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## CORPORATE INFORMATION

<p><b>Members of the Board</b></p> <p><b>Chairman:</b> Daljit Singh Grewal DIN 00051627</p> <p><b>Managing Director:</b> Nikhil Nanda DIN 00051501</p> <p><b>Non- Executive Director:</b> Rakesh Sharma DIN 05202265</p> <p><b>Independent Directors:</b> Vanamali Polavaram DIN 01292305 Piyush Goenka DIN 02117859 Chhotu Ram Sharma DIN 00522678 Amarjit Singh DIN 01244897</p> <p><b>Company Secretary &amp; Compliance Officer</b> Sandhya Sethia</p> <p><b>Registered Office:-</b> Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan District-Sirmour, Himachal Pradesh-173030</p> <p><b>Corporate Office:-</b> B-1/E-9, Mohan Co-operative Industrial Area Mathura Road, New Delhi-110044 Ph: 011-30885601/06/40 Fax: 011-30885604</p>	<p><b>Statutory Auditors:-</b> Haribhakti &amp; Company, Chartered Accountants 42-43, Free Press House, 215, Nariman Point Mumbai 400 021 Tel 022-56308232 Fax 022-22876249</p> <p><b>Registrar and Transfer Agent:-</b> Link Intime India Private Limited 44 Community Centre, 2nd Floor Naraina Industrial Area Phase- I Near PVR Naraina New Delhi 110 028 Ph: 011-41410592 Fax: 011-41410591 Email: <a href="mailto:delhi@linkintime.co.in">delhi@linkintime.co.in</a></p> <p><b>Bankers:-</b> ICICI Bank Limited Bank of India</p>
<p><b>Unit I</b> JHS Svendgaard Laboratories Limited Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan District-Sirmour, Himachal Pradesh-173030</p> <p><b>Unit II</b> Jai Hanuman Exports H- 3, SDF, NSEZ, Noida Phase II, Dadri Road, Gautam Budh Nagar, Uttar Pradesh – 201305</p>	

To

The Members,

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

**ORDINARY BUSINESS:**

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

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

**NOTES:-**

- A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing a proxy as per the format in the Annual Report should, however, be deposited at the registered office of the Company not later than 48 (forty eight) hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, partnership firm, etc. must be supported by appropriate resolution / authority, as applicable, issued by the member of organization.
- All Directors of the Company except Mr. Nikhil Nanda, and Mr. Piyush Goenka, are Rotational Directors in lieu of Section 255, 256 of the Companies Act, 1956 and one-third of the total of Rotational Directors, retire every year and, if eligible, offer themselves for re-appointment at the Annual General Meeting.
- The Register of Members and Share Transfer Register of the company shall remain closed from Tuesday, 17<sup>th</sup> September, 2013 to Monday, 23<sup>rd</sup> September, 2013 (both days inclusive).
- Members are informed that in case of joint holders attending the meeting, only such joint holder who is first in the order of names will be entitled to vote.
- Shareholders holding the shares in physical form and desirous of making nominations are requested to send their requests in Form No.2B in duplicate (which will be made available on request).
- The communication address of our Registrar and Share Transfer

Agent (RTA) is Link Intime India Private Limited 44 Community Centre, 2nd Floor Naraina Industrial Area Phase- I Near PVR Naraina New Delhi 110 028.

- For proper conduct of the Annual General Meeting, Members/ Proxies should fill the attendance slip for attending the Meeting. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue. Member who hold share(s) in electronic form are requested to write their DP ID and Client ID number and those who hold share(s) in physical form are requested to write their folio number in attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
- Members are advised to refer to the information for communication provided in the Annual Report.
- The Members desirous of any information on the Accounts are requested to write to the Company atleast a week before the meeting so as to enable the management keep the desired information ready.
- Pursuant to provisions of Section 205C of the Companies Act, 1956 the amount of the application moneys received by companies for allotment of any securities and due for refund remaining unclaimed and unpaid for a period of seven years from the date it is lying in the escrow account, is required to be transferred to the Investor Education and Protection Fund (IEPF). Members who have not yet encashed their application money due for refund from 17-10-2006 onwards are requested to make their claims to the Company immediately. Members may please note that no claim shall lie either against the Fund or the Company in respect of application moneys received by companies for allotment of any securities and due for refund which remain unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid escrow account and no payment shall be made in respect of such claims
- The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars allowing paperless compliances by Companies through electronic mode. Further, in line with circular issued by the Securities and Exchange Board of India (SEBI) and consequent changes in the listing agreement, Companies can send Annual Report in electronic mode to Members who have registered their e-mail addresses for the purpose. Members who have not registered their e-mail address with the Company making a request to M/s. Link Intime India Private Limited / Investor Service Department of the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participants only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form, upon request.

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

**Sd/-  
Nikhil Nanda  
(Managing Director)**

**Place: New Delhi  
Date: 27<sup>th</sup> May, 2013**

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

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

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

Place: New Delhi  
Date: 27<sup>th</sup> May, 2013

Sd/-  
**Nikhil Nanda**  
(Managing Director)

Dear Shareholders,

To

**The Members**

**JHS Svendgaard Laboratories Limited**

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

#### FINANCIAL PERFORMANCE SUMMARY:-

The Financial highlights of the Company are given below: -

(Amount in ₹ Lac)

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

#### DIVIDEND:-

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

#### SCHEME OF AMALGAMATION:-

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

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

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

#### INCREASE IN SHARE CAPITAL:-

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

#### PERFORMANCE REVIEW:-

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

#### EMPLOYEE STOCK OPTION PLAN 2008:-

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

#### RECOGNITION/AWARD:

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

#### DIRECTORS:-

##### Appointments/ Re-appointment:-

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

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

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



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

#### **AUDITORS:**

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

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

#### **LISTING:**

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

#### **SUBSIDIARY COMPANIES:**

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

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

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

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

#### **PARTICULARS OF EMPLOYEES:-**

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

#### **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:-**

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

#### **CORPORATE GOVERNANCE:-**

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

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT-**

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

#### **DEPOSITS:-**

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

under.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT:-**

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

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

#### **INDUSTRIAL RELATIONS:-**

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

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

#### **RISK MANAGEMENT:-**

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

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

#### **ACKNOWLEDGMENT:-**

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

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

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

Place: New Delhi  
Date: 27<sup>th</sup> May, 2013

(Nikhil Nanda)  
Managing Director  
DIN- 00051501

(Rakesh Sharma)  
Director  
DIN- 05202265

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

#### **COMPANY PHILOSOPHY ON CODE OF GOVERNANCE:-**

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

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

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

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

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

organization, though the board remains in effective control of the affairs of the Company at all times.

#### **BOARD OF DIRECTORS:-**

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

#### **COMPOSITION OF THE BOARD:-**

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

#### **DATE OF BOARD MEETINGS:-**

Minimum four Board meetings are held every year. Additional meetings are held to address specific needs of the Company. In case of any exigency/ emergency, resolutions are passed by circulation. The Board of Directors met five times during the year on May 26, 2012, August 14, 2012, November 6, 2012, February 11, 2013 and March 28, 2013. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

The necessary quorum was present for all the meeting.

#### **DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS:-**

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

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

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

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

#### **COMMITTEES OF THE BOARD:-**

Your Company has four Board level committees:

- A) Audit Committee

- B) Shareholders/Investors Grievance Committee  
C) Remuneration Committee  
D) Compensation Committee.

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

- (A) **AUDIT COMMITTEE-** The Company's Audit Committee comprises of four members out of whom two are Independent Non-Executive directors, one is Non Executive Director and

one is Executive director. During the year under review total 4 (four) meetings of Audit Committee were held on 26.05.2012, 14.08.2012, 06.11.2012, 11.02.2013.

Table 1.2 gives the constitution and attendance record

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

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

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

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

The powers and role of the Audit Committee is in accordance with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, and includes oversight of the Company's financial process, reviewing the financial statements, review of significant related party transactions, adequacy of internal audit and look into such matters as mandated under the Listing Agreement as amended from time to time. The role of Audit Committee includes the discussions with internal and statutory auditors periodically about their scope of audit and adequacy of internal control systems

#### **(B) SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE-**

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

Table 1.3 Shows the Constitution of the committee:-

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

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

Number of complaints regarding shares for the year ended March 31, 2013

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

#### **(C) REMUNERATION COMMITTEE:-**

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

Table 1.5 gives the composition

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

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

#### **REMUNERATION OF DIRECTORS-**

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

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

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



#### **(D) COMPENSATION COMMITTEE:-**

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

Table 1.5 demonstrates the constitution of the committee: -

Name of the Member	Status
Nikhil Nanda	Chairman
Rakesh Sharma	Member
Vanamali Polavaram	Member

The responsibilities of the Committee include framing the ESOP and recommending the same to the Board/shareholders for their approval and implementing the Scheme approved by the shareholders, Suggesting to Board/shareholders changes in the ESOP, deciding the terms and conditions of Employees Stock Option Scheme (ESOP) and all other issues incidental to the implementation of ESOP.

#### **GENERAL BODY MEETINGS:**

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

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

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

#### **ROLE OF THE COMPANY SECRETARY:**

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings. There is complete transparency in the working of the Secretarial department and all the Directors have access to the advice and services of the Company Secretary. The Secretarial Standards issued by the ICSI are followed on all important aspects of the Secretarial work. The provisions of the Companies Act, 1956, the Listing Agreement, various SEBI guidelines including The Substantial Acquisition of Shares and Takeovers Regulations, 2011 and The Prohibition of Insider Trading Regulations, 1992 and all other applicable Laws and Regulations in this regard are completely adhered to.

#### **DISCLOSURES:-**

- Related Party Transactions-** Disclosure on materially significant related party transactions, i.e., transactions of the Company of material nature, with its Promoters, the Directors and the Management, their relatives, of subsidiaries and so on, that may have potential conflict with interests of the Company at large. None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the members is drawn to the disclosure set out in Notes to Account – Schedule – forming a part of the Annual Report. All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interests.
- Details of Non-Compliance-** The Company has complied with the requirements of regulatory authorities on capital markets and no penalty/stricture was imposed on the Company during the last three years.
- Compliance With Mandatory And Non Mandatory Requirements-** The Company is fully compliant with the applicable mandatory requirements of Clause 49 of the Listing Agreement. With regards to the non-mandatory requirements, the Company has formed a Remuneration Committee of the Board.
- Disclosure Of Accounting Treatment In Preparation Of Financial Statements-** In the preparation of financial statements, the Company has followed the Accounting Standards, as prescribed under the Companies (Accounting Standard) Rules, 2006, as applicable. The Accounting Policies followed by the Company, to the extent relevant, are set out elsewhere in this Annual Report.
- CEO/ CFO Certification:-** The Certificate as stipulated in clause 49(V) of the Listing Agreement was placed before the Board along with the financial statements for the Financial Year ended 31<sup>st</sup> March, 2013 and the Board reviewed the same. The said Certificate is provided elsewhere in the Annual Report

#### **CODE FOR PREVENTION OF INSIDER TRADING PRACTICES:-**

In accordance with the guidelines specified under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading ("The Code") to its management staff. The Company Secretary is the compliance officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the prevention.

**CODE OF CONDUCT:-**

The Company has adopted a Code of Conduct for its Directors and employees. This Code of Conduct has been communicated to each of them. The Code of Conduct has also been put on the Company's website [www.svendgaard.com](http://www.svendgaard.com)

**MEANS OF COMMUNICATION:-**

All vital information relating to the Company and its performance, including quarterly results, official press releases are posted on the web site of the Company i.e [www.svendgaard.com](http://www.svendgaard.com). The quarterly and annual results of the Company's performance are published in Business Standard (English) circulated all over India, Jan Satta (Hindi) circulated in Regional Area. The quarterly results of the Company are also available on the websites of Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The Company also files the Corporate Governance report, Shareholding pattern and quarterly and financial results in the NSE Electronic Application Processing System (NEAPS) and BSE Electronic Filing.

**SUBSIDIARY COMPANIES :-**

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

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

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