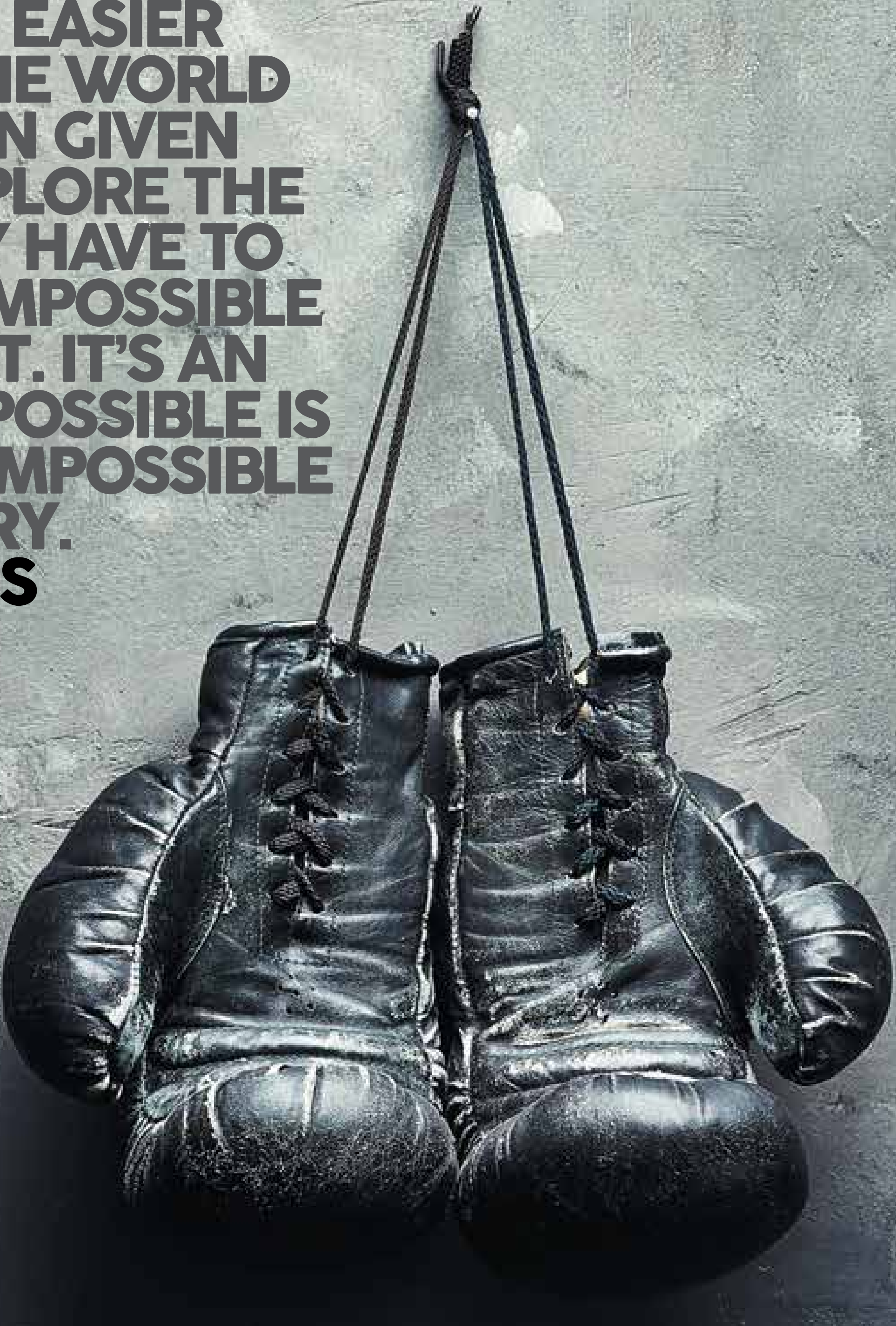
"IMPOSSIBLE IS JUST A WORD THROWN AROUND BY SMALL MEN WHO FIND IT EASIER TO LIVE IN THE WORLD THEY'VE BEEN GIVEN THAN TO EXPLORE THE POWER THEY HAVE TO CHANGE IT. IMPOSSIBLE IS NOT A FACT. IT'S AN OPINION. IMPOSSIBLE IS POTENTIAL. IMPOSSIBLE IS TEMPORARY. IMPOSSIBLE IS NOTHING."

MUHAMMAD ALI



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The principal message that we wish to send out to our shareholders is that JHS, having reported losses in the past few years, could have hung up its gloves. It resolved to fight one more round instead. The result is that the Company is at the cusp of a vigorous transformation.

This transformation is the result of a number of concurrent initiatives to build a world-class company,

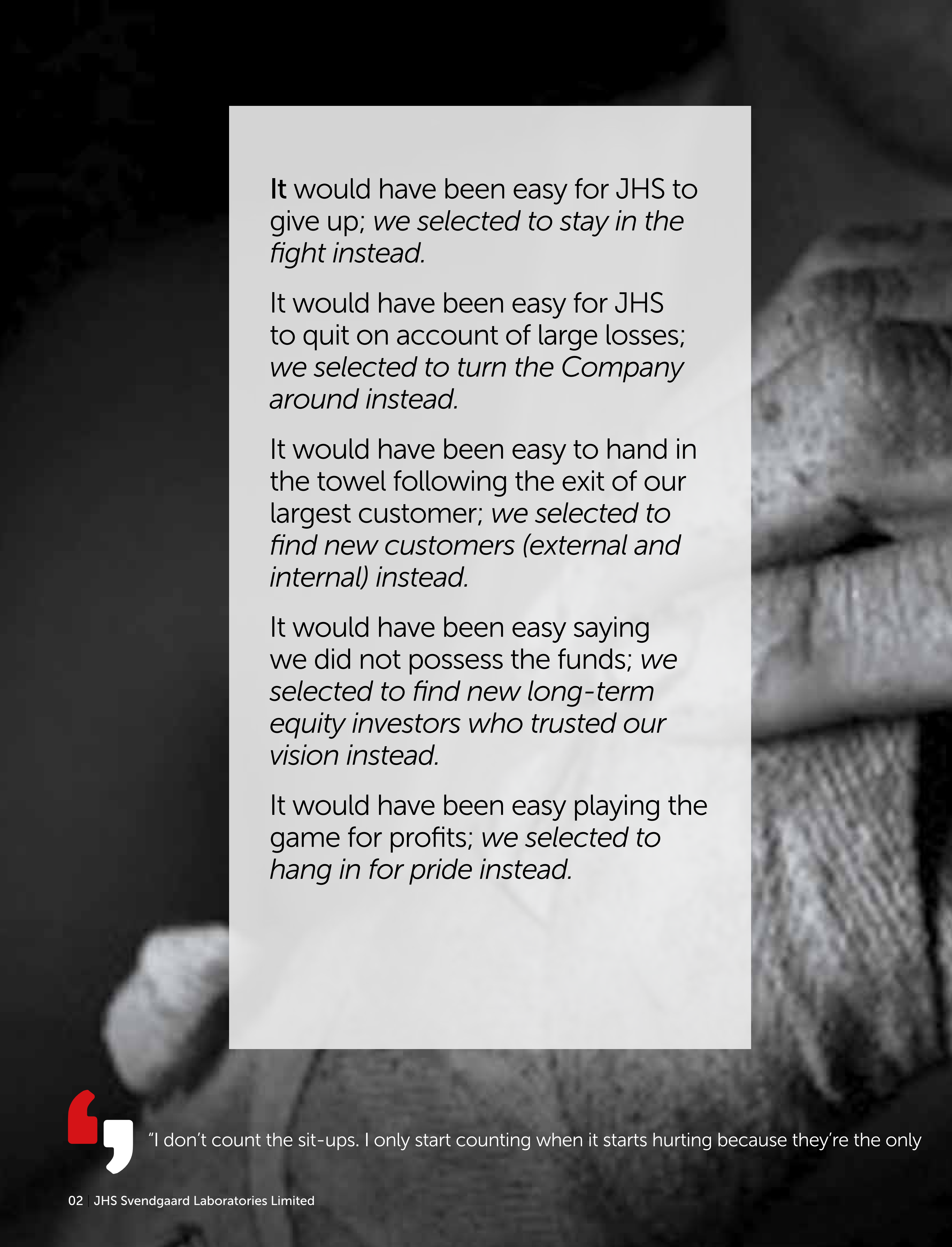
The Company's performance during the last financial year began to showcase some of this hope.

• Our Company reported stable revenues every single quarter.

• Our Company reported a cash profit every single quarter.

At JHS Svendgaard, we believe that this transformation is significant because it provides the Company with a foundation for reinvestment, profitability and scalability.

This then represents our second coming.



It would have been easy for JHS to give up; *we selected to stay in the fight instead.*

It would have been easy for JHS to quit on account of large losses; *we selected to turn the Company around instead.*

It would have been easy to hand in the towel following the exit of our largest customer; *we selected to find new customers (external and internal) instead.*

It would have been easy saying we did not possess the funds; *we selected to find new long-term equity investors who trusted our vision instead.*

It would have been easy playing the game for profits; *we selected to hang in for pride instead.*

“I don’t count the sit-ups. I only start counting when it starts hurting because they’re the only

THE JHS STATEMENT OF INTENT

We intend to create a world-class consumer products company.

We intend to create a company servicing the growing needs of the fastest-growing customers.

We intend to create a research-led company delivering the best product and process standards in the world.

We intend to create a financially-derisked company, viable even in the most challenging business environments.

We intend to create a company that balances volume outsourcing with a growing quantum of proprietary products.

ones that count. That's what makes you a champion." – Muhammad Ali

1

THE JHS STRATEGY

BROADBASING DEPENDANCE FROM ONE CUSTOMER TO A NUMBER OF CUSTOMERS

UNTIL 2012-13, 80% OF OUR REVENUES WERE DERIVED FROM A SINGLE CUSTOMER.

When this customer discontinued the business relationship, our revenues declined and bottomline transformed into a loss.

In our second coming, we have consciously selected to broadbase our customer risk.

We have entered into multi-product relationships with large customers in fast-growing business spaces, with the objective to moderate our exposure to any single customer or product.

In the reinvented JHS, no customer will account for more than 20% of our consolidated topline.

Besides, we have embarked on the manufacture of proprietary products marketed under our own brand name, an effective shock absorber against unforeseen customer attrition; our international supplies to three countries will commence in 2016-17.

The result is that the JHS of the future will be an attractive proxy of the robust growth coming out of a number of large and prominent customers.

2

THE JHS STRATEGY

REPLACING SHORT-TERM SALES OUTLOOK WITH LONG-TERM REVENUE VISIBILITY

UNTIL 2012-13, THE MAJORITY OF OUR REVENUES WERE NOT JUST DERIVED FROM A SINGLE CUSTOMER; THE ENGAGEMENT WAS GUIDED BY A MEDIUM-TERM OFFTAKE ARRANGEMENT.

When this large customer discontinued the relationship, the Company suffered extensive revenue erosion that affected Balance Sheet integrity.

In our second coming, we have selected to secure our prospects with large, fast-growing and credible customers through longer engagement contracts.

In the reinvented JHS, our longer-term contracts (covering brands, prices and volumes) provide enhanced revenue visibility; we signed five-year deals with two large customers, virtually ensuring that a significant part of our expanded manufacturing capacity will be profitably utilised across market cycles.

The result is that the JHS of the future will be a volume-driven enterprise generating an attractive return on manufacturing assets.

3

THE JHS STRATEGY

FROM AN OUTSOURCING MODEL TO A COMBINATION OF OUTSOURCING-CUM-INSOURCING

UNTIL 2012-13, WE WERE AN OUTSOURCING-DRIVEN COMPANY THAT MANUFACTURED PRODUCTS FOR OUR SINGLE LARGE CUSTOMER.

When this large customer exited the engagement, the Company did not possess an alternative strategy.

In our second coming, we felt we needed a business model that would extend beyond outsourcing to the manufacture of products under our proprietary label as well.

We launched branded products. We increased brand promotion. We enhanced shelf-space visibility. The result: we grew proprietary brand revenues 4.5x in 24 months ending 31 March 2016.

Now, we are widening our market presence and launching products in West and South India as well as international destinations, protecting the Company from a substantial decline in revenues in the event of unforeseen customer attrition.

The JHS of the future will be a company with an ambitious 2020 target of generating 50% of revenues from proprietary brands.

4

THE JHS STRATEGY

SUPPLEMENTING AN EXISTING PLANT WITH A WORLD-CLASS MANUFACTURING SHOWPIECE

UNTIL 2015-16, WE DERIVED ALL OUR MANUFACTURING VOLUMES FROM FIVE TO EIGHT YEAR PLANTS THAT HAD BEEN DESIGNED AROUND THE NEEDS OF OUR ERSTWHILE CUSTOMER.

When this large customer abbreviated the relationship, the Company was left with a plant that was increasingly irrelevant in servicing the widening needs of new customers and inadequate in addressing the growing volumes of the day.

In our second coming, we recognised the need to do two things: retrofit this old plant in line with the prevailing standards of the day; commission an entirely new plant with adequate manufacturing flexibility.

Even as the Company is still engaged in transforming its financials from loss to profit, it has ventured to invest in a new manufacturing facility. This facility will be commissioned by the end of the current fiscal year, the full benefits translating into revenues, margins and profits 2017-18 onwards.

The JHS of the future will aggregate the power of these two manufacturing facilities and generate an estimated ₹500 crore in peak annual revenues at attractive corresponding margins that generate a healthy surplus translating to business sustainability.

THE BIG PICTURE **AT JHS**

Capacity utilisation
JHS manufacturing capacities have been largely booked out for 2016-17; about 50-60 % of the expanded capacity (to be commissioned from 2016-17 end) has also been covered by firm client manufacturing commitments

Revenue visibility
JHS contracts provide revenue visibility for the next five years; one contract enjoys two-year duration

Profitability
JHS incurred an operating loss in 2014-15 and an operating profit in 2015-16

Books cleaned
JHS divested the detergent manufacturing unit (non-performing asset) that could have been a drag on its profitability

Liquidity
JHS is a zero-debt company (no long-term loans) as on March 31, 2016.

Future-ready
JHS's planned capital expenditure of around ₹40 crore in 2016-17 is likely to be funded out of accruals, investment partners and net worth infusion – no debt.