



JHS SVENDGAARD LABORATORIES LIMITED
Regd Off: Trilokpur Road, kala-amb, Sirmaur, Himachal Pradesh

Notice of the Extra - Ordinary General Meeting

NOTICE is hereby given that the Extra - Ordinary General Meeting of the Members of **JHS SVENDGAARD LABORATORIES LIMITED** will be held on April 25, 2013 at 9.00 a.m. at Trilokpur Road, Kheri Kala -Amb, Tehsil - Nahan, Distt: Sirmaur, Himachal Pradesh, to transact the following business:

To consider and if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 78, 100, 101 and all other applicable provisions, if any, of the Companies Act, 1956 and Article 54 of the Articles of Association of the Company and subject to the sanction / approval by / of the Hon’ble High Court of Himachal Pradesh and / or the National Company Law Tribunal and any other appropriate authority, an amount not exceeding Rs. 52 crores out of the balance standing in the Securities Premium Account of the Company be utilised for adjustment / set off of the Outstanding balance of Debtors which are considered bad as at February 28, 2013”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee or any person which the Board may nominate / constitute to exercise its powers, including the powers conferred under this Resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any question or difficulty that may arise with regard to utilisation / adjustment of the Securities Premium Account including passing of such accounting entries and / or making such other adjustments in the Books of Account as considered necessary to give effect to the above Resolution or to carry out such modifications / directions as may be ordered by the Hon’ble High Court of Himachal Pradesh to implement the aforesaid Resolution and in particular:

- i) To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, record and perfect all deeds, declarations, instruments, affidavits, applications, petitions, objections, notices and writings whatsoever as may be usual, necessary, proper or expedient;
- ii) To accept services of notices or other processes which may from time to time be issued in connection with the matter aforesaid;



JHS SVENDGAARD LABORATORIES LIMITED
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- iii) To produce all documents, matters or other evidence in connection with the matters aforesaid and all and any of other proceedings incidental thereto or arising thereat;
- iv) To make or prepare any applications, petitions, appeals and judges summons before any court, tribunal, or all relevant authorities and respond to the appropriate authorities;
- v) To file the requisite applications in the Hon'ble High Court of Himachal Pradesh for seeking directions, if any, required for the purpose of convening and holding a general meeting of the shareholders;
- vi) To file petitions, affidavits and / or other legal documents as may be required for confirmation of the utilisation of the Securities Premium of the Company by the Hon'ble High Court of Himachal Pradesh;
- vii) To do and perform all such other acts, matters, deeds and things and sign all documents as may be considered necessary or desirable to give effect to this resolution."

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

Sd/
Nikhil Nanda
Managing Director

Date : 28th March, 2013

Place : New Delhi

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The proxies in order to be valid must be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting
2. The relative Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business mentioned above is annexed hereto



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EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act, 1956 (“the Act”) the following Explanatory Statement sets out all material facts relating to the business mentioned in the accompanying Notice dated 28th March, 2013

The Company is engaged in manufacturing of wide variety of dental and oral care products, for many of the national and international brands. The company has been facing problems in the recovery of dues from certain debtors. Although the Company undertook persistent efforts and continuously followed up with the said debtors, the Company could not recover its dues from them. The Company has also taken appropriate legal action with an optimistic view that Company would be able to recover its legible dues. There are also some old chronic debtors which are part of the bad debts. In view of the above and to effectuate the right sizing of the balance sheet, the Board of Directors of the company are proposing to set off the said debtors not exceeding Rs. 52 Crores from the securities premium account.

The proposed utilisation of Securities Premium does not involve any financial outlay/outgo on the part of the Company and is only in the nature of a book entry. Consequently, such utilisation will also not cause any prejudice to the Creditors of the Company. For the sake of clarity, the Company states that the utilisation of Securities Premium does not involve either the diminution of any liability in respect of unpaid capital nor the payment to any Shareholder of neither any paid-up capital nor any call is being waived.

The Creditors of the Company are also in no way affected by the proposed utilisation of the Securities Premium as there is no reduction in the amount payable to any of the Creditors, no compromise or arrangement is contemplated with the Creditors and also there is no reduction in the security, which the creditors may have in the Company. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business. The secured & unsecured creditors concerned would be paid in the normal course of business.

It is felt that the Balance Sheet of the Company needs to be right sized by writing off the Bad Debts which no more represent the Assets of the Company.

The effect of such utilisation of Securities Premium would enable the Company to present a correct picture of itself in the market and thus explore opportunities for the benefit of Shareholders of the Company, as the Provisional Balance Sheet as at 28th February, 2013, shows Debtors Outstanding of around Rs.72 Crores out of which debtors not exceeding Rs.52 Crores are bad and not likely to be realised by the Company.

In order to show a satisfactory but factually correct financial picture of the Company, the management considered that it would be in the fitness of things to right size the Balance Sheet by way of writing off its Bad Debts against the Securities Premium of the Company.



JHS SVENDGAARD LABORATORIES LIMITED
Regd Off: Trilokpur Road, kala-amb, Sirmaur, Himachal Pradesh

On writing off the Bad Debts against the Securities Premium, the Securities Premium of the Company would be reduced proportionately. This exercise if carried would show a clear & factual financial status of the Company.

To effect such utilisation by writing off its Bad Debts in the Balance Sheet against the Securities Premium, of the Company as at February 28, 2013, the Books of Accounts of the Company will incorporate the above adjustments, upon confirmation by the Hon'ble High Court of Himachal Pradesh and / or the National Company Law Tribunal or any other Appropriate Authorities and any other approval as may be required and registration required by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh of the Order and the minute confirming utilisation.

The utilisation of Securities Premium would help the Company to right size the Balance Sheet and is not likely to have any future adverse impact on the Net Worth.

In view of the above, your Directors recommend the resolution proposed for approval of the Members.

None of the Directors are in any way concerned or interested in the said resolution otherwise than as shareholders in general.

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

Sd/
Nikhil Nanda
Managing Director

Date : 28th March, 2013

Place : New Delhi



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PROXY FORM

DP ID* _____

Regd. Folio No. _____

Client ID* _____

No. of Share(s) held _____

I/We.....of.....
...being a member/members of JHS Svendgaard Laboratories Limited
hereby.....
appoint.....of.....
..... or failing him/her
Of..... as my/ our proxy to
vote for/me and on my/our behalf at Extraordinary General Meeting of the Company to be held at
Trilokpur Road, Kheri Kala -Amb, Tehsil - Nahan, Distt: Sirmaur, Himachal Pradesh, on 25TH
April, 2013 at 9.00 A.M and/or at any adjournment hereof.

Signed this day of..... 2013

Affix Re. 1
Revenue
stamp

(Signature of the Shareholder)

Note: 1. The proxy in order to be effective should be duly stamped and signed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting

- 1. Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide addition form on request.



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ATTENDANCE SLIP

Please fill the Attendance Slip and hand it over at the entrance of the meeting venue Joint shareholder may obtain additional Attendance Slip on request.

DP ID* _____

Regd. Folio No. _____

Client ID* _____

No. of Share(s) held _____

Name and Address of the Shareholder:

I/We hereby record my/our presence at the Extraordinary General Meeting of JHS Svendgaard Laboratories Limited having its Registered Office at **Trilokpur Road, Kheri Kala -Amb, Tehsil - Nahan, Distt: Sirmaur, Himachal Pradesh** on 25TH April, 2013 at 9.00 A.M.

Signature of the Shareholder or Proxy

*Applicable for the investors holding share(s) in electronic form.