity			
Share capital	2	100,000	100,000
Retained earning	7	(27,023)	(12,323)
Shareholder's Current Account	8	33,913	33,913
Total Shareholder's Equity	B	106,890	121,590
Total Liabilities and Shareholder's Equity	(A+B)	109,090	121,590

PROFIT AND LOSS ACCOUNT

For the period from April 1, 2008 to March 31, 2009

(In United Arab Emirates Dirhams)

	Notes	2009	2008
Administrative Expenses	9	(14,700)	(12,323)
(Loss) for the period		(14,700.00)	(12,323)

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY:

For the period from April 1, 2008 to March 31, 2009

(In united Arab Emirates Dirhams)

	Share capital	Retained earnings	Shareholder's Current Account	Total
Change in Shareholder's Equity:				
Capital (Opening Balance)	100,000	-	-	100,000
Net (loss) for the period	-	(14,700)	-	(14,700)
Net movements	-	-	0	0
As at March 31, 2009	100,000	(14,700)	0	85,300
Change in Shareholder's Equity:				
Capital introduced	100,000	-	-	100,000
Net (loss) for the period	-	(12,323)	-	(12,323)
Net movements	-	-	33,913	33,913
As at March 31, 2009	100,000	(12,323)	33,913	121,590



Jones H Smith FZE.

Ras Al Khaimah Free Trade Zone

Ras Al Khaimah - United Arab Emirates

NOTES TO THE FINANCIAL STATEMENTS

For the period from April 1, 2008 to March 31, 2009

1. Legal status and business activity :

Jones H Smith FZE., Ras Al Khaimah Free Zone- United Arab Emirates ("the Establishment") was incorporated on December 10, 2007 and operates as a Free Zone Establishment under the trade license issues by the Ras Al Khaimah Free Zone Authority of Government of RAs Al Khaimah.

The main activities of the Establishment as per trade license is Trading in Perfumes, Cosmetics, beauty, personal care requisites, soap & hair care products.

The registered office of the Establishment is located at RAK Free Trade Zone, P.O. Box 10559, Ras Al Khaimah, United Arab Emirates.

The management and control are vested with Mr. Ajay Kumar Gupta.

These financial statements incorporate the operating results of trade license No. 3250

2. Share Capital :

The Capital of the Establishment is AED 100,000 consisting of single share in the name of M/s JHS Svendgaard Laboratories Ltd.

3. Summary of significant accounting policies:

Basis of Preparation:

The financial statements have been prepared in accordance general accounting practice. A summary of the significant accounting policies, which have been applied consistently, are set out below:

a) Accounting convention

These financial statements have been prepared under historical cost convention basis.

b) Property, Plant and equipment

Property, plant and equipments are stated at cost less accumulated depreciation and identified impairment loss, if any. The costs comprise of purchase price, levies, duties and any directly attributable costs of bringing the asset to its working condition. The cost of property, plant and equipment is depreciated using the straight line method.

c) Impairment of Assets

Property, plant and equipment are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of income.

d) Revenue recognition

Revenue from sale of goods shall be recognised when all the following conditions have been satisfied:

- i) The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii) The amount of revenue can be measured reliably;
- iv) It is probable that the economic benefit associated with the transaction will flow to the entity; and
- v) The cost incurred or to be incurred in respect of the transaction can be measured reliably.

e) Financial expenses

Financial expenses are accounted in the statement of income in the period in which they are accrued.

f) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, which it is probable, will result in an outflow of economic benefits that can be reasonably estimated.

g) Foreign Currencies

Transaction denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transaction. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the balance sheet date. Gains and losses arising are included in the statement of income.

h) Financial Instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the entity's balance sheet when the entity has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

Trade receivables

Sales made on credit are included in trade receivables at the balance sheet date, as reduced by appropriate allowances for estimated doubtful amounts.

Trade payables

Trade payables are stated at their nominal value.

i) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, balances with bank and deposits with banks, within a maturity date of three months or less from the date deposit, free or encumbrances.

4 Cash and banks	March 31, 2009	March 31, 2008
	AED	AED
Bank balances	102,643	102,643
	<u>102,643</u>	<u>102,643</u>
The above bank balance verified with bank statement only		
5 Other receivables and prepayments		
Payments	3,447	15,947
Deposits	3,000	3,000
	<u>6,447</u>	<u>18,947</u>
6 Other payables		
Legal Expenses Payable	2,200	0
	<u>2,200</u>	<u>0</u>
7 Retained earnings		
Opening Balance	(12,323)	0
Net profit for the period	(14,700)	(12,323)
Closing balance	<u>(27,023)</u>	<u>(12,323)</u>
8 Shareholder's current account		
Movement during the period	0	33,913
Closing balance	33,913	33,913
9 Administrative expenses		
Rent	12,500	4,167
Legal expenses	2,200	8,156
	<u>14,700</u>	<u>12,323</u>

10. Financial instruments

Financial instruments of the Establishment comprises of cash at bank, trade receivables, other assets, trade payables.

Credit risk

Financial assets which potentially expose the Establishment to concentration of credit risk comprise principally bank accounts, trade receivables, other receivables.

The establishment's bank accounts are placed with high credit quality financial institutions.

Currency risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirhams.

Interest rate risk

The Establishment is not exposed to any significant interest rate risk.

11. Contingent liabilities & Capital commitments.

Except for ongoing business obligations, which are under normal course of business against which no loss is expected, there has been no known contingent liability or capital commitment on Establishment's account as of balance sheet date.

12. Comparative amounts

This being the first year of audit from inception, no comparative figures are included in the above financial statement.

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

ATTENDANCE SLIP

Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the FIFTH ANNUAL GENERAL MEETING of the Company at Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh- 173 030 on Tuesday, 22nd day of September, 2009 at 2:00 PM.

.....
Full Name of the Member/Proxy (in BLOCK letters)

.....
Signatures

Folio No./ DPID- Client ID.....

NOTES: 1. Members/Proxy holder wishing to attend the meeting must bring the Attendance slip to the meeting.
2. Members/Proxy holder desiring to attend the meeting should bring his copy of Annual Report for the reference at the meeting.



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

PROXY FORM

I/We of being a member/ members of the above named Company, 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 Fifth Annual General Meeting of the Company to be held on Tuesday, 22nd day of September, 2009 at 2.00 PM and/ or at any adjournment hereof.

Signed this day of2009.

Folio/DPID-Client ID No.
No. of Shares.....

(Signature of the Shareholder)

NOTES:
1) The Proxy must be deposited at the registered office of the Company not later than 48 hours before the time for holding the meeting.
2) Those members who have multiple folios with different joint holders may use copies of the Attendance Slip/Proxy.

