

Tough times don't last.

Tough
people
do.

CONTENTS	10	Corporate identity
	11	Highlights, 2010-11
	13	Corporate strengths
	14	Managing Director's review
	18	Business segments
	22	Business operations
	24	Managing business uncertainties
	26	Notice
	31	Directors' report
	35	Report on Corporate governance
	44	Management discussion and analysis
	50	Financial section

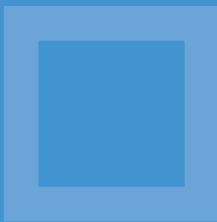
"After every failure we ask ourselves, do we still believe in our vision? If we have

con-
vic-
tion,

that gives us energy."

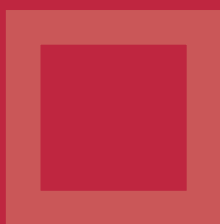
- Jeff Bezos, CEO Amazon

When the going gets tough...



Managers plan for de-growth. Capacity expansions are staggered. Pessimism marks business plans. Market-widening initiatives are attacked. The CFO becomes *de facto* CEO. Business plans start with 'umm' and end with 'let's see'. Office tea becomes a chargeable perquisite. The cash box echoes.

...the tough get going



He whistles to work. Stays fit. Thinks lateral. Analyses options. Tells the world that 'things will soon be better'. Finds new ways of doing old things. Makes the rupee last longer. Starts drawing business plans as if nothing has happened. Makes every minute count. Goes out and meets customers.

6

months later...

BEN HOGAN SUFFERED A HEAD-ON CAR ACCIDENT IN THE LATE FORTIES. LEFT COLLARBONE FRACTURE. Left ankle snapped. Internal organs damaged. Face smashed. Left eye vision diminished. His golfing career was considered over. Amazingly, Hogan returned. Almost won the first tournament he played. Won the US Open six months later. Reduced his schedule to six tournaments a year for two years. Won eight tournaments including five majors. Underlining the conviction that one isn't defeated until the mind says 'I give up'.

Things got tough. But we fortified our resolve.

It would be easy to lose one's optimism when factors beyond one's control interrupt a carefully-constructed business plan.

At JHS Svendgaard, the reverse happened. In 2010-11, we looked inward, identified opportunities, climbed to global benchmarks and emerged stronger.

- We raised in-plant operations to match stringent FDA standards.
- We raised process reliability above industry standards (75% at making stage against a 60-65% industry benchmark, and 90% at the packing stage against an 80-85% industry benchmark).
- We reduced in-process wastage to global standards.
- We implemented ERP across the Company, resulting in informed decision making
- We increased production efficiency through a novel mould-changing approach.
- We commenced our laundry products unit and sustained 100%-plus utilisation within six months of commissioning.

At JHS Svendgaard, we are taking this initiative ahead through capacity modification towards premium products in 2011-12.



Reinforce
Buttress
Strength
Firm up
Geared up
Verve

Brace
potency
dense
Toughen
Prepared
read



4 months later...

THREE FINGER-ENDS AND ONE THUMB WERE AMPUTATED. THEREAFTER, THE AMPUTATED FINGERS WERE reshaped to look like fingers. The fingertips had lost their sensitivity; picking up a needle or twisting a nut onto a small bolt took hours. But, advertiser Mark Horn still had ten fingers! The surgeon forbade trips to the Far North. Or expose hands to extreme cold for two years. Four months later, Mike Horn set out to travel around the Arctic Circle

Offtake declined. We kept talking to our customers.

During the course of 2010-11, when our business volumes declined (key toothbrush clients reduced their offtake), it would have been easy to sulk and blame the world.

At JHS Svendgaard, we responded by going back to our customers to appraise their business appetite and opportunities.

- We reached out to five prospective clients - global and domestic.
- We added four new clients in 2010-11.
- We successfully renewed contracts with two clients.
- We initiated supplies to P&G, with the promise to develop one product in 2010-11.
- We entered into new alliances with global brands; we supplied 14 SKUs.

At a time when most people did not feel that client addition was possible, we added four clients in the toothbrush segment, raising plant utilisation from 65% in 2010-11 to a projected 85% in 2012-13.

28

years ago

DEAN DU PLEISS BROADCASTS ON CRICKET ON RADIO AND TELEVISION IN FLAWLESS ENGLISH, FINE KNOWLEDGE, smooth delivery and perceptible authority. Amazingly, Dean du Pleiss was born blind. Interestingly, du Pleiss is able to tell a shot from the sound made by the ball on the bat; he identifies the delivery from the way the batsman plays the shot. He can also identify the bowler by the way he lands his feet on the deck. And to think that the man was born with a handicap!

Most apologise through a slowdown. We retained our optimism.

Normally, when a single-product business slows, the general corporate response starts with "We are sorry to report that in 2010-11..."

At JHS Svendgaard, we embarked on a number of initiatives so that we could soon be in a position to state "We are delighted that"

- We commenced our laundry products unit in 2010-11 with an output higher than rated capacity in 2011-12.
- We expect to commission two business segments – toothpaste (on the shopfloor) and cosmetics (on the drawing board).
- We devised toothpaste formulations; these are at an advanced approval stage with leading global FMCG players.
- We are engaged in a dialogue with leading global dental care players for the manufacture of mouthwash and toothpaste.
- We plan to invest ₹50-60 crore in existing and new business verticals in 2011-12 and 2012-13.

In doing so, we expect to grow from a single product organisation in 2010-11 to four verticals by 2013-14 reconciling high-volume and high-growth on the one hand with growing opportunities in the toothbrush, toothpaste, laundry product and cosmetic segments on the other.