



# 18<sup>th</sup> | ANNUAL REPORT

# 2021-22



**JHS SVENDGAARD  
LABORATORIES LIMITED**

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# JHS Svendgaard Laboratories Limited

- India's largest integrated manufacturer of oral care products.
- Partner to leading Indian and global FMCG brands.
- A leading kid's oral care brand in the Delhi and NCR region.

Established in 1997, the Company is India's leading private label manufacturer of oral care products. The Company's product basket includes a complete range of oral care products that are manufactured at its two ISO-certified, state-of-the-art manufacturing facilities at Kala-Amb (Himachal Pradesh), India.

The Company also manufactures and sell oral care products under its proprietary brand '*aquawhite*' and specializes into Kids oral care products.

The Company is headquartered in New Delhi, India. Its business operations are managed by an experienced team of enthusiastic professionals.

## Vision

- To be among the most preferred contract manufacturer in the Oral Care Category by leveraging on our manufacturing capability enabling us to offer unique products that disrupt category trends.
- Aim to make '*aquawhite*' a Brand of Choice for Kids and be the most preferred contract manufacturer for national and global brands.
- To inculcate the importance of oral hygiene across the country, with a strong focus on children.

## Mission

- Constantly driving innovations in our products
- Committed to customer delight by combining affordable pricing with best quality
- Increasing awareness for oral hygiene through products, services and media campaigns

## Shareholder information

BSE Code: 532771

NSE Code: JHS

Face value per share: Rs.10

Book value per share: Rs.29.24

<b>189.77</b>	<b>88.05</b>	<b>42.23</b>	<b>305</b>	<b>133.37</b>
Networth (Rs crore)	Revenue, 2019-20 (Rs crore)	Promoters holding (%)	Team size	Market capitalisation (Rs crore)

## Financial progress

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Total revenue (Rs. crore)	105.49	145.68	125.44	144.71	102.51	88.05
EBIDTA (Rs. crore)	12.15	21.38	13.20	21.22	9.24	8.32
Net Profit (Rs. crore)	22.00	28.07	3.66	1.77	2.77	(2.44)
Net worth (Rs. crore)	134.80	176.64	179.99	181.50	191.48	189.77

# Our edge in our business space

## Strategic advantage

- Over 23 years a wealth of experience and expertise in manufacturing toothbrushes, toothpaste and mouthwash, complete range of oral care products.
- State-of-the-art manufacturing facilities at Kala Amb (Himachal Pradesh) with an additional land bank and built up unit to turn around any new initiatives / projects immediately.
- Fully integrated oral care unit to manufacture toothpaste and toothbrushes in the same premises, reconciling completely different manufacturing competencies - mechanical and chemical under one roof.

## Customer advantage

- Closely working with reputed FMCG brands domestically and globally.
- Majority of the outsourcing relationships with customers are long-term contracts providing adequate revenue visibility.
- Business with existing clients has been growing with new SKUs being added to the outsourcing basket with the Company.

## Financial advantage

- The company is debt free and reliance on external funding has declined substantially except for vehicle loans.

# Outline for 2022-23

## Private label

- Add smaller clients in the oral care space who have the potential to grow meaningfully in the near-term
- Increase business volumes with existing customers
- Establish a strong presence in the international private label space; add 2-3 international players to the private label client list

## Proprietary brand

### *Adult segment*

- Strengthen brand awareness and availability in North India
- Kickstart the Company's presence in the South and West Indian markets through distribution tie-ups
- Branding and advertisement done for the kids segment will have a positive impact on the adult segment too – this would improve sales volumes

### *Kids segment*

- Widen the presence to the North Indian states of Uttar Pradesh, Punjab, Haryana, and Rajasthan – create a strong distribution presence comprising Modern and General trade channels
- Strengthen brand awareness and presence in the Delhi-NCR region by strengthening the entrenching the distribution channel deeper.

## Exports

Not an area of focus but will continue to capitalise on interesting business opportunities from time to time.

## CHAIRMAN'S MESSAGE:



### DEAR VALUED STAKEHOLDERS,

I would like to begin by sincerely thanking you all who have stood with us in these difficult and trying times. The volatile environment mired by the COVID-19 challenges seriously affected our business performance. However, we have been continually making the best of its efforts to make sure that there is least or no more effect of the pandemic on our Company anymore.

On our financial performance, we have recorded a revenue of Rs. 86.25 crores despite these difficult times. Although our revenue collection was lesser than the previous year but as opposed to that, our total expenditure in FY22 was Rs. 87.09 crores which was lesser than last year's expenditure of Rs. 98.85 crores. The Company has been strongly focused on optimum utilization of resources and being cost efficient by keeping a constant check on its expenditure, but lower capacity utilization did have a direct impact on the profitability levels of the Company.

Despite all the challenges that we faced, we continued forth with our strategy of not just focusing on growth but also diversifying our product portfolio. In FY22, our Company added four new clients in the last quarter in the private label business. While adding new clients, the Company also made sure that our healthy relationship continued to be maintained with existing clients.

I am happy to share that recently our Company tied-up with a leading Italian Company 'Artsana' Group to be their exclusive supplier for manufacturing and supply of oral health care products in India. The Company has already commenced production and supply of toothpaste for their Brand 'Chicco'. This marks an important step for us as it not just helps us grow our product portfolio but also more importantly but also in adding leading companies to our expanding customer base. We hope that this alliance leads to more global companies partnering with us as their exclusive suppliers in India and abroad as well. Going forward, we are striving not only to be global partners for Artsana Group but also for other global companies in oral healthcare category.

Our team has always been the most important asset and the members have shown great maturity and sense of belonging by keeping each other motivated in recent trying times. I would like to thank the entire team of JHS Svendgaard Laboratories Limited for their untiring effort, hard work and dedication, as well as all the stakeholders for their undeterred faith in our Company, which motivates us to set and achieve higher benchmarks.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FORWARD LOOKING STATEMENT

*Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.*

*The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally.*

*The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the Act) and comply with the Accounting Standards. The management of JHS Svendgaard Laboratories Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements, reflect in a true and fair manner, the state of affairs and profit for the year.*

*Corporate Finance team to review and approve above para*

*The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Nitiraj" are to Nitiraj Engineers Ltd.*

## ECONOMIC OVERVIEW

### Global Industry

The oral care market is projected to register a CAGR of 6.32% during the forecast period, 2021-2026. Among all personal care products, hand wash and oral care products are the segments that witnessed major sales growth during the COVID-19 pandemic, whereas other skincare and beauty products continued to suffer. Innovation in the sector further contributed to sales growth during 2020. For instance, Colgate-Palmolive reported strong growth across oral care for Q3 2020, owing to premium oral care innovations like Hum by Colgate, Colgate Optic White Renewal, and Colgate Optic White overnight teeth whitening pen.

The oral care market is highly impacted by product innovations carried out by the key players, along with huge investments in marketing and promotional activities to reach higher customer bases. However, lower consumer awareness about technological innovations is hindering the growth rate.

The market is dominated by the Asia-Pacific region due to the high population in the area, followed by the European and North American regions due to the increased preference for premium oral care products. The consumer preference for electronic toothbrush, mouthwash, and dental floss in Western countries, like the United States, Germany, and the United Kingdom, is expected to drive the market.

The rapidly changing lifestyles and improper diets, including sugar-rich diets, and the increased consumption of alcohol and tobacco, have made oral health one of the major public health problems in almost every part of the world. For instance, according to the World Health Organization, oral diseases pose a major issue for many countries and affect people throughout their lifetime, causing pain, discomfort, disfigurement, and even death. The Global Burden of Disease Study 2017 estimated that oral diseases affect close to 3.5 billion people worldwide, with caries of permanent teeth being the most common condition. Moreover, with the increased expenditure on oral healthcare, consumers across the world have started taking preventive measures, which, in turn, has increased the demand for effective oral care products. Owing to the above-mentioned factors, consumers across the world have started paying immense attention to maintaining their oral health, which has led to an increase in demand for high-quality oral care products worldwide.

Consumers of Asian countries such as China and Japan are well aware of oral health practices, and thus, the demand for oral care products is high in these countries. As per GlaxoSmithKline, there is an increasing awareness about oral health among the Japanese population. The Japanese aging population and youth are highly concerned about their oral care, driving the demand for oral care products in Japan.

Oral health care products in India are mainly driven by Ayurvedic or natural ingredient products. All major companies in India sell Ayurvedic revolution products. Consumers in Singapore are brand conscious and would rather spend more to ensure the

safety and efficacy of a product than look for economical options to maintain their oral care. In Australia, e-toothbrushes are well perceived as efficient oral care products for all age groups and hold a significant country share in the regional market. Owing to these factors, the Asia-Pacific market for oral care products is one of the largest across the world.

Source: <https://www.mordorintelligence.com/industry-reports/oral-care-market>

### Indian Industry

India's top fast moving consumer goods companies are expanding their oral care portfolio, entering new and niche categories such as mouth sprays, ayurvedic mouth cleansers and mouthwashes as consumer concerns around general hygiene continue to sustain. India's oral care category is largely built on toothpaste and sales of toothbrushes—something companies are now trying to expand. The category of mouthwashes, big in the western markets, still remains small and urban in India. Now with the pandemic fuelling consumer interest in everything health, immunity and natural, companies are capitalizing on the trend.

India oral care market has shown tremendous growth in the last few years. The market was mainly driven by change in lifestyle of Indian consumers, demand for premium products, rising disposable incomes and awareness regarding hygiene and sanitation. Rise in awareness of oral hygiene has created a huge demand for premium and innovative products in metros and urban cities. Penetration level of oral care products in urban area is high as compared to that of rural area. Low penetration level in rural area poses latent opportunity for global as well as domestic players to grow the presence of their oral care products in India. As a result, players are now focusing more into rural cities and villages to increase the penetration as well as their product sales. Rural Indian consumers have started shifting to toothpaste & toothbrushes from toothpowder. Premium products like mouthwash have gained popularity among rich and upper middle-class consumers. Although the market is growing at a fast pace, per capita consumption of oral care products in India is very low as compared to countries like U.S, China etc. According to "India Oral Care Market Outlook, 2022" the oral care market is categorized into five major categories viz. toothpaste, toothbrush, toothpowder, mouthwash and others. Toothpaste dominates the space as it is a primary product for Indians in their daily oral hygiene care and has huge presence in urban as well as rural India.

Toothbrushes are the second largest category in the oral care market. They have two product types, one is manual and the other is electric & battery powered. Manual toothbrushes have huge potential in Indian oral care market whereas electric toothbrush is a niche product type with limited number of rich people experimenting with it. Toothpowder category is at a declining stage due to changing consumer taste and preferences. Before some years, toothpowder had huge presence in rural India but now even they are shifting towards toothpaste. Mouthwash falls under premium category and comes as a secondary product for oral hygiene. Consumers are bending towards mouthwash products for better oral hygiene. Others products like tongue cleaners and dental floss are expanding gradually in the Indian market. Many global players like Colgate Palmolive India, Hindustan Unilever, Gillette India Limited (P&G), GSK Consumer Healthcare and Johnson & Johnson have strong presence in India. Dabur India and Patanjali Ayurved are the only two strong domestic players in the market.

Source: <https://www.livemint.com/news/india/fmCG-companies-expand-oral-care-range-11609667330944.html>

<https://www.indianretailer.com/article/whats-hot/retail-trends/how-new-age-brands-are-evolving-oral-healthcare-industry-in-india.a7369/>

<https://www.researchandmarkets.com/reports/4394839/india-oral-care-market-outlook-2022>

### About JHS Svendgaard Laboratories limited

Started as a small-scale enterprise in August 1997, Sunehari Svendgaard Laboratories Limited moved at a brisk pace and was incorporated as JHS Svendgaard Laboratories Limited on October 8, 2004. By April 2005 the Company took over businesses from Sunehari Svendgaard Laboratories Limited, Sunehari Oral Care and Jai Hanuman Exports. Keeping up with the pace it reached new heights on October 21, 2006 when it was listed at BSE and NSE of India Limited at a price of Rs. 58.00.

Starting with manufacturing of only Toothbrushes the Company widened its scope to Toothpastes, Mouthwash and Denture Tablets and today is amongst leading oral care product manufacturers and exporters. The Company offers Contract Manufacturing Partnership to well-known domestic and international brands in India and international market. Some of the prominent brands with whom the Company has been associated with during its journey includes Amway India Enterprises Pvt. Ltd., Dabur India Limited, Patanjali Ayurved Limited, Hindustan Unilever Limited, Me N Moms Pvt. Ltd., Vestige Marketing Pvt. Ltd., Colgate Palmolive India Ltd., Elder Health Care Limited, J. L. Morison's India Limited, Dr. Fresh Inc., Boots, Lavioris, Walgreens, Walmart and many more recognized brands.

Multiple production facilities of the Company are in Kala-Amb, Himachal Pradesh. The Company has over 60 highly qualified managers, engineers, officers and supervisors to manage and maintain the plants effectively. The Company's belief in Human Resource Development ensures the presence of all statutory welfare, recreational and emergency services within the plant.

JHS team is a perfect blend of experienced professionals from technical, commercial and other fields. This combined with the Company's vision ensures in manufacturing of high-quality toothbrushes using the best raw materials and equipment from

around the world JHS has grown at a rapid pace to become one of the top Indian exporters and a leading supplier to MNC customers in the Indian market.

JHS' well-established research and development department strives for constant innovation and high-quality oral products. This assures that the Company is well prepared for the future challenges of this vast and growing field. The Company also has complete in house process facilities from injection moulding to bristling and packaging to ensure strict quality control. The presence of a fully equipped Q.C. laboratory with latest gadgets combined with state of the art Vertical & Injection Moulding machines from Demag and Cincinnati, Tufting & Trimming machines from Zahoransky GmbH, Germany and Blister Packing Machines from Boucherie, Belgium ensures international quality of products.

JHS is today a proxy for India's oral care market being India's largest integrated manufacturer of oral care products. JHS is a one-stop shop solution for oral care products (toothbrushes, toothpastes, mouthwash, whitening gels, and denture products). JHS possesses a fully integrated oral care unit to manufacture toothpaste and toothbrushes in the same premises, reconciling completely different manufacturing competencies - mechanical and chemical under one roof.

The Company is an ISO 9001, GMP, SMETA certified and focuses on both export and domestic market. The company has earned various rewards and recognitions, some of them are listed below:

#### Awards & Achievements:

- The Company bagged the top exporter award in Toothbrush category from the Plastics Export Promotion Council, Ministry of Commerce and Industry, Government of India, for 5 years in a row from the year 2003-04 onwards.
- The Company has also received the Best Performing Enterprise Award (25-100 crores category) 'Runner-Up' at Plasticon Awards 2009 for 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.
- In the year 2012, the Company was also awarded the 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 has also been ranked 215th among the top 500 India' fastest growing mid-sized companies.
- The Company has been winning the award as the top exporter of toothbrushes from India for five years in a row. The award was given out by the PLEX Council promoted by the Ministry of Commerce, Government of India.
- The Company had been a Government of India recognized Star Export House (SEH) which provided the company a green card clearance which means its goods are cleared for both import and export on self-certification basis.

#### FINANCIAL OVERVIEW –

The performance of the Company for the financial year ended March 31<sup>st</sup>, 2022, is as follows:

Particulars	Manufacturing Business		Other than Manufacturing Business		Retail Business	
	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21
Sale to External Customers	7852.48	9453.24	498.20	436.29	274.55	186.99
Revenue with Other Operating Segment	8632.65	10007.24	547.68	527.61	383.91	296.06
Depreciation	589.65	556.43	19.61	20.86	95.97	148.17
Cost of Goods Sold	5547.56	6439.80	279.79	237.80	222.90	156.30
Income Tax Expenses	339.67	43.11	2.96	(31.31)	3.02	(49.25)
Total Assets	21,108.91	21448.30	6,247.06	3233.84	745.12	963.23
Total Liabilities	2,132.32	2300.49	4,690.65	1640.79	375.09	503.54

#### Resources and Liquidity

As on March 31, 2022, the net worth stood at Rs.185.90 crore and the debt was at Rs. 0.48 crore.

The cash and cash equivalents at the end of March 31, 2022 were Rs. 6.46 crore.

#### Segment wise Business Performance

The Company is into manufacturing toothpaste, toothbrushes, mouth rinse etc. The Company apart from also having its own proprietary brand also has retail stores at various Airports in India.



Revenue share broad segments are stated below:

Name of the product	% of total turnover of the Company
Toothbrushes	35%
Toothpastes	62%

## RISKS AND CONCERNS –

Like every business, the company faces risks, both internal and external, in the undertaking of its day-to-day operations and in pursuit of its longer-term objectives. A detailed policy drawn up and dedicated risk workshops are conducted for each business vertical and key support functions wherein risks are identified, assessed, analyzed and accepted / mitigated to an acceptable level within the risk appetite of the organization. The risk registers are also reviewed from time to time.

The Company faces the following Risks and Concerns:

### Credit Risk

To manage its credit exposure, the company has determined a credit policy with credit limit requests and approval procedures. Company does its own research of client's financial health and project prospects before bidding for a project. Timely and rigorous process is followed up with clients for payments as per schedule. The company has suitably streamlined the process to develop a focused and aggressive receivables management system to ensure timely collections.

### Interest Rate Risk

The Company has judiciously managed the debt-equity ratio. As on date, the company is relatively debt free with only few vehicle loans and thus the Company has been able to reduce its overall interest cost drastically.

### Competition Risk

This risk arises from more players wanting a share in the same pie. Like in most other industries, opportunity brings with itself competition. We face different levels of competition in each segment, from domestic as well as multinational companies. The Company has created strong differentiators in project execution, quality and delivery which make it resilient to competition. Furthermore, the Company continues to invest in technology and its people to remain ahead of the curve. While the company is continuing to diversify into different product categories, a strong, stable client base consisting of large and mid-sized corporations further helps to insulate the Company from this risk. We counter this risk with the quality of our infrastructure, our customer-centric approach and our ability to innovate customer specific solutions, timely and consistent delivery, focusing on pricing and aggressive marketing strategy, disciplined project executions, coupled with prudent financial and human resources management and better control over costs. Thus, we do not expect to be significantly affected by this risk.

### Input Cost Risk

Our profitability and cost effectiveness is relatively less affected due to change in the prices of raw materials, power and other input costs as most of the impact is passed over to the clients. Some of the risks that are potentially significant in nature and need careful monitoring are Manpower costs, Power costs, capacity utilization etc.

### Liability Risk

This risk refers to our liability arising from any damage to equipment, life and third parties which may adversely affect our business. The Company attempts to mitigate this risk through contractual obligations and insurance policies.

### Inventory Risk

This risk refers to the problems with high and low inventory. In case of low inventory or out of stock situation customers would easily switch to use of competitor products. Contrary to the out-of-stock situation, high inventory shows that products are not consumed as expected.

## OPPORTUNITIES

Growing awareness of maintaining high hygiene standards to prevent the spread of COVID-19 resulted in a spike in demand for personal care products, especially bar soap, liquid handwash and sanitizers, during March.

Multinationals such as Hindustan Unilever, ITC and Godrej Consumer Products have suspended the manufacturing of most product lines and enhanced the production of necessities, including hygiene products, to ensure there are no supply constraints. These companies are also working closely with the Indian government to provide price cuts for liquid soap, hand sanitizers and bar soap to ensure higher access and affordability.

Changing consumer preferences and growing Industrial base

- With ever changing consumer needs and demands, today consumers are looking for a complete package with good quality product and design.
- With rising income and urbanization, consumer's purchasing power.
- Online retailers are gradually being preferred over traditional distributors, retailers, and pharmacies. The successful sale of oral care products through e-commerce has prompted increasing investment towards these channels by major market players.

## THREATS

- Competition from local and multinational players setting up their inhouse manufacturing units due to higher liquidity
- Execution risk
- Regulatory changes
- Input Cost risk
- Attraction and retention of human capital
- Technological Advancements

## INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company implemented proper and adequate systems of internal control to ensure that all assets are safeguarded and protected against loss from any unauthorized use or disposition and all transactions are authorized, recorded and reported correctly. The Company also implemented effective systems for achieving highest level of efficiency in operations, to achieve optimum and effective utilization of resources, monitoring thereof and the compliance with provisions all laws including the Companies Act, 2013, Listing Agreement, directions issued by the Securities and Exchange Board of India, labour laws, tax laws etc. It also aimed at improvement in financial management, and investment policy. The System ensures appropriate information flow to facilitate effective monitoring. The internal audit system also ensures formation and implementation of corporate policies for financial reporting, accounting, information security, project appraisal, and corporate governance. A qualified and independent Audit Committee of the Board of Directors also reviews the internal control system and its impacts on improvement of overall performance of the Company.

The Company has put in place internal control systems and a structured internal audit process vested with the task of safeguarding the assets of the organization and ensuring reliability and accuracy of the accounting and other operational data. The internal audit department reports to the Audit Committee of the Board of Directors.

Similarly, the Company maintains a system of monthly review of the business as a key operational control, wherein the performance of units is reviewed and corrective action is initiated on timely basis. The Company also have in place a capital expenditure control system for authorizing spend on new assets and projects. Accountability is established for implementing the projects on time and within the approved budget.

The Audit Committee and the Senior Management Team are regularly apprised of the internal audit findings and regular updates are provided of the action taken on the internal audit reports. The Audit Committee reviews the quarterly, half yearly and the annual financial statements of the Company. A detailed note on the functioning of the Audit Committee and of the other committees of the Board forms part of the section on corporate governance in the Annual Report.

During the year, the Company carried out a detailed review of internal financial controls. The findings were satisfactory and suggestions for improvement have been taken up for implementation. Policy guidelines and Standard Operating Procedures (SOPs) continue to be updated where required, to keep pace with business requirements.

## HUMAN RESOURCES

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity, to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. As on March 31, 2022, Company is giving employment to 305 permanent employees. Industrial relations are cordial and satisfactory.

Employees are critical to our business. The Company internally assess its employees to periodically identify competency gaps and use development inputs (such as skill up gradation training) to address these gaps. The Company has implemented staff training policies and assessment procedures and intend to continue placing emphasis on attracting and retaining motivated employees.

The Company also plans to continue investing in training programmes and other resources that enhance employees' skills and productivity which will continue to help our employees develop understanding of the customer-oriented corporate culture and service quality standards to enable them to continue to meet the customers' changing needs and preferences.

Our deep understanding of local needs and our ability to adapt quickly to changing consumer preferences has helped our performance driven growth. Our robust IT systems have significantly aided this growth by simplifying complex processes throughout our operations.

Our IT systems are equipped with an array of data management tools specific to our business needs and support key aspects of our business. IT has enabled our cash management systems, in-store systems, logistics systems, human resources, project management, maintenance and other administrative functions. This implementation has contributed positively towards minimizing product shortage, pilferage, out of stock situations etc. and has increased overall operational efficiency.

## OUTLOOK

In India, as per Indian Dental Association, around 90 percent of adults and 80 percent of children in India suffer from dental cavities. Only half of the country's entire population uses recommended and quality toothbrushes, of which only 25 percent brush twice a day. All these statistics are clear evidence of poor oral and dental health in our country.

There is a dire need to create awareness among consumers around good oral hygiene practices and make the transition easier with effective products. As for the Company we try to spread awareness via campaigns and have launched kids brand with cartoons to persuade them to adopt oral hygiene by brushing twice a day.

Apart from this, the Company has also expanded into self-care products like talcum powder, creams, etc and wants to further grow more in this space through suitable acquisitions or setting up a plant, whichever is the most feasible option at that point of time. Our consciousness is to be the most desired and recognized manufacturing company around the world.

Will need to include the following as well:

Particulars	FY21	FY22	% of Change	Reason for Change if change 25% or more
Debtors Turnover Ratio	1.65	2.13	69%	Higher ratio on account of debtor collection
Inventory Turnover Ratio	11.13	8.73	-22%	-
Current Ratio	5.13	5.10	-1%	-
Debt Equity Ratio	0.00	0.00	0	-
Operating Profit Margin	31.08	31.66	2%	-
Net Profit Margin	2.85	-3.06	-207%	Low ratio on account of decrease in profit during the relevant financial year
Return on Net Worth	1.45	-1.23	-189%	
Book Value Per Share	29.66	29.24	-2%	-
Interest Coverage Ratio	0.00	0.00	0	-

# CORPORATE INFORMATION

## Board of Directors

Mr. Vanamali Polavaram  
Mr. Nikhil Nanda  
Mr. Nikhil Kishorchandra Vora  
Mr. Mukul Pathak  
Mrs. Rohina Sanjay Sangtani  
Mrs. Balbir Verma  
Mr. Rajagopal Chakravarthi Venkatesh  
Mr. Kapil Minocha

Chairman, Non-Executive Director  
Managing Director - Executive  
Nominee Director  
Independent Director  
Independent Director  
Independent Director  
Additional Director (Independent)  
Additional Director (Independent)

## Senior Management

Mr. Paramvir Singh Pabla  
Mrs. Kirti Maheshwari  
Mr. Ashish Goel

Chief Executive Officer  
Company Secretary & Compliance Officer  
Chief Financial Officer

## Committees of Board

Audit Committee  
Stakeholders Relationship Committee  
Nomination & Remuneration Committee  
Corporate Social Responsibility Committee

## Statutory Auditors

M/s S.N. Dhawan & Co. LLP  
FRN: 000050N/N500045  
410, Ansal Bhawan, 16 Kasturba Gandhi Marg,  
New Delhi - 110 001  
Tel No.: +91 114368 4444  
Email : contact@mazars.co.in

## Registrar & Transfer Agent:

M/s Alankit Assignments Limited  
Alankit Heights, 3E/7,  
Jhandewalan Extension,  
New Delhi- 110 055

## Bankers

ICICI Bank Limited	IndusInd Bank
HDFC Bank	Punjab National Bank
Union Bank of India	Kotak Mahindra Bank

## Listing Information

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Listing fees as prescribed have been paid to the respective stock exchanges for the financial year ended 31<sup>st</sup> March, 2020.

## Stock Code

Bombay Stock Exchange Limited: 532771  
National Stock Exchange of India Limited: JHS  
ISIN Code: INE544H01014  
Website: www.svendgaard.com

## Registered Office

Trilokpur Road, Kheri (Kala Amb), Tehsil  
– Nahan, Distt-Sirmour,  
Himachal Pradesh-173030  
Tel: +91 9218-400346  
Fax: +91 1702-238831  
Web: www.svendgaard.com

## Corporate Office

B1/E23, Mohan Co-Operative Industrial  
Area, Mathura Road,  
New Delhi-110 044  
Tel: +91 11 2690 0411  
Fax: +91 11 26900434  
Web: www.svendgaard.com

## Work

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

# BOARD REPORT

To  
The Members,

The Board of Directors hereby submits the reports of the business and operations of your Company ("the Company" or "JHS"), along with the audited financial statements (standalone and consolidated), for the financial year ended March 31, 2022.

## FINANCIAL REVIEW/RESULTS

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Net sales / Income from Operation	7990.59	9,696.15	8625.24	10,076.52
Other Income	814.39	554.78	938.99	754.40
Interest & Finance Charges	49.94	45.25	139.36	123.99
Depreciation	589.65	556.43	705.22	725.47
Profit /(Loss ) before Tax	192.39	319.71	10.30	96.78
Tax Expense:				
Current tax (provision for tax)	92.09	52.57	92.09	52.57
Deferred tax asset	342.97	121.95	345.65	41.39
Tax for earlier years	1.50	(131.42)	1.50	(131.42)
Total Tax Expense	436.55	43.11	439.24	(37.46)
Profit /(Loss ) after Tax	(244.17)	276.61	(428.94)	134.24
Profit /(Loss ) to be carried to the Balance Sheet	(240.01)	281.32	(421.09)	143.04
Paid up Equity Share Capital ( Face Value of rs. 10/- each )	6490.05	6,440.05	6490.05	6,440.05
Reserve excluding revaluation reserve	12486.55	12,707.76	12100.16	12,429.50
Basic EPS ( in Rupees not annualized ) Excluding extra ordinary items	(0.38)	0.45	(0.63)	0.20
Diluted EPS ( in Rupees not annualized) Excluding extra ordinary items	(0.38)	0.45	(0.63)	0.20

## REVIEW OF OPERATIONS/STATEMENT OF AFFAIRS

The Company generated the revenue from operations during the financial year ended 31<sup>st</sup> March 2022 amounted to INR 7,990.59 Lakhs as compared to INR 9,696.15 Lakhs during the previous year ended 31<sup>st</sup> March, 2021.

## CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the applicable provisions of Companies Act, 2013 including the Indian Accounting Standard Ind AS-110 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2021-22. Consolidated turnover of the Company was Rs. 8,625.24 Lakhs as on 31<sup>st</sup> March, 2022 as against Rs. 10,076.52 lakhs in the previous year.

## DIVIDEND

The Company is expanding its business and requires surplus to be ploughed back in the company. Hence, your Board is compelled to not recommend any dividend for the last financial year.

## TRANSFER TO RESERVES

The Board of the Company has not proposed to transfer any amount from the profit and loss account to the reserves of the Company.

## OPERATIONS AND BUSINESS PERFORMANCE

Kindly refer to the Management Discussion & Analysis Report which forms part of this report.

## CORPORATE GOVERNANCE

JHS believes in adopting the best practices of Corporate Governance. Corporate Governance Principals are enshrined in the spirit of JHS, which form the core values of JHS. These guiding principles are also articulated through the company's code of business conduct, corporate governance guidelines, character of various sub-committees and disclosure policy.

JHS has adopted the industry best practices of Corporate Governance and aims to run its business on the highest principles of governance and ethics. At JHS, Corporate Governance is more than just adherence to the statutory and regulatory requirements. It is equally about focusing on voluntary practices that underlie the highest levels of transparency. JHS's governance framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities.

Kindly refer to the report on Corporate Governance which forms part of this report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Key Managerial personnel (KMP) of the Company as per section 2(51) and 203 of the Companies Act, 2013 as on 31<sup>st</sup> March, 2022 are as follows:

Director/KMP	Designation
Mr. Nikhil Nanda	Managing Director
Mr. Mukul Pathak	Non-Executive Independent Director
Mr. Rajagopal Chakravarthi Venkatesh	Non-Executive Independent Director
Mr. Kapil Minocha	Non-Executive Independent Director
*Mr. Nikhil Kishorchandra Vora	Non-Executive Nominee Director
Mrs. Rohina Sanjay Sangtani	Non-Executive Women Independent Director
Mr. Ashish Goel	Chief Financial Officer
#Mr. Neeraj Kumar	Chief Financial Officer
Mr. Paramvir Singh Pabla	Chief Executive Officer
§Mrs. Kirti Maheshwari	Company Secretary & Compliance Officer
§Mr. Avinash Pratap	Company Secretary & Compliance Officer

\* During the financial year 2021-22, Mr. Nikhil Kishorchandra Vora, Nominee Director had resigned from directorship w.e.f 28.02.2022.

#During the financial year 2021-22, Mr. Neeraj Kumar was appointed as Chief Financial Officer of the Company w.e.f 10.08.2021.

§During the financial year 2021-22, Ms. Kirti Maheshwari resigned from the post of Company Secretary & Compliance Officer w.e.f. 14.09.2021 and thereafter Mr. Avinash Pratap was appointed as Company Secretary & Compliance Officer w.e.f. 08.02.2022.

Mr. Nikhil Nanda, Director of the Company, who retires by rotation at the ensuing 18th AGM and being eligible offers himself for re-appointment. The necessary proposal for the same forms part of the Notice of the ensuing AGM.

## POLICY ON DIRECTORS' APPOINTMENT AND POLICY ON REMUNERATION

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board, among others, will enhance the quality of decisions by utilising different skills, qualifications, professional experience and knowledge of the Board members necessary for achieving sustainable and balanced development. In terms of SEBI Listing Regulations and Act, the Company has in place Nomination & Remuneration Policy.

The said Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Executive, Non-Executive and Independent Directors on the Board of Directors of the Company and persons in the Senior Management of the Company, their remuneration including determination of qualifications, positive attributes, independence of directors and other matters as provided under sub-section (3) of Section 178 of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The Policy also lays down broad guidelines for evaluation of performance of Board as a whole, Committees of the Board, individual Directors including the chairperson and the Independent Directors. The Policy encourages the appointment of women at senior executive levels and thereby promoting diversity. The Policy is designed to attract, recruit, retain and motivate best available talent.

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013 (Act), the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees is available on the website of the company at <https://www.svendgaard.com/policy.html>.

During the financial year, no changes were made in the Policy.

## PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/ EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as 'Annexure 1' which forms an integral part of this report.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. Further, the Report is being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, any shareholder interested in obtaining a copy thereof may write to the Company Secretary of the Company at cs@svendgaard.com.

## **COMMITTEES OF THE BOARD**

The details of composition, details of meeting and attendance of members of the Audit Committee, the Nomination & Remuneration Committee, the Stakeholders Relationship Committee and the Corporate Social Responsibility Committee is provided in the Corporate Governance Report section of this report.

## **AUDIT COMMITTEE**

The Company has duly constituted an Audit Committee, whose detailed composition and powers are provided in the Corporate Governance Report. There were no recommendations of the Audit Committee which have not been accepted by the Board during the financial year.

## **NUMBER OF BOARD MEETINGS**

During the year under review, the Board met 6 (Six) times, details and attendance of such Board meetings are provided in Corporate Governance Report Annexed herewith and forming integral part of this report.

## **DECLARATION OF INDEPENDENCE BY DIRECTORS**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of SEBI (Listing and Other Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). The Independent Directors have also confirmed that they have complied with the Company's code of conduct for Directors and Senior Management Personnel.

All the Independent Directors of the Company have registered themselves in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one 2 (two) year from the date of inclusion of their names in the data bank. The Independent Directors, whosoever is required, shall undertake the said proficiency test with the prescribed time.

In the opinion of the Board, all independent directors possess a strong sense of integrity and having requisite experience, qualification and expertise and are independent of the management. For further details, please refer Corporate Governance report.

## **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to applicable provisions of the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors.

A structured questionnaire, covering various aspects of the functioning of the board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meeting, Board's focus, regulatory compliances and Corporate Governance, etc., is in place. Similarly, for evaluation of individual Director's performance, the questionnaire covering various aspects like his/her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc., is also in place.

Board members had submitted their response for evaluating the entire Board, respective committees of which they are members and of their peer Board members, including Chairman of the Board.

The Independent Directors had a separate meeting held on 08.02.2022. No Directors other than Independent Directors had attended this meeting. Independent Directors discussed inter-alia the performance of Non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non- Executive Directors.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires.

The Directors expressed their satisfaction with the evaluation process.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the provision under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board confirm:

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. That they 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;
- iii. That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That they had prepared the annual accounts on a going concern basis;
- v. That they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;
- vi. That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **STATUTORY AUDITORS & THEIR REPORT**

### **STATUTORY AUDITORS**

Pursuant to the provisions of section 139 of the Companies Act, 2013 and rules made thereunder, M/s S. N. Dhawan & Co., Chartered Accountants, (Firm Regn. No. 00050N) on the recommendation of the Audit Committee, were re-appointed as Statutory Auditors of the Company for another term of 5 (five) consecutive years, to hold office from the conclusion of the 16<sup>th</sup> Annual General Meeting till the conclusion of 21<sup>st</sup> Annual General Meeting to be held in year 2025.

### **REPORT OF STATUTORY AUDITORS**

The report given by M/s S. N. Dhawan & Co., Chartered Accountants, Statutory Auditors on financial statements of the Company for F.Y. 2021-22 is part of the Annual Report. The comments on the statement of accounts referred to in the report of the Auditors are self-explanatory. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### **SECRETARIAL AUDITORS & THEIR REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 M/s Mohit & Associates, Practicing Company Secretaries, was appointed as the Secretarial Auditor for the financial year 2020-21 to conduct the secretarial audit of the company. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as '**Annexure 2**' and forms an integral part of this report.

The Secretarial Audit Report is self-explanatory and contains no qualifications or observations or other remarks.

### **COST AUDITOR**

The Company is not required to maintain cost records and to undertake cost audit in accordance with the provisions of the Companies Act, 2013.

## **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

The Statutory Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

According to Section 134(5) (e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has a well-placed, proper and adequate IFC system with reference to the Financial Statements which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Company's IFC system also comprises due compliances with Company's policies and Standard Operating Procedures (SOP's) and audit and compliance, supplemented by internal audit checks from M/s VSD & Associates, Chartered Accountants,



the Internal Auditors. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

### **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT**

JHS is having comprehensive risk assessment and minimization procedure in place, which are reviewed by the Board periodically. The Board is responsible for preparation of Risk Management plan, reviewing, monitoring and updating the same on regular and ongoing basis. Audit Committee is also taking care for critical risks on yearly basis.

The Company has also formulated the Risk Management Policy through which the Company has identified various risks like quality risk, industry and competition risk, risk of loss and assets which in the opinion of the Board may threaten the existence of the Company.

Further, the risks control systems are instituted to ensure that the risks in each business process are mitigated. The Audit Committee of the Board is responsible for the overall risk management in coordination with Internal Auditor who reports directly to the Board.

In the opinion of the Board there have been no identification of elements of risk that may threaten the existence of the Company.

### **CHANGE IN NATURE OF BUSINESS**

During the review under a year, there have been no material changes in the nature of business of the Company.

### **SUBSIDIARY COMPANIES**

As on 31<sup>st</sup> March, 2022, Company has 2 (two) subsidiaries i.e. JHS Svendgaard Mechanical and Warehouse Private Limited and JHS Svendgaard Retail Ventures Private Limited (formerly known as JHS Svendgaard Infrastructure Private Limited).

The Company has an Associate Company i.e. JHS Svendgaard Brands Limited (formerly known as JHS Svendgaard Dental Care Limited) within the meaning of Section 2(6) of the Act.

There has been no material change in the nature of the business of the subsidiaries and no company has ceased to be/ become Subsidiary/ Associate of the Company.

Pursuant to Section 129 (3) of the Companies Act, 2013 and Ind AS-110 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of its subsidiaries.

Further, a separate statement containing salient features of the financial statements of the subsidiaries in the prescribed **Form AOC-1** has been disclosed and attached with this report as **Annexure 3**.

### **ANNUAL RETURN**

In accordance with the provisions of section 92(3) and 134 (3) (a) of the Companies Act, 2013, the Annual Return is available on the website of the Company and can be accessed via: [https://www.svendgaard.com/annual\\_reports.html](https://www.svendgaard.com/annual_reports.html).

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The particulars of loans, guarantees and investments under section 186 of the Companies Act, 2013 as at the end of the financial year ended on 31<sup>st</sup> March 2022 have been disclosed in the standalone financial statements of the Company. For further details, please refer notes to the standalone financial statements.

### **CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES**

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis.

During the year, the Company has entered into material contracts and arrangements with its related parties (i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements entered into individually or taken together with previous transactions during the financial year) according to the policy of the company on material

Related-party Transactions. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 has been provided in Form AOC -2 and annexed with this Report as **Annexure-4**.

For further details, please refer notes to the standalone financial statements

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure - 5** and is attached to this report.

## **CORPORATE SOCIAL RESPONSIBILITY**

For your Company, Corporate Social Responsibility (CSR) means the integration of social, environmental and economic concerns in its business operations. CSR involves operating Company's business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of businesses. In alignment with vision of the Company, through its CSR initiative, your Company will enhance value creation in the society through its services, conduct and initiatives, so as to promote sustained growth for the society.

The Board of Directors of your Company has further formulated and adopted a policy based on above factors on Corporate Social Responsibility which can be accessed at our website at: [www.svendgaard.com](http://www.svendgaard.com). The CSR Policy of your Company outlines the Company's philosophy for undertaking socially useful programs through the creation of a CSR Trust for welfare and sustainable development of the community at large as part of its duties as a responsible corporate citizen. Broad areas CSR covered in the policy inter-alia includes:

- Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water.
- Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently unable & livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups.

Further, the CSR policy also aims to provide for following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- Creating opportunities for employees to participate in socially responsible initiatives.

During the last financial years, no changes took place in the CSR Policy. During the year under review, the Company was not covered under the provisions of Section 135 of the Companies Act, 2013 related to Corporate Social Responsibility.

## **MATERIAL CHANGES AND COMMITMENTS**

### **Change in Capital Structure**

The authorized equity share capital of the Company stood at Rs.70,00,00,000 (Rupees Seventy Crores Only) divided into 70,000,000 (Seven Crores) equity shares of Rs. 10/- each as at 31<sup>st</sup> March 2022 as increased from Rs.65,00,00,000/- (Rupees Sixty Five Crores Only) consisting of 6,50,00,000 (Six Crore Fifty Lakhs Only) equity shares of face of value of Rs.10/- each pursuant to the Ordinary Resolution of the members passed at 16<sup>th</sup> AGM of the Company held on 08<sup>th</sup> August,2021.

During the year, a preferential issue of up to 55,00,000 (Fifty-Five Lakh) warrants, convertible into equivalent number of equity shares of face value of Rs. 10/- each of the Company, at an issue price of Rs. 20/- per warrant aggregating to Rs. 11,00,00,000/- (Rupees Eleven Crore only), was approved by the shareholders in the 16<sup>th</sup> AGM held on 8<sup>th</sup> August 2021.

Pursuant to such approval, your Company issued and allotted 40,00,000 Fully Convertible Warrants out of the 55,00,000 lakhs ('Warrants') at an issue price of Rs. 20/- per Warrant aggregating to Rs. 8,00,00,000/- (Rupees Eight Crore Only).

Thereafter, the Board of Directors in its meeting held on 09<sup>th</sup> February, 2021 allotted 35,00,000 (Thirty-Five Lakh) Equity Shares of face value of Rs, 10/- each pursuant to conversion of 35,00,000 Fully Convertible Warrants ("Warrants") out of said total 40,00,000 (Forty Lakhs) warrants at an issue price of Rs, 20/- each, by way of preferential allotment on a private placement basis.

Furthermore, the Board of Directors in its meeting held on 8<sup>th</sup> February, 2022 allotted 5,00,000 shares (Five lakh) Equity Shares of face value 10/- each pursuant to the conversion of 5, 00,000 fully convertible warrants out of the total 40,00,000 (Forty Lakhs) warrants at an issue price of 20/- each, by way of preferential allotment on a private basis.

Consequent to the said allotment, the Issued and Paid-up Equity Share Capital of the Company stands increased to Rs. 64,90,04,650 divided into 6,49,00,465 Equity Shares of face value of Rs. 10/- each.

## **DISCLOSURE ON DEPOSIT UNDER CHAPTER V**

During the year under review the Company has neither accepted nor renewed any deposit in terms of Chapter V of the Companies Act, 2013 and Rules framed thereunder.

## **VIGIL MECHANISM**

As per Listing Regulation read with Section 177(9) of the Act, the Company has established Vigil Mechanism through which Directors, Employees and Business Associates may report unethical behavior, malpractices, wrongful conduct fraud, and violation of company's code of conduct without any fear of reprisal. Vigil Mechanism is being overseen by the Audit Committee for the genuine concerns expressed by the employees and the Directors. The said Policy provides adequate safeguards against victimization of employees and Directors who express their concerns.

The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company and no employee was denied access to the Chairman of the Audit Committee. The policy as approved by the Board is uploaded on the Company's website at [http://svendgaard.com/download/invester/Vigil\\_Mechansim/VIGIL%20MECHANISM%20POLICY.pdf](http://svendgaard.com/download/invester/Vigil_Mechansim/VIGIL%20MECHANISM%20POLICY.pdf)

## **DISCLOSURE ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace. A policy has been adopted in line with the Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under and an Internal Complaints Committee has also been set up to redress complaints received regarding Sexual Harassment.

During the year, no complaints pertaining to sexual harassment were received as well there was no outstanding complaint at the end of the financial year.

Significant and material orders passed by the Regulators or Courts or Tribunals impact the going concerns status and the company's operations in future.

The Company has not received any significant or material ones passed by any regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future.

## **UPDATE ON SCHEME OF ARRANGEMENT**

the Board of Directors of the Company at their meeting held on 09<sup>th</sup> October, 2020 approved the Composite Scheme of Arrangement for Demerger of 'Retail Investment Division' ("Demerged Undertaking") of JHS Svendgaard Laboratories Limited ("Demerged Company") and vesting of the same with JHS Svendgaard Retail Ventures Private Limited ("Resulting Company") on a going concern basis and immediately thereupon, Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company") under Section 230 - 232 of the Companies Act, 2013 ("Composite Scheme").

The above Composite Scheme of Arrangement shall be subject to the approval of National Company Law Tribunal (NCLT) of the relevant jurisdiction, Securities Exchange Board of India (SEBI), Stock Exchange (s), Shareholders and Creditors of all the Companies.

As on 31<sup>st</sup> March, 2022, the Company received no objection certificate dated 08<sup>th</sup> December 2022 from BSE and NSE to the proposed Composite Scheme of Arrangement.

The first motion application was filed by the company on 22<sup>th</sup> February 2022 before respective National Company Law Tribunals.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There are no material changes and commitments affecting the financial position of the company, which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

## **COMPLIANCE WITH SECRETARIAL STANDARD**

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings;

## GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- Neither Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- No application was filed by/ on the Company under the Insolvency and Bankruptcy Code, 2016.

## INDUSTRIAL RELATIONS

The Company has been maintaining healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across organization.

## ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank all customers, shareowners, suppliers, bankers, business partners/associates, financial institutions and the Central Government and the State Government for their consistent support and encouragement provided by them in the past. Your Directors conveying their sincere appreciation to all employees of the Company and its subsidiaries and associates for their hard work and commitment. Their dedication and competence has ensured that the Company continues to be a significant and leading player in this industry.

**For and on behalf of the Board**  
**JHS Svendgaard Laboratories Limited**

Date: 09/08/2022  
Place: New Delhi

Sd/-  
**Nikhil Nanda**  
Managing Director  
DIN: 00051501

Sd/-  
**Mukul Pathak**  
Director  
DIN: 0051534

## ANNEXURE- 1

### Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the Median Remuneration to the employees of the Company for the financial year	25:1
(ii)	The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year	1%
(iii)	Percentage increase in median remuneration of employees in the financial year	8.92%
(iv)	Number of permanent employee on the rolls of the Company.	305
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Nil
(vi)	It is hereby affirmed that the remuneration is as per Remuneration Policy of the Company	

For and on behalf of the Board  
JHS Svendgaard Laboratories Limited

Date: 09/08/2022  
Place: New Delhi

Sd/-  
**Nikhil Nanda**  
Managing Director  
DIN: 00051501

Sd/-  
**Mukul Pathak**  
Director  
DIN: 0051534

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
 FOR THE YEAR ENDED AS ON 31<sup>st</sup> March, 2022  
 [Pursuant to section 204(1) of the Companies Act, 2013 and  
 RuleNo.9 of the Companies (Appointment and Remuneration Personnel)  
 Rules, 2014]

To,  
 The Members  
 JHS SVENDGAARD LABORATORIES LIMITED  
 TRILOKPUR ROADKALA AMB DISTT  
 SIRMAUR HIMACHAL PRADESH HP 000000 IN

Dear Members,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JHS SVENDGAARD LABORATORIES LIMITED** having CIN: L74110HP2004PLC027558 (**hereinafter called "the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial period ended on **March 31, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2022** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

As per the representations made by the management and relied upon by us, during the period under review, provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company:-

- a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity Share) Regulations, 2021
- e) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iii) DPE Guidelines on Corporate Governance for CPSE.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc.as mentioned above.

#### **WE FURTHER REPORT THAT:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out with requisite quorum as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

The company has been generally regular in filing of e-forms/ documents with the Regulatory Authorities under the Companies Act, 2013 and the rules made thereunder

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period no specific events/ actions were taken by the Company which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: New Delhi  
Date: 9<sup>th</sup> August 2022  
UDIN: F009540D000916754

For Mohit & Associates  
Company Secretaries

(Mohit Dahiya)  
Managing Partner  
CP No.23052  
M. No. 9540

To,  
The Members,  
JHS SVENDGAARD LABORATORIES LIMITED  
TRILOKPUR ROADKALA AMB DISTT  
SIRMAUR HIMACHAL PRADESH HP 000000 IN

Sir,

Our Secretarial Audit Report for the year ended as on 31<sup>st</sup> March, 2022 of even date is to be read along with this letter

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date: 9<sup>th</sup> August 2022  
UDIN: F009540D000916754

For Mohit & Associates  
Company Secretaries

**(Mohit Dahiya)**  
Managing Partner  
CP No.23052  
M. No. 9540



**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures for the financial year 2021-22**
**PART "A": SUBSIDIARIES**

(Information in respect of each subsidiary to be presented with amounts in Rupees)

Sl. No.	Particulars	Details	Details
1.	Name of the subsidiary	JHS Svendgaard Mechanical and Warehouse (P)Limited	JHS Svendgaard Retail Ventures Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-	-
4.	Share capital	1,00,000/-	6,51,20,000/-
5.	Reserves & surplus	(38,61,211)	(281,17,930)
6.	Total assets	12,82,31,834/-	7,45,11,505/-
7.	Total Liabilities	13,19,93,045/-	3,75,09,435/-
8.	Investments	-	1,43,68,959/-
9.	Turnover	-	2,74,55,457/-
10.	Profit/(LOSS)before taxation	(54,991)	(1,31,64,561)/-
11.	Provision for taxation	-	-
12.	Profit after taxation	(54,991)	(1,34,66,520)
13.	Proposed Dividend	-	-
14.	% of shareholding	99.99%	99.82%

**PART "B": ASSOCIATES AND JOINT VENTURES:**

(Information in respect of associate company to be presented with amounts in Rupees)

Sl. No.	Particulars	Details
1.	Name of the Associate	JHS Svendgaard Brands Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	15,69,75,290/-
5.	Reserves & surplus	24,28,333/-
6.	Total Assets	49,64,74,898/-
7.	Total Liabilities	33,70,71,540/-
8.	Investments	1,00,28,927/-
9.	Turnover	4,98,20,398/-
10.	Profit/(LOSS)before taxation	(38,02,879)
11.	Provision for taxation	-
12.	Profit / Loss after taxation	(40,98,984)
13.	Proposed Dividend	-
14.	% of shareholding	42.68%

\* During the year JHS Svendgaard Brands Ltd. ceased to be subsidiary of the Company w.e.f. 01<sup>st</sup> September, 2020 within the meaning Section 2(46) of the Companies Act, 2013 on account of allotment of shares by JHS Svendgaard Brands Ltd. However it became an Associate Company within the meaning of Section 2(6) of the Act.

1. Names of associates or joint ventures which are yet to commence operations - **NIL**.
2. Names of associates or joint ventures which have been liquidated or sold during the year - **NIL**.

**For and on behalf of Board of Directors of  
JHS Svendgaard Laboratories Ltd**

**Nikhil Nanda**  
Managing Director  
DIN: 00051501

**Mukul Pathak**  
Chairman  
DIN: 00051534

**Paramvir Singh Pabla**  
Chief Executive Officer

**Ashish Goel**  
Chief Financial Officer

**Date:** 09/08/2022  
**Place:** New Delhi

## ANNEXURE- 4

### FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	JHS Svendgaard Brands Limited, Associate Company
b)	Nature of contracts/arrangements/transaction	1. Cross selling of products 2. Sub- contracting 3. Leasing of immovable property 4. Cost Sharing Agreements Loan/ Corporate Guarantee
c)	Duration of the contracts/arrangements/transaction	Three financial years i.e. 2021-22 to 2023-24
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Transactions shall be undertaken as per the prevailing market price or as may be approved by the Audit Committee/ Board (as required) from time to time
e)	Date of approval by the Board	March 4, 2022
f)	Amount paid as advances, if any	-

For and on behalf of the Board  
JHS Svendgaard Laboratories Limited

Date: 09/08/2022  
Place: New Delhi

**Nikhil Nanda**  
Managing Director  
DIN: 00051501

**Mukul Pathak**  
Director  
DIN: 0051534

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE  
EARNINGS AND OUTGO**

**1. CONSERVATION OF ENERGY**

Wherever possible, energy conservation measures have been implemented. However, efforts to conserve and optimize the use of energy through improved operational methods and other means are being undertaken on an on-going basis. The energy consumption and the cost of production are kept under control. Wastage of energy has been minimized to a negligible level by switching off the electronic equipments when not in use.

Requisite data in respect of energy conservation is given below:

Power and fuel Consumption	Units	2021-22	2020-21
1. Electricity			
(A) Purchased			
--- Units	Kwh	65,63,549	41,78,82
--- Total Amount	Rs. In Lacs	252.03 3.84	281.21
--- Rate/Unit	Rs.		6.74
(B) Own Generator			
--- Through Diesel Generator Units	Kwh	85,200	1,07,557
--- Unit per litre of Diesel Oil	Kwh	3.25	3.19
--- Cost/Unit	Rs.	24.60	18.83
--- Through steam turbine/generator		(80/-LTRS)	(60/-LTRS)
2. Other/ Internal generation light/diesel oil/furnace oil			
(A) Quantity		--	--
Total Cost			
Average Rate			
(B) Consumption Per unit of Production			
1) Electricity	Kwh/Per Unit	--	--
Oral Care Products			
2) Through Diesel Generator	Kwh/Per Unit		
Oral Care Products			

Capital investment on energy conservation equipment(s): NIL

**2. DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

(i) Efforts made towards Technology Absorption

The company has continued its endeavor 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.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution: NIL

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

(a) the details of technology imported: NIL

(b) the year of import: NIL

(c) whether the technology been fully absorbed: NIL

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons there of: NIL, and

(iv) the expenditure incurred on Research and Development: NIL

### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Amount in Rs.)

Particulars	2021-22	2020-21
Foreign Exchange Outgo	76,28,802	88,07,000
Earning in Foreign Exchange	-	4,77,78,000

For and on behalf of the Board

Date: 09/08/2022  
Place: New Delhi

**Nikhil Nanda**  
Managing Director  
DIN: 00051501

**Mukul Pathak**  
Director  
DIN: 0051534

# CORPORATE GOVERNANCE REPORT

## COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Our corporate governance is a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. At JHS Svendgaard Laboratories Limited, we feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At JHS, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation.

The Board of Directors are responsible for and committed to sound principles of Corporate Governance in the Company. The Board of Directors plays a crucial role in overseeing how the Management serves the short and long-term interests of Members and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and an independent Board. We keep our governance practices under continuous review.

The Company is in compliance with the requirements stipulated under regulation 17 to 27 read with para C and D of Schedule V and clauses (b) to (i) to Sub-Regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") with regard to Corporate Governance. The Company is committed to achieve the best standards of Corporate Governance. The Company has built up a strong foundation for making Corporate Governance a way of life by having an independent Board with experts of eminence, forming a core team of top level executives, inducting competent professionals across the organization and putting in place best systems and processes. Going beyond, the Company has endeavoured to regulatory and legal compliances and adopt practices of high level of business ethics.

## BOARD OF DIRECTORS

The Board of Directors ('the Board') have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Board has delegated the operational conduct of the business to the Managing Director of the Company and has Chief Executive Officer (CEO), business / functional heads, which look after the management of the day-to-day affairs of the Company.

## COMPOSITION OF THE BOARD:

As on 31<sup>st</sup> March 2022, the Company's Board consists of five directors. The Chairman of the Board is a Non-executive Independent Director. The Company has an optimum combination of executive and non-executive directors in accordance with the provisions of applicable regulations of the SEBI Listing Regulations. The Board has one executive director and four non-executive directors, out of whom four are Independent Directors including one Women-Independent Director. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interests of stakeholders and the Company.

## CLASSIFICATION OF BOARD:

Directors	Category	% to total number of Directors
<ul style="list-style-type: none"><li>Mr. Nikhil Nanda</li></ul>	Executive Director, Managing Director	16.66%
<ul style="list-style-type: none"><li>Mr. Rajagopal Chakravarthi Venkatesh</li><li>Mrs. Rohina Sanjay Sangtani</li><li>Mr. Kapil Minocha</li><li>Mr. Mukul Pathak</li></ul>	Non-Executive Independent Directors	83.33%
	Total	100

## NOTES-

Mr. Nikhil Nanda is a Promoter of the company.

Mr. Nikhil Kishorchandra Vora, Non-Executive Director (Nominee) of the Company resigned/ceased as director of the Company w.e.f. 28<sup>th</sup> February 2022.

Mr. Vinay Mittal was appointed as Additional Director, Non-Executive Non-Independent Director w.e.f. 27<sup>th</sup> May 2022 of the Company.

## 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 6 (Six) times during the year on 18<sup>th</sup> May 2021, 22<sup>nd</sup> June 2021, 10<sup>th</sup> August 2021, 02<sup>nd</sup> November 2021, 08<sup>th</sup> February 2022 and 02<sup>nd</sup> March 2022. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 ("Act") and SEBI Listing Regulations.

The necessary quorum was present for all the meetings.

## DIRECTORS' ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIPS/ COMMITTEE MEMBERSHIPS

The Company's Board has an optimum combination of Executive, Non-Executive and Independent Directors with one Woman Independent Director, as per the requirements of Regulation 17 of SEBI Listing Regulations. The Composition of the Board of the Company meets the criteria mandated by SEBI Listing Regulations and the Companies Act, 2013 ("Act").

The details of the Directors on the Board as on 31<sup>st</sup> March, 2022, 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 in Table 1.1:

Table 1.1

Name of Director	Category	No. of Board Meetings Entitled to attend	No. of Board Meetings Attended	Attendance at last AGM	Directorships in other Companies	Committee positions held in other Cos.*	
						Chairman	Member
Mr. Rajagopal Chakravarthi Venkateish	Chairman Non-Executive Independent Director	6	6	Yes	3	-	-
Mr. Nikhil Nanda	Managing Director (Promoter)	6	6	Yes	7	-	-
Mr. Kapil Minocha	Non- Executive Independent Director	6	2	-	0	-	-
Mr. Mukul Pathak	Non- Executive Independent Director	6	6	-	1	-	-
#Mr. Nikhil Vora	Nominee Director	6	2	Yes	11	-	-
Mrs. Rohina Sanjay Sangtani	Non- Executive Independent Woman Director	6	5	-	1	-	-

\* For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of other Indian Public Companies have only been considered.

# Mr. Nikhil Kishorchandra Vora has resigned from the post of Non-Executive Director (Nominee) w.e.f. 28th February 2022.

### Name of other listed entities in which our Directors are Director as on 31<sup>st</sup> March, 2022:

Name of Director	Name of Listed entities in which Director is Director
Rajagopal Chakravarthi Venkateish	DISH TV INDIA LIMITED
Nikhil Nanda	NA
Kapil Minocha	NA
Mukul Pathak	NA
Mrs. Rohina Sanjay Sangtani	NA

Other than Mr. Nikhil Nanda holding 24,32,0774 equity shares as on 31<sup>st</sup> March, 2022, no other director holds any shares in the Company.

None of the directors have an inter-se relation with each other.

## BOARD INDEPENDENCE

The definition of 'Independence' of Directors is derived from Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations. The Independent Directors have confirmed that they meet the criteria of Independence laid down under the Act and Regulation 16 (1) (b) of the SEBI Listing Regulations.

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company, among other disclosures and the Company also ensures that its Directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

In the opinion of the Board, the independent directors fulfill the conditions specified in these regulations and are independent of the management of the Company.

## FAMILIARISATION PROGRAMME OF THE INDEPENDENT DIRECTORS

The Familiarization Programme for Independent Directors aims to help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively discharge his / her role as a Director of the Company. The Independent Directors have complete access to the information within the Company.

The Company conducts training sessions for the Independent Directors where specific presentations were provided to them about the Company's strategy, business model, operations, markets, organization structure, product offerings, finance, risk management framework, competitor's analysis and various other factors affecting the Company's business. Moreover interactive meets are organized from time to time where they get opportunity to interact with Senior Management, Head of departments and other key personnel of the organization.

Details of the familiarization programme conducted by the Company for the independent directors is available on the website of the Company at: <https://www.svendgaard.com/download/investor/Familiarization%20Programme/FAMILIARIZATION%20PROGRAMME%20FOR%20INDEPENDENT%20DIRECTORS.pdf>

## SKILL OF BOARD OF DIRECTORS

The Board comprises of the qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees. The table below summarizes the key qualifications, skills and attributes which are taken into consideration while nominating Directors on the Board:

Leadership	Ability to inspire, motivate and offer direction and leadership to others and represent the Company before internal and external stakeholders
Management	Knowledge or expertise or understanding of sound management and business principles or experience of working in senior management position of any organization
Financial expertise	An understanding of financial statements and the accounting principles used by the Company to prepare its financial statements; including the ability to assess the general application of such accounting principles in connection with the accounting for the Company
Governance	Commitment to the highest standards of governance, including experience with a major organisation on governance practices along with clear understanding of roles and responsibilities of Board of a Company and responsibilities as Director
Strategy Development and Implementation	Experience in developing and implementing business strategies or ability to give strategic insights to key business objectives.
Knowledge of Healthcare sector	Understanding of the working of the Healthcare Sector including but not limited to areas like challenges, opportunities, business models, revenue streams, business processes & practices etc.
Information Technology	Knowledge and experience in the strategic use and governance of information management and information technology within the organisation.
Risk Management	Experience in enterprise risk management in the relevant industry, and understanding of the Boards, role in the oversight of risk management principles
Human Resource	Experience in developing strategies or handling matter like development of talent and retention, succession planning and driving change and long term.



In the table below, specific areas of focus or expertise of individual Board Members have been highlighted. However, the absence of the mark against a members' name does not necessarily mean the member does not possess the corresponding skill or qualification:

Name of Directors	Areas of Expertise								
	Leadership	Management	Financial expertise	Governance	Strategy Development and Implementation	Knowledge of Health-care sector	Information Technology	Risk Management	Human Resources
Rajagopal Chakravarthi Venkateish	Yes	Yes	-	-	Yes	-	Yes	Yes	-
Nikhil Nanda	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes
Kapil Minocha	Yes	Yes	Yes	Yes	-	-	Yes	Yes	-
Mukul Pathak	Yes	Yes	Yes	-	-	Yes	-	-	Yes
*Nikhil Vora	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Rohina Sanjay Sangtani	Yes	Yes	-	-	Yes	-	-	Yes	Yes

\*Mr. Nikhil Vora has resigned from the post of Non-Executive Director (Nominee Director) w.e.f. 28<sup>th</sup> February 2022.

### SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

All Independent Directors of the Company met separately on 08<sup>th</sup> February, 2022 without the presence of Non-Independent Directors and Members of Management. In accordance with the Listing Regulations, following matters were, *inter-alia*, reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board of Directors as a whole.
- Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors.
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### COMMITTEES OF THE BOARD

The Board as on 31<sup>st</sup> March, 2022 had four statutory committees to focus effectively on the issues and ensure expedient resolution for diverse matters namely:

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee

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

### AUDIT COMMITTEE

As on 31<sup>st</sup> March, 2022, the Company's Audit Committee comprises of 3 (Three) members, out of whom two are Independent Non-Executive Directors and one is Executive Director. The Company Secretary acts as the Secretary to Committee. The composition of the Audit Committee meets the requirements of Section 177 of the Act and Regulation 18 of SEBI Listing Regulations. During the year under review total 6 (Six) meetings of Audit Committee were held on 18<sup>th</sup> May, 2021, 22<sup>nd</sup> June, 2021, 10<sup>th</sup> August, 2021, 02<sup>nd</sup> November, 2021, 08<sup>th</sup> February, 2022, 02<sup>nd</sup> March, 2022.

## CONSTITUTION AND ATTENDANCE RECORD:

Name of the Member	Category	No of Meetings entitled to attend	No of Meetings Attended
Mr. Mukul Pathak	Chairperson-Independent	6	6
Mr. Nikhil Nanda	Member-Executive	6	6
Mrs. Rohina Sanjay Sangtani	Member- Independent	6	6

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 were placed before the Board Meeting.

The powers and role of the Audit Committee is in accordance with the provisions of Regulation 18 and Part C of Schedule II of the SEBI Listing Regulations and section 177 of the Act.

## TERMS OF REFERENCE

The broad terms of reference of Audit Committee, inter-alia, includes the following:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Modified opinions in the draft audit report;
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the Company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up there on;

- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- u) Reviewing the utilization of loans/advances from/ investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/ investments existing as on the date of coming into force of this provision.
- v) Considering and commenting on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee mandatorily reviews the following information(s) as well:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- c) Internal audit reports relating to internal control weaknesses; and
- d) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- e) Statement of deviations:
  - a. quarterly statement of deviation (s) including report of monitoring agency, if applicable, submitted to stock exchange (s) in terms of Regulation 32 (1).
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32 (7).

## STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with the Regulation 20 of the SEBI Listing Regulations and provisions of Section 178 of Act, the Company has a Stakeholders' Relationship Committee. As on 31<sup>st</sup> March, 2022, the Stakeholders Relationship Committee comprises of 2 (two) Non-Executive Directors and 1 (one) Executive director.

During the year under review, the Stakeholder Relationship Committee meeting was held on 22<sup>nd</sup> June, 2021. The Company Secretary acts as the Secretary to Committee.

### Constitution and Attendance Record:

Name of the Member	Category	No of Meetings entitled to attend	No of Meetings Attended
Mr. Rajagopal Chakravarthi Venkateish	Chairperson- Independent	1	1
Mr. Mukul Pathak	Member- Independent	1	1
Mr. Nikhil Nanda	Member- Executive	1	1

The broad terms of reference of the Committee, inter-alia, includes the following:

- a. 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.
- b. Review of measures taken for effective exercise of voting rights by shareholders
- c. Ensuring an expeditious share transfer process in line with the proceedings of the Share Transfer Committee.

- d. The Committee also evaluates performance and service standards of the Registrar and Share Transfer Agent of the Company.
- e. Providing continuous guidance to improve the service levels for the investors.
- f. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year under review, no shareholder's complaint was received as no complaint was outstanding at the beginning of the financial year i.e. on 1<sup>st</sup> April, 2021.

The Chairperson of the Stakeholder's Relationship Committee was present at the AGM held on 28<sup>th</sup> September 2021.

As on March 31, 2022, Mr. Avinash Partap was the Company Secretary and Compliance Officer of the Company.

### **NOMINATION AND REMUNERATION COMMITTEE:**

As on 31<sup>st</sup> March, 2022, the Nomination and Remuneration Committee (NRC) comprises 3 (three) Non-executive Independent Directors. Mr. Mukul Pathak acts as Chairman of the Committee. The Nomination and Remuneration Committee met 3 (Three) times during the year, 22<sup>nd</sup> June 2021, 10<sup>th</sup> August 2021, 08<sup>th</sup> February, 2022. The Company Secretary acts as the Secretary to Committee.

### **CONSTITUTION AND ATTENDANCE RECORD:**

Name of the Member	Category	No of Meetings Entitled to Attend	No of Meetings Attended
Mr. Mukul Pathak	Chairperson-Independent	3	3
Mr. Rajagopal Chakravarthi Venkateish	Member - Independent	3	3
Mrs. Rohina Sanjay Sangtani	Member - Independent	3	3

The broad terms of reference of the Committee, inter-alia, includes the following:

1. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
2. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, KMP, senior management and other employees;
3. Formulate a familiarization programme to acquaint Directors with the Company and its business etc.
4. Formulating the criteria for evaluation of every directors performance;
5. Devising a policy on Board diversity;
6. The Committee shall take into consideration and ensure the compliance of provisions of Section 196, read with Schedule V of the Companies Act, 2013 while appointing and fixing remuneration of Managing Director / Whole-time Directors;
7. While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;
8. Recommend to the board, all remuneration, in whatever form, payable to senior management.
9. The Committee shall consider and recommend to the Board, shares to be allotted to the eligible employees pursuant to the ESOP Scheme of the Company. Further, the Committee shall have the authority in its discretion:
  - i. To determine the Exercise Price;
  - ii. To select the Employees to whom Options may from time to time be granted hereunder;
  - iii. To determine whether and to what extent Options are granted hereunder;
  - iv. To determine the number of Shares to be covered by each Options granted hereunder;
  - v. To approve forms of SEBI Listing Regulations for use under the Plan;
  - vi. To determine the terms and conditions, not inconsistent with the terms of the Plan, of any award granted hereunder;
  - vii. To prescribe, amend and rescind rules and regulations relating to the Plan;

- viii. To construe and interpret the terms of the Plan and Shares issued pursuant to the Plan; and
  - ix. To take decisions on other matter as may be necessary for administration of this Plan.
10. The Committee shall perform other activities as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.

## PERFORMANCE EVALUATION

The Company has devised a formal process for annual evaluation of performance of the Board, its Committees and Individual Directors including Independent Directors. The process provides that the performance evaluation shall be carried out on annual basis.

During the year, the Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. A structured questionnaire formed key part of the evaluation process for reviewing the functioning and effectiveness of the Board. The evaluation process focused on various aspects of the Board and Committees functioning such as structure, composition, quality, board meeting practices and overall Board effectiveness. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017

The Nomination and Remuneration Committee reviewed the performance of individual directors including Independent Directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings like meaningful and constructive contribution and inputs in meetings, etc.

In the Board Meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was also discussed. Discussion on Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated. There are few following specific criteria(s) which are for performance evaluation of Independent Directors:

- Participation and contribution by a Director.
- Commitment, including guidance provided to the Senior Management outside of Board/ Committee Meetings.
- Effective deployment of knowledge and expertise.
- Effective management of relationship with various stakeholders.
- Independence of behavior and judgment.
- Maintenance of confidentiality of critical issues.

## OUTCOME OF EVALUATION PROCESS

The Board was satisfied with the professional expertise and knowledge of each of its Directors. All the Directors effectively contributed to the decision making process by the Board. Further, all the Committees were duly constituted and were functioning effectively. The Board also expressed its satisfaction in relation to the provision of supporting documents to the Board enabling it to assess the policy & procedural requirements for proper functioning of the Company. The Board expressed its satisfaction with the decision making and decision implementing procedure followed by it.

## REMUNERATION OF DIRECTORS

- i) **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. The criteria of making payments to non-executive directors is available on the website of the Company at <https://www.svendgaard.com/criteriaformakingpayment.html>.
- ii) **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.

Remuneration paid to the Mr. Nikhil Nanda, Managing Director of the Company during the year ended 31<sup>st</sup> March, 2022 is detailed below:

Particulars	(Rs. In Lakhs)
Salary	60.00
Sitting Fees	Nil
Other Perquisites/Benefits	Nil
Commission on Profit	9.64
Total	69.64

Services of Mr. Nikhil Nanda, Managing Director may be terminated by either party, giving three months' notice or the Company paying three month's salary in lieu thereof. There is no separate provision for payment of severance fees.

No notice or severance fee is payable to any other director. Further, there were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Board of Directors constituted a Corporate Social responsibility (CSR) Committee and formulated the CSR Policy of the Company which is available on the website of the Company [https://www.svendgaard.com/download/invester/Policy/Revised%20CSR%20Policy\\_22JUNE2021.pdf](https://www.svendgaard.com/download/invester/Policy/Revised%20CSR%20Policy_22JUNE2021.pdf)

During the financial year under review, a meeting of CSR Committee was held on 18<sup>th</sup> June, 2021. As on 31<sup>st</sup> March, 2022, CSR Committee consists of the following members:

Name of the Member	Category	No of Meetings entitled to attend	No of Meetings Attended
Mr. Nikhil Nanda	Chairman	1	1
Mr. Mukul Pathak	Member	1	1
Mr. Rajagopal Chakravarthi Venkateish	Member	1	1

### **DISCLOSURES**

- RELATED PARTY TRANSACTIONS:**

Attention of the members is drawn to the disclosure set out in Note no. 42 to the standalone financial statements forming a part of the Annual Report for accessing the details of related party transactions.

Besides this, the Company has entered into material significant transaction with the related parties viz. JHS Svendgaard Brands Limited.

Apart from the transactions specified as above and in the notes of financial statements, there are no other transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity.

All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interests. In terms of SEBI Listing Regulations, the Company has formulated policy on dealing with Related Party Transactions. And available at our website:

[https://www.svendgaard.com/download/invester/Vigil\\_Mechansim/RELATED%20PARTY%20TRANSACTION%20POLICY.pdf](https://www.svendgaard.com/download/invester/Vigil_Mechansim/RELATED%20PARTY%20TRANSACTION%20POLICY.pdf)

Save as otherwise provided in the notes to the standalone financial statements for the financial year 2021-22, no loan or any other form of debt has been advanced, no guarantee/ comfort letter (by whatever name called) has been provided in connection with any loan(s) or any other form of debt availed, no security provided, in connection with any loan(s) or any other form of debt availed, by the listed entity directly or indirectly to:

- Promoter or any other entity controlled by them;
- Promoter Group or any other entity controlled by them;
- Directors (including relatives) or any other entity controlled by them; and
- KMPs or any other entity controlled by them.

- DETAILS OF NON-COMPLIANCE:**

The Company has complied with all requirements specified under the SEBI Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years except events given below:

- Delay in furnishing prior intimation of meeting of Board of Directors held on 23<sup>rd</sup> June, 2020 as per the Provisions of Regulation 29(2)/29(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI LODR"). Company received an e-mail dated 10<sup>th</sup> July, 2020 from BSE Limited requesting company to pay fine of Rs.10,000/- (Rupees Ten Thousand Only) excluding GST to which we inter-alia replied vide mail dated 11<sup>th</sup> July 2020 that the aforesaid error was completely human in nature & inadvertent without any malafide intention behind the same. We

further, vide our e-mail dated 25<sup>th</sup> August,2020 informed that we have paid said fee under Protest and requesting to condone this lapse. Reminder mails were sent to BSE on 04<sup>th</sup> September,2020, 17<sup>th</sup> September,2020, 21<sup>st</sup> September,2020, 23<sup>rd</sup> September,2020, 28<sup>th</sup> September,2020 and 05<sup>th</sup> October,2020 however, no response for same has been received. (A same fee of Rs.10,000/- (Rupees Ten Thousand Only) excluding GST was also paid to National Stock Exchange of India Limited "NSE").

- ii) Delay in furnishing prior intimation of meeting of Board of Directors held on 15<sup>th</sup> September,2020 as per the Provisions of Regulation 29(2)/29(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations,2015 ("SEBI LODR"). Company received an e-mail dated 14<sup>th</sup> October,2020 from NSE requesting the company to pay a fine of Rs.10,000/- (Rupees Ten Thousand Only) to which we replied vide our e-mail dated 28<sup>th</sup> October,2020 that we have paid the said fee. (A same fee of Rs.10,000/- (Rupees Ten Thousand Only) was also paid to BSE Limited).
- iii) Mr. Nikhil Nanda, Managing Director of the Company traded in the equity share of the Company and violated the relevant provisions of Code of Conduct and SEBI (Prohibition of Insider Trading), Regulations 2015 which was duly intimated to the Stock Exchanges and was also placed before the Audit Committee meeting held on 09<sup>th</sup> February,2021 and Board Meeting held on 09<sup>th</sup> February,2021. Considering the nature of this event, the Audit Committee imposed requisite penalty of Rs.58,500/- i.e., 25% of the transaction value on him and the same was deposited with the SEBI. Mr. Nikhil Nanda was also issued a detailed instruction for adhering the relevant provisions of SEBI (Prohibition of Insider Trading), Regulations, 2015.

- **DISCLOSURES ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED LISTING REGULATION:**

During the year under review the Company has complied:

- a) with the requirements of Schedule V of the SEBI Listing Regulations.
- B) with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

- **DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

Pursuant to Section 177(9) and (10) of the Act and Regulation 22 of the SEBI Listing Regulations, the Company has formulated Vigil Mechanism and Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website at : [https://www.svendgaard.com/download/invester/Vigil\\_Mechansim/VIGIL%20MECHANISM%20POLICY.pdf](https://www.svendgaard.com/download/invester/Vigil_Mechansim/VIGIL%20MECHANISM%20POLICY.pdf)

- **COMPLIANCE WITH MANDATORY AND NON MANDATORY REQUIREMENTS:**

The Company is fully compliant with the applicable mandatory requirements of the SEBI Listing Regulations.

The compliance with non-mandatory requirements can be understood from the following:

**A. The Board**

The Board is headed by a Non-Executive Independent Chairperson.

**B. Modified opinion(s) in audit report**

The audit report on the financial statements have been issued with an unmodified audit opinion.

**C. Reporting of internal auditor**

The internal auditor may report directly to the audit committee.

- **DISCLOSURE IN RESPECT OF POLICY FOR DETERMINING MATERIAL SUBSIDIARIES :**

The Company does not have any material subsidiary as defined under the SEBI Listing Regulations.

The Company has also formulated a policy for determining material subsidiaries in accordance with Regulation 16(1) (c) of the SEBI Listing Regulations and it has placed the same on the website of the company at <https://www.svendgaard.com/download/invester/Policy/Policy-material-subsiary.pdf>

- **DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS:**

The Company has followed accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) as specified under Section 133 of Act ("the Act") and other relevant provision of the Act. The Company has uniformly applied the Accounting Policies during the period presented. Kindly refer notes to the financial statements (standalone and consolidated) for significant accounting policies adopted by the Company.

- **CEO/ CFO CERTIFICATION:**

As required by the SEBI Listing Regulations, the CEO and CFO certification is provided in this Annual Report as **Annexure- A**.

- **CERTIFICATE OF NON-DISQUALIFICATION**

A certificate from a company secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to the Annual Report as **Annexure B**.

**Other disclosures:**

- The Company has not undertaken commodity price risk or foreign exchange risk and hedging activities;
- The Board had accepted all the recommendation of the committee(s) of the Board during the year under review financial year.
- The provision of Regulation 21 of SEBI Listing Regulations dealing with Risk Management Committee are not applicable on the Company.

- **DETAIL OF TOTAL FEES PAID BY THE COMPANY ALONG WITH SUBSIDIARIES TO THE STATUTORY AUDITORS AND THEIR NETWORK FIRMS**

The details of total fees for all services incurred by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

Particulars	Amount (In Lacs)
Services as statutory auditors	12.00
Tax audit	3.50
Limited Reviews	3.75
Other matters (certification and reporting)	0.75
Re-imbusement of out of pocket expenses	0.57
<b>Total</b>	<b>20.57</b>

- **DISCLOSURES IN RELATION TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

An Internal Complaints Committee has been constituted to look into grievance/complaints of sexual harassment lodged by employees as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, no complaints were received during the year and no complaint is pending on 31<sup>st</sup> March, 2022.

- **COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

In terms of Regulation 34 of the SEBI Listing Regulations, the compliance certificate from practicing company secretaries to the effect of compliance of conditions of corporate governance by the Company is annexed with this Report as **Annexure- C**.

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

The Company has in place a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the Management, staff and other connected persons, on procedures to be followed and disclosures to be made by them while dealing with the shares of JHS, and cautioning them of the consequences of violations. 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 all its Directors and employees. This Code of Conduct has been communicated to all of them. The Code of Conduct has also been put on the Company's website i.e.

[https://www.svendgaard.com/download/invester/Vigil\\_Mechansim/CODE%20OF%20CONDUCT%20FOR%20DIRECTORS%20&%20SENIOR%20MANAGEMENT%20PERSONNEL.pdf](https://www.svendgaard.com/download/invester/Vigil_Mechansim/CODE%20OF%20CONDUCT%20FOR%20DIRECTORS%20&%20SENIOR%20MANAGEMENT%20PERSONNEL.pdf)

The Code has been circulated to all the Board members and Senior Management Personnel and compliance of the same has been affirmed by them for the financial year 2020-21. A declaration signed by the Chairperson and Managing Director of the Company is attached as **Annexure- D**.

## MEANS OF COMMUNICATION:

All vital information relating to the Company and its performance, including quarterly results, official press releases are posted on the website 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 Mint (English) and/or Business Standard (English) circulated all over India, Business Standard (Hindi) circulated in Regional Area.

The quarterly and annual financial 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.

Further, official news releases have also been posted on the website of the Company and presentations are made to institutional investors and analysts on the Company's audited annual financial results.

## GENERAL BODY MEETINGS:

### I. General Meeting:

#### a) Annual General Meeting

The last three Annual General Meetings of the Company:

Year	Venue	Date	Time	Special Resolution
2020-21	Held through Video Conferencing	28.09.2021	01:00 P.M	-
2019-20	Held through Video Conferencing	08.08.2020	01:00 P.M	<ol style="list-style-type: none"> <li>Addition of New Objects in the objects clause of the Memorandum of Association of the company</li> <li>Issuance of fully convertible warrants by way of preferential issue</li> <li>To re-appoint Mr. Mukul Pathak (DIN: 00051534), as an Independent Director of the Company</li> <li>Re-appointment of Mr. Nikhil Nanda as the Managing Director of the Company</li> </ol>
2018-19	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	17.09.2019	01:00 P.M	<ol style="list-style-type: none"> <li>To Regularize/appointment of Mrs. Balbir Verma (DIN: 08210364), as an Independent Director of the Company.</li> <li>Adoption of Memorandum of Association as per Companies Act, 2013.</li> <li>Adoption of New Set of Articles of Association as per Companies Act, 2013.</li> </ol>

#### b) Extra-Ordinary General Meeting

The Extra-Ordinary General Meetings of the Company held during the financial year ended 31<sup>st</sup> March, 2022:

Venue	Date	Time	Special Resolution
Held through Video Conferencing	26.03.2022	12:00 Noon	<ol style="list-style-type: none"> <li>Approval under Section 186 of the Companies Act, 2013; and</li> <li>Approval for entering into Material Related Party Transactions with JHS Svendgaard Brands Limited, an Associate Company.</li> </ol>

No special resolution requiring a postal ballot was passed during the financial year ended March 31, 2022 and as on the date of this Report no special resolution was proposed to be passed through postal ballot.

## GENERAL SHAREHOLDER INFORMATION:

- COMPANY'S WEBSITE:**

The website of the Company is [www.svendgaard.com](http://www.svendgaard.com) which contains all relevant information about the Company the Annual Report, Shareholding Pattern, Results and all other material information as and when prepared are updated on this site.

- ENSUING ANNUAL GENERAL MEETING**

Date of AGM : Tuesday 27<sup>th</sup> September, 2022

Time : 01:00 P.M.

Venue : This meeting will be held through Video Conferencing

- FINANCIAL CALENDAR**

Financial year : 1st April, 2021 to 31st March, 2022

- TENTATIVE CALENDAR FOR FINANCIAL YEAR ENDING 31ST MARCH ,2022**

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

First Quarter Results	Within 45 days of the end of the first quarter
Second Quarter & Half Yearly Results	Within 45 days of the end of the second quarter
Third Quarter & Nine Months Results	Within 45 days of the end of the third quarter
Fourth Quarter and Annual Results	Within 60 days of the end of the financial year

- DIVIDEND**

The Board of Directors have not recommended any dividend for the year under review.

- BOOK CLOSURE DATE**

Not Applicable.

- LISTING INFORMATION:**

The Company's shares are listed on the BSE Limited and the National Stock Exchange of India Limited. Listing fees as prescribed have been paid to the respective Stock Exchanges for the financial year ended 31<sup>st</sup> March, 2022.

During the year under review the Board of Directors in its meeting held on 23<sup>rd</sup> June, 2020 approved issue of upto 55,00,000 Fully Convertible Warrants @Rs.20 each which was subsequently approved by the shareholders in Annual General Meeting held on 08<sup>th</sup> August, 2020. However, out of said warrants only 40,00,000 Fully Convertible Warrants were issued and allotted by the Board vide passing of circular resolution dated 22<sup>nd</sup> September, 2020.

The Company had obtained in-principle approval for issue of said warrants from NSE and BSE vide their letters dated 08<sup>th</sup> September, 2020 and 20<sup>th</sup> August, 2020, respectively.

The warrants were required to be converted into equity shares within 18 months from the date of allotment viz. 22<sup>nd</sup> September, 2020 subject to receipt of balance payment in respect of said warrants.

The Company received balance payment for warrants and thereafter, the Board of Directors converted 35,00,000 warrants out of total 40,00,000 warrants as approved in the Board meeting held on 09<sup>th</sup> February, 2021.

The Company applied for listing approval of 35,00,000 equity shares to both NSE and BSE vide its separate applications dated 24<sup>th</sup> February, 2021 and was granted listing approval of said 35,00,000 equity shares from NSE and BSE vide letters dated 08<sup>th</sup> March, 2021 and 09<sup>th</sup> March, 2021, respectively.

Subsequently, then company applied for trading approval of said equity shares to NSE and BSE vide its application letters dated 17<sup>th</sup> March, 2021 and consequently the securities were granted trading approval upon corporate action of same with depositories.

The Board of Director allotted and converted remaining 5,00,000 equity share out of 40,00,000 warrants in the board meeting held on 08<sup>th</sup> February 2022.

The Company applied for listing approval for remaining 5,00,000 equity shares out of 40,00,000 warrants to both NSE and BSE vide its applications dated 28<sup>th</sup> February, 2022 and was granted listing approval of said 5,00,000 equity shares from NSE and BSE vide letters dated 09<sup>th</sup> May, 2022 and 12<sup>th</sup> May, 2022, respectively.

Thereafter, the company applied for trading approval of said equity shares to NSE and BSE vide its application letters dated 23<sup>rd</sup> May, 2022 and consequently the securities were granted trading approval upon corporate action of same with depositories.

None of the securities of the Company have been suspended from trading.

- **STOCK CODE**

Bombay Stock Exchange Limited: 532771

National Stock Exchange of India Limited: JHS

ISIN Code: INE544H01014

- **MARKET PRICE DATA**

Monthly high and low prices and volumes of equity shares of the Company at BSE and the NSE for the year ended 31<sup>st</sup> March, 2022. The below Chart compares the Company's share price at the BSE versus the Sensex.

S. No.	Month	BSE		NSE	
		High	Low	High	Low
1	Apr-21	22.85	18.85	22.90	18.70
2	May-21	23.15	18.80	23.10	18.60
3	Jun-21	25.30	19.85	25.50	20.00
4	Jul-21	31.45	22.10	31.20	22.40
5	Aug-21	32.20	22.10	32.25	19.35
6	Sep-21	27.75	23.50	28.20	23.45
7	Oct-21	30.00	23.50	29.90	23.80
8	Nov-21	25.90	21.30	25.80	21.70
9	Dec-21	29.50	21.50	29.50	21.10
10	Jan-22	33.40	25.80	33.40	25.60
11	Feb-22	28.75	21.00	28.80	19.15
12	Mar-22	25.85	19.45	25.40	19.50

Month	JHS Closing Price (BSE) (In Rs.)	BSE Sensex Closing	JHS Closing Piece (NSE) (In Rs.)	NSE Nifty 50 Closing
Apr-21	20.10	48,782.36	20.05	14,631.1
May-21	20.80	51,937.44	20.75	15,582.8
Jun-21	22.55	52,482.71	22.55	15,721.5
Jul-21	25.75	52,586.84	26.05	15,763.05
Aug-21	24.95	57,552.39	24.95	17,132.2
Sep-21	24.25	59,126.36	24.30	17,618.15
Oct-21	24.75	59,306.93	24.50	17,671.65

Month	JHS Closing Price (BSE) (In Rs.)	BSE Sensex Closing	JHS Closing Piece (NSE) (In Rs.)	NSE Nifty 50 Closing
Nov-21	22.90	57,064.87	22.85	16,983.2
Dec-21	27.55	58,253.82	27.50	17,354.05
Jan-22	27.70	58,014.17	27.75	17,339.85
Feb-22	22.30	56,247.28	22.60	16,793.9
Mar-22	20.55	58,568.51	20.55	17,464.75

- REGISTRARS AND TRANSFER AGENTS**

Name and Address : Alankit Assignments Limited, Alankit Heights  
1E/13, Jhandewalan Extension, New Delhi – 110055

Telephone : +91-11-4254 1234

Fax : + 91-11-4254 1201

Email : [rta@alankit.com](mailto:rta@alankit.com)

- SHARE TRANSFER SYSTEM**

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories. All such requests are handled and disposed off by Company's Registrar & Share Transfer Agent i.e. Alankit Assignments Limited, within fifteen days from the date of receipt of request, provided the documents are found to be in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

Further pursuant to Regulation 40(9) of SEBI Listing Regulations, certificate on half yearly basis confirming the due compliance of share transfer formalities by the Company from Practicing Company Secretary have been submitted to Stock Exchanges within stipulated time.

- SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH 2022**

Category	Category of shareholders	No. of Shareholders	No of Shares	% of Holding
(A)	Promoter and Promoter Group	4	2,74,07,988	42.23
(B)	Public	24,750	3,74,92,477	57.77
(C)	Non Promoter- Non Public	0	0	0
(C1)	Shares underlying DRs	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0
	<b>Grand Total</b>	<b>24,754</b>	<b>6,49,00,465</b>	<b>100.00</b>

- DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2022**

Pan Consolidated Distribution Schedule As On 31-03-2022									
Category	Total				Physical		Demat		Both
	Cases	%	Shares	%	Cases	Share	Cases	Share	Total
1-500	18550	74.94	2978004	4.62	3	206	18547	2977798	0
501-1000	2857	11.54	2416858	3.75	0	0	2857	2416858	0
1001-2000	1578	6.37	2501455	3.88	0	0	1578	2501455	0
2001-3000	559	2.26	1455017	2.26	0	0	559	1455017	0
3001-4000	279	1.13	1019627	1.58	0	0	279	1019627	0
4001-5000	257	1.04	1231001	1.91	1	4500	256	1226501	0
5001-10000	357	1.44	2758139	4.28	0	0	357	2758139	0
10001-9999999999	317	1.28	50040364	77.70	1	10001	316	50030363	0
Total	24754	100.00	64400465	100.00	5	14707	24749	64385758	0

- **DEMATERIALIZATION OF SHARES**

The equity shares of your Company are under compulsory dematerialization mode as on 31<sup>st</sup> March, 2022.

99.97 % of shares of the Company are dematerialized as on 31<sup>st</sup> March, 2022. Trading in Equity shares of the Company is permitted only in Demat mode. The Equity shares of your company are frequently traded. (In April 2017 all shares of the company were Listed on Stock Exchange).

- **OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS**

There are no outstanding GDRs/ ADRs/ or any convertible instruments as at the end of the financial year ended on 31<sup>st</sup> March 2022.

- **CREDIT RATING**

The Company has not obtained credit rating for the debt instruments/facilities of the Company.

- **UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A)**

Board of Directors/Committee of Board of Directors of the Company, by passing resolution by circulation as approved by the majority of directors on 22<sup>nd</sup> September, 2020, has inter alia, allotted 40,00,000 Fully Convertible Warrants out of the previously approved 55,00,000 lakhs ('Warrants') at an issue price of Rs. 20/- per Warrant aggregating to Rs. 8,00,00,000/- (Rupees Eight Crore Only), convertible into an equivalent number of Equity Shares of Rs. 10/- each within 18 months from the date of allotment, on a preferential basis ('Preferential Allotment') to the persons belonging to 'Non-Promoter' and 'Promoter' category. The funds were utilized for which they were raised through preferential allotment.

- **PLANT LOCATION**

Himachal Pradesh  
Trilokpur Road, Kheri Kala-Amb, Tehsil - Nahan,  
Distt: Sirmour, Himachal Pradesh-173030

- **ADDRESS FOR INVESTOR CORRESPONDENCE**

All shareholders' correspondence should be forwarded to Alankit Assignments Limited, the Registrar and Transfer Agent of the Company or to the Investor Service Department at the Registered Office of the Company at the addresses mentioned below. An exclusive e-mail ID, investor@svendgaard.com for redressal of investor complaints has been created and the same is available on our website.

**For Correspondence:**

JHS Svendgaard Laboratories Limited - B-1/E-23,  
Mohan Cooperative Industrial Area, New Delhi-110044,  
Ph: 011-26900411; Fax: 011-26900434

**Registered Office:**

JHS Svendgaard Laboratories Limited  
Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan,  
District Sirmour, Himachal Pradesh – 173030  
Ph: 7906848423  
Fax: 01702-238830  
e-mail: [cs@svendgaard.com](mailto:cs@svendgaard.com)

For and on behalf of the Board

For and on behalf of the Board

Date: 09/08/2022  
Place: New Delhi

**Nikhil Nanda**  
Managing Director  
DIN: 00051501

**Mukul Pathak**  
Director  
DIN: 0051534

**CEO CFO CERTIFICATION**

We, Paramvir Singh, Chief Executive Officer and Ashish Goel, Chief Financial Officer, of JHS Svendgaard Laboratories Limited, to the best of our knowledge and belief certify that:

- A. We have reviewed the financial statements and the Cash Flow Statement of the Company for the Financial Year ended 31.03.2022 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company`s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We also certify, that based on our knowledge and the information provided to us, there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company`s code of conduct.
- C. The Company`s other certifying officers and we are responsible for establishing and maintaining internal controls for financial reporting and procedures for the Company and that we have evaluated the effectiveness of Company`s internal control systems and procedures pertaining to financial reporting.
- D. The Company`s other certifying officers and we have indicated, based on our most recent evaluation, wherever applicable, to the Company`s Auditors and through them to the Audit Committee of the Company`s Board of Directors:
1. Deficiencies in the design or operation of internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
  2. Significant changes in internal control over financial reporting during the year;
  3. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  4. Any fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company`s internal control system over financial reporting.

Place: New Delhi  
Date : 09/08/2022

Paramvir Singh  
CEO

Ashish Goel  
CFO

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34 (3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members  
JHS SVENDGAARD LABORATORIES LIMITED  
TRILOKPUR ROADKALA AMB DISTT  
SIRMAUR HIMACHAL PRADESH HP 000000 IN

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of JHS SVENDGAARD LABORATORIES LIMITED having **(CIN: L74110HP2004PLC027558)** and having registered office TRILOKPUR ROADKALA AMB DISTT SIRMAUR HIMACHAL PRADESH HP 000000 IN) (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations/ representations furnished to us by the Company & its Director/ officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended as on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S.No.	Name of Director	DIN	Date of Appointment of Director
1	Mr. Nikhil Nanda	00051501	08/10/2004
2	Mr. Mukul Pathak	00051534	14/07/2015
3	Mr. Rajagopal Chakravarthi Venkatesh	00259537	23/06/2020
4	Mr. Kapil Minocha	02817283	23/06/2020
5	Mr. Rohina Sanjay Sangtani	07520124	21/11/2017

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Mohit & Associates  
Company Secretaries,**

Place: New Delhi  
Date: 09/08/2022  
UDIN: F009540D000916886

**Mohit Dahiya**  
Partner  
CP No. 23052

## **CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

Under regulation 34 read with schedule V of the SEBI (LISTING OBLIGATIONS  
AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To  
The Members of  
JHS SVENDGAARD LABORATORIES LIMITED  
TRILOKPUR ROADKALA AMB DISTT  
SIRMAUR HIMACHAL PRADESH HP 000000 IN

We have reviewed the implementation of Corporate Governance procedures by **JHS SVENDGAARD LABORATORIES LIMITED** for the financial year ended on 31<sup>st</sup> March 2022, with the relevant records and documents maintained by the Company, furnished to me for my review and the report on Corporate Governance as approved by the Board of Directors.

The compliances of conditions of Corporate Governance are the responsibility of the management. Our examination was limited to a review of procedures and implementations thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my review and according to the information and explanation provided to me, it is hereby certified and confirmed:

- That the conditions of Corporate Governance as stipulated in the Listing Regulations, 2015 with the Stock Exchange have been complied with in all material respect by the Company; and
- That 'No' investor grievance is pending for a period exceeding one month as per the records maintained by the Company.

Place: New Delhi  
Date: 09/08/2022  
F009540D000916776

**For Mohit & Associates  
Company Secretaries,**

**Mohit Dahiya**  
Partner  
M.No: 9540  
COP: 23052

**For Mohit & Associates**





Company Secretaries,

## Annexure- D

### CERTIFICATION BY CHIEF EXECUTIVE OFFICER OF THE COMPANY

I, Paramvir Singh, Chief Executive Officer of the Company, hereby certify that the members of the Board of Directors of the Company and the Management Personnel have affirmed the compliance with the code of conduct adopted by the Company for the financial year ended March 31, 2022 in terms of Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: New Delhi

Date: 09/08/2022

Paramvir Singh

CEO

# STANDALONE FINANCIAL REPORT



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# Independent Auditor's Report



To the Members of  
**JHS Svendgaard Laboratories Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the Standalone Financial Statements of **JHS Svendgaard Laboratories Limited** ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

We have determined the matter described below to be the key audit matters to be communicated in our report.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	Auditor's Response
1	<p><b>Revenue Recognition</b></p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance.</p> <p>Refer Note 2(a) to the Standalone Financial Statements - Significant Accounting Policies</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof.</li> <li>Evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> <li>Testing the effectiveness of such controls over revenue cut off at year-end.</li> <li>We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods dispatch notes and shipping documents.</li> <li>Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul> <p>Based on the above procedure performed, the recognition and measurement of revenue from sale of goods are considered to be adequate and reasonable.</p>

## Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Director's Report including Annexures, Management Discussion and Analysis, Corporate Governance Report and other company related information (but does not include the standalone financial statements and our auditor's report thereon). These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action, if required.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate

with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - (e) On the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11

of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.(a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

**For S.N. Dhawan & Co LLP**

Chartered Accountants

Firm Registration No.: 000050N/N500045

**(Surinder Kr. Khattar)**

Partner

Place: New Delhi  
Date: 27 May 2022

Membership No.: 084993  
UDIN 22084993AJSSAS8456

## Annexure "A"

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of JHS Svendgaard Laboratories Limited on the standalone financial statements as of and for the year ended 31 March 2022.

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on the examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.
- (e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate and no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) In our opinion and according to the information and explanations given to us, during the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) (b) of the Order are not applicable.

- (iii) (a) According to the information and explanations given to us, the Company has not made investment in, guarantee or security to companies, firms, limited liability partnerships or any other parties during the year. However, the Company has granted unsecured loans, advances in the nature of loans, secured or unsecured, to the companies, limited liability partnerships and other parties during the year, the details of which are as follows:

Particulars	Loans
Aggregate amount granted during the year	
- Subsidiaries	4727.44 lacs
- Others	3438.56 lacs
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	2461.28 lacs
- Others	1991.15 lacs

- (b) In our opinion, the terms and conditions of grant of all loans are not, prima facie, prejudicial to the Company's interest.
- (c) In respect of loans and advances in the nature of loans amounting to Rs. 2604.40 lacs, the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular.
- (d) There is no amount which is overdue for more than 90 days in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or any other parties.
- (e) There are no loans or advances in the nature of loans granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) In our opinion and according to the information and explanations given to us, the Company has granted loans or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment in the following cases:

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/advances in nature of loans			
- Repayable on demand (A)	1218.56	Nil	3780.80
- Agreement does not specify any terms or period of repayment (B)	342.35	Nil	Nil
Total (A+B)	1560.91	Nil	3780.80
Percentage of loans/advances in nature of loans to the total loans	26.21 %	Nil	63.48%

- (iv) In our opinion and according to the information and explanations given to us, company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has neither accepted any deposits nor the amounts which are deemed to be deposits during the year and further the Company had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.

However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute except for the following cases:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Amount paid under Protest (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Sales tax (VAT/ CST)	4.20	0.50	2009-10	Additional Excise & Taxation Commissioner Cum Appellate Authority (SZ) Shimla

- (viii) In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax

Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) In our opinion and according to the information and explanations given to us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally). Accordingly, provisions of clause 3 (x)(b) of the Order are not applicable.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the company has been noticed or reported during the period covered by our audit.
- (b) In our opinion and according to the information and explanations given to us, since no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit, accordingly, the provisions of clause 3(xi)(b) of the Order are not applicable.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

- (xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the Order are not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi) (a) of the Order are not applicable.
- (b) The Company has not conducted non-banking financial or housing finance activities during the year. Accordingly, provisions of clause 3(xvi)(b) of the Order are not applicable.
- (c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.
- (d) Based on the information and explanations provided by the management, the Group does not have any CICs, which are part of the Group. Accordingly, provisions of clause 3(xvi)(d) of the Order are not applicable.
- (xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year. Accordingly, provisions of clause 3 (xvii) of the order are not applicable.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause 3 (xviii) of the order are not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of Section 135 of the Act are not applicable to the Company. Accordingly, provisions of clause 3 (xx) (a) and (b) of the order are not applicable.

**For S.N. Dhawan & Co LLP**  
Chartered Accountants  
Firm Registration No.: 000050N/N500045

**(Surinder. Kr. Khattar)**  
Partner  
Membership No.: 084993  
UDIN: 22084993AJSSAS8456

Place: New Delhi  
Date: 27 May 2022



## Annexure B

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls with reference to financial statements of JHS Svendgaard Laboratories Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S.N. Dhawan & Co LLP**

Chartered Accountants

Firm's Registration No.:000050N/N500045

**(Surinder Kr. Khattar)**

Partner

Place: New Delhi

Date: 27 May 2022

UDIN: 22084993AJSSAS8456

# BALANCE SHEET AS AT 31 MARCH, 2022

(₹ in lakhs)

Particulars	Notes	As at 31 March, 2022	As at 31 March, 2021
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3.1	5,418.43	5,721.32
(b) Capital work-in-progress	3.2	1,582.69	885.09
(c) Right-of-use assets	3.3	122.39	146.98
(d) Intangible assets	3.4	0.09	0.27
(e) Financial assets			
i) Investments	4	1,538.63	1,421.00
ii) Loans	5	-	12.65
iii) Other financial assets	6	420.32	15.73
(f) Deferred tax assets (net)	7	269.44	611.00
(g) Non-current tax assets (net)	8	55.80	111.07
(h) Other non-current assets	9	3,228.95	2,375.85
<b>Total non-current assets</b>		<b>12,636.75</b>	<b>11,300.96</b>
<b>2 Current assets</b>			
(a) Inventories	10	914.91	871.23
(b) Financial assets			
i) Trade receivables	11	1,618.58	5,869.44
ii) Cash and cash equivalents	12	430.76	1,652.53
iii) Bank balances other than (ii) above	13	117.16	35.06
iv) Loans	14	3,822.99	274.82
v) Other financial assets	15	543.19	479.92
(c) Other current assets	16	1,024.56	964.34
<b>Total current assets</b>		<b>8,472.16</b>	<b>10,147.34</b>
<b>Total assets</b>		<b>21,108.91</b>	<b>21,448.30</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	17	6,490.05	6,440.05
(b) Other equity	18	12,486.55	12,707.76
Reserves and Surplus:			
<b>Total equity</b>		<b>18,976.60</b>	<b>19,147.81</b>
<b>2 LIABILITIES</b>			
<b>A Non-current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	19(i)	36.56	33.29
ii) Lease Liabilities	19(ii)	141.88	161.96
(b) Provisions	20	149.48	128.85
(c) Other non-current liabilities	21	143.99	-
<b>Total non-current liabilities</b>		<b>471.91</b>	<b>324.10</b>
<b>B Current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	19(i)	18.11	33.95
ii) Trade payables			
- total outstanding dues of micro and small enterprises	22	196.04	287.93
- total outstanding dues of creditors other than micro and small enterprises	22	1,113.74	1,236.71
iii) Lease Liabilities	19(ii)	19.91	17.87
iv) Other financial liabilities	23	187.70	323.74
(b) Other current liabilities	24	103.57	62.37
(c) Provisions	20	21.33	13.82
<b>Total current liabilities</b>		<b>1,660.40</b>	<b>1,976.39</b>
<b>Total liabilities</b>		<b>2,132.31</b>	<b>2,300.49</b>
<b>Total equity and liabilities</b>		<b>21,108.91</b>	<b>21,448.30</b>
Basis of Preparation	1		
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached  
For S. N. Dhawan & CO LLP  
Chartered Accountants  
Firm Registration No.:000050N/N500045

Surinder Kr. Khattar  
Partner  
Membership No.: 084993

Place : New Delhi  
Date : 27 May, 2022

For and on behalf of Board of Directors  
JHS Svendgaard Laboratories Limited

Nikhil Nanda  
Managing Director  
DIN : 00051501

Ashish Goel  
Chief Financial Officer

Mukul Pathak  
Director  
DIN : 00051534

Neeraj Kumar  
Joint Chief Financial Officer

Paramvir Singh Pabla  
Chief Executive Officer

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs)

Particulars	Notes	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Income</b>			
<b>I Revenue from operations</b>	<b>25</b>	<b>7,990.59</b>	<b>9,696.15</b>
<b>II Other income</b>	<b>26</b>	<b>814.39</b>	<b>554.78</b>
<b>III Total income (I +II)</b>		<b>8,804.98</b>	<b>10,250.93</b>
<b>Expenses</b>			
Cost of materials consumed	27 A	5,368.24	6,402.24
Purchase of stock-in-trade	28 B	63.97	100.63
Changes in inventories of finished goods, work in progress and stock-in-trade	28	253.45	179.83
Employee benefits expense	29	993.28	838.03
Finance costs	30	49.94	45.25
Depreciation and amortisation expenses	31	589.65	556.43
Other expenses	32	1,294.05	1,808.81
<b>IV Total expenses</b>		<b>8,612.59</b>	<b>9,931.22</b>
<b>V Profit/ (Loss) before exceptional items and tax (III-IV)</b>		<b>192.39</b>	<b>319.71</b>
<b>VI Exceptional items</b>		-	-
<b>VII Profit/(Loss) before tax (V+VI)</b>		<b>192.39</b>	<b>319.71</b>
<b>VIII Tax expense</b>	<b>33</b>		
a) Current tax		92.09	52.57
b) Tax for previous years		1.50	(131.42)
c) Deferred tax charge/(credit)		342.97	121.95
<b>IX Profit/ (Loss) for the year from continuing operations (VII-VIII)</b>		<b>(244.17)</b>	<b>276.61</b>
<b>X Profit/(Loss) for the year</b>		<b>(244.17)</b>	<b>276.61</b>
<b>Other comprehensive income</b>			
<b>-Items that will not be reclassified subsequently to profit or loss</b>			
Re-measurement gains/ (losses) on defined benefit plans		5.76	6.53
Less: Income tax expense relating to Items that will not be reclassified to profit or loss	33	(1.60)	(1.82)
<b>XI Total Other comprehensive income for the year, net of tax</b>		<b>4.16</b>	<b>4.71</b>
<b>XII Total comprehensive income for the year (IX+X)</b>		<b>(240.01)</b>	<b>281.32</b>
<b>XIII Earnings per equity share</b>			
a) Basic (Face value of ₹ 10 each)	44	(0.38)	0.45
b) Diluted (Face value of ₹ 10 each)	44	(0.38)	0.45

Basis of Preparation 1

Summary of significant accounting policies 2

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached  
**For S. N. Dhawan & CO LLP**  
 Chartered Accountants  
 Firm Registration No.:000050N/N500045

**Surinder Kr. Khattar**  
 Partner  
 Membership No.: 084993

Place : New Delhi  
 Date : 27 May, 2022

For and on behalf of Board of Directors  
**JHS Svendgaard Laboratories Limited**

**Nikhil Nanda**  
 Managing Director  
 DIN : 00051501

**Ashish Goel**  
 Chief Financial Officer

**Mukul Pathak**  
 Director  
 DIN : 00051534

**Neeraj Kumar**  
 Joint Chief Financial Officer

**Paramvir Singh Pabla**  
 Chief Executive Officer

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

### A. Equity Share Capital

(₹ in lakhs)

Balance as at 01 April, 2021	Changes in equity share capital during the year	Balance as at 31 March, 2022
6,440.05	50.00	6,490.05

Balance as at 01 April, 2020	Changes in equity share capital during the year	Balance as at 31 March, 2021
6,090.05	-	6,440.05

### B. Other Equity

(₹ in lakhs)

	Reserve and Surplus				Other Comprehensive income Remeasurement of net defined benefit plans	Money Received against Share warrants	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
<b>Balance as at 01 April, 2021</b>	241.95	9,573.05	6.68	2,847.16	13.92	25.00	12,707.76
Profit/(Loss) for the year	-	-	-	(244.17)	-	-	(244.17)
Other Comprehensive income	-	-	-	-	4.16	-	4.16
Total Comprehensive income for the year	-	-	-	(244.17)	4.16	-	(240.01)
<b>Transaction with owners in capacity as owners</b>							
Adjustment pertaining to a loan given to shareholder	-	-	-	(6.20)	-	-	(6.20)
Share Warrants converted into Shares	-	-	-	-	-	(25.00)	(25.00)
Premium on warrant converted into shares	-	50.00	-	-	-	-	50.00
<b>Balance as at 31 March, 2022</b>	<b>241.95</b>	<b>9,623.05</b>	<b>6.68</b>	<b>2,596.78</b>	<b>18.09</b>	<b>-</b>	<b>12,486.55</b>

(₹ in lakhs)

	Reserve and Surplus				Other Comprehensive income Remeasurement of net defined benefit plans	Money Received against Share warrants	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
<b>Balance as at 01 April, 2020</b>	241.95	9,223.05	6.68	2,578.86	9.21	-	12,059.75
Profit for the year	-	-	-	276.61	-	-	276.61
Other Comprehensive income	-	-	-	-	4.71	-	4.71
Total Comprehensive income for the year	-	-	-	276.61	4.71	-	281.32
<b>Transaction with owners in capacity as owners</b>							
Adjustment pertaining to a loan given to shareholder	-	350.00	-	(8.31)	-	25.00	366.69
<b>Balance as at 31 March, 2021</b>	<b>241.95</b>	<b>9,573.05</b>	<b>6.68</b>	<b>2,847.16</b>	<b>13.92</b>	<b>25.00</b>	<b>12,707.76</b>

Refer note no. 18 for nature and purpose of reserves.

Basis of Preparation	1
Significant accounting policies	2

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached  
**For S. N. Dhawan & CO LLP**  
 Chartered Accountants  
 Firm Registration No.:000050N/N500045

**Surinder Kr. Khattar**  
 Partner  
 Membership No.: 084993

For and on behalf of Board of Directors  
**JHS Svendgaard Laboratories Limited**

**Nikhil Nanda**  
 Managing Director  
 DIN : 00051501

**Ashish Goel**  
 Chief Financial Officer

**Mukul Pathak**  
 Director  
 DIN : 00051534

**Neeraj Kumar**  
 Joint Chief Financial Officer

Place : New Delhi  
 Date : 27 May, 2022

**Paramvir Singh Pabla**  
 Chief Executive Officer

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs)

Particulars	Year Ended 31 March, 2022	Year Ended 31 March, 2021
<b>A. Cash Flow from Operating Activities</b>		
Profit before exceptional items and tax	192.39	319.71
<b>Adjustments for:</b>		
Provision for inventories written back (Net)	(37.08)	(7.29)
Depreciation and Amortization	589.65	556.43
Loss on disposal of Property, Plant and Equipment (Net)	-	5.03
Interest income	(247.64)	(31.92)
Government grant amortization	(63.85)	(3.00)
Provision no longer required written back	(12.04)	(353.02)
Balances and Advances written off	25.69	328.67
Intangible assets under development written off	-	-
Balances and Advances written back	(346.68)	(57.92)
Turnover & Quantity discounts from Vendor	(32.78)	-
Profit on sale of investment	(0.62)	-
Interest and financial charges	49.94	45.25
Net gain on financial asset mandatorily measured at FVTPL	-	-
Exchange loss/(gain) (Net)	(65.29)	61.66
Fair value adjustments	7.63	(15.83)
<b>Operating profit before working capital changes</b>	<b>59.33</b>	<b>847.77</b>
<b>Adjustments for :</b>		
(Increase)/Decrease in inventories	(80.77)	(554.07)
(Increase)/Decrease in trade receivables	4,132.80	3,598.13
(Increase)/Decrease in Current Loans	(3,548.17)	4.50
(Increase)/Decrease in Other Current Assets	(60.22)	(6.78)
(Increase)/Decrease in Asset Held for Sale	-	5.42
(Increase)/Decrease in Investment in bank deposits (having original maturity of more than 3 months)	(404.60)	(10.44)
(Increase)/Decrease in Other Current Financial assets	(180.91)	(342.35)
(Increase)/Decrease in Non current Loans	12.65	(1.65)
(Increase)/Decrease in Other non-current assets	(837.32)	258.74
Increase/(decrease) in Other Current Financial Liabilities	(169.99)	(156.54)
Increase/(decrease) in Trade payables	(214.86)	(1,941.30)
Increase/(decrease) in Lease Liabilities	(18.04)	7.42
Increase/(decrease) in Other Non Current Financial Liabilities	143.99	-
Increase/(decrease) in Short term provisions	7.51	(0.39)
Increase/(decrease) in Long term provisions	20.63	18.52
Increase/(decrease) in Non Current financial liabilities	-	17.88
Increase/(decrease) in Other Current liabilities	41.20	(125.09)
<b>Cash (used) from operations</b>	<b>(1,096.78)</b>	<b>1,619.77</b>
Taxes Paid	(30.78)	(77.34)
<b>Net cash generated/(used) from operating activities</b>	<b>(1,127.55)</b>	<b>1,542.43</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022 (CONTD...)

Particulars	Year Ended 31 March, 2022	Year Ended 31 March, 2021
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(261.37)	(832.10)
Right-of-use	-	2.83
Proceeds from sale of Property, Plant and Equipment	-	1.20
Purchase of Mutual Funds	-	(1,584.94)
Proceeds from sale of Mutual funds	-	1,595.74
Proceeds from sale of debentures	-	234.96
Interest income received	247.64	22.12
Proceeds from repayment of loan to Corporates	-	0.36
Change in Other bank balance and cash not available for immediate use	(82.10)	1.51
<b>Net Cash generated/(used) in investing activities</b>	<b>(95.81)</b>	<b>(558.32)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from/ (repayment of) long term borrowings	3.27	(2.28)
Proceeds from/ (repayment of) short term borrowings	18.11	-
Repayment of lease liabilities	(44.85)	(35.75)
Proceed from share capital and securities premium	100.00	700.00
Proceed from of Share Warrant	(25.00)	25.00
Interest and financial charges	(49.94)	(45.22)
<b>Net increase from financing activities</b>	<b>1.59</b>	<b>641.75</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>(1,221.77)</b>	<b>1,625.86</b>
Opening balance of cash and cash equivalents	1,652.53	26.67
Closing balance of cash and cash equivalents	430.76	1,652.53
<b>Components of cash and cash equivalents as at end of the year</b>		
Cash on hand	23.49	11.26
Balances with banks		
- on current account	405.07	1,641.27
- in term deposits with original maturity of 3 months or less	2.20	-
<b>Cash and cash equivalents (Refer note 12)</b>	<b>430.76</b>	<b>1,652.53</b>

Note:- The above statement of cash flows has been prepared under the indirect method as set out in IND AS 7, Statement of Cash Flows.

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached  
**For S. N. Dhawan & CO LLP**  
Chartered Accountants  
Firm Registration No.: 000050N/N500045

**Surinder Kr. Khattar**  
Partner  
Membership No.: 084993

For and on behalf of Board of Directors  
**JHS Svendgaard Laboratories Limited**

**Nikhil Nanda**  
Managing Director  
DIN : 00051501

**Ashish Goel**  
Chief Financial Officer

**Mukul Pathak**  
Director  
DIN : 00051534

**Neeraj Kumar**  
Joint Chief Financial Officer

Place : New Delhi  
Date : 27 May, 2022

**Paramvir Singh Pabla**  
Chief Executive Officer

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## Background

JHS Svendgaard Laboratories Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act. The Company is engaged in manufacturing a range of oral and dental products for elite national and international brands. The main portfolio of the Company is to carry out manufacturing and exporting of oral care and hygiene products including toothbrushes, toothpastes and mouthwash. The Company's shares are listed for trading on the National Stock Exchange of India Limited and the BSE Limited.

## 1 Basis of preparation

### a) Compliance with Indian Accounting Standard

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016 as amended and other relevant provisions of the Act.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Division II Ind AS Schedule III, unless otherwise stated.

These financial statements were approved by the Board of Directors on 27th May 2022.

### b) Basis of measurement

An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting.

### c) Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgments are:

#### i. Useful life of property, plant and Equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The Company reviews, at the end of each reporting date, the useful life of property, plant and equipment and changes, if any, are adjusted prospectively, if appropriate.

#### ii. Recoverable amount of property, plant and equipment

The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

#### iii. Estimation of defined benefit obligation

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

#### iv. Estimation of deferred tax assets for carry forward losses and current tax Expenses

The Company review carrying amount of deferred tax assets and Liabilities at the end of each reporting period. The policy for the same has been explained under Note No 2(c).

#### v. Impairment of trade receivables

The Company review carrying amount of Trade receivable at the end of each reporting period and provide for Expected Credit Loss based on estimate.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## vi. Fair value measurement

Management uses valuation techniques in measuring the fair value of financial instrument where active market codes are not available. Details of assumption used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs and uses estimates and assumptions that are, as fast as possible, consistent with observable data that market participant would use in pricing the instrument where application data is not observable, management uses its best estimate about the assumption that market participant would make. These estimates may vary from actual prices that would be achieved in an arm's length transaction at the reporting date.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

## d) Others

Financial statements has been prepared on a going concern basis in accordance with the applicable Indian Accounting Standards prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended issued by the Ministry of Corporate Affairs.

## e) Current versus non-current classification

The Company presents assets and liabilities in the financial statement based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## f) Foreign currency translation

### i) Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates i.e. 'the functional currency'. The Financial Statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

### ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currency at the reporting date exchange rates are recognized in the Statement of Profit and Loss. Foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income/ expenses.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 2 Summary of significant accounting policies

### a) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

#### Sale of goods

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been dispatched to the location of customer. Following dispatch, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are dispatched to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 10-15 days. The Company considers the effects of variable consideration, non-cash consideration, and consideration payable to the customer (if any).

#### Variable consideration

If the consideration in a contract includes a variable amount, estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company recognizes changes in the estimated amount of variable consideration in the period in which the change occurs. Some contracts for the sale of goods provide customers with volume rebates and pricing incentives, which give rise to variable consideration.

Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

#### Contract balances

##### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note No 2(i) Financial assets – initial recognition and subsequent measurement.

##### Contract liabilities (which the Company refer to as advance from customer)

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

##### Cost to obtain a contract

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included in 'commission on sales' under other expenses) because the amortization period of the asset that the Company otherwise would have used is one year or less.

**Costs to fulfil a contract** i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

##### Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

##### Rendering of services

Service income includes job work and its revenue is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## b) Other Revenue Streams

### Interest income

Interest income from debt instrument is recognised using the effective interest rate (EIR) method. EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options) but does not consider the expected credit losses.

### Dividend income

Dividends are recognised in the Statement of Profit and Loss only when the Company's right to receive the payment is established.

### Export incentives

Export incentives principally comprise of duty drawback. The benefit under these incentive schemes are available based on the guideline formulated for respective schemes by the government authorities. Duty drawback is recognized as revenue on accrual basis to the extent it is probable that realization is certain.

### Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

## c) Income Taxes

Income tax expense for the year comprises of current tax and deferred tax. Income tax is recognized in the Statement of Profit and Loss except to the extent that it relates to an item which is recognised in other comprehensive income or directly in equity, in which case the tax is recognized in 'Other comprehensive income' or directly in equity, respectively.

### Current Tax

Current tax is based on tax rates applicable for respective years on the basis of tax law enacted and substantively enacted by the reporting date. The Company establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax is charged to Statement of Profit and Loss.

### Deferred Tax

Deferred income taxes are calculated without discounting on temporary differences between carrying amounts of assets and liabilities and their tax base using the tax laws that have been enacted or substantively enacted by the reporting date. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting profit nor taxable profit (tax loss). Tax losses available to be carried forward and other income tax credit available to the entity are assessed for recognition as deferred tax assets.

### Deferred tax liabilities are always provided for in full

Deferred tax asset are recognised to the extent that it is probable that the underlying tax loss or deductible temporary differences will be utilized against future taxable income. This is assessed based on Company's forecast of future operating income at each reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### Minimum Alternative Tax (MAT)

Minimum alternate tax credit entitlement paid in accordance with tax laws, which gives rise to future economic benefit in form of adjustment to future tax liability, is considered as an asset to the extent management estimate its recovery in future years.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## d) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### As a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### As a lessor

Lease income from operating leases where the Company is a lessor is recognised in the statement of profit and loss on a straight- line basis over the lease term.

## e) Impairment of Non-Financial Assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite-life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary.

For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 and amortization, if no impairment loss had been recognized. An impairment loss recognized for goodwill is not reversed in subsequent periods.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## f) Cash and Cash Equivalents

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

## g) Inventories

- (i) Raw materials, packaging materials and stores and spare parts are valued at the lower of weighted average cost and net realizable value. Cost includes purchase price, taxes (excluding levies or taxes subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. However, these items are considered to be realizable at cost if finished products in which they will be used are expected to be sold at or above cost.
- (ii) Work in progress, manufactured finished goods and traded goods are valued at the lower of weighted average cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.
- (iii) Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.
- (iv) The comparison of cost and net realizable value is made on an item by item basis.

## h) Investments in Subsidiaries

Investment in equity of subsidiaries is accounted and carried at cost less impairment in accordance with Ind AS 27.

## i) Financial Assets other than Investment in Subsidiaries

### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

### (ii) Initial Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

### (iii) Subsequent Measurement

#### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



• **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. At present no financial assets fulfil this condition.

• **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in the Statement of Profit and Loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

## Equity instruments

All equity investments in scope of Ind AS 109, are measured at fair value. At Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss, even on sale of investment. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain/ (losses) in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## (iv) Impairment of Financial Assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

## (v) De recognition of Financial Assets

A financial asset is derecognized only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## j) Financial Liabilities

### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## Subsequent measurement

### Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss.

### Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the operating cycle of the business. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

### Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## k) Property plant and equipment

Freehold land is carried at historical cost. Other property, plant and equipment are stated at historical cost of acquisition net of recoverable taxes (wherever applicable), less accumulated depreciation and amortization, if any. Cost comprises the purchase price, any cost attributable to bringing the assets to its working condition for its intended use and initial estimate of costs of dismantling and removing the item and restoring the site if any.

Where cost of a part of the asset is significant to the total cost of the assets and useful lives of the part is different from the remaining asset, then useful live of the part is determined separately and accounted as separate component.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognized.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

## **l) Intangible Assets**

An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

Losses arising from retirement of , and gains or losses on disposals of intangible assets are determined as the difference between net disposal proceeds with carrying amount of assets and recognised as income or expenses in the Statement of Profit and Loss.

The Company has elected to continue with the carrying value for all of its intangible assets as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

## **m) Capital Work in progress/ Intangible under development**

Capital Work in progress/ Intangible under development represents expenditure incurred in respect of capital projects/ intangible assets under development and are carried at cost. Cost includes related acquisition expenses, development cost, borrowing cost(wherever applicable) and other direct expenditures.

The Company has elected to continue with the carrying value for all of its Capital Work in progress/ Intangible under development as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

## **n) Depreciation and Amortization**

Depreciation on Property plant and equipment has been provided on straight line method in accordance with the provisions of Part C of Schedule II of the Companies Act 2013. The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, except for moulds and dies, are realistic and reflect fair approximation of the period over which the assets are likely to be used. Based on internal assessment and technical evaluation, the management has assessed useful lives of moulds and dies as five years, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Intangible assets comprising of computer software are amortized over a period of five years.

Depreciation and amortization on addition to Property plant and equipment is provided on pro rata basis from the date of assets are ready to use. Depreciation and amortization on sale/deduction from Property plant and equipment is provided for upto the date of sale, deduction, discardment as the case may be.

The residual values, useful lives and methods of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

## **o) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## p) Provisions, Contingent Liabilities and Contingent Assets

A Provision is recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

## q) Employee Benefits :

### (i) Short-term obligations

Short term benefits comprises of employee cost such as salaries and bonuses including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

### (ii) Post employment obligations

#### Defined Benefit Plans

##### Gratuity obligations

The Company provides for the retirement benefit in the form of Gratuity. The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

#### Defined Contribution Plans

##### Provident Fund

All the employees of the Company are entitled to receive benefits under Provident Fund, which is defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India.

##### Employee state Insurance

Employees whose wages/salary is within the prescribed limit in accordance with the Employee State Insurance Act, 1948, are covered under this scheme. These contributions are made to the fund administered and managed by the Government of India. The Company's contributions to these schemes are expensed off in the Statement of Profit and Loss. The Company has no further obligations under the plan beyond its monthly contributions.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## iii) Other Long-term Employee Benefit Obligations

### Leave encashment

The liabilities for accumulated absents are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## r) Earnings Per Share

Basic earnings per equity share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity Shares outstanding during the financial year. The weighted average number of equity shares outstanding during the period, are adjusted for events of bonus issued to existing shareholders.

For the purpose calculating diluted earnings per share, the net profit or loss attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares.

## s) Segment Reporting

In line with the provisions of Ind AS 108 Operating Segments, and on the basis of the review of operations by the Chief Operating Decision Maker (CODM), the operations of the Company fall under Manufacturing of Oral Care products, which is considered to be the only reportable segment.

## t) Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

## u) Assets held for Sale

Non-Current assets or disposal groups comprising of assets and liabilities are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-Current assets or disposal groups comprising of assets and liabilities classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

## v) Exceptional Items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the Statement of Profit and Loss.

## w) Applicable standards/notifications issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2022.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## 3.1 Property, Plant and Equipment

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01 April, 2021	Additions	Disposals/ adjustments	As at 31 March, 2022	As at 01 April, 2021	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March, 2022	As at 31 March, 2022	As at March 31, 2021
	<b>Property, Plant and Equipment</b>									
Freehold Land	563.29	-	-	563.29	-	-	-	-	563.29	563.29
Factory Building	1,901.08	-	-	1,901.08	352.13	74.61	-	426.74	1,474.35	1,548.95
Office Building	143.01	-	-	143.01	30.22	6.04	-	36.26	106.75	112.79
Plant & Machinery	4,460.90	1.90	-	4,462.80	1,454.45	353.55	-	1,808.01	2,654.79	3,006.45
Mould & Dies	361.90	45.20	-	407.10	220.30	49.02	-	269.31	137.79	141.60
Electronic Equipment	191.19	0.30	-	191.49	162.08	1.55	-	163.63	27.87	29.11
Lab Equipment	5.63	-	-	5.63	4.84	0.03	-	4.88	0.76	0.79
Leasehold Improvements	160.55	-	-	160.55	48.30	18.93	-	67.24	93.31	112.25
Furniture & fixture	109.22	0.70	-	109.92	74.06	7.00	-	81.06	28.86	35.16
Office Equipment	41.06	2.30	-	43.36	22.32	5.55	-	27.87	15.48	18.74
Vehicle	272.93	211.06	-	483.99	122.51	48.21	-	170.72	313.27	150.42
Computer	5.84	0.54	-	6.38	4.11	0.39	-	4.50	1.88	1.73
Computer network	0.27	-	-	0.27	0.23	-	-	0.23	0.04	0.04
<b>Total</b>	<b>8,216.87</b>	<b>262.00</b>	-	<b>8,478.87</b>	<b>2,495.55</b>	<b>564.88</b>	-	<b>3,060.43</b>	<b>5,418.43</b>	<b>5,721.32</b>
<b>Previous year</b>	7,572.44	644.99	0.54	8,216.87	1,964.32	531.54	0.30	2,495.55	5,721.32	-

## 3.2 Capital work-in-progress \*

Particulars	As at 01 April, 2021		As at 31 March, 2022	
	As at 01 April, 2021	Additions	Capitalised	As at 31 March, 2022
Land & Building	212.60	16.67	-	229.27
Computer	0.13	-	-	0.13
Furniture & Fixtures	1.97	0.74	-	2.71
Mould	8.10	-	-	8.10
P&M	480.02	830.91	-	1,310.93
Vehicles	182.27	1.20	183.47	-
Pre-operative expenses	-	31.54	-	31.54
<b>Total</b>	<b>885.09</b>	<b>881.06</b>	<b>183.47</b>	<b>1,582.69</b>
<b>Previous year</b>	<b>697.97</b>	<b>217.42</b>	<b>30.29</b>	<b>885.09</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## \*Capital work in progress ageing

Ageing for capital work in progress as at March 31, 2022

Particulars	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	881.06	421.91	62.43	217.29	1,582.69
Projects temporarily suspended	-	-	-	-	-

Ageing for capital work in progress as at March 31, 2021

Particulars	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	605.38	62.43	217.29	-	885.09
Projects temporarily suspended	-	-	-	-	-

## 3.3 Right of Use Assets

Particulars	Amount (₹ in lakhs)
Balance as at April 1, 2021	146.98
Additions	-
Deletions/Adjustment	-
Depreciation	(24.60)
<b>Balance as at March 31, 2022</b>	<b>122.39</b>

## 3.4 Intangible assets

Particulars	GROSS BLOCK (AT COST)			ACCUMULATED DEPRECIATION & AMORTIZATION			NET BLOCK		
	As at 01 April, 2021	Additions	Disposals/ adjustments	As at 31 March, 2022	As at 01 April, 2021	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March, 2022	As at March 31, 2021
Computer software	9.20	-	-	9.20	8.93	0.17	-	9.10	0.27
<b>Total</b>	<b>9.20</b>	<b>-</b>	<b>-</b>	<b>9.20</b>	<b>8.93</b>	<b>0.17</b>	<b>-</b>	<b>9.10</b>	<b>0.27</b>
Previous year	9.20	-	-	9.20	8.64	0.29	-	8.93	-



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 5 Financial Asset - Non - current loans

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Unsecured, considered good</b>		
Security deposit to related parties (Refer Note No.39)	-	12.65
	<b>-</b>	<b>12.65</b>

## 6 Other non- current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deposits with Banks having maturity period of more than twelve months*	20.76	15.48
Advance to Employee	385.01	-
Security deposit with related party	14.55	-
Interest accrued on non current fixed deposits	-	0.25
	<b>420.32</b>	<b>15.73</b>

\* includes pledged & Margin money deposited with various government authorities amounting to Rs. 19.76 lakhs (31 March, 2021: Rs. 14.48 lakhs).

## 7 Deferred tax assets (net)

(a) The balance comprises temporary differences attributable to:

(₹ in lakhs)

	As at 31 March, 2022	As at 31 March, 2021
<b>Deferred tax liability on account of:</b>		
Property, plant and equipment	(406.70)	(374.63)
Financial assets at FVTPL		-
Lease Liabilities	<b>(46.28)</b>	(50.03)
<b>Sub Total</b>	<b>(452.98)</b>	<b>(424.66)</b>
<b>Deferred tax asset on account of:</b>		
Provision for bonus	1.86	1.53
Provision for obsolete stock	2.88	13.20
Provision for gratuity	35.63	29.09
Provision for doubtful advance	225.77	567.00
Provision for leave encashment	11.89	10.60
Right-of-use assets	<b>35.92</b>	41.08
Expenses for merger	1.25	-
Other temporary differences	3.27	5.77
Tax losses carried forward	-	8.84
Government Grant	44.78	-
MAT credit entitlement	359.17	358.54
<b>Sub Total</b>	<b>722.42</b>	<b>1,035.66</b>
<b>Net deferred tax (liability)/asset</b>	<b>269.44</b>	<b>611.00</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## (b) Movement in deferred tax balances:

(₹ in lakhs)							
	Property, Plant and Equipment	Financial assets at FVTPL	Provision for employment benefit	Tax losses carried forward	Right of use asset and lease liability	Others	Total
<b>At 31 March, 2020</b>	<b>(289.84)</b>	<b>(2.74)</b>	<b>57.65</b>	<b>-</b>	<b>(4.42)</b>	<b>1,004.88</b>	<b>765.52</b>
Charged/(Credited):							
- directly in equity	-	-	-	-	-	3.19	3.19
- to profit or loss	(84.79)	2.74	(14.60)	8.84	(4.53)	(63.56)	(155.90)
- to other comprehensive income	-	-	(1.82)	-	-	-	(1.82)
<b>At 31 March, 2021</b>	<b>(374.63)</b>	<b>-</b>	<b>41.23</b>	<b>8.84</b>	<b>(8.95)</b>	<b>944.51</b>	<b>611.00</b>
Charged/(Credited):							
- directly in equity	-	-	-	-	-	-	-
- to profit or loss	(32.07)	-	9.75	(8.84)	(1.40)	(307.39)	(339.96)
- to other comprehensive income	-	-	(1.60)	-	-	-	(1.60)
<b>At 31 March, 2022</b>	<b>(406.70)</b>	<b>-</b>	<b>49.38</b>	<b>(0.00)</b>	<b>(10.35)</b>	<b>637.12</b>	<b>269.44</b>

(₹ in lakhs)		
(c) Amounts recognised directly in other equity	As at 31 March, 2022	As at 31 March, 2021
Aggregate deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/(credited) to other equity		
Deferred tax: Adjustment pertaining to loan given to shareholder	-	3.19
	-	<b>3.19</b>

## 8 Non current tax assets (net)

(₹ in lakhs)		
Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance income tax and Tax deducted at source	75.40	163.64
Less: Provision for taxation	(19.60)	(52.57)
	<b>55.80</b>	<b>111.07</b>

## 9 Other non current assets

(₹ in lakhs)		
Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital advance*		
Unsecured (considered good)	2,502.12	1,782.21
Unsecured (considered doubtful)	728.83	730.35
Less: Provision for doubtful capital advances	(728.83)	(730.35)
Security deposit	551.90	577.13
Prepaid expenses	5.71	5.29
Ind AS Adjustment on Deffered Staff Advance	160.24	-
Deferred rent expense	8.98	11.22
	<b>3,228.95</b>	<b>2,375.85</b>

\* Capital advance includes advance given to related party (Refer Note No. 39)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 10 Inventories

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Raw Materials	356.28	406.36
Packing material	282.48	235.40
Work-in-progress	117.69	81.07
Finished goods	82.24	125.82
Stores and spares	86.57	70.02
Less: Provision for obsolescence & diminution in value*	(10.35)	(47.44)
	<b>914.91</b>	<b>871.23</b>
<b>*Provision for obsolescence &amp; diminution in value</b>		
Opening balance	47.44	54.72
Addition during the year	-	-
Reversed during the year	(37.09)	(7.28)
<b>Closing balance</b>	<b>10.35</b>	<b>47.44</b>

## 11 Trade receivables

Refer note. 2(a) for accounting policy on trade receivable

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,618.58	5,869.44
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Less: Allowance for Expected credit loss	-	-
	<b>1,618.58</b>	<b>5,869.44</b>
<b>The movement in allowance for expected credit loss is as follows:</b>		
Balance at the beginning of the year	-	237.21
Change in allowance for credit impairment during the year	-	-
Trade receivable written off during the year	-	(237.21)
Balance as at the end of the year	-	-

Ageing for trade receivables - current outstanding as at 31 March 2022:

(₹ in lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables								
Undisputed trade receivables – considered good	15.22	308.31	485.65	303.33	504.96	1.12	0.00	1618.58
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## Ageing for trade receivables -current outstanding as at 31 March 2021:

(₹ in lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables								
Undisputed trade receivables –considered good	20.56	849.65	522.09	4227.49	1.61	10.83	237.21	5869.44
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables –considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-

## 12 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash on hand	23.49	11.26
Balance with bank	-	-
- current account	405.07	1,641.27
- deposits with banks with original maturity of less than 3 months	2.20	-
	<b>430.76</b>	<b>1,652.53</b>

## 13 Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deposits with banks with original maturity of more than 3 months but maturity less than 12 months*	117.16	35.06
	<b>117.16</b>	<b>35.06</b>

\* includes pledged & margin money deposits with various government authorities amounting to ₹ 88.30 lakhs as on 31st March,2022 (31 March, 2021: ₹ 15.60)

## 14 Current Loans

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
loans to corporates	1,218.56	-
loans to related party	2,461.31	-
loan to shareholder	143.12	257.56
loan to employees	-	17.26
	<b>3,822.99</b>	<b>274.82</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 15 Other current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Interest Receivables*	67.10	2.38
Other receivables	374.09	477.54
Advance to employees	102.00	-
	<b>543.19</b>	<b>479.92</b>

\* Interest receivable includes interest on employee advances and interest on loan to subsidiaries amounting to Rs. 61.52 Lakhs (31st March, 2021 - Rs. NIL)

## 16 Other current assets

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deferred expenses	2.24	2.24
Prepaid expenses	23.99	18.57
Balances with statutory/government authorities	166.24	133.04
Advance to suppliers	708.91	1,895.09
Less: Provision for doubtful advance	(82.73)	(1,307.47)
Export Incentive receivables	205.91	222.87
	<b>1,024.56</b>	<b>964.34</b>

## 17 Equity Share Capital

(₹ in lakhs)

	As at 31 March, 2022	As at 31 March, 2021
<b>a) Authorised</b>		
65,000,000 Equity shares of ₹10/- each (31 March, 2021: 65,000,000 Equity shares of ₹ 10/- each)	6,500.00	6,500.00
<b>b) Issued, subscribed &amp; fully paid up</b>		
64,900,465 Equity shares of ₹10/- each; (31 March, 2021: 64,400,465 Equity shares of ₹ 10/- each)	6,490.05	6,440.05
<b>Total</b>	<b>6,490.05</b>	<b>6,440.05</b>

### c) Reconciliation of number of equity shares and share capital outstanding

(₹ in lakhs)

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
At the beginning of the year	64,400,465	6,440.05	60,900,465	6,090.05
Add : Shares issued during the year *	500,000	50.00	3,500,000	350.00
<b>At the end of the year</b>	<b>64,900,465</b>	<b>6,490.05</b>	<b>64,400,465</b>	<b>6,440.05</b>

Pursuant to approval of shareholders by way of special resolution in accordance with section 42 & 62 of the Companies Act, 2013 and Rules made thereunder and as per SEBI (ICDR) Regulations, 2018 the Company approved preferential allotment of 40,00,000 fully convertible warrants of Rs. 10 each at an issue price of Rs. 20 per warrant. Out of this 35,00,000 equity shares were listed with stock exchange in 9th March 2021 and balance 5,00,000 equity shares allotted on 8th February 2022. This 5,00,000 equity shares are still pending for listing.

### d) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share referred to herein as equity share. Each holder of equity shares is entitled to one vote per share held.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case where interim dividend is distributed. During the year ended 31 March, 2022 and 31 March, 2021, no dividend has been declared by the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amount will be in proportion to the number of equity shares held by the shareholders.

**e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

No shares were issued to the shareholders for consideration other than cash during the period of five years immediately preceding the reporting date.

**f) Detail of shareholders holding more than 5% shares in the Company**

	As at 31 March, 2022		As at 31 March, 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Nikhil Nanda	24,310,774	37.47%	23,810,774	36.97%
Sushma Nanda	3,065,983	4.72%	3,065,983	4.76%

**g) Details of promoters shareholding**

Shares held by promoter at the end of the year	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Mr. Nikhil Nnada	2,43,20,774	37.47%	2,38,10,774	36.97%	0.50%
Late Mr. Harish Chander Nanda*	19,731	0.03%	19,731	0.03%	0.00%
Mr. Diljit Singh Grewal	1,500	0.00%	1,500	0.00%	0.00%
Mrs. Shushma Nanda	30,65,983	4.72%	30,65,983	4.76%	-0.04%

Shares held by promoter at the end of the year	As at March 31, 2021		As at March 31, 2020		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Mr. Nikhil Nnada	2,38,10,774	36.97%	1,20,60,774	19.80%	17.17%
Late Mr. Harish Chander Nanda*	19,731	0.03%	19,731	0.03%	0.00%
Mr. Diljit Singh Grewal	1,500	0.00%	1,500	0.00%	0.00%
Mrs. Shushma Nanda	30,65,983	4.76%	30,65,983	5.03%	-0.27%

\* Transmission of shares is under process.

## 18 Other Equity

**A Summary of Other Equity Balance**

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital reserves	241.95	241.95
Securities premium	9,623.05	9,573.05
General reserves	6.68	6.68
Retained earnings	2,596.79	2,847.16
Money received against share warrants (refer note no. 18 e)	-	25.00
Other Comprehensive Income	18.08	13.92
<b>Total</b>	<b>12,486.55</b>	<b>12,707.76</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## a) Capital reserves

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	241.95	241.95
Addition/Deletion during the year	-	-
<b>Closing balance (A)</b>	<b>241.95</b>	<b>241.95</b>

## b) Securities premium

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	9,573.05	9,223.05
Add : Premium on Conversion of share warrants	50.00	350.00
<b>Closing balance (B)</b>	<b>9,623.05</b>	<b>9,573.05</b>

## c) General reserves

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	6.68	6.68
Addition during the year	-	-
<b>Closing balance (C)</b>	<b>6.68</b>	<b>6.68</b>

## d) Retained earnings

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	2,847.16	2,578.86
Add: Profit/ (Loss )for the year transferred from the Statement of Profit and Loss	(244.17)	276.61
Less: Adjustment pertaining to a loan given to shareholder	(6.20)	(8.31)
<b>Closing balance (D)</b>	<b>2,596.79</b>	<b>2,847.16</b>

## e) Money received against share warrants

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	25.00	-
Add: Money received against share warrants	-	200.00
Less: Share warrants money utilised for conversion into equity shares	25.00	175.00
<b>Closing balance (E)</b>	<b>-</b>	<b>25.00</b>

## f) Other Comprehensive Income

	As at 31 March, 2022	As at 31 March, 2021
Opening balance	13.92	9.21
Add: Remeasurement of net defined benefit plans	4.16	4.71
<b>Closing balance (F)</b>	<b>18.08</b>	<b>13.92</b>
<b>Total other equity (A+B+C+D+E+F)</b>	<b>12,486.55</b>	<b>12,707.76</b>

## B Nature and purpose of reserve

### a) Capital reserve

A capital reserve is an account in the equity section of the balance sheet that can be used for contingencies or to offset capital losses. It is derived from the accumulated capital surplus of a company, created out of capital profit. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

### b) Security premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

c) **General reserve**

This represents appropriation of profit by the Company and is available for distribution of dividend.

d) **Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

e) **Other Comprehensive Income**

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

## 19 Financial Liabilities

(i) **Borrowings**

(₹ in lakhs)

	Non current		Current maturities	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
<b>Secured</b>				
Vehicle Loans*				
- from Banks	36.56	31.01	16.30	18.20
- from Others	-	2.28	1.81	15.75
	<b>36.56</b>	<b>33.29</b>	<b>18.11</b>	<b>33.95</b>

\* Respective assets are hypothecated against the loans taken to acquire such vehicles. Loan is repayable within a period of 60 months at interest rate in the range of 8% p.a. to 10% p.a.

(ii) **Lease Liabilities**

(₹ in lakhs)

	Non current		Current maturities	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Lease liability on office building	141.88	161.96	19.91	17.87

## 20 Provisions

(₹ in lakhs)

	Non Current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Provision for Employee Benefits - Gratuity	115.98	98.15	12.09	6.41
Provision for Employee Benefits - Leave Encashment	33.50	30.70	9.24	7.41
	<b>149.48</b>	<b>128.85</b>	<b>21.33</b>	<b>13.82</b>

## 21 Other non current liabilities

(₹ in lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Deferred Government Grant- Non Current Part(refer note 36)	143.99	-
	<b>143.99</b>	<b>-</b>

## 22 Trade payables

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Due to micro & small enterprises (Refer note 47)	196.04	287.93
Due to others	1,113.74	1,236.71
	<b>1,309.78</b>	<b>1,524.64</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## Disclosure under the Micro, small and medium enterprises development Act, (27 of 2006) ("MSMED ACT 2006")

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Total outstanding dues of micro and small enterprises (as per the intimation received from vendors)</b>		
a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	196.04	287.93
Interest	7.76	2.34
b) Interest paid by the Company in terms of Section 16 of the Micro, Small and -Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
c) Interest due and payable for the period of delay in making payment (which - have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
d) Interest accrued and remaining unpaid	2.62	1.60
e) Interest remaining due and payable even in the succeeding years, until - such date when the interest dues as above are actually paid to the small enterprises.	-	-

### f) Trade payable aging schedule

Outstanding for following periods from due date of payment as at 31 March 2022

(₹ in lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Trade payables</b>						
MSME*	-	188.19	7.85	-	-	196.04
Others	347.86	680.62	38.07	38.58	8.61	1,113.74
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Outstanding for following periods from due date of payment as at 31 March 2021

(₹ in lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Trade payables</b>						
MSME*	145.67	142.26	-	-	-	287.93
Others	528.14	578.99	43.33	28.93	23.32	1,202.71
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

\* MSME as per the Micro, Small and Medium Enterprises Development Act, 2006. Ageing for trade payables outstanding as at March 31, 2021 is as follows.

### 23 Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Interest accrued but not due on borrowings	0.29	0.37
Payable to employees	72.40	129.46
Payable towards purchase of property, plant and equipment	51.83	145.89
Expenses Payable	63.18	48.02
	<b>187.70</b>	<b>323.74</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## 24 Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Statutory dues	20.90	26.70
Advance received from Customers	65.71	35.67
Government Grant (Refer note 36)	16.96	-
	<b>103.57</b>	<b>62.37</b>

## 25 Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Revenue from contracts with customers*</b>		
Sale of manufactured goods-Oral Care Products	7,850.16	9,567.87
Job Work Income	-	0.49
Sale of packing material/raw material/traded Goods	64.33	58.51
<b>Other operating revenue</b>		
Scrap sales	76.10	69.28
<b>Revenue from Operations</b>	<b>7,990.59</b>	<b>9,696.15</b>

\* It represents disaggregated revenue information in accordance with INDAS 115.

### Reconciliation of revenue recognised with contract price:

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue as per contracted price	8,129.98	9,795.02
<b>Adjustments</b>		
Cost Reconciliation	(114.71)	(83.37)
Rebate given to customers	-	(9.73)
Sales return	(24.68)	(5.78)
<b>Revenue from Operations</b>	<b>7,990.59</b>	<b>9,696.15</b>

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at year end are, as follows:

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Advances from customers (Refer Note no 24)	65.71	35.67

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 26 Other income

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest income on fixed deposits	4.73	3.51
Interest income from financial assets at amortised cost	242.91	26.43
Export incentives	-	20.43
Provision no longer required written back	49.12	360.31
Rental Income	0.78	0.78
Government grant (refer note 36)	63.85	3.00
Foreign exchange gain (net)	65.29	-
Profit on sale of investments	0.62	15.11
Sale of Media rights	150.00	-
Miscellaneous income	68.90	28.95
Profit on Principal Agent Sale	-	38.34
Net gain on financial asset measured at FVTPL	7.63	-
Miscellaneous balance written back	160.56	57.92
	<b>814.39</b>	<b>554.78</b>

## 27 Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>A Cost of Raw Materials Consumed</b>		
Stock at the beginning of the year	406.36	26.86
Add: Purchases	3,164.17	4,500.70
Less: Stock at the end of the year	(356.28)	(406.36)
	<b>3,214.25</b>	<b>4,121.20</b>
<b>Cost of packing materials consumed</b>		
Stock at the beginning of the year	235.40	25.11
Add: Purchases	2,201.07	2,491.33
Less: Stock at the end of the year	(282.48)	(235.40)
	<b>2,153.99</b>	<b>2,281.04</b>
	<b>5,368.24</b>	<b>6,402.24</b>

## B Purchases of stock in trade

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Purchases of stock in trade	63.97	100.63
	<b>63.97</b>	<b>100.63</b>

## 28 Changes in inventories of finished goods, work in progress and stock-in-trade

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Finished goods</b>		
At the beginning of the year	125.82	117.05
Less: At the end of the year	(82.24)	(125.82)
	<b>43.58</b>	<b>(8.77)</b>
<b>Work-in-progress</b>		
At the beginning of the year	81.07	144.16
Add: Purchases	246.49	125.51
Less: At the end of the year	(117.69)	(81.07)
	<b>209.87</b>	<b>188.60</b>
	<b>253.45</b>	<b>179.83</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## 29 Employee Benefits Expenses

Particulars	(₹ in lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Salaries, wages, bonus and other allowances	887.15	694.90
Contribution to provident and other funds	55.92	47.41
Workmen and staff welfare expenses	14.46	63.54
Gratuity	29.28	26.11
Leave encashment	6.47	6.07
	<b>993.28</b>	<b>838.03</b>

## 30 Finance Costs

Particulars	(₹ in lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest expense *	12.50	9.56
Interest on lease liability	26.81	28.12
Interest on delay in deposit of Statutory dues	0.41	0.43
Bank Charges	10.22	7.14
	<b>49.94</b>	<b>45.25</b>

\* Interest expenses includes MSME interest in 31st March, 2022 Rs.7.76 lakhs (31st March, 2021:-Rs.2.34 lakhs)

## 31 Depreciation and Amortization Expenses

Particulars	(₹ in lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Depreciation on property, plant & equipment	564.88	531.54
Depreciation on right of use asset	24.60	24.60
Amortisation of intangible assets	0.17	0.29
	<b>589.65</b>	<b>556.43</b>

## 32 Other expenses

Particulars	(₹ in lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Consumption of stores and spares	3.08	7.62
Power and Fuel	281.32	291.95
Advertisement expenses	8.01	1.84
Job work charges	479.00	525.22
Business promotion expenses	6.07	13.39
Brokerage & Commission	6.05	-
Repairs		
Plant and Machinery	92.25	132.44
Building	16.76	40.82
Others	31.06	33.70
Freight and cartage outward	19.61	15.46
Insurance Charges	53.60	55.26
Legal and professional fees	77.36	74.08
Rates and taxes	25.47	62.50
Telephone and postage	5.60	6.78
Printing and stationery	7.89	5.61
Travelling and conveyance expenses	73.53	34.26
Loss on sale of fixed assets (Net)	-	5.03



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Directors' sitting fees	2.60	1.20
Exchange fluctuation loss (net)	-	73.50
Research & Development charges	6.54	4.07
Auditor's remuneration (Refer note 46)	20.57	20.16
Office maintenance	28.14	27.05
<b>Balances written off:</b>		
Advances/balances/others written off	1226.25	-
Provision no longer required written back	(1226.25)	328.67
Amortization of deferred rent expense	2.24	2.24
Miscellaneous expenses	47.12	17.97
Corporate Social Responsibility expense (Refer note 50)	-	28.00
Donation expense	0.16	-
	<b>1,294.05</b>	<b>1,808.81</b>

## 33 Income taxes

### (a) Income tax expenses

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
<i>Profit and loss section</i>		
<b>i. Current tax</b>		
Current tax on profits for the year	92.09	52.57
Adjustments for current tax of previous years	1.50	(131.42)
	<b>93.59</b>	<b>(78.85)</b>
<b>ii. Deferred tax charge/(credit)</b>		
Origination and reversal of temporary differences	342.97	121.95
	342.97	121.95
<b>Income tax expense reported in the Statement of Profit and Loss (i+ii)</b>	<b>436.55</b>	<b>43.10</b>
<i>Other Comprehensive Income (OCI) Section</i>		
Tax relating to items that will not be reclassified to Statement of Profit & Loss	(1.60)	(1.82)
<b>Income tax charged to OCI</b>	<b>(1.60)</b>	<b>(1.82)</b>

### (b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Profit from continuing operations (A)	192.39	319.71
Income tax rate applicable (B)	27.82%	27.82%
<b>Computed tax expense (A*B)</b>	<b>53.52</b>	<b>88.94</b>
<b>Tax effect of the amounts that are not deductible (taxable) while calculating taxable income :</b>		
Effect of Non- deductible expenses	18.10	0.71
Income not taxable under income tax	(10.32)	(2.03)
Effect of changes in tax rate due to MAT	(24.52)	(35.05)
Tax expense for previous year	1.50	(131.42)
Deferred tax on unabsorbed losses, previously not recognised	11.89	(8.84)
Tax impact of IND AS adjustment	8.32	50.23
Deferred tax reversal on Provision write back	355.03	95.17
Others	23.03	(14.61)
<b>Income tax expense/(reversal)</b>	<b>436.56</b>	<b>43.10</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## 34 Contingent Liability

### I. Claims/litigations made against the Company not acknowledged as debts:

Matters under litigation:

Claims against the Company by vendors & customers amounting to ₹ 393.74 lakhs (Previous Year ₹ 253.07 lakhs). The management of the Company believes that the ultimate outcome of these proceedings will not have a material/adverse effect on the Company's financial condition and results of operations.

There is outstanding sales tax demand for the FY 2009-10 is for Rs 4.20 lakh, against which the Company had filed an appeal before Additional excise and taxation commissioner cum - Appellate Authority (SZ) Shimla, where an amount of Rs 0.50 lakhs had been deposited.

As on the signing date of the balance sheet the appeal was allowed by Appellate Authority-Cum-Additional commissioner state tax and excise Gr-1 (SZ) Shimla wide order dated 12.04.2022.

### II. Others:

Bank Guarantee issued by Bank amounting to ₹ 96.35 lakhs (Previous Year ₹ 10.21 lakhs).

## 35 Capital Commitments

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	2.74	356.27
Investment in sixth sense Ventures Advisors LLP	90.00	200.00
<b>Total</b>	<b>92.74</b>	<b>556.27</b>

## 36 Government Grant

During the financial year ended 31 March, 2022, the Company had received a capital subsidy of Rs. 225 lakhs under the Industrial development scheme, 2017 notified vide no. 2(2)2018-SPS of the Government of India. The subsidy received is being apportioned to Statement of Profit & Loss over the useful life of the eligible assets. During the year the Company has recognised ₹ 63.84 lakhs (previous year ₹ 3 lakhs) as government grant based on useful life of the assets.

## 37 Segment Reporting

The Company is engaged in manufacturing a range of oral and dental products for elite national and international brands. Information reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) for the purpose of resource allocation and assessing performance focuses on business as a whole. The CODM reviews the Company's performance on the analysis profit before tax at overall level. Accordingly, There is no other separate reportable segmental as defined by IND AS 108 "Segment Reporting".

### Information about geographical areas are as under

(₹ in lakhs)

	Revenue from external customers	
	Year ended 31 March, 2022	Year ended 31 March, 2021
India	7,990.59	9,218.37
UAE	-	35.84
Singapore	-	441.94
<b>Total</b>	<b>7,990.59</b>	<b>9,696.15</b>

### Information about major customers

Revenue of ₹ 6161.41 lakhs, (Previous year ₹ 7196.68 lakhs) arising from two customers in India contribute more than 10% of the Company's revenue individually. No other customer contribute 10% or more than 10% to the Company's revenue for the current year ended 31 March, 2022. The Company does not hold any non current assets outside India.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 38 Employee benefit obligations

The Company has classified various employee benefits as under:

### a. Defined contribution plans

- i.) Employees Provident fund
- ii.) Employee State Insurance Scheme

The Company has recognised the following amounts in the Statement of Profit and Loss for the year: (Refer Note-30)

Particulars	(₹ in lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Contribution to Provident Fund	45.40	37.94
Contribution to Employee State Insurance Scheme	10.51	9.47
<b>Total</b>	<b>55.91</b>	<b>47.41</b>

### b. Defined benefit plans

- i.) Gratuity

### c. Other long-term employee benefits

- ii.) Leave encashment

Gratuity is payable to eligible employees as per the Company's policy and The Payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit (PUC) method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations.

Provision for leave benefits is made by the Company on the basis of actuarial valuation using the Projected Unit Credit (PUC) method.

Liability with respect to the gratuity and leave encashment is determined based on an actuarial valuation done by an independent actuary at the year end and is charged to Statement of Profit and Loss.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Other Comprehensive Income as income or expense.

Other disclosures required under IND AS 19 "Employee benefits" are given below:

Principal Actuarial Assumptions at the Balance Sheet date

Particulars	Year ended	
	31 March, 2022	31 March, 2021
Discount Rate (per annum)	6.95%	6.45%
Rate of increase in Compensation Levels	7.00%	7.00%
Retirement age	58 Years	
Mortality Table	100% of IALM (2012-14)	
Average withdrawal rate	7%	7%

The discount rate has been assumed at 6.95% p.a. (Previous year 6.45% p.a.) based upon the market yields available on Government bonds at the accounting date for remaining life of employees. The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market on long term basis.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

I) Changes in the present value of obligation				(₹ in lakhs)	
Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021		
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)	
Present Value of Obligation as at the beginning of the year	38.11	104.56	34.70	89.83	
Acquisition Adjustment	-	-	-	-	
Interest Cost	2.46	6.73	2.29	5.93	
Past Service Cost	-	-	-	-	
Current Service Cost	10.41	22.54	10.48	20.18	
Contribution by Plan Participants	-	-	-	-	
Curtailement Cost/(Credit)	-	-	-	-	
Settlement Cost/(Credit)	-	-	-	-	
Benefit Paid	(1.85)	-	(2.66)	(4.85)	
Actuarial (Gains)/Loss	(6.39)	(5.76)	(6.70)	(6.53)	
Present Value of Obligation as at the end of the year	42.74	128.07	38.11	104.56	
Current	9.24	12.09	7.41	6.41	
Non Current	33.50	115.98	30.70	98.15	
<b>Total</b>	<b>42.74</b>	<b>128.07</b>	<b>38.11</b>	<b>104.56</b>	

II) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets				(₹ in lakhs)	
Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021		
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)	
Present Value of Funded Obligation as at the end of the year	-	-	-	-	
Fair Value of Plan Assets as at the end of the year	-	-	-	-	
Funded (Asset)/Liability recognised in the Balance Sheet	-	-	-	-	
Present Value of Unfunded Obligation as at the end of the year	42.74	128.07	38.11	104.56	
Unfunded Net Liability Recognised in the Balance Sheet	42.74	128.07	38.11	104.56	

III) Expenses recognised in the Statement of Profit and Loss Account				(₹ in lakhs)	
Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021		
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)	
Current Service Cost	10.41	22.54	10.48	20.18	
Past Service Cost	-	-	-	-	
Acquisition Adjustment	-	-	-	-	
Interest Cost	2.46	6.73	2.29	5.93	
Expected Return on Plan Assets	-	-	-	-	
Curtailement Cost/(Credit)	-	-	-	-	
Settlement Cost/(Credit)	-	-	-	-	
Benefit Paid	-	-	-	-	
Remeasurement	(6.40)	-	(6.70)	-	
Net actuarial (Gains)/Loss	-	-	-	-	
Employees Contribution	-	-	-	-	
Total Expenses recognised in the Statement of Profit and Loss Account	6.47	29.28	6.07	26.11	

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



Other Comprehensive Income (OCI) Particulars	Gratuity (Unfunded) (₹ in lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	5.76	6.53
Actuarial gain / (loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	5.76	6.53

Particulars	IV) Expected Employer Contribution (₹ in lakhs)			
	Year ended 31 March, 2022		Year ended 31 March, 2021	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Expected Employer Contribution for the next year	-	-	-	-

V) Maturity Profile of Defined Benefit Obligation Year	(₹ in lakhs)			
	Year ended 31 March, 2022		Year ended 31 March, 2021	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
0 to 1 Year	9.23	12.09	7.40	6.41
1 to 2 Year	6.96	9.05	7.04	8.65
2 to 3 Year	6.13	9.67	5.27	7.13
3 to 4 Year	5.46	10.82	4.67	7.80
4 to 5 Year	5.17	11.56	4.13	8.46
5 Year onwards	30.38	222.55	26.96	187.98

Particulars	VI) Sensivity Analysis of the Defined Benefit Obligation:- (₹ in lakhs)	
	Leave Encashment	Gratuity (Unfunded)
	Year ended 31 March, 2022	
Impact of change in discount rate		
Present Value of obligation at the end of the year	42.74	128.07
a) Impact due to increase of 1%	(1.98)	(10.76)
b) Impact due to decrease of 1%	2.14	12.42
	Year ended 31 March, 2022	
Impact of change in salary rate		
Present Value of obligation at the end of the year	42.74	128.07
a) Impact due to increase of 1%	2.15	10.89
b) Impact due to decrease of 1%	(1.95)	(9.73)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## Description of Risk Exposures :

Risks associated with the plan provisions are actuarial risks. These risks are:- (i) investment risk, (ii) interest risk (discount rate risk), (iii) mortality risk and (iv) salary risk.

- i) **Investment Risk**- The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.
- ii) **Interest Risk (discount rate risk)** - A decrease in the bond interest rate (discount rate) will increase the plan liability.
- iii) **Mortality Risk** - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2012-14) ultimate table. A change in mortality rate will have a bearing on the plan's liability.
- iv) **Salary Risk** - The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

## 39 Related party disclosures as per IND AS 24

### (a) Names of related parties and description of relationship:

Relationships	Name of Related Party
<b>Related parties where control exists</b>	- JHS Svendgaard Brands Limited (42.68%) - JHS Svendgaard Retail Ventures Private Limited (99.82%) - JHS Svendgaard Mechanical and Warehouse Private Limited (99.99%)
<b>Entities controlled by a person who is a KMP of the Company or a person who has significant influence over the Company</b>	- Starpool Consultants & Advisors LLP - Harish Chander Nanda Educational and Charitable Society
<b>Relatives of Key Managerial Personnel</b>	- Mrs Sushma Nanda (Mother of Mr. Nikhil Nanda)
<b>Entities which are controlled or jointly controlled by Key Managerial Personnel category or by his/her close family members</b>	- Number One Enterprises Pvt. Ltd. - Apogee Manufacturing Private Limited - Magna Waves Private Limited

### (b) Key Managerial Personnels (KMP) of the Company

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Managing Director	2021-22
Mr. Rajagopal Chakravarthi Venkateish	Non -Executive	2021-22
Mr. Mukul Pathak	Non - Executive	2021-22
Mrs. Rohina Sanjay Sangtani	Non - Executive	2021-22
Mr. Nikhil Kishorchandra Vora	Nominee Director	Upto 28.02.2022
Mr. Kapil Minocha	Non - Executive	2021-22
Mr. Paramvir Singh Pabla	Chief Executive Officer	2021-22
Mr. Ashish Goel	Chief Financial Officer	2021-22
Mr. Neeraj Kumar	Chief Financial Officer	w.e.f 10.08.2021
Mr. Kirti Maheshwari	Company Secretary	Upto 31.08.2021
Mr. Avinash Pratap*	Company Secretary	w.e.f 08.02.2022 upto 26.05.2022

\* Resigned on 26 May 2022 from the position of Company Secretary .

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## (c) Key Management Personnel Compensation

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Short- term employee benefits	158.60	169.63
Post- employment benefits	23.67	14.86
Long- term employee benefits	5.06	2.93
Director's Sitting fees	2.60	1.20
<b>Total Compensation</b>	<b>189.93</b>	<b>188.61</b>

## (d) Transactions with related parties

The following transactions occurred with related parties:

(₹ in lakhs)

S. No.	Statement of Profit and Loss heads	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>1.</b>	<b>Income:</b>		
	Sale of Product		
	- JHS Svendgaard Brands Limited	151.47	249.10
	Rental Income		
	- JHS Svendgaard Brands Limited	0.78	0.78
	Interest income		
	- JHS Svendgaard Brands Limited	33.41	-
	- Nikhil Nanda	135.00	-
	Rimbursement of Expenses		
	- Apogee Manufacturing Private Limited	-	15.19
<b>2.</b>	<b>Expenditure:</b>		
	i) Purchase of Product		
	- JHS Svendgaard Brands Limited	13.36	6.19
	ii) Interest expenses on lease liability as per IND AS 116		
	- Nikhil Nanda	26.81	28.12
	iii) Depreciation expenses on Right of use assets as per as per IND AS 116		
	- Nikhil Nanda	24.60	24.60
	iv) Amortization of deferred rent expense		
	- Nikhil Nanda	2.24	2.24
	v) Electricity and Water expenses		
	- Nikhil Nanda	17.28	13.68
	vi) Corporate social responsibility expenses *		
	- Harish Chander Nanda Educational and Charitable Society	-	16.81

\* As per section 135(1) of companies Act, 2013 this year CSR not applicable on the company.

## (e) Investments / Loans & advances and other adjustments to/ from Related Parties

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>i. Loans and advances given (including security deposits)</b>		
- JHS Svendgaard Mechanical and Warehouse Private Limited	0.45	0.63
- JHS Svendgaard Brands Limited (Capital advance)	725.00	-
- JHS Svendgaard Brands Limited (loan given)	4,727.44	-
<b>ii. Payment Received</b>		
- Apogee Manufacturing Private Limited	0.23	-
- JHS Svendgaard Brands Limited (loan given)	2,271.16	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

(f) Balance Sheet heads (Closing Balances)

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Credit Balances</b>		
<b>i. Other liabilities</b>		
- Nikhil Nanda	(16.00)	3.02
<b>ii. Trade Payable</b>		
- JHS Svendgaard Brands Limited	-	10.51
<b>iii. Debit Balances</b>		
<b>Loans and advances</b>		
- JHS Svendgaard Mechanical and Warehouse Private Limited	1,319.52	1,319.07
- JHS Svendgaard Brands Limited	2,461.27	-
- Nikhil Nanda (At amortised cost)	14.55	12.65
- JHS Svendgaard Brands Limited	725.00	-
- Nikhil Nanda (staff housing advance)	601.99	-
<b>iv. Trade receivables</b>		
- Apogee Manufacturing Private Limited	33.55	33.78
- JHS Svendgaard Brands Limited	-	136.55

(g) Terms and Conditions

Outstanding balances at the year end are unsecured, interest free and recoverable/repayable on demand. There has been no guarantee provided or received for any related party receivable and payable, other than disclosed. For the year end 31 March, 2022 the company has provided for impairment of receivables owed by the related party ₹ Nil (31 March, 2021: ₹ Nil ). This assessment undertaken each financial year through examining the financial position of related party and market in which related party operates.

## 40 Fair valuation measurements

S. No.	Particulars	Level of Hierarchy	Year ended 31 March, 2022			Total carrying value	Year ended 31 March, 2021			Total carrying value
			FVTPL	FVTOCI	Amortized cost		FVTPL	FVTOCI	Amortized Cost	
	<b>Financial assets</b>									
1	<b>Investments</b>									
	Investment in Equity Instrument		-	-	1,421.00	1,421.00	-	-	1,421.00	1,421.00
	Investment in MLD	1	7.63	-	110.00	117.63	-	-	-	-
2	<b>Loans</b>									
	Security Deposit	3	-	-	-	-	-	12.65	12.65	
	Others	3	-	-	3,822.99	3,822.99	-	274.82	274.82	
3	<b>Trade receivables</b>	3	-	-	1,618.58	1,618.58	-	5,869.44	5,869.44	
4	<b>Other financial assets</b>	3	-	-	963.52	963.52	-	495.64	495.64	
5	<b>Cash &amp; Cash Equivalents</b>	3	-	-	430.76	430.76	-	1,652.53	1,652.53	
6	<b>Bank balances other than cash &amp; cash equivalents</b>	3	-	-	117.16	117.16	-	35.06	35.06	
	<b>Total Financial Assets</b>		<b>7.63</b>	<b>-</b>	<b>8,484.01</b>	<b>8,491.64</b>	<b>-</b>	<b>9,761.15</b>	<b>9,761.15</b>	
	<b>Financial Liability</b>									
1	<b>Borrowings including current maturities</b>	3	-	-	54.67	54.67	-	67.24	67.24	
2	<b>Trade &amp; Other Payables</b>	3	-	-	1,309.78	1,309.78	-	1,524.64	1,524.64	
3	<b>Lease Liabilities</b>	3	-	-	161.79	161.79	-	179.83	179.83	
4	<b>Other financial Liabilities</b>	3	-	-	187.70	187.70	-	323.74	323.74	
	<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>1,713.94</b>	<b>1,713.94</b>	<b>-</b>	<b>2,095.45</b>	<b>2,095.45</b>	



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

41 The Company has valued the following investments in subsidiaries at cost, as per Ind AS 27.

Particulars	As at 31 March, 2022	As at 31 March, 2021
Investment in Equity shares	1,421.00	1,421.00

## 42 FINANCIAL RISK MANAGEMENT

### Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 41. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated by its board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to, are described below:

### 1 Market risk

Market risk is the risk that changes in market prices will have an effect on Company's income or value of the financial assets and liabilities. The Company is exposed to various types of market risks which result from its operating and investing activities. The most significant financial risks to which the Company is exposed are described below:

#### (a) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and EURO. Foreign exchange risk arises from future commercial transactions and recognise assets and liabilities denominated in a currency that is not company's functional currency(INR). The Risk is measured through a forecast of highly probable foreign currency cashflows.

The following table presents non-derivative instruments which are exposed to currency risk and are unhedged as at 31 March, 2022 and 31 March, 2021 :

Particulars	Foreign currency	₹ in lakhs)	
		As at 31 March, 2022	As at 31 March, 2021
Trade Payable	USD	60.09	6.67
Trade Receivable	USD	538.10	2,881.28

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

To mitigate the Company's exposure to foreign exchange risk, cash flows in foreign currencies are monitored and net cash flows are managed in accordance with Company's risk management policies. Generally, the Company's risk management procedures distinguish short term foreign currency cash flows (due within 6 months) from longer term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no hedging activity is undertaken.

The following table gives the volatility in exchange rates for the respective reporting years for major currencies:

Currencies	Year ended 31 March, 2022	Year ended 31 March, 2021
INR/USD	-3%	2%

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis given in the table below is based on the Company's foreign currency financial instruments held at each reporting date.

### Sensitivity analysis for entities with foreign currency balances in INR

The following tables illustrate the sensitivity of profit/loss and equity in regards to the Company's financial assets and financial liabilities and the movement of exchange rates of respective functional currencies' against INR, assuming 'all other things being constant'.

If the respective functional currencies had strengthened/weakened against the INR by the afore mentioned percentage of market volatility, then this would have had the following impact on profit/loss:

(₹ in lakhs)			
Year ended 31 March, 2022	Movement	Profit and loss	
		Strengthening	Weakening
USD Sensitivity	-3%	(15.58)	15.58

Year ended 31 March, 2021	Movement	Profit and loss	
		Strengthening	Weakening
USD Sensitivity	2%	69.47	(69.47)

### (b) Price risk

The Company is mainly exposed to the price risk due to investment in mutual funds and market linked debentures. The price risk arises due to uncertainties about the future market values of these investments. In order to minimise pricing risk arising from investment in mutual funds, Company invest in highly rated mutual funds.

The sensitivity to price risk if increases/ decrease in NAV of the mutual funds is:

(₹ in lakhs)			
Year ended 31 March, 2022	Movement	Profit and loss	
		Strengthening	Weakening
Price risk sensitivity*	1%	-	-

\* During the year company has redeemed all its investments in mutual fund and market linked debentures

Year ended 31 March, 2021	Movement	Profit and loss	
		Strengthening	Weakening
Price risk sensitivity	1%	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk because funds are borrowed at fixed interest rates. The borrowings of the Company are principally denominated in rupees and fixed rates of interest.

Particulars	(₹ in lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Fixed-rate borrowings including current maturities		
- Vehicle Loan (Secured)	54.67	67.24
<b>Total Borrowings (gross of transaction cost)</b>	<b>54.67</b>	<b>67.24</b>

## 2 CREDIT RISK

Credit risk arises from cash and cash equivalent, investments in mutual funds, deposits with the banks, as well as credit exposure to customers including outstanding receivables.

### Credit risk management

For Bank and Financial Institutions, only high rated banks/ institutions are accepted

For other counter parties, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties only.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information.

The company based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivable is considered low. The Company estimates its allowance for trade receivable using life time expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance), excluding receivable from group companies is ₹ 809.40 lakhs (31 March, 2021 ₹ 4445.31 lakhs).

The credit risk for cash and cash equivalents and other financial instruments is considered negligible and no impairment has been recorded by the Company.

### Significant estimates and judgments

#### Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## 3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments :

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs)

	As at 31 March, 2022				
	Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years	Total
Borrowings including current maturities	18.11	36.56	-	-	54.67
Trade payables	1,309.78	-	-	-	1,309.78
Lease Liabilities	19.91	97.33	44.55	-	161.79
Other financial liabilities	187.70	-	-	-	187.70
<b>Total</b>	<b>1,535.49</b>	<b>133.90</b>	<b>44.55</b>	<b>-</b>	<b>1,713.94</b>

	As at 31 March, 2021				
	Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years	Total
Borrowings including current maturities	33.95	33.29	-	-	67.24
Trade payables	1,524.64	-	-	-	1,524.64
Lease Liabilities	17.87	44.20	72.91	44.85	179.83
Other financial liabilities	323.74	-	-	-	323.74
<b>Total</b>	<b>1,900.21</b>	<b>77.48</b>	<b>72.91</b>	<b>44.85</b>	<b>2,095.45</b>

## 43 Capital Management

### A Risk Management

For the purposes of Company capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March, 2022 and 31 March, 2021.

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Equity Share capital	6,490.05	6,440.05
Free Reserve*	2,603.47	2,853.84

\* Comprises of retained earning and general reserves.

### B Dividends

The Company has not proposed any dividend for the year ended 31 March, 2022 (31 March, 2021: ₹ Nil).

## 44 Earnings per equity share

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Earnings per equity share has been computed as under:</b>		
Earnings attributable to equity shareholders	(244.17)	276.61
Nominal value of equity share (₹)	10	10
No of shares as at end of the year	64,900,465	64,400,465
No. of weighted average equity shares	64,470,328	61,379,917
Basic Earning per share (₹)	(0.38)	0.45
Number of equity shares for Dilutive earning per share	64,470,328	61,641,561
Dilutive earning per share (₹)	(0.38)	0.45

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 45 Leases

The changes in the carrying value of ROU assets for the year is as follows :

Particulars	(₹ in lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Balance as at April 1, 2021	146.98	174.41
Add :Additions	-	-
Less :Deletions/Adjustment on account of waiver in Lease rent	-	(2.83)
Less :Depreciation	(24.60)	-24.6
<b>Balance as at March 31, 2022</b>	<b>122.39</b>	<b>146.98</b>

The depreciation expense on ROU assets is included under the head depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities is as follows :

Particulars	(₹ in lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Current Lease Liabilities	19.91	17.87
Non-Current Lease Liabilities	141.88	161.96

The movement in lease liabilities is as follows :

Particulars	(₹ in lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Opening Balance	179.83	190.29
Add : Lease assets during the period	-	-
Add : Interest expense during the period	26.81	28.12
Less: Cash outflows	(44.85)	(35.75)
Less :Deletions/Adjustment on account of waiver in Lease rent	-	(2.83)
<b>Closing Lease liability at the end of the period</b>	<b>161.79</b>	<b>179.83</b>

## 46 Auditor's Remunerations

	(₹ in lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Statutory Audit	12.00	12.00
Tax audit fees	3.50	3.50
Other matters		
- Limited reviews	3.75	3.75
- Out of pocket expenses	0.57	0.16
- Certification Fees	0.75	0.75
	<b>20.57</b>	<b>20.16</b>

## 47 Suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006

A sum of ₹ 196.04 lakhs is payable to Micro and Small Enterprises as at 31 March, 2022 (31 March, 2021: ₹ 287.93.92 lakhs). The above amount is on account of trade payables only. Out of the total amount outstanding to Micro and Small Enterprises a sum of ₹ 196.04 lakhs (31 March, 2021: ₹ 111.38 lakhs)is outstanding for more than 45 days as at 31 March, 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## 48 Disclosure required under section 186(4) of the Companies Act 2013 :-

Particulars of loan given (₹ in lakhs)

Sr. No.	Particulars	Outstanding Balances	Purpose
1	JHS Svendgaard Mechanical and Warehouse Private Limited	1,319.52	Purchase of Land
		(1,319.07)	-
2	A.R. Textiles Private Limited*	-	-
		(1,221.37)	Intercompany Financing
3	JHS Svendgaard Brands Limited	2,461.28	Intercompany Financing
		-	-
4	JMS Buildtech Private Limited	1,218.56	Intercompany Financing
		-	-

\*Adjusted against provision for doubtful advances.

Figures in brackets represents previous year figure.

Particulars of Investment Made (₹ in lakhs)

Sr. No.	Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
1	JHS Svendgaard Brands Limited	770.00	770.00
2	JHS Svendgaard Mechanical and Warehouse Private Limited	1.00	1.00
3	JHS Svendgaard Retail Venture Private Limited	650.00	650.00

## 49 Information pursuant to Regulations 34(3) & 53(f) of the Listing Obligations and Disclosure Requirements with Stock Exchanges

Interest free loan and advances to subsidiaries, in the nature of loan with no specific repayment schedule

JHS Svendgaard Mechanical and Warehouse Private Limited (₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Closing Balance excluding provision	1,319.52	1,319.07
Maximum balance during the year	1,319.52	1,319.07

- 50 In accordance with the requirements of Section 135 of the Companies Act, 2013, during the financial year ending March 31, 2022, the Company has no obligation to spend in pursuance of its Corporate Social Responsibility policy.

(₹ in lakhs)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a)	Gross amount required to be spent by the company during the year	0.00	27.90
b)	Amount spent during the year by the company during the year on purpose other than constructions/acquisition of assets	0.00	28.00
c)	Balance amount to be spent	0.00	0.00

- 51 The Company has considered the possible effects that may result from the pandemic on the carrying amounts of its property, plant and equipment, investments, inventories, receivables and other current assets and liabilities. The Company has also evaluated its liquidity position, recoverability of its assets and based on current estimates expects that the carrying amount of these assets will be recovered. Further, the Company has considered internal and external information upto the date of approval of these standalone financial statements. Based on the above, there has been no material impact on the operations or profitability of the Company due to this pandemic COVID-19 .

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



- 52** The Company in its board meeting held on 09th October, 2020 has approved the Composite Scheme of Arrangement for Amalgamation and Demerger between among JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company), JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) ('Composite Scheme') under Section 230-232 of the Companies Act, 2013. Thereafter, on 8<sup>th</sup> December, 2021, both the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited had granted their no-objection to the composite scheme. At present, the application for approval of the said composite scheme is pending before Hon'ble NCLT, Chandigarh.
- 53** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

## 54 Additional Regulatory Information

### Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Varaince
Current Ratio ( in times )	Total Current Assets	Total current liabilities	5.10	5.13	-1%
Debt-Equity ratio ( in Times )	Debt consist of borrowings & lease liabilities	Total equity	0.00	0.00	NA
Debt Services Coverage Ratio (in times )	Earning for Debt service= Net Profit after taxes+Non - Cash operating Expenses+interest+other non-cash adjustments	Debt Service = interest & lease payments + principal repayments	4.01	10.15	-60%
Return on equity ratio(in %)	profit for the year after Tax less preference dividend	Average Trade equity	-1%	1%	-186%
Trade Receivable turnover ratio (in times)	Revenue from Operations	Average Trade receivables	2.13	1.26	69%
Trade Payables turnover ratio (in times)	Credit Purchase During the Period	Average Trade payables	4.91	3.29	49%
Net Capital turnover ratio (in times )	Revenue from Operations	Average working Capital ( Total Current assets less Total Current Liabilities)	1.07	1.27	-16%
net profit ratio ( in % )	Net Profit after Tax	Revenue from Operations	-3.06%	2.85%	-207%
Return on Capital employed (in %)	Profit before Tax & Finance Cost	Capital Employed ( Total Assets - Current Liab.)	1.25%	1.87%	-34%
Return on investment ( in %)	income generated from investment funds	average invested funds in treasury investments	4.32%	4.43%	-2%

### Explanation for change in ratio by more than 25%

Debt Service Coverage Ratio : Lower Ratio on account of decrease in profit during Current year

Return on Equity Ratio : Lower Ratio on account of decrease in profit during Current year

Trade Receivable Turnover Ratio : Higher Ratio on account of increase in debtor collection.

Trade Payable Turnover Ratio : Higher Ratio on account decrease in Average Trade Payable.

Net Profit Ratio : Lower Ratio on account of decrease in profit during Current year.

Return on Capital Employed : Lower Ratio on account of decrease in profit during Current year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## 55 Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory Period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or,
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Company has not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (vii) The company has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (viii) during the year company does not have any transactions with companies struck off .

- 56 The figures of the previous year have been re-grouped / re-classified to render them comparable with the figures of the current year.

### For S. N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.:000050N/N500045

### Surinder Kr. Khattar

Partner

Membership No.: 084993

### For and on behalf of Board of Directors

JHS Svendgaard Laboratories Limited

### Nikhil Nanda

Managing Director

DIN : 00051501

### Mukul Pathak

Director

DIN : 00051534

### Ashish Goel

Chief Financial Officer

### Neeraj Kumar

Joint Chief Financial Officer

Place : New Delhi

Date : 27 May, 2022

### Paramvir Singh Pabla

Chief Executive Officer



# CONSOLIDATED FINANCIAL REPORT



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# INDEPENDENT AUDITOR'S REPORT



**To the Members of  
JHS Svendgaard Laboratories Limited**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **JHS Svendgaard Laboratories Limited** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2022, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of Significant Accounting Policies ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, referred to on the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at 31 March 2022, of consolidated loss, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

We have determined the matter described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter	Auditor's Response
1	<p><b>Revenue Recognition</b></p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Group performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure for evaluation of performance.</p> <p>Refer Note 2(b) to the Consolidated Financial Statements - Significant Accounting Policies</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>Assessing the appropriateness of the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof.</li> <li>Evaluating the design and implementation of Group's controls in respect of revenue recognition.</li> <li>Testing the effectiveness of such controls over revenue cut off at year-end.</li> <li>We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods dispatch notes and shipping documents.</li> <li>Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul> <p>Based on the above procedure performed, the recognition and measurement of revenue from sale of goods are considered to be adequate and reasonable.</p>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action, if required.

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the holding company, its subsidiaries have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the

consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. 6992.18 lakhs as at 31 March 2022, total revenues of Rs. 931.59 lakhs and net cash outflows / (inflows) amounting to Rs. 328.66 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. (176.21) lakhs for the year ended 31 March 2022, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. As required by the paragraph 3 (xxi) of the Companies (Auditor's Report) Order 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included

in the CARO report in respect of the standalone financial statements of the Holding company and subsidiary companies included in these consolidated financial statements.

2. As required by Section 143(3) of the Act based on our audit and on the consideration of reports of the other auditors on separate financial statements and other financial information of subsidiaries, as noted in the Other Matters paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group, and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial

statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 35 to the consolidated financial statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.
- iv. (a) The respective Managements of the Holding company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Holding Company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Holding Company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.

**For S.N. Dhawan & Co LLP**  
Chartered Accountants  
Firm Registration No.: 000050N/N500045

**(Surinder.Kr. Khattar)**  
Partner  
Membership No.: 084993  
UDIN: 22084993AJVXBS8497

Place: New Delhi  
Date: 27 May 2022

## Annexure A

### Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of **JHS Svendgaard Laboratories Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the respective company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries, as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal

financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company and its subsidiaries.

#### Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to three subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

### Other Matters

**For S.N. Dhawan & Co LLP**  
Chartered Accountants  
Firm Registration No.: 000050N/N500045

**(Surinder.Kr. Khattar)**  
Partner  
Membership No.: 084993  
UDIN: 22084993AJVXBS8497

Place: New Delhi  
Date: 27 May 2022

# CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2022

(₹ in lakhs)

Particulars	Notes	As at 31 March, 2022	As at 31 March, 2021
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3.1	5,467.97	5,799.37
(b) Capital work-in-progress	3.2	1,995.89	891.62
(c) Right-of-use assets	3.3	271.06	407.89
(d) Goodwill	3.4	110.69	110.69
(e) Other Intangible assets	3.4	2.21	3.99
(f) Financial assets			
i) Investments	4	117.63	-
ii) Loans	5	-	118.77
iii) Other financial assets	6	425.76	60.62
(g) Deferred tax assets(net)	7	711.04	1,053.40
(h) Non-current tax assets (net)	8	55.80	111.07
(i) Other non-current assets	9	5,146.03	2,143.18
<b>Total non-current assets</b>		<b>14,304.09</b>	<b>10,700.60</b>
<b>2 Current Assets</b>			
(a) Inventories	10	1,210.24	1,163.85
(b) Financial assets			
i) Investments	11	243.98	204.65
ii) Trade receivables	12	1,811.62	5,871.00
iii) Cash and cash equivalents	13	528.81	2,079.24
iv) Bank balances other than (iii) above	14	117.42	35.51
v) Loans	15	1,522.79	421.94
vi) Other financial assets	16	544.26	485.94
(c) Other current assets	17	1,913.83	1,832.45
(d) Current tax assets (net)		2.15	0.59
<b>Total current assets</b>		<b>7,895.10</b>	<b>12,095.17</b>
<b>Total assets</b>		<b>22,199.18</b>	<b>22,795.77</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	18	6,490.05	6,440.05
(b) Other equity	19	12,100.16	12,429.50
(c) <b>Non-controlling Interest</b>		<b>914.38</b>	<b>926.53</b>
<b>Total Equity</b>		<b>19,504.56</b>	<b>19,796.08</b>
<b>LIABILITIES</b>			
<b>1 Non-Current Liabilities</b>			
(a) Financial liabilities			
i) Borrowings	20(i)	48.20	46.96
ii) Lease Liabilities	20(ii)	457.58	503.45
(b) Provisions	21	153.92	136.25
(c) Other non current liabilities	22	143.99	-
<b>Total non-current liabilities</b>		<b>803.70</b>	<b>686.66</b>
<b>2 Current liabilities</b>			
(a) Financial liabilities			
i) Borrowings	20(i)	20.35	36.69
ii) Trade payables	23		
- total outstanding dues of micro and small enterprises		196.04	287.93
- total outstanding dues Other than dues of micro and small enterprises		1,187.76	1,310.14
iii) Lease Liabilities	20(ii)	92.04	114.04
iv) Other financial liabilities	24	240.44	370.04
(b) Other current liabilities	25	132.80	179.78
(c) Provisions	21	21.48	14.40
<b>Total current liabilities</b>		<b>1,890.91</b>	<b>2,313.03</b>
<b>Total liabilities</b>		<b>2,694.62</b>	<b>2,999.69</b>
<b>Total equity and liabilities</b>		<b>22,199.18</b>	<b>22,795.77</b>

Basis of Preparation  
Significant accounting policies

1  
2

The accompanying notes are an integral part of these financial statements  
As per our report of even dated attached

For S. N. Dhawan & Co LLP  
Chartered Accountants  
Firm Registration No.:000050N/N500045

Surinder Kr. Khattar  
Partner  
Membership No.: 084993

Place : New Delhi  
Date : 27 May, 2022

For and on behalf of Board of Directors  
JHS Svendgaard Laboratories Limited

Nikhil Nanda  
Managing Director  
DIN : 00051501

Ashish Goel  
Chief Financial Officer

Paramvir Singh Pabla  
Chief Executive Officer

Mukul Pathak  
Director  
DIN : 00051534

Neeraj Kumar  
Joint Chief Financial Officer



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs)

Particulars	Note no.	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Income</b>			
I Revenue from operations	26	8,625.24	10,076.52
II Other income	27	938.99	754.40
<b>III Total income (I + II)</b>		<b>9,564.23</b>	<b>10,830.92</b>
<b>Expenses</b>			
Cost of materials consumed	28A	5,368.24	6,402.24
Purchase of stock-in-trade	28B	419.84	283.99
Changes in inventories of finished goods, work in progress and stock-in-trade	29	262.17	147.67
Employee benefit expenses	30	1,144.56	1,008.17
Finance costs	31	139.36	123.99
Depreciation and amortisation expenses	32	705.22	725.47
Other expenses	33	1,514.54	2,042.61
<b>IV Total expenses</b>		<b>9,553.93</b>	<b>10,734.14</b>
<b>V Profit/ (loss) before exceptional items and tax (III-IV)</b>		<b>10.30</b>	<b>96.78</b>
<b>VI Profit/ (loss) before tax (V)</b>		<b>10.30</b>	<b>96.78</b>
<b>VII Tax expense</b>			
a) Current tax	34	92.09	52.57
b) Tax for previous years		1.50	(131.42)
b) Deferred tax	34	345.65	41.39
<b>VIII Profit/ (loss) for the year from continuing operations (VI-VII)</b>		<b>(428.94)</b>	<b>134.24</b>
<b>Other comprehensive income</b>			
-Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		10.75	12.06
Income tax expense relating to Items that will not be reclassified to profit or loss		(2.90)	(3.26)
<b>IX Total Other comprehensive income for the year, net of tax</b>		<b>7.85</b>	<b>8.80</b>
<b>X Total comprehensive income for the year (VIII+IX)</b>		<b>(421.09)</b>	<b>143.04</b>
<b>XI Net profit attributable to:</b>			
Owners of The Group		(405.20)	119.82
Non-controlling interest		(23.74)	14.42
<b>Other Comprehensive Income attributable to:</b>			
Owners of The Group		5.73	6.59
Non-controlling interest		2.12	2.21
<b>Total Comprehensive Income attributable to:</b>			
Owners of The Group		(399.46)	126.41
Non-controlling interest		(21.63)	16.63
<b>XII Earnings per equity share</b>			
a) Basic	44	(0.63)	0.20
b) Diluted	44	(0.63)	0.20
Basis of Preparation	1		
Significant accounting policies	2		

The accompanying notes are an integral part of these financial statements  
As per our report of even dated attached

**For S. N. Dhawan & Co LLP**  
Chartered Accountants  
Firm Registration No.:000050N/N500045

**Surinder Kr. Khattar**  
Partner  
Membership No.: 084993

Place : New Delhi  
Date : 27 May, 2022

**For and on behalf of Board of Directors**  
**JHS Svendgaard Laboratories Limited**

**Nikhil Nanda**  
Managing Director  
DIN : 00051501

**Ashish Goel**  
Chief Financial Officer

**Paramvir Singh Pabla**  
Chief Executive Officer

**Mukul Pathak**  
Director  
DIN : 00051534

**Neeraj Kumar**  
Joint Chief Financial Officer

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>A. Cash Flow from Operating Activities</b>		
Profit before exceptional items and tax	10.30	96.78
<b>Adjustments for:</b>		
Provision/ write-back for inventory (net)	(37.08)	(7.29)
Depreciation and Amortization	705.22	725.46
(Profit)/Loss on disposal of Property Plant and Equipment (Net)	-	5.03
Interest income	(253.29)	(44.03)
Government grant amortization	(63.85)	(3.00)
Provision no longer required written back	(12.04)	(357.83)
Balances and Advances written off	17.04	328.67
Re- measurement Gains	(3.02)	-
Security deposit for advance rental as per Ind AS 109	(7.44)	
Ammortisation expense of security deposit	4.33	14.44
Gain on termination of lease	-	(9.44)
Intangible assets under development written off	-	-
Balances and Advances written back	(346.68)	(127.91)
Discount Received	(32.78)	
Profit on sale of investment	(0.62)	
Interest and finance Charges	101.09	81.17
Net gain on financial asset mandatorily measured at FVTPL	3.86	9.54
Exchange( gain)/loss (net)	(65.29)	61.66
Fair value adjustments	7.63	(31.89)
Others	0.79	0.03
<b>Operating profit before working capital changes</b>	<b>28.17</b>	<b>741.39</b>
<b>Adjustments for :</b>		
(Increase)/Decrease in inventories	(72.07)	(587.19)
(Increase)/Decrease in trade receivables	4,067.38	3,680.38
(Increase)/Decrease in Current Loans	(1,095.60)	1.69
(Increase)/Decrease in Other Current Assets	(82.50)	(201.68)
(Increase)/Decrease in Asset Held for Sale	-	5.42
Investment in bank deposits (having original maturity of more than 3 months)	(404.60)	(10.44)
(Increase)/Decrease in Other Non Current Financial assets-Others	(5.00)	
(Increase)/Decrease in Other Current Financial assets	(175.94)	(340.09)
(Increase)/Decrease in Non current Loans	121.88	1.27
(Increase)/Decrease in Other non-current assets	(1,568.79)	260.45
Increase/ (decrease) in Other Current Financial Liabilities	(166.49)	(256.07)
Increase/ (decrease) in Trade payables	(338.75)	(1,958.89)
Increase/ (decrease) in Lease Liabilities	(18.04)	7.42
Increase/ (decrease) in Other Non Current Financial Liabilities	(1,175.53)	-
Increase/ (decrease) in Short term provisions	7.08	(0.77)
Increase/ (decrease) in Short term borrowing	2.27	
Increase/ (decrease) in Long term provisions	26.05	24.29
Increase/ (decrease) in Non Current financial liabilities	30.59	(93.69)
Increase/ (decrease) in Other Current liabilities	(43.14)	6.73
Increase/ (decrease) in Other non-Current liabilities	(19.80)	-
<b>Cash (used) from operations</b>	<b>(882.83)</b>	<b>1,280.24</b>
Taxes Paid	(30.78)	(77.34)
<b>Net cash generated/(used) from operating activities</b>	<b>(913.61)</b>	<b>1,202.90</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD...)

FOR THE YEAR ENDED 31 MARCH, 2022

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property Plant and Equipment	(673.87)	(833.27)
Right-of-use	33.54	172.29
Proceeds from sale of Property Plant and Equipment	-	1.20
Purchase of Mutual Funds	-	(1,584.94)
Proceeds from Mutual funds	(38.00)	1,756.16
Proceeds from debentures	-	234.96
Net Proceeds from Investment	(2.17)	-
Interest income received	248.03	28.97
Proceeds from repayment of loan to Corporates	-	0.36
Loan given to Shareholder	-	-
Change in Other bank balance and cash not available for immediate use	(37.20)	1.75
<b>Net Cash generated/(used) in investing activities</b>	<b>(469.66)</b>	<b>(222.52)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from/ (repayment of) long term borrowings	1.24	(2.82)
Proceeds from/ (repayment of) short term borrowings	28.01	15.69
Repayment of lease liabilities	(70.37)	(94.52)
Proceed from Share Capital and securities premium	-	1,150.00
Proceed/(utilization) from/of Share Warrant	(24.98)	25.00
Interest and financial charges	(101.06)	(63.01)
<b>Net increase from financing activities</b>	<b>(167.16)</b>	<b>1,030.88</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>(1,550.42)</b>	<b>2,011.26</b>
Opening balance of cash and cash equivalents	2,079.24	67.98
Closing balance of cash and cash equivalents	<b>528.81</b>	<b>2,079.24</b>
<b>Components of cash and cash equivalents as at end of the year</b>		
Cash on hand	32.34	17.16
Balances with banks		
- on current account	494.27	2,062.08
- in term deposits with original maturity of 3 months or less	2.20	-
<b>Cash and bank balance</b>	<b>528.81</b>	<b>2,079.24</b>

Note:- The above statement of cash flows has been prepared under the indirect method as set out in IND AS 7, Statement of Cash Flows.

As per our report of even dated attached

**For S. N. Dhawan & Co LLP**

Chartered Accountants

Firm Registration No.:000050N/N500045

**Surinder Kr. Khattar**

Partner

Membership No.: 084993

**For and on behalf of Board of Directors**

**JHS Svendgaard Laboratories Limited**

**Nikhil Nanda**

Managing Director

DIN : 00051501

**Mukul Pathak**

Director

DIN : 00051534

**Ashish Goel**

Chief Financial Officer

**Neeraj Kumar**

Joint Chief Financial Officer

Place : New Delhi

Date : 27 May, 2022

**Paramvir Singh Pabla**

Chief Executive Officer

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## Background

JHS Svendgaard Laboratories Limited ("the Group" or "Holding Group" ) is a Public Group domiciled in India and incorporated under the provisions of the Companies Act. The Group is engaged in manufacturing a range of oral and dental products for elite national and international brands. The main portfolio of the Group is to carry out manufacturing and exporting of oral care and hygiene products including toothbrushes, toothpastes, mouthwash, sanitizers and job work of detergent powder. The Group's shares are listed for trading on the National Stock Exchange of India Limited and the BSE Limited.

The Holding Group has three Subsidiary Companies namely, JHS Svendgaard Brands Limited (By virtue of control), JHS Svendgaard Mechanical and Warehouse Private Limited and JHS Svendgaard Retail Ventures Private Limited.

JHS Svendgaard Brands Limited is into trading of various oral care and beauty products. Currently there are no major operations in JHS Svendgaard Warehouse and Mechanical Limited. JHS Svendgaard Retail Ventures Private Limited operates in retail industry through its own modern stores at different airports.

The consolidated financial statements comprise financial statements of JHS Svendgaard Laboratories Limited and its Subsidiaries (collectively referred to as "Group") for the year ended March 31, 2022.

## 1 Basis of Preparation

### a) Compliance with Indian Accounting Standard

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

For all the period upto and including the financial statements for the year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the section 133 Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP').

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Division II IND AS Schedule III, unless otherwise stated.

These financial statements were approved by the Board of Directors on 27 May 2022.

### b) (i) Principles of Consolidation

The consolidated financial statements comprises the financial statement of the Group, and the entities controlled by the Group including its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee
- (ii) Rights arising from other contractual arrangements
- (iii) The Group's voting rights and potential voting rights
- (iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## (ii) Consolidation procedure

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (iii) Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interest in the results and the equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet.

The Group treats transactions with noncontrolling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of noncontrolling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

## c) Basis of Measurement

The Financial Statements have been prepared under the historical cost convention on accrual basis, unless otherwise stated.

## d) Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgments are:

### i. Useful life of property, plant and Equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The Group reviews, at the end of each reporting date, the useful life of property, plant and equipment and changes, if any, are adjusted prospectively, if appropriate.

### ii. Recoverable amount of property, plant and equipment

The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

### iii. Estimation of defined benefit obligation

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

#### **iv. Estimation of Deferred tax assets for carry forward losses and current tax Expenses**

The Group review carrying amount of deferred tax assets and Liabilities at the end of each reporting period. The policy for the same has been explained under Note No 2(d).

#### **v. Impairment of Trade Receivables**

The Group review carrying amount of Trade receivable at the end of each reporting period and provide for Expected Credit Loss based on estimate.

#### **vi. Fair Value Measurement**

Management uses valuation techniques in measuring the fair value of financial instrument where active market codes are not available. Details of assumption used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs and uses estimates and assumptions that are, as fast as possible, consistent with observable data that market participant would use in pricing the instrument where application data is not observable, management uses its best estimate about the assumption that market participant would make. These estimates may vary from actual prices that would be achieved in an arm's length transaction at the reporting date.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

#### **e) Others**

Financial Statements has been prepared on a going concern basis in accordance with the applicable accounting standards prescribed in the Companies (Indian Accounting Standards) Rules, 2015 issued by the Central Government.

#### **f) Current versus Non-Current Classification**

The Group presents assets and liabilities in the Financial Statement based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

#### **g) Foreign Currency Translation**

##### **i) Functional and Presentation Currency**

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates i.e. 'the functional currency'. The Financial Statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

##### **ii) Transactions and Balances**

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currency at the reporting date exchange rates are recognized in the Statement of Profit and Loss. Foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income/ expenses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 2 Summary of significant accounting policies

### a) Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

### b) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

#### Sale of goods

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been dispatched to the location of customer. Following dispatch, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are dispatched to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 10-15 days. The Company considers the effects of variable consideration, non-cash consideration, and consideration payable to the customer (if any).

#### Variable consideration

If the consideration in a contract includes a variable amount, estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company recognizes changes in the estimated amount of variable consideration in the period in which the change occurs. Some contracts for the sale of goods provide customers with volume rebates and pricing incentives, which give rise to variable consideration.

Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

#### Contract balances

##### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note No 2(i) Financial assets – initial recognition and subsequent measurement.

##### Contract liabilities (which the Company refer to as advance from customer)

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

**The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.**

## **Cost to obtain a contract**

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included in 'commission on sales' under other expenses) because the amortization period of the asset that the Company otherwise would have used is one year or less.

**Costs to fulfil a contract** i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included in 'commission on sales' under other expenses) because the amortization period of the asset that the Company otherwise would have used is one year or less.

**Costs to fulfil a contract** i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

## **Financing components**

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

## **Rendering of services**

Service income includes job work and its revenue is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

## **Other Revenue Streams**

### **Interest income**

Interest income from debt instrument is recognised using the effective interest rate (EIR) method. EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options) but does not consider the expected credit losses.

### **Dividend income**

Dividends are recognised in the Statement of Profit and Loss only when the Company's right to receive the payment is established.

### **Export incentives**

Export incentives principally comprise of duty drawback. The benefit under these incentive schemes are available based on the guideline formulated for respective schemes by the government authorities. Duty drawback is recognized as revenue on accrual basis to the extent it is probable that realization is certain.

## **c) Government Grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants which are revenue in nature and are towards compensation for the qualifying costs, incurred by the Group, are recognised as income in the Statement of Profit and Loss in the period in which such costs are incurred.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

## **d) Income Tax**

Income tax expense for the year comprises of current tax and deferred tax. Income tax is recognized in the Statement of Profit and Loss except to the extent that it relates to an item which is recognised in other comprehensive income or directly in equity, in which case the tax is recognized in 'Other comprehensive income' or directly in equity, respectively.

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## Current Tax

Current tax is based on tax rates applicable for respective years on the basis of tax law enacted and substantively enacted at the end of the reporting period. The Group establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current is payable on taxable profit, which differs from profit and loss in financial statements. Current tax is charged to Statement of Profit and Loss. Provision for current tax is made after taking in to consideration benefits admissible under Income Tax Act, 1961.

## Deferred Tax

Deferred income taxes are calculated without discounting the temporary differences between carrying amounts of assets and liabilities and their tax base using the tax laws that have been enacted or substantively enacted by the reporting date. However deferred tax is not provided on the initial recognition of assets and liabilities unless the related transaction is business combination or affects tax or accounting profit. Tax losses available to be carried forward and other income tax credit available to the entity are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to utilize against future taxable income.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary differences will be utilized against future taxable income. This is assessed based on Group's forecast of future operating income at each reporting date.

Deferred tax assets and liabilities are offset where the entity has a right and intention to set off current tax assets and liabilities from the same taxation authority.

## Minimum Alternative Tax (MAT)

Minimum alternate tax credit entitlement paid in accordance with tax laws, which gives rise to future economic benefit in form of adjustment to future tax liability, is considered as an asset to the extent management estimates its recovery in future years.

## e) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### As a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## As a lessor

Lease income from operating leases where the Company is a lessor is recognised in the statement of profit and loss on a straight-line basis over the lease term.

## f) Impairment of Non-Financial Assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite-life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary.

For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 and amortization, if no impairment loss had been recognized. An impairment loss recognized for goodwill is not reversed in subsequent periods.

## g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

## h) Inventories

(i) Raw materials, packaging materials and stores and spare parts are valued at the lower of weighted average cost and net realizable value. Cost includes purchase price, taxes (excluding levies or taxes subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. However, these items are considered to be realizable at cost if finished products in which they will be used are expected to be sold at or above cost.

(ii) Work in progress, manufactured finished goods and traded goods are valued at the lower of weighted average cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

(iii) Provision for obsolescence on inventories is made on the basis of management's estimate based on demand and market of the inventories.

(iv) Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(v) The comparison of cost and net realizable value is made on an item by item basis.

## i) Investments and Other Financial Assets

### (i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

## (ii) Initial Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

## (iii) Subsequent Measurement

### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. At present no financial assets fulfil this condition.

- **Fair value through profit or loss(FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in the Statement of Profit and Loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### Equity instruments

All equity investments in scope of Ind AS 109, are measured at fair value. At Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss, even on sale of investment. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain/ (losses) in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### Investments in subsidiaries

Investments are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

## (iv) Impairment of Financial Assets

For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) for the period is recognised as expense/ income in the Statement of Profit and Loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## (v) De recognition of Financial Assets

A financial asset is derecognized only when:

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## j) Financial Liabilities

### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### Subsequent measurement

#### Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss.

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the operating cycle of the business. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

#### Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

#### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

## l) Property plant and equipment

Freehold land is carried at historical cost. Other property, plant and equipment are stated at historical cost of acquisition net of recoverable taxes (wherever applicable), less accumulated depreciation and amortization, if any. Cost comprises the purchase price, any cost attributable to bringing the assets to its working condition for its intended use and initial estimate of costs of dismantling and removing the item and restoring the site if any.

Where cost of a part of the asset is significant to the total cost of the assets and useful lives of the part is different from the remaining asset, then useful life of the part is determined separately and accounted as separate component.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognized.

The Group has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

## m) Intangible Assets

Cost of Internally generated asset comprises of all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make assets ready for its intended use.

Losses arising from retirement of , and gains or losses on disposals of intangible assets are determined as the difference between net disposal proceeds with carrying amount of assets and recognised as income or expenses in the Statement of Profit and Loss.

The Group has elected to continue with the carrying value for all of its intangible assets as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

## n) Capital Work in progress/ Intangible under development

Capital Work in progress/ Intangible under development represents expenditure incurred in respect of capital projects/ intangible assets under development and are carried at cost. Cost includes related acquisition expenses, development cost, borrowing cost (wherever applicable) and other direct expenditures.

The Group has elected to continue with the carrying value for all of its Capital Work in progress/ Intangible under development as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

## o) Depreciation and Amortization

Depreciation on property plant and equipment has been provided on straight line method in accordance with the provisions of Part C of Schedule II of the Companies Act 2013. The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, except for moulds and dies, are realistic and reflect fair approximation of the period over which the assets are likely to be used. Based on internal assessment and technical evaluation, the management has assessed useful lives of moulds and dies as five years, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Intangible assets comprising of computer software are amortized over a period of five years.

Depreciation and amortization on addition to property plant and equipment is provided on pro rata basis from the date of assets are ready to use. Depreciation and amortization on sale/deduction from property plant and equipment is provided for upto the date of sale, deduction, discardment as the case may be.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

The residual values, useful lives and methods of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

All assets costing Rs. 5,000 or below are depreciated/ amortized by a one-time depreciation/amortization charge in the year of purchase.

## p) **Borrowing Costs**

Borrowing cost includes interest calculated using the effective interest rate method and amortization of ancillary cost incurred in connection with the arrangement of borrowings. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All Other borrowing costs are expensed in the period in which they are incurred.

## q) **Provisions and Contingent Liabilities**

A Provision is recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.

## r) **Employee Benefits :**

### (i) **Short-term obligations**

Short term benefits comprises of employee cost such as salaries and bonuses including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as current employee benefit obligations in the Balance Sheet.

### (ii) **Post employment obligations**

#### **Defined Benefit Plans**

##### **Gratuity obligations**

The Group provides for the retirement benefit in the form of Gratuity. The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

##### **Defined Contribution Plans**

##### **Provident Fund**

All the employees of the Group are entitled to receive benefits under Provident Fund, which is defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## Employee state Insurance

Employees whose wages/salary is within the prescribed limit in accordance with the Employee State Insurance Act, 1948, are covered under this scheme. These contributions are made to the fund administered and managed by the Government of India. The Group's contributions to these schemes are expensed off in the Statement of Profit and Loss. The Group has no further obligations under the plan beyond its monthly contributions.

## iii) Other Long-term Employee Benefit Obligations

### Leave encashment

The liabilities for accumulated absents are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### Share-Based Payments

The Group recognises the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received with a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions, the group measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the group cannot estimate reliably the fair value of the goods or services received, the group measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

If the equity instruments granted vest immediately, on grant date the group recognises the services received in full, with a corresponding increase in equity.

## s) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## t) Earnings Per Share

Basic earnings per equity share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity Shares outstanding during the financial year. The weighted average number of equity shares outstanding during the period, are adjusted for events of bonus issued to existing shareholders.

For the purpose calculating diluted earnings per share, the net profit or loss attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares, if any.

## u) Segment Reporting

In line with the provisions of Ind AS 108 Operating Segments, and on the basis of the review of operations by the Chief Operating Decision Maker (CODM), the operations of the Group fall under Manufacturing of Oral Care products, other than manufacturing business and retail operations.

## v) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

## w) **Assets held for Sale**

Non-current assets or disposal groups comprising of assets and liabilities are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets or disposal groups comprising of assets and liabilities classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

## x) **Exceptional Items**

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in the notes to accounts.

## y) **Applicable standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2022.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 3.1 Property, Plant and Equipment

Particulars	GROSS BLOCK (AT COST)			ACCUMULATED DEPRECIATION & AMORTIZATION			NET BLOCK		
	As at 01 April, 2021	Additions	Disposals/ adjustments	As at 31 March, 2022	As at 01 April, 2021	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March, 2022	As at March 31, 2021
Property, Plant and Equipment									
Freehold Land	563.29	-	-	563.29	-	-	-	563.29	563.29
Factory Building	1,901.07	-	-	1,901.07	352.13	74.83	0.22	1,474.33	1,548.94
Office Building	143.01	-	-	143.01	30.22	6.04	-	106.75	112.79
Plant & Machinery	4,466.09	2.60	-	4,468.69	1,455.94	354.27	-	2,658.48	3,010.14
Mould & Dies	371.57	46.20	-	417.77	223.80	50.91	-	143.06	147.76
Electronic Equipment	191.89	0.30	-	192.19	162.28	1.66	-	28.25	29.61
Lab Equipment	5.63	-	-	5.63	4.84	0.03	-	0.76	0.79
Leasehold Improvements	157.33	-	-	157.33	48.30	18.93	-	90.10	109.03
Furniture & fixture	221.48	1.02	-	222.50	126.43	32.16	-	63.91	95.05
Office Equipment	41.84	2.30	-	44.14	22.59	5.76	-	15.79	19.25
Vehicle	286.86	211.06	-	497.92	126.47	49.86	-	321.59	160.38
Computer	9.98	-	-	9.98	7.71	0.66	-	1.61	2.27
Computer network	0.27	-	-	0.27	0.23	-	-	0.04	0.04
Total	8,360.30	263.48	-	8,623.79	2,560.95	595.11	0.22	5,467.97	5,799.37
Previous Year	7,714.64	646.20	0.54	8,360.30	1,993.77	567.50	0.30	5,799.37	-

## 3.2 Capital Work in progress\*

Particulars	As at 01 April, 2021	Additions	Capitalised	As at 31 March, 2022	As at 31 March, 2021
	Building	212.59	16.67	-	229.26
Computer	0.13	-	-	0.13	0.13
Plant and Machinery	480.90	408.49	-	889.40	480.90
Mould and Dies	8.16	-	-	8.16	8.16
Furniture & fixture	3.54	830.91	1.08	833.37	3.54
Vehicle	182.27	1.20	183.47	-	182.27
Intangible Asset/Pre-operative expenses	4.03	31.54	-	35.57	4.03
Total	891.63	1,288.81	184.55	1,995.89	891.62
Previous year	705.02	217.42	30.81	891.62	-

\* Capital Work in progress represents expenditure incurred in respect of capital projects at cost.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

### \*Capital work in progress ageing Ageing for capital work in progress as at March 31, 2022

Particulars	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,288.81	427.37	62.43	217.29	1,995.89
Projects temporarily suspended	-	-	-	-	-

### Ageing for capital work in progress as at March 31, 2021

Particulars	Amount in capital work in progress for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	611.90	62.43	217.29	891.62
Projects temporarily suspended	-	-	-	-

### 3.3 Right-of-use assets

The changes in the carrying value of ROU assets for the year ended March 31, 2022 are as follows : in ₹ crore

Particulars	(in ₹ Lakhs)
Balance as at April 1, 2021	407.89
Additions	-
Deletions	32.60
Depreciation	104.21
Balance as at March 31, 2022	271.06

### 3.4 Intangible assets

Particulars	GROSS BLOCK (AT COST)			ACCUMULATED DEPRECIATION & AMORTIZATION			NET BLOCK		
	As at 01 April, 2021	Additions	Disposals/ adjustments	As at 31 March, 2022	As at 01 April, 2021	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March, 2022	As at March 31, 2021
Goodwill	110.69	-	-	110.69	-	-	-	110.69	110.69
Total	110.69	-	-	110.69	-	-	-	110.69	110.69
Previous year	110.69	-	-	110.69	-	-	-	110.69	-
Other Intangible assets									
Computer software	9.77	-	-	9.77	9.31	0.17	-	0.29	0.46
Trademark	7.25	-	-	7.25	3.76	1.61	-	1.88	3.49
Non Compete Fees	1.25	-	-	1.25	1.21	-	-	0.04	0.04
Total Other Intangible assets	18.27	-	-	18.27	14.28	1.78	-	2.21	3.99
Previous year	17.78	-	-	17.78	14.26	2.14	-	3.99	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 4 Financial Asset - Non Current Investments Investments in

(₹ in lakhs)

			As at 31 March, 2022	As at 31 March, 2021
<b>Investments carried at fair value through profit &amp; loss</b>	Fair value	Number of Units		
Mutual Fund units (Quoted)	1,069.37	11000	117.63	-
			117.63	-
Aggregate amount of quoted investments at cost			110.00	-
Aggregate market value of quoted investments			117.63	-

## 5 Financial Asset - Non - current loans

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
Security deposit to related parties (Refer Note No. 40)	-	118.77
	-	118.77

## 6 Other non- current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deposits with Banks having maturity period of more than twelve months*	20.76	60.37
Advance to Employee	385.01	-
Security deposit with related parties	19.54	-
Interest accrued on non current fixed deposits	0.45	0.25
	425.76	60.62

\* includes pledged & Margin money deposited with various government authorities amounting to Rs. 19.76 lakhs (31 March, 2021: Rs. 14.48 lakhs).

## 7 Deferred tax assets (net)

### (a) The balance comprises temporary differences attributable to:

(₹ in lakhs)

	As at 31 March, 2022	As at 31 March, 2021
<b>Deferred tax liability on account of:</b>		
Property, plant and equipment	(419.98)	(375.76)
Financial assets at FVTPL	(19.75)	-
Lease Liabilities	(46.28)	-
Profit margin on inter group stock	-	(3.17)
Right-of-use assets	(21.28)	(0.86)
<b>Sub Total</b>	<b>(507.29)</b>	<b>(379.80)</b>
<b>Deferred tax asset on account of:</b>		
Provision for bonus	1.86	1.53
Provision for doubtful debts	0.78	1.79
Provision for obsolete stock	2.88	15.03
Provision for gratuity	40.12	29.09
Provision for doubtful advance	225.77	567.00
Property, Plant & Equipment	7.10	-
Right of Use Assets	41.87	-
Security Deposit	1.63	-
Provision for leave encashment	11.89	10.84
Expenses for Merger	1.25	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

	As at 31 March, 2022	As at 31 March, 2021
Lease Liabilities	77.52	37.87
Other temporary differences	3.27	5.94
Tax losses carried forward	398.44	405.57
Govt Grants	44.78	-
MAT Credit entitlement	359.17	358.54
Sub Total	1,218.33	1,433.20
Net deferred tax (liability)/asset	711.04	1,053.40

**(b) Movement in deferred tax balances:**

	(₹ in lakhs)				
	Provision for employment benefit	Property, Plant and Equipment	Tax losses carried forward	Others	Total
<b>At 31 March, 2020</b>	<b>61.00</b>	<b>(293.27)</b>	<b>388.11</b>	<b>975.22</b>	<b>1,131.06</b>
Charged/(Credited):					
- directly in equity	-	-	-	3.19	3.19
- to profit or loss	(16.27)	(83.36)	17.46	4.57	(77.59)
- to other comprehensive income	(3.26)	-	-	-	(3.26)
<b>At 31 March, 2021</b>	<b>41.47</b>	<b>(376.62)</b>	<b>405.57</b>	<b>982.99</b>	<b>1,053.40</b>
Charged/(Credited):					
- directly in equity					
- to profit or loss	9.51	(37.12)	(7.13)	(310.54)	(345.27)
- to other comprehensive income	2.90				2.90
<b>At 31 March, 2022</b>	<b>53.88</b>	<b>(413.74)</b>	<b>398.44</b>	<b>672.45</b>	<b>711.04</b>

	(₹ in lakhs)	
(c) Amounts recognised directly in other equity	As at 31 March, 2022	As at 31 March, 2021
Aggregate deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to other equity		
Deferred tax: Adjustment pertaining to loan given to shareholder	-	3.19
	-	3.19

**8 Non current tax assets (net)**

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance income tax and Tax deducted at source	75.40	163.64
Less: Provision for taxation	(19.60)	(52.57)
	55.80	111.07

**9 Other non current assets**

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital advance		
Unsecured (considered good)	4,281.07	463.13
Unsecured (considered doubtful)	728.83	(730.35)
Less: Provision for doubtful capital advances	(728.83)	730.35
Advances other than Capital Advances:		
Security deposit	671.98	577.13
Prepaid expenses	5.71	5.29
Fixed Deposit More Than 12 Months	0.27	-
Deferred payroll cost	160.24	-
Deferred rent expense	26.77	1,097.63
	5,146.03	2,143.18

Capital Advance includes advances given to related party (Refer Note 40)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 10 Inventories

Particulars	As at 31 March, 2022	As at 31 March, 2021
Raw Materials	356.28	406.36
Packing material	282.49	313.78
Work-in-progress	251.65	130.84
Finished goods	240.20	282.80
Stores and spares	89.97	77.51
Less: Provision for obsolescence & diminution in value*	(10.35)	(47.44)
	1,210.24	1,163.85
*Provision for obsolescence & diminution in value		
Opening balance	47.44	54.72
Addition during the year	-	-
Reversed during the year	(37.09)	(7.28)
Closing balance	10.35	47.44

## 11 Current Investments

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Investments carried at fair value through Profit &amp; Loss</b>		
Investments in Mutual funds (Quoted)		
- Kotak Liquid Fund	-	52.02
As at 31 March 2022- Nil Units (As at 31 March 2021: 1256.27 Units)		
- ICICI Prudential	-	49.96
As at 31 March 2022 - Nil units (As at 31 March 2021: 16488.93 Units)		
-Aditya Birla Sunlife Mutual Fund	95.43	102.67
As at 31 March 2022 - 22006.808 Units (As at 31 March 2021: 24289.768 Units)		
-Other fixed deposits	48.26	-
-ARG Outlier Media Private Limited	100.29	-
(274 Compulsorily Convertible Participatory Preference shares of Rs 10/-each having issue price of Rs.36,601.92)		
	243.98	204.65
Aggregate amount of quoted investments and Market value thereof	243.98	204.65

## 12 Trade receivables

Refer note 2(b) of accounting policy on trade receivable

Particulars	(₹ in lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,811.62	5,871.00
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Less: Allowance for Expected credit loss	-	-
	<b>1,811.62</b>	<b>5,871.00</b>
<b>The movement in allowance for expected credit loss is as follows:</b>		
Balance at the beginning of the year	-	237.21
Change in allowance for credit impairment during the year	-	-
Trade receivable written off during the year	-	(237.21)
Balance as at the end of the year	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## Ageing for trade receivables -current outstanding as at 31 March 2022:

(₹ in lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables								
Undisputed trade receivables –considered good	15.22	308.31	472.37	371.36	643.24	1.12	0.00	1811.62
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables –considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-

## Ageing for trade receivables -current outstanding as at 31 March 2021:

(₹ in lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables								
Undisputed trade receivables –considered good	20.56	849.65	572.19	4178.95	1.61	10.83	237.21	5871.00
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables –considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-

## 13 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash on hand	42.55	17.16
Balance with bank	-	-
- current account	484.06	2,062.08
- term deposits with original maturity of less than 3 months	2.20	-
	<b>528.81</b>	<b>2,079.24</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 14 Bank balance other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Investment with term deposits with original maturity of more than 3 months but less than 12 months*	117.42	35.51
	<b>117.42</b>	<b>35.51</b>

\* includes pledged & margin money deposits with various government authorities amounting to ₹ 88.30 lakhs as on 31st March, 2022 (31 March, 2021: ₹ 15.60)

## 15 Current Loans

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
Loans to corporates	1,248.96	-
Loans to related parties	2.40	-
Loan to shareholder	143.12	404.49
Loan to others	127.89	-
Loan to employees	0.42	17.45
	<b>1,522.79</b>	<b>421.94</b>

## 16 Other current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Interest Receivables*	67.96	8.41
Other receivables	374.30	477.53
Advance to Employees	102.01	
	<b>544.26</b>	<b>485.94</b>

\* Interest receivable includes interest on employee advances and interest on loan to subsidiaries amounting to Rs. 61.52 Lakhs (31st March, 2021- Rs. NIL)

## 17 Other current assets

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advances other than capital advances		
Deferred expenses	3.03	2.24
Prepaid expenses	41.14	35.24
Balances with statutory/government authorities	197.18	337.98
Imprest to employees	0.05	0.69
Advance to suppliers	1,307.54	2,538.38
Less: Provision for doubtful advances	(82.73)	(1,307.47)
Export Incentive receivables	205.91	222.87
Other receivables	241.71	2.52
	<b>1,913.83</b>	<b>1,832.45</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs)

## 18 Equity Share Capital

	As at 31 March, 2022	As at 31 March, 2021
a) <b>Authorised shares</b>		
65,000,000 Equity shares of Rs.10/- each (65,000,000 Equity shares, 31 March, 2020 : Rs. 10/- each)	6,500.00	6,500.00
b) <b>Issued, subscribed &amp; fully paid up shares</b>		
64,900,465 Equity shares of ₹10/- each; (64,400,465 Equity shares, 31 March, 2021 : ₹ 10/- each)	6,490.05	6,440.05
<b>Total</b>	<b>6,490.05</b>	<b>6,440.05</b>

### c) Reconciliation of number of equity shares and share capital outstanding

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
At the beginning of the year	64,400,465	6,440.05	60,900,465	6,090.05
Add : Shares issued during the year *	500,000	-	3,500,000	350.00
<b>At the end of the year</b>	<b>64,900,465</b>	<b>6,440.05</b>	<b>64,400,465</b>	<b>6,440.05</b>

Pursuant to approval of shareholders by way of special resolution in accordance with section 42 & 62 of the Companies Act, 2013 and Rules made thereunder and as per SEBI (ICDR) Regulations, 2018 The Group approved preferential allotment of 40,00,000 fully convertible warrants of Rs. 10 each at an issue price of Rs. 20 per warrant. Out of this 35,00,000 equity shares were listed with stock exchange in 9th March 2021 and balance 5,00,000 equity shares allotted on 8th February 2022. This 5,00,000 equity shares are still pending for listing .

### d) Terms / rights attached to equity shares

The Group has only one class of equity shares having a par value of Rs.10/- per share referred to herein as equity share. Each holder of equity shares is entitled to one vote per share held.

The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case where interim dividend is distributed. During the year ended March 31, 2022 and March 31, 2021, no dividend has been declared by The Group.

In the event of liquidation of The Group, the holders of equity shares will be entitled to receive all of the remaining assets of The Group, after distribution of all preferential amounts, if any. Such distribution amount will be in proportion to the number of equity shares held by the shareholders.

### e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

No shares were issued to the shareholders for consideration other than cash during the period of five years immediately preceding the reporting date.

### f) Detail of shareholders holding more than 5% shares in The Group

	As at 31 March, 2022		As at 31 March, 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Nikhil Nanda	24,310,774	37.47%	23,810,774	36.97%
Sushma Nanda	3,065,983	4.72%	3,065,983	4.76%

### g) Details of promoters shareholding

Shares held by promoter at the end of the year	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Promoter Name					
Mr. Nikhil Nnada	2,43,20,774	37.47%	2,38,10,774	36.97%	0.50%
Late Mr. Harish Chander Nanda*	19,731	0.03%	19,731	0.03%	0.00%
Mr. Diljit Singh Grewal	1,500	0.00%	1,500	0.00%	0.00%
Mrs. Shushma Nanda	30,65,983	4.72%	30,65,983	4.76%	-0.04%



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



Shares held by promoter at the end of the year Promoter Name	As at March 31, 2021		As at March 31, 2020		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Mr. Nikhil Nnada	2,38,10,774	36.97%	1,20,60,774	19.80%	17.17%
Late Mr. Harish Chander Nanda*	19,731	0.03%	19,731	0.03%	0.00%
Mr. Diljit Singh Grewal	1,500	0.00%	1,500	0.00%	0.00%
Mrs. Shushma Nanda	30,65,983	4.76%	30,65,983	5.03%	-0.27

\* Transmission of shares is under process.

## 19 Other Equity

Particulars	(₹ in lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>A. Summary of Other Equity Balance</b>		
<b>Particular</b>		
Capital Reserves	241.95	241.95
Securities premium	10,416.08	10,366.08
General reserves	6.68	6.68
Retained Earnings	1,411.66	1,770.16
Money received against share warrants	-	25.00
Other Comprehensive Income	23.79	19.63
<b>Total</b>	<b>12,100.16</b>	<b>12,429.50</b>

Particulars	(₹ in lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>a) Capital Reserves</b>		
Opening balance	241.95	241.95
Addition/Deletion during the year	-	-
<b>Closing balance (A)</b>	<b>241.95</b>	<b>241.95</b>

Particulars	(₹ in lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>b) Securities premium</b>		
Opening balance	10,366.08	9,930.72
Add : Premium on Conversion of share warrants	50.00	350.00
Add : Premium on share issued	-	85.36
Less : Other charges - Share Issue Expenses	-	-
Elimination and Ind AS adju	-	-
<b>Closing balance (B)</b>	<b>10,416.08</b>	<b>10,366.08</b>

Particulars	(₹ in lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>c) General reserves</b>		
Opening balance	6.68	6.68
Addition during the year	-	-
<b>Closing balance (C)</b>	<b>6.68</b>	<b>6.68</b>

Particulars	(₹ in lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
<b>d) Retained Earnings</b>		
Opening balance	1,770.16	1,517.40
Add: Profit for the year transferred from the Statement of Profit and Loss	(398.51)	119.82
Less: Adjustment pertaining to a loan given to shareholder	(6.20)	(8.31)
Less: Other Consolidation adjustment	-	121.47
Add: Adjustments of Lease Equilisation Reserve	46.21	19.78
<b>Closing balance (D)</b>	<b>1,411.66</b>	<b>1,770.16</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

e) Money Received against Share warrants		(₹ in lakhs)	
	As at 31 March, 2022	As at 31 March, 2021	
Opening balance	25.00	-	
Add: Money received against share warrant	-	25.00	
Less: Share warrants converted into shares	(25.00)	-	
<b>Closing balance (E)</b>	<b>-</b>	<b>25.00</b>	

f) Other Comprehensive Income		(₹ in lakhs)	
	As at 31 March, 2022	As at 31 March, 2021	
Opening balance	19.63	13.05	
Add: Remeasurement of net defined benefit plans	4.16	6.59	
<b>Closing balance (F)</b>	<b>23.79</b>	<b>19.63</b>	
<b>Total other equity (A+B+C+D+E+F)</b>	<b>12,100.16</b>	<b>12,429.50</b>	

## B. Nature and purpose of reserves

### Capital reserve

a) A capital reserve is an account in the equity section of the balance sheet that can be used for contingencies or to offset capital losses. It is derived from the accumulated capital surplus of a company, created out of capital profit. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) Security premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

c) General reserve

This represents appropriation of profit by The Group and is available for distribution of dividend.

d) Retained earnings

Retained earnings are the profits that The Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

e) Other Comprehensive Income

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

## 20 Financial Liabilities

### 20(i) Borrowings

	Non current		Current maturities	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
<b>Secured</b>				
Vehicle Loans*				
- from Banks	38.20	31.01	18.54	20.94
- from Others	-	5.95	1.81	15.75
	<b>38.20</b>	<b>36.96</b>	<b>20.35</b>	<b>36.69</b>
Amount disclosed under the head Other current financial liabilities	-	-		
<b>Net Amount (A)</b>	<b>38.20</b>	<b>36.96</b>	<b>20.35</b>	<b>36.69</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



	Non current		Current maturities	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
<b>Unsecured</b>				
Unsecured Loan from other **	10.00	10.00		-
	<b>10.00</b>	<b>10.00</b>	-	-
Amount disclosed under the head Other current financial liabilities	-	-	-	-
Net Amount (B)	<b>10.00</b>	<b>10.00</b>	-	-
<b>Total (A+B)</b>	<b>48.20</b>	<b>46.96</b>	<b>20.35</b>	<b>36.69</b>

\* Respective assets are hypothecated against the loans taken to acquire such vehicles. Loan is repayable within a period of 60 months at interest rate in the range of 8% p.a. to 12% p.a.

(₹ in lakhs)

(ii) Lease Liabilities	Non current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Lease liability on office building	457.58	503.45	92.04	114.04

## 21 Provisions

(₹ in lakhs)

	Non Current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Provision for Employee Benefits - Gratuity	120.08	104.74	12.18	6.86
Provision for Employee Benefits - Leave Encashment	33.84	31.51	9.30	7.54
	<b>153.92</b>	<b>136.25</b>	<b>21.48</b>	<b>14.40</b>

## 22 Other non current liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Government grants (Refer note 37)	143.99	-
	<b>143.99</b>	-

## 23 Trade payables

Refer note 2(j) of accounting policy on trade payable	As at 31 March, 2022	As at 31 March, 2021
Trade payable		
(a) Due to micro & small enterprises (Refer note 46)	196.04	287.93
(b) Due to others	1,187.76	1,310.14
	<b>1,383.80</b>	<b>1,598.07</b>

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Total outstanding dues of micro enterprises and small enterprises(as per the intimation received from vendors)</b>		
a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	196.04	<b>287.93</b>
Interest	7.76	<b>2.34</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
(b) Interest paid by The Group in terms of Section 16 of the Micro, Small and -Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
(c) Interest due and payable for the period of delay in making payment (which - have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
(d) Interest accrued and remaining unpaid	2.62	1.60
(e) Interest remaining due and payable even in the succeeding years, until - such date when the interest dues as above are actually paid to the small enterprises.	-	-
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises.</b>	<b>-</b>	<b>-</b>
<b>Refer note 44 for liquidity and credit risk on trade payable</b>		

## f) Trade payable aging schedule

Outstanding for following periods from due date of payment as at 31 March 2022

(₹ in lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Trade payables</b>						
MSME*	-	196.04	-	-	-	196.04
Others	347.86	701.43	91.29	38.58	8.61	1,187.77
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Outstanding for following periods from due date of payment as at 31 March 2021

(₹ in lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Trade payables</b>						
MSME*	145.67	142.26	-	-	-	287.93
Others	528.14	686.42	43.33	28.93	23.32	1,310.14
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

\* MSME as per the Micro, Small and Medium Enterprises Development Act, 2006. Ageing for trade payables outstanding as at March 31, 2021 is as follows

## 24 Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Interest accrued but not due on borrowings	1.19	0.37
Unpaid dividends*	-	-
Book overdraft	-	-
Payable to employees	89.44	169.14
Security deposit	-	-
Payable towards purchase of property, plant and equipment	51.83	145.89
Expenses Payable	97.98	54.64
	<b>240.44</b>	<b>370.04</b>

\* There are no amounts due for payments to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at March 31, 2022 (March 31, 2021: Nil).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 25 Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Statutory dues	27.12	28.33
Advance received from Customers	88.72	151.45
Government grants (Refer note 37)	16.96	-
	<b>132.80</b>	<b>179.78</b>

## 26 Revenue from operations

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Revenue from contracts with customers*</b>		
Sale of manufactured goods-Oral Care Products	8,484.81	9,761.25
Job Work Income	-	0.49
Sale of packing material/raw material (Traded Goods)	64.33	245.50
<b>Other operating revenue</b>		
Scrap sales	76.10	69.28
<b>Revenue from Operations</b>	<b>8,625.24</b>	<b>10,076.52</b>

\* It represents disaggregated revenue information in accordance with INDAS 115.

### Reconciliation of revenue recognised with contract price:

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue as per contracted price	8,764.63	10,165.67
<b>Adjustments</b>		
Cost Reconciliation	(114.71)	(83.37)
Rebate given to customer		(9.73)
Sales return	(24.68)	(5.78)
<b>Revenue from Operations</b>	<b>8,625.24</b>	<b>10,076.52</b>

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at year end are, as follows:

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advances from customers (Refer Note no 25)	863.10	151.46

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

## 27 Other income

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest income on fixed deposits	4.83	3.53
Interest income Others	215.09	79.45
Export incentive	-	20.46
Provision no longer required written back	54.04	437.67
Government grant(refer note 37)	63.85	3.00
Foreign exchange gain (net)	65.29	-
Profit on sale of Investment	1.22	19.98
Sale of Media rights	150.00	-
Miscellaneous income	95.85	119.46
Net gain on financial asset mandatorily measured at FVTPL	14.03	-
Shipping Charges Recovered	105.86	-
Profit on principal agent sale	-	38.34
Miscellaneous balance written back	168.93	32.51
	<b>938.99</b>	<b>754.40</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## 28 Cost of materials consumed

(₹ in lakhs)		
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>A</b>		
<b>Cost of Raw Materials Consumed</b>		
Stock at the beginning of the year	406.36	26.86
Add: Purchases	3,164.17	4,500.70
Less: Stock at the end of the year	(356.28)	(406.36)
	<b>3,214.25</b>	<b>4,121.20</b>
<b>Cost of packing materials consumed</b>		
Stock at the beginning of the year	313.78	25.11
Add: Purchases	2,122.69	2,569.71
Less: Stock at the end of the year	(282.49)	(313.78)
	<b>2,153.98</b>	<b>2,281.04</b>
	<b>5,368.24</b>	<b>6,402.24</b>

(₹ in lakhs)		
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>B</b>		
<b>Purchase of Stock in Trade</b>		
Purchase of Stock in Trade	419.84	283.99
	<b>419.84</b>	<b>283.99</b>

## 29 Changes in inventories of finished goods, work in progress and stock-in-trade

(₹ in lakhs)		
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Finished goods</b>		
At the beginning of the year	282.80	365.04
Less: At the end of the year	(240.20)	(282.80)
	<b>42.61</b>	<b>82.24</b>
<b>Work-in-progress</b>		
At the beginning of the year	130.84	144.16
Add: Purchases	340.37	52.11
Less: At the end of the year	(251.65)	(130.84)
	<b>219.56</b>	<b>65.43</b>
	<b>262.17</b>	<b>147.67</b>

## 30 Employee Benefit Expenses

(₹ in lakhs)		
	Year ended 31 March, 2022	Year ended 31 March, 2021
Salaries, wages, bonus and other allowances	1,027.09	848.01
Contribution to provident and other funds	64.97	56.14
Workmen and staff welfare expenses	15.07	64.00
Gratuity	30.89	32.26
Leave encashment	6.47	6.04
Staff Training & Stipends	0.07	0.77
Staff Recruitment Expenses	-	0.95
	<b>1,144.56</b>	<b>1,008.17</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 31 Finance Costs

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest expense	61.47	18.81
Interest Expense Lease Liabilities	65.08	104.63
Interest on delay in deposit of Statutory dues	0.41	0.55
Bank Charges	12.40	-
	<b>139.36</b>	<b>123.99</b>

## 32 Depreciation and Amortization Expenses

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Depreciation of property plant and equipment	608.22	567.50
Depreciation on Right of use asset	24.60	155.83
Amortisation of intangible assets	72.40	2.14
	<b>705.22</b>	<b>725.47</b>

## 33 Other expenses

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Consumption of stores and spares	3.08	7.86
Power and Fuel	290.60	297.82
Rent	0.20	0.77
Advertisement expenses	8.26	4.71
Job work charges	479.00	525.22
Business promotion expenses	16.12	22.47
Brokerage & Commission	55.41	25.29
Sampling Expense	0.66	4.09
Display and listing charges	-	3.30
Brand Promotion Expenses	-	15.48
<b>Repairs</b>		
Plant and Machinery	92.25	132.44
Building	16.76	40.82
Others	47.90	44.76
Marketing Fund	2.55	1.47
Revenue Shares	38.44	29.46
Airport Service Charges	22.92	18.76
Minimum Guarantee	21.03	1.95
Freight and cartage outward	42.92	21.17
Insurance charges	54.63	56.14
Legal and professional fees	85.75	90.19
Rates and taxes	36.62	66.66
Telephone and postage	6.14	7.25
Printing and stationery	8.66	6.58
Travelling and conveyance expenses	82.94	43.39
Provision for doubtful receivables	-	6.87
Exchange fluctuation	-	73.50
Loss on sale of fixed assets (Net)	-	5.03
Directors' sitting fees	2.60	5.20
Testing charges	-	4.07
Auditor's remuneration	22.81	22.11
Office maintenance	28.14	27.05

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

	Year ended 31 March, 2022	Year ended 31 March, 2021
Research and Development Expenses	6.54	0.14
<u>Balances written off:</u>		
Advances/balances/others written off	1226.25	-
Provision no longer required written back	(1226.25)	328.67
Miscellaneous expenses	17.20	23.66
Amortization of deferred rent expense	3.03	16.68
Consumable expenses	6.70	
License fees	14.51	33.46
Donation expenses	0.16	28.00
Expired paste credit	-	0.10
	<b>1,514.54</b>	<b>2,042.61</b>

## 34 Income taxes

### (a) Income tax expenses

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Profit and loss section</b>		
<b>i. Current tax</b>		
Current tax on profits for the year	92.09	52.57
Adjustments for current tax of previous years	1.50	(131.42)
	93.59	(78.85)
<b>ii. Deferred tax charge/(credit)</b>		
Origination and reversal of temporary differences	345.65	41.39
	345.65	41.39
<b>Income tax expense reported in the Statement of Profit and Loss (i+ii)</b>	<b>439.24</b>	<b>(37.46)</b>
<b>Other Comprehensive Income (OCI) Section</b>		
Tax relating to items that will not be reclassified to Statement of Profit & Loss	(2.90)	(3.26)
<b>Income tax charged to OCI</b>	<b>(2.90)</b>	<b>(3.26)</b>

### (b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Profit from continuing operations (A)	192.39	96.78
Income tax rate applicable (B)	27.82%	27.82%
<b>Computed tax expense (A*B)</b>	<b>53.52</b>	<b>26.92</b>
<b>Tax effect of the amounts that are not deductible (taxable) while calculating taxable income :</b>		
Effect of Non- deductible expenses	18.10	0.71
Income not taxable under income tax	(10.32)	(2.03)
Effect of changes in tax rate due to MAT	(24.52)	(35.05)
Tax expense for previous year	1.50	(131.42)
Deferred tax on unabsorbed losses, previously not recognised	11.89	(8.84)
Tax impact of IND AS adjustment	8.32	28.73
Deffered tax reversal on Provision write back	355.03	93.54
Others	25.71	(10.02)
<b>Income tax expense/(reversal)</b>	<b>439.24</b>	<b>(37.46)</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 35 Contingent Liability

### I. Claims/litigations made against The Group not acknowledged as debts:

Matters under litigation:

Claims against The Group by vendors & customers amounting to ₹ 393.74 lakhs (Previous Year ₹ 253.07 lakhs). The management of The Group believes that the ultimate outcome of these proceedings will not have a material/adverse effect on The Group's financial condition and results of operations.

There is outstanding sales tax demand for the FY 2009-10 is for Rs 4.20 lakh, against which The Group had filed an appeal before Additional excise and taxation commissioner cum - Appellate Authority (SZ) Shimla, where an amount of Rs 0.50 lakhs had been deposited.

As on the signing date of the balance sheet the appeal was allowed by Appellate Authority -Cum- Additional commissioner state tax and excise Gr-1 (SZ) Shimla wide order dated 12.04.2022.

### II. Others:

Bank Guarantee issued by Bank amounting to ₹ 96.35 lakhs (Previous Year ₹ 10.21 lakhs).

## 36 Capital Commitments

(₹ in lakhs)

	Year ended 31 March, 2022	Year ended 31 March, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	2.74	356.27
Investment in sixth sense Ventures Advisors LLP	90.00	200.00
<b>Total</b>	<b>92.74</b>	<b>556.27</b>

## 37 Government Grant

During the financial year ended 31 March, 2022, The Group had received a capital subsidy of Rs. 225 lakhs under the Industrial development scheme ,2017 notified vide no. 2(2)2018-SPS of the Government of India. The subsidy received is being apportioned to Statement of Profit & Loss over the useful life of the eligible assets . During the year The company has recognised ₹ 63.84 lakhs (previous year ₹ 3 lakhs ) as government grant based on useful life of the assets.

## 38 Segment Reporting

The Group is engaged in manufacturing a range of oral and dental products for elite national and international brands. Information reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) for the purpose of resource allocation and assessing performance focuses on business as a whole. The CODM reviews The Group's performance on the analysis profit before tax at overall level. Accordingly, There is no other separate reportable segmental as defined by IND AS 108 "Segment Reporting".

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
<b>1 Segment Revenue</b>		
(a) Manufacturing business	7,990.59	9,696.15
(b) Other than manufacturing	498.20	436.29
(c) Retail business	274.55	186.99
<b>Total</b>	<b>8,763.34</b>	<b>10,319.43</b>
Less: Inter segment revenue	(138.11)	(242.91)
<b>Net Sale /Income from operation</b>	<b>8,625.24</b>	<b>10,076.52</b>
<b>2 Segment Results</b>		
(a) Manufacturing business	(244.16)	276.61
(b) Other than manufacturing	(41.55)	26.60
(c) Retail business	(134.67)	(154.38)
Less: Inter segment result	(8.56)	(14.59)
<b>Total</b>	<b>(428.94)</b>	<b>134.24</b>
<b>3 Segment Assets</b>		
(a) Manufacturing business	21,108.91	21,448.30
(b) Other than manufacturing	6,247.06	3,233.84
(c) Retail business	745.12	963.23
Less: Inter segment assets	(5,901.91)	(2,849.60)
<b>Total</b>	<b>22,199.18</b>	<b>22,795.77</b>
<b>4 Segment Liabilities</b>		
(a) Manufacturing business	2,132.32	2,300.49
(b) Other than manufacturing	4,690.65	1,640.79
(c) Retail business	375.09	503.54
Less: Inter segment liabilities	(4,503.44)	(1,445.13)
<b>Total</b>	<b>2,694.62</b>	<b>2,999.69</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## Information about major customers

Revenue of ₹ 6161.41 lakhs, (Previous year ₹ 7196.68 lakhs) arising from two customers in India contribute more than 10% of The Group's revenue individually. No other customer contribute 10% or more than 10% to The Group's revenue for the current year ended 31 March, 2022. The Group does not hold any non current assets outside India.

## 39 Employee benefit obligations

The Group has classified various employee benefits as under:

### a. Defined contribution plans

- i.) Employees Provident fund
- ii.) Employee State Insurance Scheme

The Group has recognised the following amounts in the Statement of Profit and Loss for the year: (Refer Note- 30)

Particulars	(₹ in lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Contribution to Provident Fund	50.35	45.42
Contribution to Employee State Insurance Scheme	11.59	10.72
<b>Total</b>	<b>61.94</b>	<b>56.14</b>

### b. Defined benefit plans

- i.) Gratuity

### c. Other long-term employee benefits

- ii.) Leave encashment

Gratuity is payable to eligible employees as per The Group's policy and The Payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit (PUC) method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations.

Provision for leave benefits is made by The Group on the basis of actuarial valuation using the Projected Unit Credit (PUC) method.

Liability with respect to the gratuity and leave encashment is determined based on an actuarial valuation done by an independent actuary at the year end and is charged to Statement of Profit and Loss.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Other Comprehensive Income as income or expense.

Other disclosures required under IND AS 19 "Employee benefits" are given below:

Principal Actuarial Assumptions at the Balance Sheet date

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Discount Rate (per annum)	6.95%	6.45%
Rate of increase in Compensation Levels	7.00%	7.00%
Retirement age	58 Years	
Mortality Table	100% of IALM (2012-14)	
Average withdrawal rate	7%	7%

The discount rate has been assumed at 6.95% p.a. (Previous year 6.45% p.a.) based upon the market yields available on Government bonds at the accounting date for remaining life of employees. The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market on long term basis.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



I) Changes in the present value of obligation				(₹ in lakhs)	
Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021		
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)	
Present Value of Obligation as at the beginning of the year	39.07	111.59	37.67	99.80	
Acquisition Adjustment	-	-	-	-	
Interest Cost	2.46	7.18	2.29	6.59	
Past Service Cost	-	-	-	-	
Current Service Cost	10.41	24.24	10.48	22.12	
Contribution by Plan Participants	-	-	-	-	
Curtailement Cost/(Credit)	-	-	-	-	
Settlement Cost/(Credit)	-	-	-	-	
Benefit Paid	(1.85)	-	(2.66)	(4.85)	
Change in financial assumption	(0.55)	(0.16)	(2.01)	0.11	
Expreience variance	-	(4.82)	-	(5.65)	
Actuarial (Gains)/Loss	(6.39)	(5.76)	(6.70)	(6.53)	
Present Value of Obligation as at the end of the year	43.15	132.27	39.07	111.59	
Current	9.30	12.18	7.54	6.86	
Non Current	33.83	120.08	31.51	104.74	
<b>Total</b>	<b>43.13</b>	<b>132.26</b>	<b>39.05</b>	<b>111.60</b>	

II) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets				(₹ in lakhs)	
Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021		
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)	
Present Value of Funded Obligation as at the end of the year	-	-	-	-	
Fair Value of Plan Assets as at the end of the year	-	-	-	-	
Funded (Asset)/Liability recognised in the Balance Sheet	-	-	-	-	
Present Value of Unfunded Obligation as at the end of the year	43.15	132.27	39.07	111.59	
Unfunded Net Liability Recognised in the Balance Sheet	43.15	132.27	39.07	111.59	

III) Expenses recognised in the Statement of Profit and Loss Account				(₹ in lakhs)	
Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021		
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)	
Current Service Cost	10.41	24.24	10.48	22.12	
Past Service Cost	-	-	-	-	
Acquisition Adjustment	-	-	-	-	
Interest Cost	2.46	7.18	2.29	6.59	
Expected Return on Plan Assets	-	-	-	-	
Curtailement Cost/(Credit)	-	-	-	-	
Settlement Cost/(Credit)	-	-	-	-	
Benefit Paid	-	-	-	-	
Remeasurement	(6.94)	-	(6.70)	-	
Net actuarial (Gains)/Loss	-	-	-	-	
Employees Contribution	-	-	-	-	
Total Expenses recognised in the Statement of Profit and Loss Account	5.93	31.43	6.07	28.71	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

Other Comprehensive Income (OCI) Particulars	Gratuity (Unfunded) (₹ in lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	5.76	12.06
Actuarial gain /(loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	5.76	12.06

#### IV) Expected Employer Contribution

(₹ in lakhs)

Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Expected Employer Contribution for the next year	-	-	-	-

V) Maturity Profile of Defined Benefit Obligation Year	Year ended 31 March, 2022		Year ended 31 March, 2021	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
0 to 1 Year	9.23	12.09	7.50	6.86
1 to 2 Year	6.96	9.05	7.04	9.14
2 to 3 Year	6.13	9.67	5.27	7.77
3 to 4 Year	5.46	10.82	4.67	8.49
4 to 5 Year	5.17	11.56	4.56	9.15
5 Year onwards	30.38	222.55	27.92	197.99

#### VI) Sensivity Analysis of the Defined Benefit Obligation:-

(₹ in lakhs)

Particulars	Year ended 31 March, 2022		Year ended 31 March, 2021	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Impact of change in discount rate				
Present Value of obligation at the end of the year	43.15	132.27	43.15	132.27
a) Impact due to increase of 1%	(1.99)	(11.11)	(1.99)	(11.11)
b) Impact due to decrease of 1%	2.16	12.83	2.16	12.83
Impact of change in salary rate				
Present Value of obligation at the end of the year	43.15	132.27	43.15	132.27
a) Impact due to increase of 1%	2.17	11.24	2.17	11.24
b) Impact due to decrease of 1%	(1.96)	(10.05)	(1.96)	(10.05)

Description of Risk Exposures :

Risks associated with the plan provisions are actuarial risks. These risks are:- (i) investment risk, (ii) interest risk (discount rate risk), (iii) mortality risk and (iv) salary risk.

- Investment Risk- The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.
- Interest Risk (discount rate risk) - A decrease in the bond interest rate (discount rate) will increase the plan liability.
- Mortality Risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2012-14) ultimate table. A change in mortality rate will have a bearing on the plan's liability.
- Salary Risk - The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 40 Related party disclosures as per IND AS 24

(a) Names of related parties and description of relationship:

Relationships	Name of Related Party
Related parties where control exists	- JHS Svendgaard Brands Limited (42.68%) - JHS Svendgaard Retail Ventures Private Limited (99.82%) - JHS Svendgaard Mechanical and Warehouse Private Limited (99.99%)
Entities controlled by a person who is a KMP of The Group or a person who has significant influence over The Group	- Starpool Consultants & Advisors LLP - Harish Chander Nanda Educational and Charitable Society - Anand & Anand Legal Services LLP
Relatives of Key Managerial Personnel	- Mrs Sushma Nanda (Mother of Mr. Nikhil Nanda)
Entities which are controlled or jointly controlled by Key Managerial Personnel category or by his/her close family members	- Number One Enterprises Pvt. Ltd. - Apogee Manufacturing Private Limited - Magna Waves Private Limited

(b) Key Managerial Personnels (KMP) of JHS Svendgaard Laboratories Limited

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Managing Director	2021-22
Mr. Rajagopal Chakravarthi Venkateish	Non -Executive Independent Director	2021-22
Mr. Mukul Pathak	Non - Executive Independent Director	2021-22
Mrs. Rohina Sanjay Sangtani	Non - Executive Independent Director	2021-22
Mr. Nikhil Kishorchandra Vora	Nominee Director	Upto 28.02.2022
Mr. Kapil Minocha	Non - Executive Independent Director	2021-22
Mr. Paramvir Singh Pabla	Chief Executive Officer	2021-22
Mr. Ashish Goel	Chief Financial Officer	2021-22
Mr. Neeraj Kumar	Chief Financial Officer	w.e.f 10.08.2021
Mr. Kirti Maheshwari	Company Secretary	Upto 31.08.2021
Mr. Avinash Pratap*	Company Secretary	w.e.f 08.02.2022 upto 26.05.2022

\*Resigned on 26 May 2022 from the position of Company Secretary .

(c) Key Managerial Personnels (KMP) of JHS Svendgaard Brands Limited

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2021-22
Mrs. Sushma Nanda	Director	2021-22
Mr. Safir Anand	Director	2021-22
Mr. Vinay Mittal	Independent Director	2021-22
Mr. Nikhil Kishorchandra Vohra	Nominee Director	Upto 14.01.2022
Mr. Chhabi Lal Prasad	Director	2021-22
Mr. Pardeep Kumar Bhardwaj	Independent Director	Upto 16.02.2022
Name of Key Managerial Personnel	Category	Period
Mr. Gaurav Singh	CFO	w.e.f. 06.08.2021 upto 24.03.2022
Mr Ashutosh Sharma	CS	upto 21-06-2021
Ms. Shalini Deshwal	CS	w.e.f. 07-02-2022
Mr. Gaurav Sharma	CS	w.e.f. 20.07.2021 upto 11.10.2021
Mr Ashutosh Srivastava	CEO	w.e.f 06.08.2021
Mr Neeraj Kumar	CFO	upto 06.08.2021

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

(d) Key Managerial Personnels (KMP) of JHS Retail Ventures Private Limited

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2021-22
Mrs Sushma Nanda	Director	2021-22
Mrs. Balbir Verma	Director	2021-22
Mr. Ashish Goel	CFO	2021-22

(e) Key Managerial Personnels (KMP) of JHS Mechanical and warehousing Private Limited

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2021-22
Mr. Chhabi Lal Prasad	Director	2021-22

(f) Key Management Personnel Compensation

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Short- term employee benefits	169.69	176.50
Post- employment benefits	23.67	19.11
Long- term employee benefits	5.06	3.28
Director's Sitting fees	2.60	5.20
Total Compensation	201.02	204.09

(g) Transactions with related parties

The following transactions occurred with related parties:

(₹ in lakhs)

S. No.	Statement of Profit and Loss heads	Year ended 31 March, 2022	Year ended 31 March, 2021
1.	Income:		
	Interest income		
	- Nikhil Nanda	135.00	-
	Rimbursement of Expenses		
	- Apogee Manufacturing Private Limited	-	15.19
2.	Expenditure:		
	i) Interest expenses on lease liability as per IND AS 116		
	- Nikhil Nanda	41.33	43.69
	ii) Depreciation expenses on Right of use assets as per as per IND AS 116		
	- Nikhil Nanda	37.93	37.92
	iii) Amortization of deferred rent expense		
	- Nikhil Nanda	4.46	2.27
	iv) Electricity and Water expenses		
	- Nikhil Nanda	17.28	15.96
	v) Rent Expenses		
	- Magna Waves Private Limited	0.60	0.50
	vi) 'Professional fees for trademark registration		
	'-Anand & Anand Legal Services LLP	0.53	0.06
	vii) Corporate social responsibility expenses *		
	- Harish Chander Nanda Educational and Charitable Society	-	16.81

\* As per section 135(1) of companies Act ,2013 this year CSR not applicable on The Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



(h) Investments / Loans & advances and other adjustments to/ from Related Parties

(₹ in lakhs)

		Year ended 31 March, 2022	Year ended 31 March, 2021
i.	Loans and advances given (including security deposits) - Magna Waves Private Limited	-	200.00
ii.	Payment Received - Apogee Manufacturing Private Limited	0.23	-
iii.	Payment Made - Harish Chander Nanda Educational and Charitable Society	-	16.81

(i) Balance Sheet heads (Closing Balances)

(₹ in lakhs)

		Year ended 31 March, 2022	Year ended 31 March, 2021
i.	Credit Balances		
	Other liabilities		
	- Nikhil Nanda	(16.00)	10.81
ii.	Trade Payable		
	- Anand & Anand Legal Services LLP	0.51	-
	- Magna Waves Private Limited	-	0.06
	Debit Balances		
iii.	Loans and advances		
	- Nikhil Nanda (At amortised cost)	19.54	16.99
	- Nikhil Nanda (staff housing advance)	601.99	-
vi.	Trade receivables		
	- Apogee Manufacturing Private Limited	33.55	33.78

(j) Terms and Conditions

Outstanding balances at the year end are unsecured, interest free and recoverable/repayable on demand. There has been no guarantee provided or received for any related party receivable and payable, other than disclosed. For the year end 31 March, 2022 The Group has provided for impairment of receivables owed by the related party ₹ Nil (31 March, 2021: ₹ Nil ). This assessment undertaken each financial year through examining the financial position of related party and market in which related party operates.

#### 41 Fair valuation measurements

S. No.	Particulars	Level of Hierarchy	Year ended 31 March, 2022			Total carrying value	Year ended 31 March, 2021			Total carrying value
			FVTPL	FVTOCI	Amortized cost		FVTPL	FVTOCI	Amortized Cost	
1	<b>Financial assets</b>									
	<b>Investments</b>									
	Investment in Mutual Fund	1	95.40	-	-	-	204.65	-	-	204.65
	Investment in MLD	1	7.63	-	110.00	117.63	-	-	-	-
	Investment in Preference shares	1	100.29	-	-	100.29	-	-	-	-
2	<b>Loans</b>									
	Security Deposit	3	-	-	5.44	5.44	-	-	118.77	118.77
	Others	3	-	-	3,823.41	3,823.41	-	-	421.94	421.94
3	<b>Trade receivables</b>	3	-	-	1,811.62	1,811.62	-	-	5,871.00	5,871.00
4	<b>Other financial assets</b>	3	-	-	1,122.66	1,122.66	-	-	546.57	546.57
5	<b>Cash &amp; Cash Equivalents</b>	3	-	-	528.80	528.80	-	-	2,079.24	2,079.24

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

S. No.	Particulars	Level of Hierarchy	Year ended 31 March, 2022			Total carrying value	Year ended 31 March, 2021			Total carrying value
			FVTPL	FVTOCI	Amortized cost		FVTPL	FVTOCI	Amortized Cost	
6	Bank balances other than cash & cash equivalents	3	-	-	117.42	117.42	-	-	35.51	35.51
	<b>Total Financial Assets</b>		<b>203.32</b>	<b>-</b>	<b>7,519.36</b>	<b>7,627.28</b>	<b>204.65</b>	<b>-</b>	<b>9,073.03</b>	<b>9,277.68</b>
	<b>Financial Liability</b>									
1	Borrowings including current maturities	3	-	-	68.55	68.55	-	-	83.65	83.65
2	Trade & Other Payables	3	-	-	1,383.80	1,383.80	-	-	1,598.07	1,598.07
3	Lease Liabilities	3	-	-	549.62	549.62	-	-	617.50	617.50
4	Other financial Liabilities	3	-	-	240.33	240.33	-	-	370.04	370.04
	<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>2,242.30</b>	<b>2,242.30</b>	<b>-</b>	<b>-</b>	<b>2,669.26</b>	<b>2,669.26</b>

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

- Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

## 42 FINANCIAL RISK MANAGEMENT

### Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 41. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated by its board of directors, and focuses on actively securing The Group's short to medium-term cash flows by minimising the exposure to volatile financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which The Group is exposed to, are described below:

#### 1 Market risk

Market risk is the risk that changes in market prices will have an effect on Company's income or value of the financial assets and liabilities. The Group is exposed to various types of market risks which result from its operating and investing activities. The most significant financial risks to which The Group is exposed are described below:

##### (a) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and EURO. Foreign exchange risk arises from future commercial transactions and recognise assets and liabilities denominated in a currency that is not company's functional currency(INR). The Risk is measured through a forecast of highly probable foreign currency cashflows.

The following table presents non-derivative instruments which are exposed to currency risk and are unhedged as at 31 March, 2022 and 31 March, 2021 :



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



(₹ in lakhs)

Particulars	Foreign currency	As at 31 March, 2022	As at 31 March, 2021
Trade Payable	USD	60.09	6.67
Trade Receivable	USD	538.10	2,881.28

To mitigate The Group's exposure to foreign exchange risk, cash flows in foreign currencies are monitored and net cash flows are managed in accordance with Company's risk management policies. Generally, The Group's risk management procedures distinguish short term foreign currency cash flows (due within 6 months) from longer term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no hedging activity is undertaken.

The following table gives the volatility in exchange rates for the respective reporting years for major currencies:

Currencies	Year ended 31 March, 2022	Year ended 31 March, 2021
INR/USD	-3%	2%

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis given in the table below is based on The Group's foreign currency financial instruments held at each reporting date.

### Sensitivity analysis for entities with foreign currency balances in INR

The following tables illustrate the sensitivity of profit/loss and equity in regards to The Group's financial assets and financial liabilities and the movement of exchange rates of respective functional currencies' against INR, assuming 'all other things being constant'.

If the respective functional currencies had strengthened/weakened against the INR by the afore mentioned percentage of market volatility, then this would have had the following impact on profit/loss:

(₹ in lakhs)

Year ended 31 March, 2022	Movement	Profit and loss	
		Strengthening	Weakening
USD Sensitivity	-3%	(15.58)	15.58

Year ended 31 March, 2021	Movement	Profit and loss	
		Strengthening	Weakening
USD Sensitivity	2%	69.47	(69.47)

### (b) Price risk

The Group is mainly exposed to the price risk due to investment in mutual funds and market linked debentures. The price risk arises due to uncertainties about the future market values of these investments. In order to minimise pricing risk arising from investment in mutual funds, Company invest in highly rated mutual funds.

The sensitivity to price risk if increases/ decrease in NAV of the mutual funds is:

(₹ in lakhs)

Year ended 31 March, 2022	Movement	Profit and loss	
		Strengthening	Weakening
Price risk sensitivity*	1%	-	-

\* During the year company has redeemed all its investments in mutual fund and market linked debentures

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

Year ended 31 March, 2021	Movement	Profit and loss	
		Strengthening	Weakening
Price risk sensitivity	1%	2.05	(2.05)

## (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to significant interest rate risk because funds are borrowed at fixed interest rates. The borrowings of The Group are principally denominated in rupees and fixed rates of interest.

Particulars	(₹ in lakhs)	
	As at 31 March, 2022	As at 31 March, 2021
Fixed-rate borrowings including current maturities		
- Vehicle Loan (Secured)	58.55	73.65
- Loan from Corporate (Unsecured)	10.00	10.00
Total Borrowings (gross of transaction cost)	<b>68.55</b>	<b>83.65</b>

## 2 CREDIT RISK

Credit risk arises from cash and cash equivalent, investments in mutual funds, deposits with the banks, as well as credit exposure to customers including outstanding receivables.

### Credit risk management

For Bank and Financial Institutions, only high rated banks/ institutions are accepted

For other counter parties, The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties only.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk The Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group considers reasonable and supportive forward-looking information.

The Group based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivable is considered low. The Group estimates its allowance for trade receivable using life time expected credit loss. The balance past due for more than 6 months (net of expected credit loss allowance), excluding receivable from group companies is ₹ 809.40 lakhs (31 March, 2021 ₹ 4445.31 lakhs).

The credit risk for cash and cash equivalents and other financial instruments is considered negligible and no impairment has been recorded by The Group.

### Significant estimates and judgments

#### Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on The Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## 3 Liquidity risk

Liquidity risk is the risk that The Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to The Group's reputation.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



The Group's is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

## Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments :

(₹ in lakhs)

	As at 31 March, 2022				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	20.35	48.20	-	-	68.55
Trade payables	1,383.80	-	-	-	1,383.80
Lease Liabilities	92.04	366.60	90.99	-	549.62
Other financial liabilities	240.04	-	-	-	240.04
<b>Total</b>	<b>1,736.21</b>	<b>414.81</b>	<b>90.99</b>	<b>-</b>	<b>2,242.01</b>

	As at 31 March, 2021				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	36.69	46.96	-	-	83.65
Trade payables	1,598.07	-	-	-	1,598.07
Lease Liabilities	114.04	320.47	113.29	69.69	617.50
Other financial liabilities	370.04	-	-	-	370.04
<b>Total</b>	<b>2,118.85</b>	<b>367.43</b>	<b>113.29</b>	<b>69.69</b>	<b>2,669.26</b>

## 43 Capital Management

### A Risk Management

For the purposes of Company capital management, Capital includes equity attributable to the equity holders of The Group and all other equity reserves. The primary objective of The Group capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, The Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March, 2022 and 31 March, 2021.

(₹ in lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Equity Share capital	6,490.05	6,440.05
Free Reserve*	2,603.47	1,776.84

\* Comprises of retained earning and general reserves.

### B Dividends

The Group has not proposed any dividend for the year ended 31 March, 2022 (31 March, 2021: ₹ Nil).

## 44 Earnings per equity share

(₹ in lakhs)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Earnings per equity share has been computed as under:</b>		
Earnings attributable to equity shareholders	(405.20)	119.82
Nominal value of equity share (₹)	10	10
No of shares as at end of the year	64,900,465	60,900,465
No. of weighted average equity shares	64,470,328	61,379,917
Basic Earning per share (₹)	(0.63)	0.20
Number of equity shares for Dilutive earning per share	64,470,328	61,641,561
Dilutive earning per share (₹)	(0.63)	0.20

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## 45 Leases

The movement in lease liabilities is as follows :

Particulars	(₹ in lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
<b>Opening Balance</b>	617.50	774.42
Add : Lease assets during the period	-	14.62
Add : Interest expense during the period	79.59	104.63
Less: Cash outflows	(66.45)	(69.49)
Less :Deletions/Adjustment on account of waiver in Lease rent	(81.02)	(206.68)
<b>Closing Lease liability at the end of the period</b>	<b>549.62</b>	<b>617.50</b>

## 46 Suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006

A sum of ₹ 196.04 lakhs is payable to Micro and Small Enterprises as at 31 March, 2022 (31 March, 2021: ₹ 287.93.92 lakhs). The above amount is on account of trade payables only. Out of the total amount outstanding to Micro and Small Enterprises a sum of ₹ 196.04 lakhs (31 March, 2021: ₹ 111.38 lakhs)is outstanding for more than 45 days as at 31 March, 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with The Group.

## 47 Disclosure required under section 186(4) of the Companies Act 2013 :-

Particulars of loan given

Sr. No.	Particulars	(₹ in lakhs)	
		Outstanding Balances	Purpose
1	<b>JHS Svendgaard Mechanical and Warehouse Private Limited</b>	1,319.52	Purchase of Land
		(1,319.52)	
2	<b>A.R. Textiles Private Limited*</b>	-	-
		(1,221.37)	Intercompany Financing
3	<b>JHS Svendgaard Brands Limited</b>	2,461.28	Intercompany Financing
		-	-
4	<b>JMS Buildtech Private Limited</b>	1,218.56	Intercompany Financing
		-	-

\*Adjusted against provision for doubtful advances.

Figures in brackets represents previous year figure.

- 48** The Group has considered the possible effects that may result from the pandemic on the carrying amounts of its property, plant and equipment, investments, inventories, receivables and other current assets and liabilities. The Group has also evaluated its liquidity position, recoverability of its assets and based on current estimates expects that the carrying amount of these assets will be recovered. Further, The Group has considered internal and external information upto the date of approval of these standalone financial statements. Based on the above, there has been no material impact on the operations or profitability of The Group due to this pandemic COVID-19 .
- 49** The Group in its board meeting held on 09th October, 2020 has approved the Composite Scheme of Arrangement for Amalgamation and Demerger between among JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company), JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) ('Composite Scheme') under Section 230-232 of the Companies Act, 2013. Thereafter, on 8th December, 2021, both the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited had granted their no-objection to the composite scheme. At present, the application for approval of the said composite scheme is pending before Hon'ble NCLT, Chandigarh.
- 50** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by The Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



## 51 Additional Information

Name of the entity in Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income	Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated (profit) or loss	Amount	As % of consolidated Other comprehensive income	As % of consolidated Total other comprehensive income	Amount
<b>Parent Company</b>							
JHS Svendgaard laboratories Limited	101.64%	19,824.10	56.92%	(244.17)	0.00%	56.56%	(240.01)
<b>Subsidiary Company</b>							
JHS Svendgaard Brands Limited ((Formerly known as JHS Svendgaard Dental Care Limited)	0.06%	12.43	12.32%	(52.85)	0.00%	11.58%	(49.16)
JHS Svendgaard Retail Ventures Private Limited	-1.44%	(281.18)	31.39%	(134.66)	0.00%	31.73%	(134.66)
JHS Svendgaard Warehouse and Mechanical Private Limited	-0.20%	(38.61)	0.13%	(0.55)	0.00%	0.13%	(0.55)
<b>Total</b>	<b>100%</b>	<b>19,516.74</b>	<b>100%</b>	<b>(432.23)</b>	<b>0.00%</b>	<b>100%</b>	<b>(424.38)</b>

51A The subsidiary companies considered in the Consolidated Financial Statement are:

Name of entity	Ownership interest held by the group		Ownership interest held by non-controlling interests	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	%	%	%	%
(i) JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)	42.48	42.48	57.52	57.32
(ii) JHS Mechanical and Warehousing Private Limited	99.99	99.99	0.01	0.01
(iii) JHS Svendgaard Retail Ventures Private Limited	99.82	99.82	0.18	0.18

52 In accordance with the requirements of Section 135 of the Companies Act, 2013, during the financial year ending March 31, 2022, The company has no obligation to spent in pursuance of its Corporate Social Responsibility policy as follows:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by The Group during the year	0.00	27.90
b) Amount spent during the year by the compnay during the year on purpose other than constructions/acquisition of assets	0.00	28.00
c) Balance amount to be spent	0.00	0.00

53 The Group has considered the possible effects that may result from the pandemic on the carrying amounts of its property, plant and equipment, investments, inventories, receivables and other current assets and liabilities. The Group has also evaluated its liquidity position, recoverability of its assets and based on current estimates expects that the carrying amount of these assets will be recovered. Further, the Group has considered internal and external information upto the date of approval of these Consolidated financial results. Based on the above, there has been no material impact on the operations or profitability of the Group due to this pandemic.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022

## 54 Additional Regulatory Information

### Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance
Current Ratio (in times )	Total Current Assets	Total current liabilities	4.18	5.23	-20%
Debt-Equity ratio (in Times)	Debt consist of borrowings & lease liabilities	Total equity	0.03	0.04	NA
Debt Services Coverage Ratio (in times)	Earning for Debt service= Net Profit after taxes+Non - Cash operating Expenses+interest+other non-cash adjustments	Debt Service = interest & lease payments + principal repayments	2.11	3.19	-34%
Return on equity ratio(in %)	profit for the year after Tax less preference dividend	Average Trade equity	-2%	1%	-404%
Trade Receivable turnover ratio (in times)	Revenue from Operations	Average Trade receivables	2.25	1.30	73%
Trade Payables turnover ratio (in times)	Credit Purchase During the Period	Average Trade payables	4.97	3.37	47%
Net Capital turnover ratio (in times)	Revenue from Operations	Average working Capital ( Total Current assets less Total Current Liabilities)	1.09	1.12	-3%
net profit ratio (in % )	Net Profit after Tax	Revenue from Operations	-4.88%	1.42%	-444%
Return on Capital employed (in %)	Profit before Tax & Finance Cost	Capital Employed ( Total Assets - Current Liab.)	0.74%	1.08%	-32%
Return on investment (in %)	income generated from investment funds	average invested funds in treasury investments	4.32%	4.43%	-2%

### **Explanation for change in ratio by more than 25%**

Debt Service Coverage Ratio : Lower Ratio on account of decrease in profit during current year

Return on Equity Ratio : Lower Ratio on account of decrease in profit during current year

Trade Receivable Turnover Ratio : Higher Ratio on account of increase in debtor collection.

Trade Payable Turnover Ratio : Higher Ratio on account decrease in Average Trade Payable.

Net Profit Ratio : Lower Ratio on account of decrease in profit during current year.

Return on Capital Employed : Lower Ratio on account of decrease in profit during current year.

## 55 Other Statutory Information

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Group has not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or,
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Group has not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that The Group shall:
  - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2022



(vi) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vii) The Group has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(viii) During the year company does not have any transactions with companies struck off .

**56** The figures of the previous year have been re-grouped / re-classified to render them comparable with the figures of the current year.

## For S. N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.:000050N/N500045

## Surinder Kr. Khattar

Partner

Membership No.: 084993

## For and on behalf of Board of Directors

JHS Svendgaard Laboratories Limited

## Nikhil Nanda

Managing Director

DIN : 00051501

## Mukul Pathak

Director

DIN : 00051534

## Ashish Goel

Chief Financial Officer

## Neeraj Kumar

Joint Chief Financial Officer

Place : New Delhi

Date : 27 May, 2022

Paramvir Singh Pabla

Chief Executive Officer

# NOTICE OF 18<sup>TH</sup> ANNUAL GENERAL MEETING

To

The Members,

**NOTICE** is hereby given that the 18<sup>th</sup> Annual General Meeting ("AGM") of the Members of **JHS SVENDGAARD LABORATORIES LIMITED** will be held through Video Conferencing ("VC") on Friday, September 30, 2022 at 11:00 AM (IST), to transact the following business:

## **ORDINARY BUSINESSES:**

1. To consider and adopt the Audited Financial Statements of the Company (Standalone as well as Consolidated) for the financial year ended on 31<sup>st</sup> March, 2022 together with the Auditors' and Board's Report thereon.
2. To appoint a Director in place of Mr. Nikhil Nanda, Managing Director (DIN: 00051501), who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Statutory Auditor

To appoint Statutory Auditor of the Company and to fix their remuneration and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 139(8), 142 of the Companies Act read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or enactment thereof for the time being in force), upon the recommendation of the Audit Committee, M/s TATTVAM & Co. Chartered Accountants (FRN:507971C), be and is hereby appointed as Statutory Auditors of the Company, for a period of five consecutive years commencing the conclusion of the ensuing Annual General Meeting till the conclusion of 23<sup>rd</sup> Annual General Meeting to be held in the year of 2027 at such remuneration and terms and conditions mentioned in the Explanatory Statement."

**RESOLVED FURTHER THAT** any Director/ Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary e-forms with the Registrar of Companies."

## **SPECIAL BUSINESSES:**

4. **Appointment of M/s TATTVAM & Co. Chartered Accountants (FRN:507971C), as the Statutory Auditors under casual vacancy.**

To appoint Statutory Auditor of the Company and to fix their remuneration and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 139(8), 142 of the Companies Act read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or enactment thereof for the time being in force), upon the recommendation of the Audit Committee, M/s TATTVAM & Co. Chartered Accountants (FRN:507971C), be and is hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. S.N. Dhawan & Co. LLP, Chartered Accountants Firm Registration No. 000050N/N500045) as Statutory Auditors.

**RESOLVED FURTHER THAT** any Director/ Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary e-forms with the Registrar of Companies."

5. To Increase the remuneration of Mr. Nikhil Nanda Managing Director of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the Rules framed thereunder, (including any statutory modifications or re-enactment thereof, for the time being in force) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company and subject to such other approvals as may be necessary, the approval of the Members be and hereby accorded for the payment of the following remuneration to Mr. Nikhil Nanda (DIN: 00051501), Managing Director, for a period of 3 financial year w.e.f. April 1, 2022:



1. **Base Pay:** Annual basic salary upto Rs. 60 lacs to be paid per annum.
2. **Commission:** during the term of office, Mr. Nanda will be entitled to a commission upto 5% on net profits of the Company, every year.
3. **Employee benefits:** during the term of office, Mr. Nanda will be entitled to participate in the employee benefit plans currently and hereafter maintained by the Company of general applicability to other whole-time directors of the Company.
4. **Vacation:** Mr. Nanda will be entitled to one paid vacation annually with family not exceeding Rs. 15 lacs.
5. **Perquisite:** As a Managing Director he shall be entitled to the following perquisite as under,
  - o Medical reimbursement: Reimbursement of all medical charges incurred in India and outside for Mr. Nikhil Nanda and family.
  - o Car with driver and telephone facility: the Company shall provide car with driver and telephone facility at the residence of Mr. Nikhil Nanda. Provisions of car with driver for use of company's business and telephone facility at the residence will not be considered as perquisite. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company on Mr. Nikhil Nanda.
  - o Club Fees: Fees of clubs, subject to a maximum of two clubs will not include admission and life membership fees.
6. **Expenses:** The Company will reimburse Mr. Nanda for reasonable travel, entertainment or other expenses incurred by him in furtherance of or in connection with the business only.
7. **Minimum Remuneration:** If in any financial year during the tenure of Mr. Nikhil Nanda, the Company has no profits or its profits are inadequate, it shall pay to Mr. Nikhil Nanda remuneration as specified above, as minimum remuneration subject to the limits laid down and, in the manner, as stipulated in Schedule V to the Act, as may for the time being, be in force.

**RESOLVED FURTHER THAT** the Board of Directors of the Company subject to requisite recommendation of Nomination and Remuneration Committee be and is hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under section 197, read with schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force).

**RESOLVED FURTHER THAT** any Director/ Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary e-forms with the Registrar of Companies."

6. Increase in Authorised Share Capital and consequent alteration of the capital clause in the Memorandum of Association of the company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 13, 61 and all other applicable provisions of the Companies Act, 2013 and rules issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such other approval(s)/consent(s) from the concerned Statutory/Regulatory Authority(ies), the consent of the members be and is hereby accorded to increase the Authorized Share Capital of the Company from Rs. 70,00,00,000/- (Rupees Seventy Crore Only) divided into 7,00,00,000 (Seven Crore) Equity Shares of Rs. 10/- each to Rs. 85,00,00,000/- (Rupees Eighty Five Crore Only) divided into 8,50,00,000 (Eight Crore Fifty Lakhs) Equity Shares of Rs. 10/- each.

**RESOLVED FURTHER THAT** the Memorandum of Association of the Company be altered and the existing Clause V of the Memorandum of Association be deleted and the same be substituted with the following new clause as Clause V:

*"V. The Authorized Share Capital of the Company is Rs. 85,00,00,000/- (Rupees Eighty Five Crore Only) divided into 8,50,00,000 (Eight Crore Fifty Lakhs) Equity Shares of Rs. 10/- each."*

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company and the Company Secretary & Compliance Officer of the Company, be and are hereby severally authorized to take such steps and to do and perform all such acts, deeds, matters and things and make, sign and file such applications/ forms with Registrar of Companies and/ or any other statutory authorities as may be required and accept any alteration(s) or modification(s) as may be necessary for the purpose of giving effect to the aforesaid resolutions and for matters connected therewith or incidental thereto or to settle any question or difficulty that may arise in this regard, in such manner as they may deem fit."

7. Preferential Issue of upto 1,55,00,000 fully Convertible Warrants to the persons belonging to promoter & promoter group and non-promoter category.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the **“Companies Act”**) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and the Companies (Share Capital and Debentures) Rules, 2014, as amended and other relevant rules made there under (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), enabling provisions in Memorandum and Articles of Association of the Company, provisions of the uniform listing agreement entered into with BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed (**“Stock Exchange”**), and in accordance with the guidelines, rules and regulations of the Securities and Exchange Board of India (**“SEBI”**), as amended including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**“SEBI ICDR Regulations”**), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**), as amended, the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 (**“Takeover Regulations”**) as amended, the Foreign Exchange Management Act, 1999 as amended and in accordance with other applicable rules, regulations, circulars, notifications, clarifications and guidelines issued thereon, from time to time, by the Reserve Bank of India (**“RBI”**), Ministry of Corporate Affairs, SEBI and / or any other competent authorities, and subject to the approvals, consents, permissions and / or sanctions, as may be required from the Government of India, SEBI, RBI, Stock Exchange, and any other relevant statutory, regulatory, governmental authorities or departments, institutions or bodies 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 to by the Board of Directors of the Company (hereinafter referred to as the **“Board”** which term shall be deemed to include any Committee, which the Board has constituted or may hereafter constitute, to exercise one or more of its powers, including the powers conferred hereunder), consent of the members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, on a preferential basis, **up to 1,55,00,000 (One Crore Fifty-Five Lakh) Fully Convertible Warrants (“Warrants”)** carrying a right exercisable by the Warrant holder to subscribe to one Equity Share per Warrant, to persons belonging to Promoter & Promoter Group and Non-Promoter Category, on preferential basis, at an issue price of Rs. **26.60/-** (Rupees Twenty Six and Sixty Paise Only) in accordance with provisions of Chapter V of SEBI ICDR Regulations, for an aggregate amount of **up to Rs. 41,23,00,000/-/- (Rupees Forty one crore and twenty three lakhs Only)**, on such further terms and conditions as may be finalized, to the below mentioned persons (**“Proposed Allottees”**):

S. No.	Name of the proposed allottee	Category	No. of Warrants
1.	Mr. Nikhil Nanda	Promoter & Promoter Group	1,35,00,000
2.	M/s Zenith Media Scope Private Limited	Non- Promoter	20,00,000
	TOTAL		1,55,00,000

**RESOLVED FURTHER THAT** the ‘Relevant Date’, as per the provisions of Chapter V of the SEBI ICDR Regulations for the purpose of determining the minimum issue price of the Warrants proposed to be allotted to the above mentioned allottees is Tuesday, August 30, 2022 i.e., being the date, which is a working day, 30 days prior to the date of the Annual General Meeting i.e. September 30, 2022.

**RESOLVED FURTHER THAT** aforesaid issue of Warrants shall be subject to the following terms and conditions:

- Each Warrant held by the Proposed Allottee(s) shall entitle such allottee(s) to apply for and obtain allotment of one Equity Share at any time after the date of allotment but on or before the expiry of 18 (eighteen) months from the date of allotment (the **“Warrant Exercise Period”**).
- The Proposed Allottee(s) shall, on or before the date of allotment of Warrants, pay an amount equivalent to at least 25% of the Warrant Issue Price fixed per Warrant in terms of the SEBI ICDR Regulations which will be kept by the Company to be adjusted and appropriated against the Warrant Issue Price of the Equity Shares. The balance 75% of the Warrant Issue Price shall be payable by the Warrant Holder at the time of exercising the Warrants.
- Warrants, being allotted to the Proposed Allottee(s) and the Equity Shares proposed to be allotted pursuant to the conversion of these Warrants shall be under lock- in for such period as may be prescribed under SEBI ICDR Regulations.
- Warrants so allotted under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI (ICDR) Regulations except to the extent and in the manner permitted there under.

- e) Warrants shall be issued and allotted by the Company only in dematerialized form.
- f) The consideration for allotment of Warrants and/or Equity Shares arising out of exercise of such Warrants shall be paid to the Company from the bank account of the Proposed Allottee(s).
- g) In the event the Warrant Holder(s) do not exercise Warrants within the Warrant Exercise Period, the Warrants shall lapse and the amount paid shall stand forfeited by the Company.
- h) The Warrants by itself until converted into Equity Shares, do not give to the Warrant Holder any voting rights in the Company in respect of such Warrants.”

**RESOLVED FURTHER THAT** the Equity Shares proposed to be so allotted upon conversion of Warrants shall rank pari-passu in all respects including as to dividend, with the existing fully paid-up Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each of the Company, subject to the relevant provisions contained in the Memorandum of Association and Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors of the Company and/or any Committee constituted by the Board for this purpose and/or Company Secretary & Compliance Officer of the Company be and are hereby authorized severally on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient, including without limitation to make application to Stock Exchange for obtaining of in-principle approval, listing of shares, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/ or such other authorities as may be necessary for the purpose, to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Warrants, utilization of issue proceeds, signing of all deeds and documents as may be required without being required to seek any further consent or approval of the shareholders.”

**For and on behalf of Board of Directors  
JHS Svendgaard Laboratories Limited**

September 2, 2022  
New Delhi

**Nikhil Nanda**  
Managing Director  
DIN: 00051501

## **NOTES:-**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 2/2022 dated April 8 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 respectively issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022 issued by the Securities and Exchange Board of India ("SEBI Circular"), physical attendance of the Members to the AGM venue is not required and this Annual General Meeting (AGM) is to be held through video conferencing (VC). Hence, members can attend and participate in the ensuing AGM through VC. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the aforesaid MCA Circulars through VC mode, the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent by email through its registered email address to [llpbcsgmail.com](mailto:llpbcsgmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Information regarding particulars of the Director seeking re-appointment in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is annexed hereto as **Annexure "A"**.
6. The Notice of AGM is being sent to those members/beneficial owners whose name appear in the register of members/ list of beneficiaries received from the depositories as on Friday, September 2, 2022.
7. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participant (DP)/Company's Registrar and Transfer Agent (RTA). Members may note that the Notice of AGM and Annual Report 2021-22 will also be available on the Company's website at [www.svendgaard.com](http://www.svendgaard.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of National Securities Depository Limited (NSDL) at <https://www.evoting.nsdl.com> and also at the website of our RTA at [www.alankit.com](http://www.alankit.com).
8. Members, who are holding shares in physical/electronic form and their e-mail addresses are not registered with the Company/their respective Depository Participants, are requested to register their e-mail addresses at the earliest by sending scanned copy of a duly signed letter by the Member(s) mentioning their name, complete address, folio number, number of shares held with the Company along with self-attested scanned copy of the PAN Card and self-attested scanned copy of any one of the following documents viz., Aadhar Card, Driving Licence, Election Card, Passport, utility bill or any other Govt. document in support of the address proof of the Member as registered with the Company for receiving the Annual Report 2021-22 along with AGM Notice by email to [cs@svendgaard.com](mailto:cs@svendgaard.com). Members holding shares in demat form can update their email address with their Depository Participants.
9. The Members can join the AGM in the VC 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
10. The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. In line with the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at [www.svendgaard.com](http://www.svendgaard.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice shall also be made available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

12. Please note that the updation/registration of email addresses on the basis of the above scanned documents will be only for the purpose of sending the notice of the AGM and Annual Report for 2021-22 and thereafter shall be disabled from the records of the Company. The Member(s) will therefore be required to send the email ID updation request along with hard copies of the aforesaid documents to RTA for actual registration in the records to receive all the future communications including Annual Reports, Notices, Circulars, etc. from the Company electronically.
13. It is clarified that for permanent registration of e-mail address in respect of members holding shares in demat, such members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.
14. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. Members who wish to claim Dividends, which remain unclaimed, are requested to contact Secretarial Department of the Company/Company's RTA.
16. Details of shares transferred to the Demat Account of IEPFA have been uploaded by the Company on its website at [www.svendgaard.com](http://www.svendgaard.com). Shareholders may kindly check the same and claim back their shares. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.
17. SEBI vide its Circular dated November 03, 2021 has made it mandatory for the shareholders holding shares in physical form to furnish PAN, KYC details and Nomination viz Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14. A copy of such forms can be downloaded from the website of the Company at [www.anantrajlimited.com](http://www.anantrajlimited.com). In case of failure to provide required documents and details as per the aforesaid Circular, all folios of such shareholders shall be frozen on or before April 01, 2023 by the RTA. Further, such frozen securities shall be referred by the RTA or the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as of December 31, 2025.

In compliance with the above stated Circular, the Company has sent individual communication to its shareholders holding shares in the physical form request them to update their PAN, KYC details and Nomination. In order to avoid freezing of folios, such members are requested to furnish details in the prescribed form as mentioned in the aforesaid SEBI circular along with the supporting documents, wherever required, to our RTA, Alankit Assignments Limited, for immediate action.

In case of any query/assistance, members are requested to contact our RTA, Alankit Assignments Limited, at Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055 (Phone No. 011-42541955; Email: [rta@alankit.com](mailto:rta@alankit.com)).

18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or staying abroad or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for a long period. The statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified periodically.
19. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and other documents referred to in the Notice will be available electronically for inspection via a secured platform without any fee by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [cs@svendgaard.com](mailto:cs@svendgaard.com).
20. The Board of directors of the Company has appointed Mr. Mohit Dahiya Partner of M/s Mohit & Associates, New Delhi as scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.
21. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall within 2 working days from the conclusion of the AGM shall submit a consolidated Scrutinizer's report of the total votes cast in favor of or against, if any, to the Chairman or any other person authorized by the Chairman, who shall countersign the same and declare the result of the voting forthwith.
22. The results along with Scrutinizer's Report, shall be displayed at the Registered Office and Corporate office of the Company and placed on the Company's website at [www.svendgaard.com](http://www.svendgaard.com) and the website of NSDL immediately after the result is declared. The results shall be simultaneously communicated to the Stock Exchanges where the securities of the Company are listed. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.
23. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in

respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

The remote e-voting period begins on Tuesday, September 27, 2022 at 09:00 A.M. and ends on Thursday, September 29, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, September 23, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, Friday, September 23, 2022.

**How do I vote electronically using NSDL e-Voting system?**



The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;">  <p>NSDL Mobile App is available on</p> <p>  App Store            Google Play         </p> <p>   </p> </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at [abovementioned website](#).

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) [Physical User Reset Password?](#) (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.



2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [llpbcsg@gmail.com](mailto:llpbcsg@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members who need assistance before or during the AGM and e-voting user manual for Members available on the website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) under the 'Downloads Section'. You can also contact NSDL on toll free number 1800-1020-990 and 1800 22 44 30 or Ms. Sarita Mote, Assistant Manager, NSDL, at designated e-mail IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) , who will address the grievances related to electronic voting.

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@svendgaard.com](mailto:cs@svendgaard.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@svendgaard.com](mailto:cs@svendgaard.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode](#).
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
5. Members who would like to express their views or ask questions with respect to the agenda items of the meeting will be required to register themselves as speaker by sending e-mail at [cs@svendgaard.com](mailto:cs@svendgaard.com) from their registered e-mail address, mentioning their name, DP ID & Client ID / folio number and mobile number. Only those Members who have registered themselves as speaker by 10.30 a.m. on Thursday, July 22, 2022 will be able to speak at the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time, for smooth conduct of the AGM.

## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required under Section 102 of the Companies Act, 2013 (including any re-enactment(s) made thereunder, if any, for the time being in force) (hereinafter referred to as the "Companies Act"), the following explanatory statements sets out all material facts relating to the business mentioned under Items No. 3, 4,5,6 and 7 of the accompanying Notice:

### ITEM NO. 4

Upon the recommendation of the Audit Committee, the Board of Directors of the Company at its their meeting held on August 9, 2022 had appointed M/s. TATTVAM & Co., Chartered Accountants (FRN No. 01548N) as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s S.N. Dhawan & Co. LLP, Chartered Accountants (FRN: 0000SON/N500045), earlier Statutory Auditors, who were appointed as the Statutory Auditor's of the Company at the Annual General Meeting (AGM) of the Company held on August 8, 2020 for a period of 5 years.

In this connection this is to inform the members that in accordance with the provisions of Section 139 (8) of the Companies Act, 2013, any casual vacancy in the office of an auditor shall be filled by the Board of Directors within thirty days, but if such casual vacancy is as a result of the resignation of an auditor, such appointment shall also be approved by the company at a general meeting convened within three months of the recommendation of the Board and he shall hold the office till the conclusion of the next annual general meeting.

Also, the Audit Committee in its meeting dated August 9, 2022 considered various parameters like capability of M/s. TATTVAM & Co., Chartered Accountants to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc.

The Audit Committee found M/s. TATTVAM & Co., Chartered Accountants to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company. Therefore, considering the experience and expertise of M/s. TATTVAM & Co., Chartered Accountants, the Audit Committee of the Company recommended the proposal to appoint them as Statutory Auditors of the Company for a period of five (5) consecutive years commencing from the conclusion of ensuing AGM of the Company till the conclusion of the AGM to be held in year 2027.

Details required to be provided as per Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to the appointment of the Statutory Auditors is provided below:

Particulars	Details
Proposed fees payable to the statutory auditor(s)	<p>Remuneration of Rs. 5,00,000/- (Rupees Five Lacs only) plus applicable taxes and reimbursement of out- of pocket expenses incurred be paid to M/s. TATTVAM &amp; Co., Chartered Accountants as the Auditors of the Company to conduct the audit for each financial year.</p> <p>The Board of Directors of the Company subject to the recommendation of Audit Committee may alter the fee structure of M/s. TATTVAM &amp; Co., Chartered Accountants, and take other permitted services from them as permitted under the Companies Act, 2013/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>
Terms of appointment	As detailed in resolution.
Any material change in the fee payable to the new auditor from that paid to the outgoing auditor along with the rationale for such change	There is reduction of fee payable to M/s. TATTVAM & Co., Chartered Accountants in comparison to fee paid to M/s S.N. Dhawan & Co. LLP, Chartered Accountants due to the existing financial position of the Company.
Brief Profile of the firm	<p>M/s TATTVAM &amp; Co. a partnership firm, was formed in 1997 by a group of fresh enthusiastic chartered accountants with a definite aim of providing quality professional service. Tattvam was founded to serve as an organization providing services in all spheres of Finance and accounts under one roof, The firm has a strong presence in the strategic locations of New Delhi, Gurgaon, and has associate partners across the Mumbai, Kolkata &amp; Bengaluru. ¶ The organization is congregation of professionally qualified and experienced persons who are committed to add value and optimize the benefits which accrue to the clients.</p> <p>M/s TATTVAM &amp; Co. has been built on foundations of quality and a business focused and result oriented approach of servicing clients.</p>

Besides the Audit services, the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the Audit Committee.

M/s. TATTVAM & Co., Chartered Accountants have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act 2013 and other applicable rules and regulations.

In light of the above facts the Board of Directors recommends the passing of the Resolution contained in this Item no. 3 and 4 of the accompanying Notice as an Ordinary Resolutions.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution. The Board recommends this resolution for the approval of shareholders as Ordinary resolution.

## ITEM NO. 5

Based on the recommendation of Nomination and Remuneration Committee and Board of Directors, the members of the Company in its meeting held on August 8, 2020 has appointed Mr. Nikhil Nanda as the Managing Director of the Company for a period of 5 years.

In such Annual General Meeting remuneration payable to Mr. Nikhil Nanda for such period has also been approved as a part of the Special Resolution passed for his re-appointment. However, at that time the contents/information referred to in Section II Part II of the Schedule V were not provided.

Considering the current financial position of the Company, upon the recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company decided to take the approval of the members for payment of remuneration to Mr. Nikhil Nanda in compliance with Section 197 read with Schedule V of the Companies Act, 2013, without making any alteration in his existing remuneration structure for a period of 3 financial year w.e.f. April 1, 2022.

Hence, accordingly, the statement as required under Section II, Part II of the Schedule V of the Act, with reference to payment of minimum remuneration at Item No. 5 is provided hereinunder.

This explanatory statement along with the resolution may be treated as written memorandum setting out the terms of remuneration of Mr. Nikhil Nanda under Section 197 of the Act. The Board of Directors recommends the Special Resolution at Item No. 5 of the accompanying Notice, for the approval of the Members of the Company.

Except Mr. Nikhil Nanda Managing Director and his Relatives (to the extent of their shareholding in the Company, if any), no other Director and Key Managerial Personnel are in anyway concerned or interested in the resolution.

Disclosure as required under Section II of Part II of Schedule V to the Companies Act, 2013 and the Corresponding Rules, is given hereunder:

### I. GENERAL INFORMATION:

- Nature of Industry:** JHS Svendgaard Laboratories Limited, an undisputed market leader in oral care products manufacturing in India, has set its sight on new horizons. The Company is actively taking cognizance of the burgeoning potential of the Indian FMCG market and sharply focused on becoming the most preferred contract manufacturer and private label manufacturer for a wide range of FMCG products; deriving force from our inherent strengths such as market leadership in contract manufacturing for oral care products and state-of-the art production capabilities.
- Date or expected date of commencement of commercial production:** Not Applicable, since the Company has already commenced the business activity.
- In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable.
- Financial Performance based on given indicators:

Particulars	2021 -22 (Rs. In Lacs)
Total Income	8804.98
Depreciation	589.65
Tax expense	244.17
Total Expenses	8612.59
Net Profit/(Loss): After Tax	(244.17)
Paid-up Capital	6490.05
Reserves & Surplus	12,486.55

5. Foreign Investment or Collaboration, if any:

The Company is not having and specific foreign collaboration. However, the Company has received Foreign Direct Investment under FDI guidelines.

## INFORMATION ABOUT THE APPOINTEE:

### 1. Background Details:

Mr. Nikhil Nanda is the Managing Director and Promoter of the Company. He is a first generation Entrepreneur founder and Managing Director of JHS Svendgaard Laboratories Limited with a demonstrated history of working in the Fast Moving consumer goods industry, leading India's largest Oral Care products Manufacturing Company.

He is skilled in Manufacturing, Management, IPO, Business Development, and Team Management. Strong business development professional with a Master of Business Administration (MBA) focused in Finance and Marketing Management Services from Fore school of Management.

### 2. Past Remuneration:

Remuneration drawn by Mr. Nikhil Nanda for the period April 01, 2021 to March 31, 2022 was Rs. 69.64 Lacs p.a.

### 3. Recognition or Awards:

Nikhil Nanda has been awarded as the 'Entrepreneur of the Year 2013'. He has also been featured as a Young Turk in CNBC list of first generation entrepreneurs. Nikhil Nanda has dealt with all the facets of the business ever since the constitution of proprietorship concerns to corporatisation of the same. His achievement includes exploring international markets for the company's growth and is a lead source of product development.

### 4. Job Profile and his suitability: Mr. Nikhil Nanda, Managing Director, is responsible for day-to-day management & strategic decisions of the Company, subject to overall superintendence, control and direction of the Board of Directors. Being a founder of the Company, he has brought the Company to great achievements. Taking into consideration his qualifications and expertise in the business segment and, he is best suited for the responsibilities of current assigned role.

### 5. Remuneration Proposed for the FY 2021-22:

As detailed in resolution.

### 6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

With increasing business horizon, it is also imperative for any manufacturing company to have highly experienced professionals having specialized knowledge and skills to understand and project the market trend, consumer behavior, consumption pattern and many relevant indicators for better product mix. It also requires expertise for appropriate fund allocation, optimum utilization of various resources in the business. Mr. Nikhil Nanda has successfully proved his expertise in very effective manner and drove the Company towards the growth over the period of time. Hence, the Board of Directors considers that the remuneration proposed to them is justified commensurate with other organizations of the similar type, size and nature in the industry.

### 7. Pecuniary Relationship directly or indirectly with the company or relationship with managerial personnel, if any:

Apart from receiving the remuneration proposed, Mr. Nikhil Nanda or any of his relative does not have any other pecuniary relationship with the Company.

## II. OTHER INFORMATION:

### 1. Reason of loss or inadequate profits:

The manufacturing industry was affected in several ways due to the pandemic leading to low-scale operations, and eventually, a negative impact on production volumes. Over a period, this adversely affected the turnover and revenue. Also, the Company has been expanding and has making new investments in the areas of business to mark its foot print all over India, which resulted into losses during the financial year.

### 2. Steps taken or proposed to be taken for improvement:

The Company is confident with rise of infrastructure for manufacturing facilities in India. The Company is activity looking towards optimum utilization of resources for its growth and profit enhancement.

### 3. Expected Increase in productivity and profits in measurable terms:

The Company has been able to focus very heavily on the cost reduction in the last 12 - 18 months while maintaining the same volumes of the business and the growth pattern, the Company expects to deliver positive growth in financial year March 2023 and going forward.

## ITEM NO. 6

Your Company is contemplating the preferential issue of Fully Convertible Warrants in order to raise capital for expansion plan, meeting working capital gap and other general corporate purposes of the Company, and in view thereof, the Company needs to have enough unissued Authorized share Capital, so that the requisite number of fresh equity shares may be issued for the purpose of raising sufficient funds.

Presently, the Authorized share Capital of the Company is Rs. 70,00,00,000/- (Rupees Seventy Crore only) divided into 7,00,00,000 (Seven Crore) Equity Shares of Rs. 10/- each. The Board of directors, therefore, considers it desirable to increase the Authorized Share Capital of the Company to Rs. 85,00,00,000/- (Rupees Eighty Five Crore Only) divided into 8,50,00,000 (Eight Crore Fifty Lakhs) Equity Shares of Rs. 10/- each by creation of additional 1,50,00,000 (One crore fifty lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each, to accommodate the fresh issuance of the shares of the Company.

Consequent upon increase in authorized share capital as proposed, the existing Clause V of Memorandum of Association of the Company will also have to be substituted. The draft amended Memorandum of Association will be available for inspection by Members at the website of the Company till the last date of e-voting.

The provisions of the Companies Act require the Company to seek approval of the members for increase in authorized share capital and for consequent alteration of the Capital Clause of the Memorandum of Association; accordingly, the Board recommends the resolution set forth in Item No. 6 for the approval of the members of the Company by way of a Special Resolution.

None of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested (financial or otherwise) in the resolution except to the extent of their shareholding in the Company, if any.

## ITEM NO. 7

The Special Resolution contained in Item No. 7 of the Notice, have been proposed pursuant to the provisions of Sections 42, 62 of the Companies Act, 2013, to issue and allot up to 1,55,00,000 (One Crore Fifty-Five Lakh) Fully Convertible Warrants to the persons belonging to Promoter & Promoter Group and Non-Promoter Category, at an issue price of Rs. 26.60/-per warrant, in terms of Chapter V of SEBI (ICDR) Regulations, 2018 and applicable provisions of Companies Act, 2013, to raise an aggregate amount of Rs. 41,23,00,000/-. The said proposal has been considered and approved by the Board in their meeting held on September 02, 2022.

The details of the issue and other particulars as required in terms of Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Regulation 163 of the SEBI (ICDR), Regulations are set forth below:

### I. Objects of the Preferential Issue

The proceeds of the preferential issue shall be utilized to meet the Annual Business Plans of the Company, funding and business-related requirements including but not limited to funding business growth, capital expenditure, expansion, exploring new initiatives and for other general corporate purposes.

### II. Particulars of the offer including the maximum number of specified securities to be issued:

Preferential Issue of up to 1,55,00,000 Fully Convertible Warrants ("Warrants") of face value of Rs. 10/- each at an issue price of Rs. 26.60/- each, aggregating up to Rs. 41,23,00,000/- in terms of the provisions of SEBI (ICDR) Regulations, 2018.

### III. The intent of the promoters, directors or key management personnel of the issuer to subscribe to the offer.

Except for Mr. Nikhil Nanda, who is the Managing Director of the Company and belongs to the Promoter & Promoter Group, has shown his intention to subscribe to 1,35,00,000 Warrants, none of the promoters, directors or key managerial personnel of the Company intends to subscribe to any of Warrants proposed to be issued.

### IV. The Shareholding Pattern of the issuer before and after the preferential issue

The shareholding pattern of the Company before and after the proposed preferential issue to promoters & non-promoters is likely to be as follows:

Category	Pre-Issue Shareholding Structure		Warrants to be allotted	Shareholding Pattern Post Composite Scheme of Demerger & Amalgamation		Post Issue Shareholding (Presuming full conversion of Warrants) #	
	No. of Shares	%age		No. of Shares	%age	No. of Shares	%age
(A) Promoter Shareholding							
(1) Indian							
(a) Individuals & HUF	27,407,988	42.23	<b>13500000</b>	29571320	37.72	43,071,320	45.87
(b) Bodies Corporate	0	0.00		0	0.00	0	0.00
Sub Total (A)(1)	27,407,988	42.23		29571320	37.72	43,071,320	45.87
(2) Foreign promoters	0	0.00		0	0.00	0	0.00
Total Promoter shareholding A=A1+A2	27,407,988	42.23		29571320	37.72	43,071,320	45.87
(B) Public Shareholding							
B1) Institutional Investors	0	0.00		0	0.00	0	0.00
B2) Central Govt./ Stat Govt./POI	0	0.00		0	0.00	0	0.00
B3) Non-Institutional Investors							
Individuals	31307714	48.24		32963272	42.05	32,963,272	35.11
Body Corporate	5502164	8.48	<b>2000000</b>	13032167	16.62	15,032,167	16.01
Others (Including NRI)	682599	1.05		2830003	3.61	2,830,003	3.01
Total Public Shareholding B=B1+B2+B3	37,492,477	57.77		48825442	62.28	50,825,442	54.13
C) Non-Promoter - Non-Public	0	0.00		0	0.00	0	0.00
Grand Total (A+B+C)	64,900,465	100.00	15500000	78396762	100	93,896,762	100

#### NOTES:

(1) The pre-issue shareholding pattern is as on the latest BENPOS date i.e., August 26, 2022.

(2) Post shareholding structure may change depending upon any other corporate action in between.

#It has been mutually decided by the Management of the Company and the warrant holder to convert the 1,55,00,000 warrants after the Composite Scheme of Arrangement for Demerger and Amalgamation amongst JHS Svendgaard Laboratories Limited, JHS Svendgaard Retail Ventures Private Limited and JHS Svendgaard Brands Limited becomes effective.

V. Proposed time limit within which the allotment shall be complete:

In terms of SEBI ICDR Regulations, preferential allotment of said Warrants will be completed within a period of 15 (fifteen) days from the date of passing of special resolution at item no. 7.

Provided that where the allotment is pending on account of pendency of any application for approval or permission by any regulatory authority, if applicable, the allotment would be completed within 15 (fifteen) days from the date of such approval or within such further period as may be prescribed or allowed by SEBI, stock exchange(s) or other concerned authorities.

VI. Number of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:

During the year, no preferential allotment has been made to any person as of the date of this Notice.

VII. The identity of the natural persons who are the ultimate beneficial owners of the securities proposed to be allotted and/or who ultimately control the proposed allottee(s):

S. No.	Name of the Proposed Allottees	Category	Name of ultimate beneficial owners
1.	Mr. Nikhil Nanda	Promoter & Promoter Group	Not Applicable, being allottee is a natural person
2.	M/s Zenith Media Scope Private Limited	Non-Promoter	Mr. Vishal Arya

VIII. The percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue:

Category	Pre-Issue Shareholding Structure		Warrants to be allotted	Shareholding Pattern Post Composite Scheme of Demerger & Amalgamation		Post Issue Shareholding (Presuming full conversion of Warrants)#	
	No. of Shares	%age		No. of Shares	%age	No. of Shares	%age
Mr. Nikhil Nanda	24320774	37.47	13500000	26484103	33.78	39984103	42.58
M/s Zenith Media Scope Private Limited	0	0	2000000	0	0	2000000	2.13

*#The post holding may vary depending upon any other corporate action in between. Further, it has been mutually decided by the Management of the Company and the warrant holder to convert the 1,55,00,000 warrants after the Composite Scheme of Arrangement for Demerger and Amalgamation amongst JHS Svendgaard Laboratories Limited, JHS Svendgaard Retail Ventures Private Limited and JHS Svendgaard Brands Limited becomes effective.*

There will be no change in the control or management of the Company pursuant to the proposed preferential issue. However, voting rights will change in tandem with the shareholding pattern.

#### IX. Lock-in Period:

- The Warrants and Equity Shares arising on conversion of warrants to be allotted shall be subject to lock-in in accordance with Chapter V of the SEBI ICDR Regulations.
- The entire pre-preferential allotment shareholding, if any, of the Proposed Allottees, shall be locked-in as per Chapter V of the SEBI ICDR Regulations.

#### X. Issue price and Relevant Date:

In terms of Regulation 161 of SEBI (ICDR) Regulations, 2018 the Relevant Date has been reckoned as August 30, 2022, for the purpose of computation of issue price of Warrants.

The Equity Shares of the Company are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') and are frequently traded as per the provisions of SEBI ICDR Regulations as on the Relevant Date. Further the allotment of warrants to Mr. Nikhil Nanda, would be more than 5% of the post issue fully diluted share capital. Thus, in terms of Reg 164 read with Reg 166A of the ICDR Regulations, the minimum issue price per warrant is higher of the following:

- Minimum price as per Reg 164 of SEBI ICDR Regulations, computes to Rs. 26.57/- each.
- The price determined through Valuation Report dated September 02, 2022 of Corporate Professionals Valuation Services Private Limited (Registration No. IBBI/RV-E/02/2019/106), Independent Registered Valuer i.e., Rs. 23.11/- per Warrant. The said report is available on the website of the Company at [www.svendgaard.com](http://www.svendgaard.com).
- Method of determination of price as per the Articles of Association of the Company - Not applicable as the Articles of Association of the Company are silent on the determination of a floor price/ minimum price of the shares issued on preferential basis.

The pricing of the Fully Convertible Warrants to be allotted on preferential basis is Rs. 26.60/- each to the proposed allottees, which is higher than above mentioned prices.

**XI. Undertakings:**

- None of the Company, its Directors or Promoters are categorized as willful defaulter(s) or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines issued by Reserve Bank of India. Consequently, the undertaking required under Regulation 163(1)(i) and Disclosures specified in Schedule VI of ICDR Regulations are not applicable.
- None of its Directors or Promoters is fugitive economic offenders as defined under the SEBI ICDR Regulations.
- As the equity shares have been listed on a recognized Stock Exchange for a period of more than 90 trading days as on the Relevant Date, the provisions of Regulation 164(3) of SEBI ICDR Regulations governing re-computation of the price of shares shall not be applicable. Consequently, the undertaking required under Regulation 163(1)(g) and Regulation 163(1)(h) is not applicable.
- None of the allottees have sold or transferred any Equity Shares during the 90 trading days preceding the relevant date.

**XII. The current and proposed status of the allottee(s) post the preferential issues namely, promoter or non-promoter:**

Names of the allottees	Current Status	Post Status
Mr. Nikhil Nanda	Promoter & Promoter Group	Promoter & Promoter Group
M/s Zenith Media Scope Private Limited	Non-Promoter	Non-Promoter

**XIII. Practicing Company Secretary's Certificate:**

The certificate from M/s. For Mohit & Associates (Firm Regtn. No. 23052), Practicing Company Secretaries, certifying that the preferential issue of Shares is being made in accordance with requirements of Chapter V of SEBI ICDR Regulations has been obtained considering the said preferential issue. The copy of said certificate shall be available for inspection by the members and the same may be accessed on the Company's website at the link: [www.svendgaard.com](http://www.svendgaard.com).

**XIV. Details of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.**

Except for Mr. Nikhil Nanda and his relatives, none of the Directors/ Key Managerial Personnel of the Company/ their relatives is/ are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 7 of this Notice except to the extent of their respective shareholding entitlements in the Company, if any.

The Board of Directors recommends the resolutions as set out in Item No. 7 of this notice for the issue of Fully Convertible Warrants on a preferential basis, to the proposed allottees by way of Special Resolution.

**For and on behalf of Board of Directors  
JHS Svendgaard Laboratories Limited**

September 2, 2022  
New Delhi

**Nikhil Nanda**  
Managing Director  
DIN: 00051501



## ANNEXURE A

**DETAILS OF DIRECTORS WHO ARE PROPOSED TO BE APPOINTED/ RE-APPOINTED AS DIRECTOR AT THE ENSUING ANNUAL GENERAL MEETING, AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, ARE AS UNDER:-**

Name of Director	Mr. Nikhil Nanda
Date of Birth/ Age	26.09.1972/ 49 years
Brief Resume and Experience	Nikhil Nanda, a first generation entrepreneur with 22 years of experience in manufacturing as preferred outsourcing partner for large MNC's and Indian FMCG Brands. He started his Company in 1997 and took it public with its IPO in 2006 for US \$10 Million.
Expertise in specific Functional Area	Entrepreneur with Good Leadership Skills
Terms and Conditions of the Appointment	As referred in Resolution and Explanatory Statement
Details of remuneration proposed to be paid	
Details of remuneration last drawn	As referred in Explanatory Statement
Date of first appointment on the Board	October 08, 2004
Relationship with other Directors and KMPs of the Company	He is not related with the Other Director/ KMPs of the Company
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Nil
Shareholding in the Company directly or as beneficial holder	2,38,10,774 equity shares
Number of Meetings of the Board attended during the year	6
Other directorships	1. JHS Svendgaard Mechanical And Warehouse Private Limited 2. JHS Svendgaard Retail Ventures Private Limited 3. JHS Svendgaard Brands Limited 4. Number One Enterprises Private Limited 5. Magna Waves Private Limited 6. Magna Waves Buildtech Private Limited
Membership/ Chairmanship of Committees of other Boards	Nil
Listed entities from which the person has resigned in the past three years	Nil







**JHS SVENDGAARD LABORATORIES LIMITED**

Registered Office:

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District- Sirmour, Himachal Pradesh- 173 030  
[www.svendgaard.com](http://www.svendgaard.com)

Corporate Office:

B-1/E-23, Mohan Co-operative Industrial Area,  
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