REPORT OF AUDIT COMMITTEE OF JHS SVENDGAARD LABORATORIES LIMITED ON THE COMPOSITE SCHEME OF ARRANGEMENT FOR DEMERGER AND AMALGAMATION 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') AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

Present – Members

1. Mr. Mukul Pathak : Chairperson, Independent Non-Executive Director
2. Mr. Nikhil Nanda : Member, Executive Director

In Attendance

1. Mr. Ashish Goel : Chief Financial Officer

1. Background :

1.1 In continuation to the meeting of Audit Committee held on October 09, 2020 to consider and recommend to the Board of Directors 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") **("Composite Scheme")** under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013.

1.2 The meeting of Audit Committee of JHS Svendgaard Laboratories Limited ('the Company') was again held on 06.01.2021 *inter alia* to consider and recommend to the Board of Directors the Modified Valuation Report to determine share entitlement ratio for Demerger and Share Exchange Ratio for Amalgamation issued by the Registered Valuer dated 9th October, 2020 and the Valuation Report to determine share entitlement ratio for Demerger and Share Exchange Ratio for Amalgamation issued by the Independent Chartered Accountant Abhay Kaushik dated 31st December, 2020 for the purpose of compliance of SEBI Circular dated March 10, 2017 and Clarification of Merchant Banker dated 4th January, 2021 on Fairness Opinion for the proposed Composite Scheme of Arrangement under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013.

1.3 The Composite Scheme inter-alia provides for

1.3.1 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

1.3.2 Following the Demerger referred hereinabove, Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company")

1.3.3 In consideration of Demerger the Resulting Company to issue its equity shares to the shareholders of Demerged Company on the basis of entitlement ratio and listing of these equity shares at the Stock Exchange on which shares of Demerged Company are listed.

1.3.4 Pursuant to the Amalgamation, Transferee Company shall issue its equity shares to the shareholders of the Transferor Company in accordance with the share exchange ratio.

The equity shares of JHS Svendgaard Laboratories Limited are listed on BSE Limited (BSE) and National Stock exchange of India Limited (NSE). The company will be filing the Company Scheme along with necessary information / documents with both the mentioned exchanges.

1.4 3Dimensions Capital Services Limited, Merchant Banker has issued the Fairness Opinion on the Valuation Report. Merchant Banker have also made a clarification in respect to the Modified Valuation Report issued by the Registered valuer and the Valuation Report issued by the Independent Chartered Accountant.

1.5 The report of Audit Committee is made in order to comply with the requirement of the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, ('Circular') after considering the following :

- Draft Composite Scheme of Arrangement for Demerger and Amalgamation;
- Modified Valuation Report issued by Ajay Kumar Siwach, Registered Valuer and fairness opinion obtained from 3Dimesnions Capital Services Limited, Merchant Banker along with a clarification;
- Valuation Report issued by Mr. Abhay Kaushik, Independent Chartered Accountant

1.6 The Audit Committee reviewed the Modified Valuation Report of Registered Valuer, Valuation Report issued by Mr. Abhay Kaushik, Independent Chartered Accountant and Fairness Opinion of Merchant Banker along with a clarification and recommended the following Ratios which remains the same as mentioned in our last report dated 9th October, 2020:

In consideration of the transfer of and vesting of the Retail Investment Division of JHS Svendgaard Laboratories Limited (Demerged Company) with and into JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and in terms of the Scheme, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Demerged Company (whose names are registered in the register of members of the Demerged Company on the Record Date, or his/her/its legal heirs, executors or administrators or, as the case may be, successors) 1 (One) Equity Share of Rs. 10/- (Rupees Ten) each at par in the Resulting Company for every 10 (Ten) Equity Share of Rs. 10/- (Rupees Ten) each held by them in the Demerged Company"

In consideration of the amalgamation of JHS Svendgaard Brands Limited (Transferor Company) with and into JHS Svendgaard Laboratories Limited (Transferee Company) and in terms of the

Scheme, Transferee Company shall, without any further application, act, instrument or deed, issue and allot to each of the shareholders of "Transferor Company" shares in proportion of 150 (One Hundred and Fifty) Equity shares of face value of Rs. 10/-(Rupees Ten) each in Transferee Company for every 100 (Hundred) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in "Transferor Company.

1.7 Further, pursuant to the Scheme, the Company shall account for the Demerger as per the applicable accounting principles prescribed under Indian Accounting Standard (Ind AS).

1.8 Further, the clarification to Fairness Opinion confirmed that the Modified Valuation Report of Registered Valuer is fair and reasonable to the Transferor Company, Resulting Company, to the Company and its shareholders.

1.9 The proposed Appointed Date for the Composite Scheme will be 1st April, 2020 or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authorities as may be applicable.

1.10 The equity shares of JHS Svendgaard Retail Ventures Private Limited (Resulting Company) to be issued to the shareholders of the JHS Svendgaard Laboratories Limited (Demerged Company) pursuant to the Composite Scheme shall be listed on the stock exchange, viz BSE and NSE (subject to listing permission being granted by the stock exchange).

2. Recommendations of the Audit Committee

The Audit Committee after due deliberations and due consideration of all terms of the Modified Valuation Report of Registered Valuer, Valuation Report of Independent Chartered Accountant and Fairness Opinion of Merchant Banker along with a clarification and the specific points mentioned above, recommends the draft Composite Scheme for favorable consideration by the Board of Directors of the Company, the Stock Exchange(s) and SEBI.

By the order of Audit Committee
For JHS Svendgaard Laboratories Limited

Mr. Mukul Pathak

Date: 06.01.2021
Place: New Delhi

REPORT OF AUDIT COMMITTEE OF JHS SVENDGAARD LABORATORIES LIMITED ON THE COMPOSITE SCHEME OF ARRANGEMENT FOR DEMERGER AND AMALGAMATION 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') AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

Present – Members

1. Mr. Mukul Pathak : Chairperson, Independent Non-Executive Director
2. Mr. Nikhil Nanda : Member, Executive Director

In Attendance

1. Mr. Vineet Sharma : Asst. Company Secretary & Compliance Officer
2. Mr. Ashish Goel : Chief Financial Officer

1. Background :

1.1 The meeting of Audit Committee of JHS Svendgaard Laboratories Limited ('the Company') was held on October 09, 2020 *inter alia* to consider and recommend to the Board of Directors the proposed 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") **("Composite Scheme")** under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013.

1.2 The Composite Scheme inter-alia provides for

1.2.1 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

1.2.2 Following the Demerger referred hereinabove, Amalgamation of JHS Svendgaard Brands Limited ("Transferor Company") with JHS Svendgaard Laboratories Limited ("Transferee Company")

1.2.3 In consideration of Demerger the Resulting Company to issue its equity shares to the shareholders of Demerged Company on the basis of entitlement ratio and listing of these equity shares at the Stock Exchange on which shares of Demerged Company are listed.

1.2.4 Pursuant to the Amalgamation, Transferee Company shall issue its equity shares to the shareholders of the Transferor Company in accordance with the share exchange ratio.

Svendgaard Laboratories Limited New Delhi

The equity shares of JHS Svendgaard Laboratories Limited are listed on BSE Limited (BSE) and National Stock exchange of India Limited (NSE). The company will be filing the Company Scheme along with necessary information / documents with both the mentioned exchanges.

1.3 3Dimensions Capital Services Limited, Merchant Banker has issued the Fairness Opinion on the Share Entitlement/Exchange Report.

1.4 The report of Audit Committee is made in order to comply with the requirement of the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, ('Circular') after considering the following :

- Draft Composite Scheme of Arrangement for Demerger and Amalgamation;
- Share Entitlement/Exchange Ratio Report issued by Ajay Kumar Siwach, Registered Valuer and fairness opinion obtained from 3Dimesnions Capital Services Limited, Merchant Banker.

1.5 The Audit Committee reviewed the Share Entitlement & Valuation Report and Fairness Opinion and recommended the following:

In consideration of the transfer of and vesting of the Retail Investment Division of JHS Svendgaard Laboratories Limited (Demerged Company) with and into JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and in terms of the Scheme, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Demerged Company (whose names are registered in the register of members of the Demerged Company on the Record Date, or his/her/its legal heirs, executors or administrators or, as the case may be, successors) 1 (One) Equity Share of Rs. 10/- (Rupees ten) each at par in the Resulting Company for every 10 (Ten) Equity Share of Rs. 10/- (Rupees Ten) each held by them in the Demerged Company"

In consideration of the amalgamation of JHS Svendgaard Brands Limited (Transferor Company) with and into JHS Svendgaard Laboratories Limited (Transferee Company) and in terms of the Scheme, Transferee Company shall, without any further application, act, instrument or deed, issue and allot to each of the shareholders of "Transferor Company" shares in proportion of 150 (One Hundred and Fifty) Equity shares of face value of Rs. 10/-(Rupees Ten) each in Transferee Company for every 100 (Hundred) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in "Transferor Company.

1.6 Further, pursuant to the Scheme, the Company shall account for the Demerger as per the applicable accounting principles prescribed under Indian Accounting Standard (Ind AS).

1.7 Further, the Fairness Opinion confirmed that the Share Entitlement Report & Valuation Report is fair to the Transferor Company, Resulting Company, to the Company and its shareholders.

JHS Svendgaard Laboratories Limited
New Delhi

1.8 The proposed Appointed Date for the Composite Scheme will be 1st April, 2020 or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authorities as may be applicable.

1.9 The equity shares of JHS Svendgaard Retail Ventures Private Limited (Resulting Company) to be issued to the shareholders of the JHS Svendgaard Laboratories Limited (Demerged Company) pursuant to the Composite Scheme shall be listed on the stock exchange, viz BSE and NSE (subject to listing permission being granted by the stock exchange).

2. Recommendations of the Audit Committee

The Audit Committee after due deliberations and due consideration of all terms of the draft Composite Scheme of Arrangement for Demerger and Amalgamation, Share Entitlement & Valuation Report, Fairness Opinion and the specific points mentioned above, recommends the draft Composite Scheme for favorable consideration by the Board of Directors of the Company, the Stock Exchange(s) and SEBI.

By the order of Audit Committee
For JHS Svendgaard Laboratories Limited

JHS Svendgaard Laboratories Limited New Delhi

Mr. Mukul Pathak

Date: 20-10-2020
Place: New Delhi