JHS SVENDGAARD LABORATORIES LIMITED
CIN : L74110HP2004PLC027558

Date: 06/09/2021

BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai – 400 001

Scrip Code: 532771

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex
Mumbai – 400 051

Trading Symbol: JHS

Sub: Submission of Notice of 17th Annual General Meeting and Annual Report under Regulation 34 & 30 of the SEBI (Listing Obligations and Disclosure Obligations Requirements) Regulations,2015 ("Listing Regulations")

Dear Sir/Madam,

This is to inform you that the seventeenth(17th) Annual General Meeting ("AGM") of the Members of JHS Svendgaard Laboratories Limited ("the Company") will be held on Tuesday, September 28, 2021 at 1.00 PM through Video Conferencing ("VC").

Pursuant to Regulation 34 of the Listing Regulations, please find enclosed herewith Notice of 17th AGM and Annual Report of the Company for the financial year 2020-21.

The above is also being uploaded on the website of the company at www.svendgaard.com.

This is for your information and records.

Thanking You,
For JHS Svendgaard Laboratories Limited

Svendgaard Laboratories Limited New Delhi

Ashish Goel
Group Chief Financial Officer

Encl:a/a

DIVERSIFY. EXPAND. PROGRESS.

17th ANNUAL REPORT
2020-21

JHS SVENDGAARD LABORATORIES LIMITED

ACROSS THE PAGES

INVESTOR INFORMATION

Market Capitalization as at March 31, 2021	₹ 128.48 Crore
BSE Code	532771
NSE Symbol	JHS
Bloomberg Code	JHSL:IN
AGM Date	September 28, 2021
AGM Mode	Video Conferencing **(VC)** or Other Audio Visual Means **(OAVM)**

An electronic version of this report is available online at:

https://www.svendgaard.com/annual_reports.html

Scan this QR code to navigate investor related information

Cautionary Statement Regarding Forward-Looking Statement- This document contains statements about expected future events and financials of JHS Svendgaard Laboratories Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in this Annual Report.

DIVERSIFY. EXPAND. PROGRESS.

You cannot swim for new horizons until you have courage to lose sight of the shore.

- William Faulkner

Searching for new shores and newer horizons is the essence of any human endeavor. Steering one's efforts towards a new direction and chasing the goals with laser-sharp focus is the quintessential formula for success. Progress can only be attained after transcending the current boundaries and expanding one's presence into the bigger spheres.

Embracing the same spirit, JHS Svendgaard Laboratories Limited, an undisputed market leader in oral care products manufacturing in India, has set its sight on new horizons. We are 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.

DIVERSIFYING INTO

Contract manufacturing and private label manufacturing of a wide range of FMCG products such as Personal Care, Ready-to-Eat Foods, Fabric Care, Oral Care etc.

EXPANDING OUR

Pan-India presence through decentralized manufacturing facilities

PROGRESSING TOWARDS

Becoming a strategic partner for our client companies right from product development till the time their product reaches the retail shelves.

JHS SVENDGAARD IN NUTSHELL

From beginning our journey as a proprietary firm manufacturing toothbrushes in 1996 to getting listed on the Indian bourses, at JHS Svendgaard Laboratories Limited (JHS), we have traversed a long and arduous path towards growth and excellence to our present bastion as the largest integrated oral care products contract manufacturer in India. Apart from contract manufacturing, we also have our inhouse brand, ***'aquawhite'*** catering to the kids' oral care segment.

Operating out of our state-of-the-art manufacturing facility in the scenic locales of Kala-Amb, Himachal Pradesh, we have reckoned that the big moment of change in our journey has arrived and embraced it with open arms. Supported by our prowess in contract manufacturing and private label manufacturing spaces, we are all set to embark on our transformational journey to become the most preferred full-fledged FMCG products manufacturer in India, so as to ascend to the next level of our development potential. Post establishing ourselves as the market leader in oral care segment, we are widening our focus to capture a bigger field of FMCG space in India.

Multiple SKUs in different product segments across the entire FMCG sector

ORAL CARE CATEGORY
80 SKUs in Toothbrushes and **35** in Toothpaste

PERSONAL CARE

READY-TO-EAT FOOD AND SNACKS

FABRIC CARE

191.23

Networth (₹ Crore)

102.51

Revenue, 2020-21 (₹ Crore)

352

Team size

41.77%

Promoters Holding

128.48

Market capitalization (₹ Crore) as on March 31, 2021

PRODUCT PORTFOLIO

- TOOTHPASTES
- SOAP BARS
- TOOTHBRUSHES
- MOUTHWASHES
- LOTIONS
- SHAMPOOS
- HANDWASHES
- CREAMS
- HAND SANITIZERS
- SNACKS
- NOODLES
- TALCUM POWDERS
- WASHING POWDER

THE PIONEERS OF STRUCTURED CONTRACT MANUFACTURING IN INDIA

We are one of the top 10 toothbrush manufacturers in the world and the largest integrated oral care products' contract manufacturing Company in India. With our state-of-the-art production facilities, we follow world-class production quality standards and have been certified with Good Manufacturing Practice (GMP), International Organization for Standardization (ISO) and Sedex Members Ethical Trade Audit (SMETA).

WE ARE 25 YEARS YOUNG!

1996
- Founded as proprietary firm manufacturing toothbrushes

1997
- Started manufacturing toothbrushes for a renowned Multi-national Corporation (MNC) engaged in personal grooming and oral care FMCG segment in India

1999-2000
- Partnered with the largest herbal consumer care company in India for manufacturing of their oral care products

2001
- Commissioned its first toothpaste manufacturing facility in Delhi

2009
- Established greenfield project for manufacturing of laundry detergent powder for a renowned US-based MNC in FMCG space, with an annual capacity of 60,000 tonnes, in record time of 11 months, which was inaugurated by then CM Prof. Prem Kumar Dhumal at Kala-Amb, Himachal Pradesh

2011
- Setting up of India's largest toothpaste contract manufacturing facility at Kala-Amb, Himachal Pradesh

2015
- Became a Debt-free Company

2016
- India's top-most FMCG fund headed by Mr. Nikhil Vora invested in the Company

Extrapolating our capabilities in the oral care space, we are on our way to cater to any production requirement in the FMCG space to become the most preferred contract manufacturer for a complete range of FMCG products in India. We have already commenced this transformation by concentrating our efforts in the personal care and ready-to-eat food segments.

At JHS, we take immense pride in having the only manufacturing facility in India that reconciles three completely different manufacturing competencies viz. toothbrush, toothpaste, and mouthwash under one roof.

2003

- Added 2 more facilities for manufacturing toothpastes, mouthwash, and denture tablets

2006

- Launched a very successful IPO and got listed on the National Stock Exchange and Bombay Stock Exchange

2008

- Set-up India's first tax-free manufacturing location for Contract manufacturing in Himachal Pradesh
- Commenced working with a major German Hair care company for their products
- Started private label manufacturing for leading US Retail corporation and a major British health and beauty retailer

2017

- Crossed ₹ 1 Billion mark in turnover
- Entered into contract manufacturing of toothpaste for the fastest growing Indian Ayurvedic brand

2018

- Doubled toothpaste manufacturing capacity
- Added Ayurvedic facility along with cosmetic facility
- Commenced expansion of toothbrush manufacturing facility from 100 Million PA to 200 Million PA
- Became exclusive master franchisee for India's Ayurvedic Brand for setting up retail stores at the airports

2019

- Venturing into proprietary brand

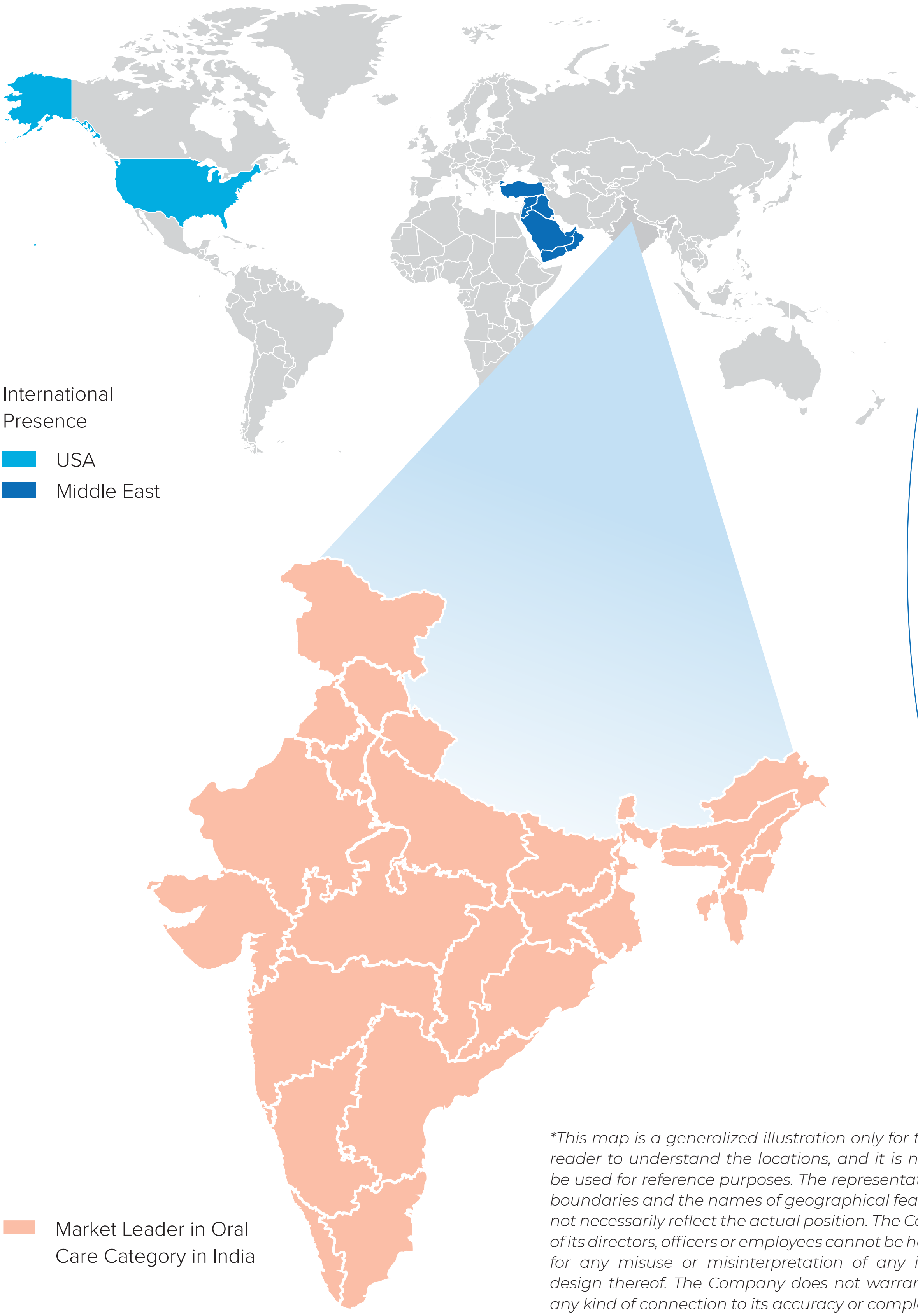
2020

- Expanded client portfolio by adding India's largest consumer care Company

2021

- Expansion of product portfolio by adding Talcum Powder manufacturing facility and got a Letter of Intent (LOI) from one of the esteemed MNC clients as well

OUR MARKET FOOTPRINT



**This map is a generalized illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.*

OUR MARKET PRESENCE

16

No. of clients in domestic private label manufacturing

04

International clients in USA and Middle East for private label manufacturing

Leader

Market Leader in Oral Care Category in India

Expansion

Building up presence in Northern and Southern India through decentralized FMCG contract manufacturing facilities; A unit in Himachal Pradesh coming up for manufacturing Talcum Powder in personal hygiene segment

OUR BUSINESS MODEL

There are two types of business models we operate in

- Contract manufacturing
- Private labelling

A private label business model is one in which a retailer buys products from a supplier who manufactures them using their own materials and then labels them with the retailer's logo.

On the other hand, for in Contract manufacturing the formulation is also provided by the retailer.

Both business models offer incredibly fast ways for retailers to build a product without investing in facilities or sometimes even formulations and product development. At JHS, we help the FMCG brands right from sourcing the raw material to placing it on the retail shelves.

- Manufacturing
- Research & Development
- Innovative ideas
- Timely Deliveries

(Retailer)
OUR EXPERTISE

+

- Concentrating on value-add Brand and Marketing
- Formulation
- Packaging
- Order Size

(Supplier)
DEFINE YOUR NEEDS

- Innovative Concept
- End-to-End service
- Economies of scale
- Satisfied Customer

(End Product) YOUR SPECIFIC SOLUTION

MANAGING DIRECTOR'S MESSAGE

We will continue to sustain our leading position in the oral care manufacturing space, while simultaneously diversifying our presence in the contract manufacturing space of the larger FMCG market.

Dear Stakeholders,

As I write my annual address to you all, a year like never before has passed. Marked by a once-in-a-lifetime event such as the pandemic of COVID-19, we all have had our fair share of trials and tribulations. Soaring number of cases during the first and second waves, intermittent lockdowns, and the state of besieged medical facilities have presented challenges of monumental scale to the humanity.

However, there is a proverbial silver line in every dark cloud. Early lockdown starting from 25th March, 2020 imposed by the Government of India, contained the spread of the virus to some extent during the first wave. Though the entire nation froze in its tracks, precious human lives could be saved. However, the severity of the second wave having commenced in around March, 2021 took the entire country by surprise, and pushed many families into the throes of deepest sorrows. We are also grieving for some of our employees who succumbed to COVID-19. At JHS Svendgaard Laboratories Limited, we express our condolences for all the lives as well as the livelihoods lost at the hands of the global pandemic and stand committed to come out stronger, progressing on the journey of growth and prosperity for all our stakeholders.

INDIAN ECONOMY BRIGHTENING UP

The Indian economy has shown its resilient streak, despite the pandemic's debilitating impacts. This can be attributed to the strong supply side buttress extended by the Government of India in the form of disbursal of massive economic stimulus package worth ₹ 20 Lacs Crore that aims to make India a global manufacturing hub through its 'Vocal for Local' initiative. The growth rates in the last couple of quarters of FY 2020-21, have fuelled the hopes for quicker revival in the economy. The GDP registered a growth of 0.4% in Q3 and 1.6% in Q4 in FY 2020-21, despite an overall contraction of 7.3% for the fiscal 2020-21. As per the International Monetary Fund (IMF) estimates, India is poised to become the fastest growing major economy in the coming couple of years. The Reserve Bank of India (RBI) projects the rate of GDP growth for FY 2021-22 at 9.5%. A buoyant outlook on the consumption and demand side further strengthens the growth sentiments. According to the Economic Survey 2020-21 released by the Ministry of Finance, the nationwide vaccination drive and sustained renewal in consumption and demand have contributed to the 'V' shaped recovery in the economy.

9.5%

The Reserve Bank of India (RBI) projects the rate of GDP growth for FY 2021-22

CONSUMPTION BOOM ON THE CARDS

These growth trends bode well for the manufacturing sector, especially for the sub-sectors which are linked to direct consumption such as consumer durables, electronics, and FMCG. The implementation of GST regime has resulted in adoption of unified tax system across all the states of India. This has led to lowering the cost of production for manufacturing operations, facilitating setting up of decentralized production facilities across the nation which is also one of our reasons to increase the geographical footprints. On the demand side, given

> ***The Fast-Moving Consumer Goods (FMCG) sector is the fourth largest sector in India; amounting to the market size of US$ 110 Billion. This market size is expected to double by 2025, reaching US$ 220 Billion.***

an enormous population base in India and entailing consumption growth, the FMCG sector is also likely to get a fillip.

The huge boost in demand for FMCG goods traces its roots to the consumption pattern of the Indian masses that is expected to undergo a sweeping change as a result of increasing levels of disposable income, aspirations for higher standards of living, increasing demand for wholesome and hygienic products due to increasing literacy, and growing reach of internet even in the remotest corners of the country.

In light of these projections, the FMCG sector, especially the subset of manufacturing, is poised for an unprecedented growth. Identifying this as our growth potential, we are prepared to expand our horizons by strategically choosing to diversify and gain a larger pie of the FMCG space by utilizing our existing production capabilities and calibrating our position as one of the most preferred contract and private label manufacturers.

DIVERSIFY. EXPAND. PROGRESS.

JHS Svendgaard Laboratories Limited will now be a diversified Contract Manufacturing Company in the FMCG sector by using its present niche production capabilities to partner with global players across the value chain – from design and development to manufacturing and even just-in-time supply of FMCG goods of our client companies to the shopping shelves. Our state-of-the-art, fully automatic manufacturing capabilities ensure no human intervention during production processes and with the existing capacities, is equipped to produce twice the present production quantity without incurring any further capital expenditure. Constant product innovation through sustained Research & Development (R&D) would enable us to stay ahead of the rapidly changing trends in the FMCG space. With our robust production facility at their disposal, our client FMCG companies can easily outsource their manufacturing requirements to us and instead only concentrate their efforts on brand-building and other marketing initiatives only. Further, our strong balance sheet in terms of near-zero levels of debt and robust reserves also enable the enhancement of our competitive advantage in the field.

On the one hand, the current size of oral care market in India, where we are the largest contract manufacturer, stands at about US$ 2,058 Million. It is estimated to expand at CAGR of 8.69% between the period of FY 2021-22 to FY 2025-26. Besides, as mentioned above, the personal hygiene products, which is the umbrella sector for the oral care is estimated to reach US$ 8,969 Million by FY 2024-25. The personal hygiene space, being an organic extension of our present manufacturing capabilities, as our preferred choice of expansion. It further opens up a huge demand potential for us to flex our production muscle and establish ourselves as the market leaders in the contract manufacturing space at a pan-India level.

READY TO TRANSFORM

I have a very strong reason to believe that we will continue to sustain our leading position in the oral care manufacturing, while simultaneously diversifying our presence in the contract manufacturing space of the larger FMCG market because of our deep-rooted, highly structured and streamlined contract manufacturing experience of over 25 years in oral care segment. We will be able to develop innovative formulations through our R&D facilities and offer new products to our client companies. In addition to this, our diversification strategy will comprise 'multi-dimensional and multi-locational' manufacturing facilities, which will enable us to generate massive economies of scale by leveraging our capabilities and size of production. Thus, I can say that we are truly ready to transform not only smiles, but also the lives of Indian masses through the products of our client companies.

PERFORMANCE REVIEW

In view of the nationwide lockdown due to the outbreak of COVID-19 pandemic, the Company's operations at all its manufacturing units and office locations were temporarily halted in line with the Government's directives. Operations have since resumed in a staggered manner after seven days, with adequate precautions being taken in accordance with the set guidelines. Despite the challenging external environment, lockdown, logistical, and supply chain issues-induced slowdown, the Company clocked a revenue of at ₹ 9,696.15 Lacs, while the operating profit was recorded at ₹ 3,013.69 Lacs during the year. The Earnings before Interest, Tax and Depreciation (EBITDA) stood at ₹ 921.39 Lacs, whereas the net earnings or Profit After Tax (PAT) during the year stood at ₹ 276.61 Lacs.

₹9,696.15

Revenue (₹ Lacs)

₹3,013.69

Operating Profit (₹ Lacs)

₹921.39

EBITDA (₹ Lacs)

₹276.61

PAT (₹ Lacs)

COVID-19 IMPACT

During the lockdowns, our primary focus was on supporting all stakeholders and employees to the best of our abilities. Employee mobility, shutdown of operations, regulatory restrictions, logistical, and supply chain issues were the major constraints faced by us. During the pandemic, the management team kept an eye on the situation and took steps to ensure plant, supply chain, stakeholder updates, implementing COVID-19 guidelines, employee health, stay, safety, and vaccination to eligible employees. The Company has also implemented a policy to support the family of deceased employees due to COVID-19 including financial support for a term along with taking care of educational expenses of the children till their graduation.

ENVIRONMENT SUSTAINABILITY

As a responsible corporate, we take due cognizance of the environment in which we conduct our operations. In line with this thought, we already have installed an Effluent Treatment Plant (ETP) at our premises. Besides, 92% of the wastewater is recycled and reused in toilets, gardening among other stuff. The Company is also graduating towards recyclable packaging. There are many other granular initiatives that we have also undertaken, and at the same time, we are finding new ways to reduce our environmental footprint to the extent possible.

ACKNOWLEDGEMENT

On a concluding note, I would like to take this opportunity to express my gratitude to you, our shareholders, and other stakeholders, for your continued trust and confidence in us. Also, I would like to express my gratitude to senior management and all staff who have worked diligently to help the Company meet its objectives and their support in taking us into the next leg of our journey-the journey, which shall be embodied by Diversification, Expansion and Progression.

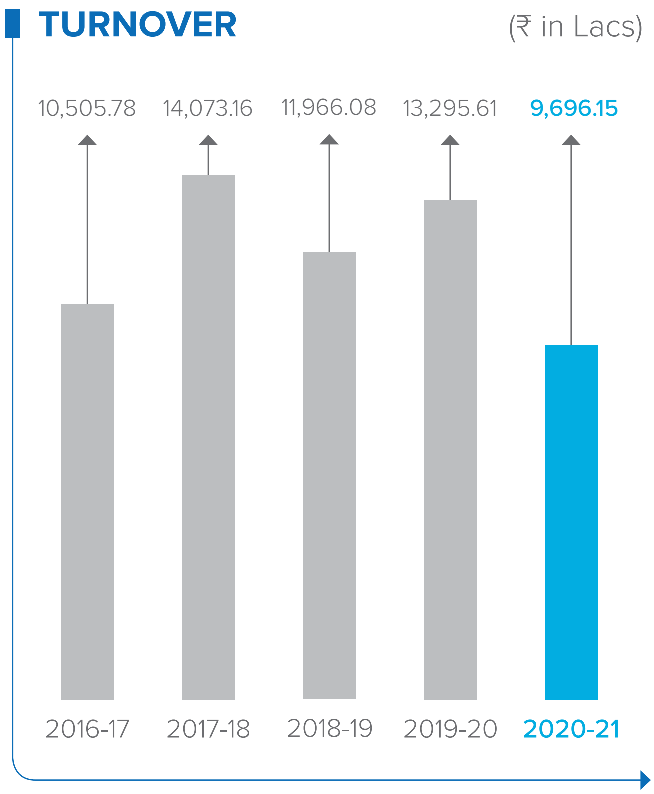
Warm regards,

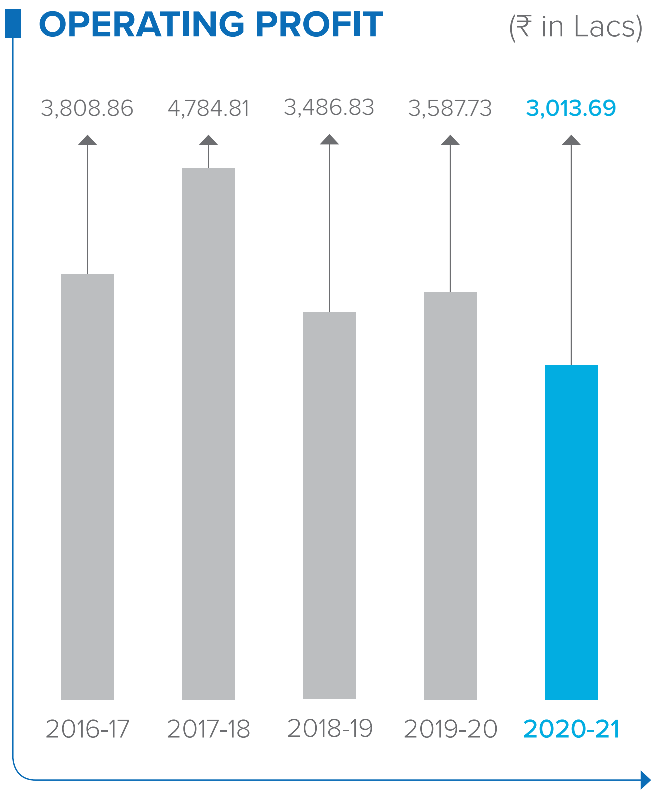
Nikhil Nanda
Managing Director

KEY PERFORMANCE INDICATORS

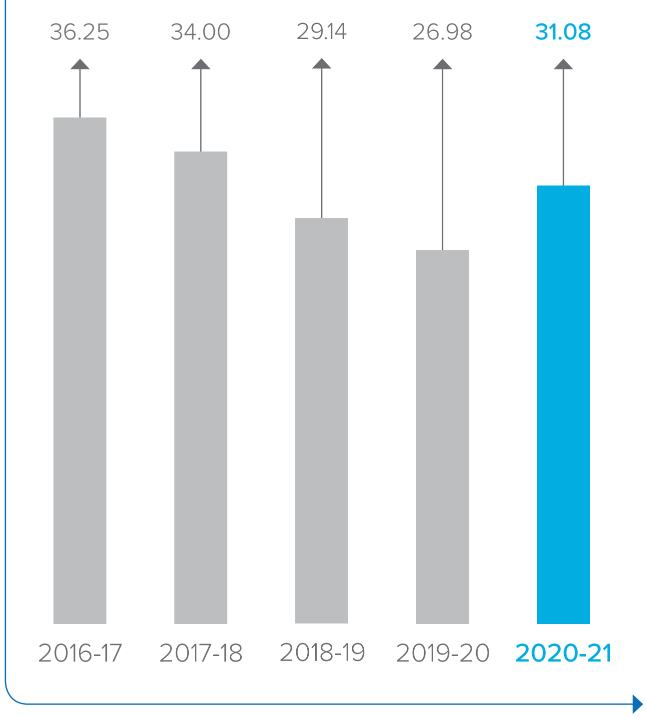
While the revenue for the Company was impacted, owing to the shift in the demand pattern of the consumers amidst COVID-19, the Company, with its timely strategic realignment, has not just been able to grow its domestic business by 23%, but has also enhanced its operating profitability by 4.10%.

We continue to remain low on leverage, owing to our financial prudence. This will enable us to continue traversing on our vision of becoming the market leader as a private label manufacturer in the FMCG sector.

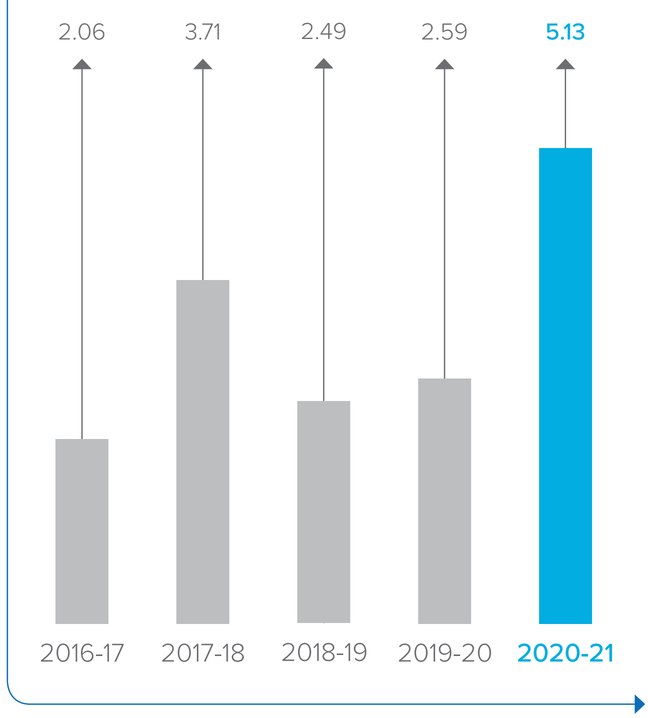




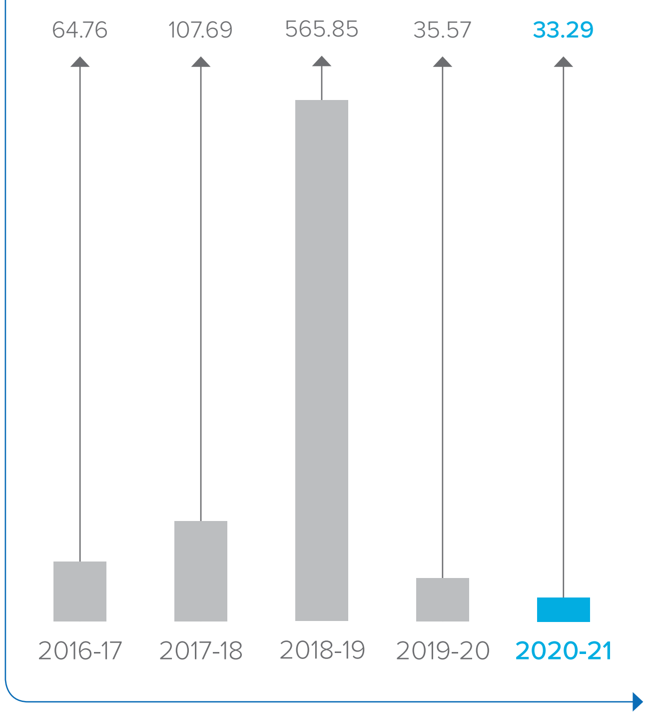
OPERATING MARGIN (%)



CURRENT RATIO (Times)



DEBT (₹ in Lacs)



OUR GROWTH ENABLERS FOR PROGRESS

We are proud to call ourselves the ***Pioneers of Structured Contract Manufacturing*** in India. As the first listed entity in India in contract manufacturing and private label manufacturing space, we have attained the first-movers advantage. The size and scale of our operations have effortlessly enabled us to claim a majority of the market share in contract manufacturing for oral care products, establishing us as the largest integrated oral care products private label manufacturer.

PRODUCTION FACILITIES

The only Company in India having Norden Filling Lines from Sweden to produce toothpaste

Tufting facility equipped with automatic lines across 3 manufacturing units along with high end rotating and twin barrel machines to deliver the most premium quality products

OPERATIONS

Multi-client Business model acting as a built-in safeguard against business cycle fluctuations of the client companies

Ability to scale up the production twice the present production qualtity without any additional capex. Hence, no burden of leverage

END-TO-END SOLUTION

Handholding the customer through the entire process starting right from product development till it reaches the store shelves

Ready, stable, multiple product formulations in Cosmetic as well as Ayurvedic category in toothpaste and toothbrush segment

We have been able to attain this leadership because of the following factors that differentiate us from the competition. We choose to call these our 'Growth Enablers'. They exist across the principal business functions so that the entire entity operates as a unified whole, derives biggest benefit from this synergy and moves at a synchronized speed towards achieving the organizational goals.

Fully air-conditioned bristling floor and automatic bristles machinery from Broucheri of Belgium and Zahoransky of Germany ensuring world-class quality, premium and safe packaging without human intervention

Fuly integrated facility that handles 3 different production competencies in one campus helping client companies minimize their efforts regarding materials handling, packaging, wastage, and transportation management.

Being 100% debt-free as on date enabling the capability to leverage for future expansion

First Contract Manufacturing Company being listed on the Exchange, NSE & BSE ensuring highest level of corporate governance and transparency.

Carrying out product packaging and guiding the client company as to fixing the Maximum Retail Price (MRP) considering the competitive scenario

Providing inputs as to the promotional campaign considering the product category and the product's value proposition

ON THE PATH OF DIVERSIFICATION AND TRANSFORMATION

What you get by achieving your goals, is not as important as what you become by achieving your goals.

-Henry David Thoreau

The destination isn't as important as the journey is. And this is so because of its transformative powers. The true transformation doesn't happen at the end, but during the course of an undertaking, which gives you an opportunity to learn, to grow, to broaden your horizons. Hence, the onset of journey is the true moment of becoming.

We recognize that such 'moment of becoming' has risen on the horizon for JHS Svendgaard Laboratories Limited. And we are ready to welcome it with open arms. We are proud to announce the beginning of our transition from being the largest integrated oral care contract manufacturer to the most preferred full-fledged contract manufacturer and private label manufacturer for FMCG goods in India.

We strongly believe that India is changing. This is because India:

- Has a huge population base of 1.39 Billion
- Has estimated GDP growth rate of 9.5% for FY 2021-22
- Is poised to become the fastest growing economy
- Will have huge spending capacity of ₹ 300 Trillion over items of household consumption by CY 2030
- Tax rates being uniform across the state due to implementation of GST, facilitating setting up of manufacturing facilities across different states of India

Being in a sector marked all over the world by confined margins and stiff competition, what are FMCG companies looking for:

- To concentrate their efforts towards high-value add activities like marketing and brand building initiatives
- To outsource the product innovation, design, development, and production responsibilities to contract manufacturers

Why We Believe We can Make a Difference in the Value Chain of FMCG Space

- Contract Manufacturing has become the DNA with over 25 years of experience
- Cost effectiveness at every front from Development till Supply Chain
- Value engineering by continuously adopting latest technological advancements in the manufacturing practices to keep the product and client updated in the market

ON THE PATH OF DIVERSIFICATION AND TRANSFORMATION

The risk of stockout and resulting sales loss, which had been feared to materialize during different phases of lockdown ensuing the COVID-19 has made it highly imperative and advantageous for FMCG players to have their goods manufactured closer to the market to reduce their time to market and save on transportation costs as well as damages to goods. Also, it is important to ensure continuity of supplies so that if one geographical region is under lock-down, the supplies shall remain uninterrupted by connecting with other locations. Here, by forming collaboration with contract manufacturers like us, they can avoid locking up their resources in setting up manufacturing facilities across India. By leveraging our decentralized manufacturing facilities, the FMCG players can avail of the economies of scale by having their products manufactured at different locations while ensuring the same quality and experience for their end customers. This, in turn, leads to enhancing their brand value.

It is estimated that the Contract Manufacturing sector's contribution would reach up to US$ 4 Billion in Indian economy when the latter touches the mark of US$ 5 Trillion in size. This is because it is a niche sector where highly specialized players like us are capable of taking care of production requirements for multiple clients across a wide spectrum of products with strong secrecy protocols in place, even for competing brands being manufactured at the same location. Thus, we are rightly placed to leverage our existing production capabilities for manufacturing a full range of premium-quality FMCG products.

Hence, backed by the trust of our stakeholders and guided by our vision of participating in the exponential growth of FMCG sector in India; we are foraying into full-fledged contract manufacturing and private label manufacturing for FMCG products in India.

The Next Big Steps in Our Journey

A talcum powder unit in Himachal Pradesh that would be up and running by Q4 of FY 2021-22

Personal Care Segment to manufacture products, i.e. soaps, shampoos, creams, body lotions, bodywash, etc.

Preparing to enter into Food category, holding largest share in the FMCG segment, with an opening wedge in the fast snacking category

We are moving towards greater success in the FMCG space with our 25 years of experience in structured contract manufacturing, taking inspiration from a famous quote by Julius Caesar, ***"Great things should be done without hesitation so that the feeling of danger would not weaken the courage and speed."***

WE CARE

The pandemic of COVID-19, which has been an unprecedented crisis in terms of both: health and humanity, has tested the moral mettle.

The health facilities in India and across the globe struggled to cope up as the no. of cases soared, and fear reigned as the world stopped in its tracks. Even during testing times like these, as a responsible employer as well as the leading contract manufacturer, at JHS Svendgaard, we have taken the following steps to safeguard its employees and to fulfil its commitment towards its business partners:

> ***Wealth is not to feed our egos but to feed the hungry and to help people help themselves.***
>
> ***-Andrew Carnegie***

Action	Results
Resumed our operations at the plant level within seven days of the first country wide lockdown	No shortage of high-quality oral care products for the Indian masses
Operated manufacturing facility according to the stringent SOPs	Strict adherence to guidelines issued by Government of India
Sanitized pick-up and drop services for the employees	Safety concerns of our employees and their families addressed
Special buses from a central location for the employees	Employees could return to their hometown
Financial support to the families of the deceased employees; funding the education of their children till graduation	Determined to take care of our people in all the circumstances

AWARDS & RECOGNITIONS

At JHS Svendgaard, we are committed to fulfil our potential as one of the most preferred private label manufacturers for domestic as well as international FMCG companies. The awards that we have received along the way are a testimony to our steadfast determination and unceasing growth.

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 starting from 2003-04

The second largest exporter of the year award for FY 2017-18 & FY 2018-19 from PLEX Council promoted by the Ministry of Commerce, Government of India

The certificate of excellence in 2012 in recognition to exemplary growth by Inc. India, Indian edition of Inc., the leading US magazine

JHS Limited has been ranked at 215th place among India's top 500 fastest growing mid-sized companies

The Best Performing Enterprise Award (₹ 25-100 Crore category) Runner-Up at Plasticon Awards 2009 from the Plastindia Foundation.

Mr. Nanda featured as a Young Turk on CNBC list of First-Generation Entrepreneurs

Entrepreneur of the year award to Mr. Nikhil Nanda in 2013

Recognized as a Star Export House by Ministry of Commerce, Govt. of India

FOR THE COMMUNITY

Keeping up with our core value of being a Good Corporate Citizen, we are committed to our social responsibility by taking various initiatives which would benefit the society at large. In line with our CSR Policy and defined thrust areas, our CSR efforts continue to be directed towards education including vocational skills training, public health, environment, and community welfare. During FY 2020-21, we continued our CSR journey by providing food, books and Oral hygiene products to children on many occasions.

Our goal is to address social, spiritual, environmental, and ethical aspects responsibly. This helps us coexist sustainably and in harmony with our environment and communities.

In line with the above thoughts, we have been carrying out donations in both, monetary forms and kind. Let's look at some of these donations:

Sahyog Trust, Delhi

Donated Food items like Rice, Pulses, etc.

Morbi Temple School

Donated Oral Hygiene products, books, benches, uniforms and sports kits, thereby, helping in the education of girl child.

Seva Bharti Charitable Trust, Delhi

Regular donation is given to this NGO with their focus areas for poor and underprivileged children by helping them in their education, marriage, health care and by giving them training in centers at various places for sewing classes, computer learning, beautician training etc.

SVHM
(Swami Vivekananda Charitable Hospital)

Donated to this Charitable hospital which is running for under privileged sections of the society.

BEHIND THE STAGE OF OUR GROWTH STORY

At JHS Svendgaard Limited, we believe in empowering our leaders with autonomy and authority to discharge their responsibilities. What we get is not just an objective achieved but an entire ecosystem of symbiotic growth. We are proud to have champions who are dedicated to their mission.

Let us introduce our Champions here who keep the show running at JHS Svendgaard Laboratories Limited Respected members of our Board as well our managerial team at the helm of our operations are those vital organs of our organizational body that keep us going forward every single day towards the future that we all have envisioned together.

Mr. Rajagopal Chakaravarthi Venkateish (Independent director)

With an impressive track record spanning over more than two decades, Mr. R.C. Venkateish is the Founder of the sports Channel, Lex Sportel Vision. He is an Alumnus of esteemed institutions such as IIT-Madras and IIM-Calcutta and has served as Country Head of Oral-B, India (1996-2001) and the Managing Director of Kellogg's, India (2000-2003), and the Managing Director of ESPN Star Sports (2003-2010). He has also been on the Board of Directors of the Indian Broadcasting Foundation (IBF).

Mr. Nikhil Nanda (Managing Director - Executive)

Alumnus of prestigious Fore School of Business, New Delhi, Mr. Nikhil Nanda found his entrepreneurial passion in 1996 while training under the Managing Director of Gillette. As a first-generation entrepreneur, he entered into the Oral Care segment in 1997 and founded JHS Svendgaard in 2004 and since then has taken it to the pinnacle of success as the largest integrated oral care manufacturer in India. With his sharp business acumen and outstanding experience of 26 years in the manufacturing sector, he has embarked on the journey to be the most preferred full-fledged FMCG private label manufacturer in India.

Mr. Nikhil Vora (Nominee Director)

The Founder and CEO of Sixth Sense Ventures, India's first domestic consumer-centric venture fund, Mr. Nikhil Vora has been the Managing Director and Head of Research at IDFC Securities. Enabling the prominent FMCG brands in India such as Nestle, Hindustan Unilever, Aditya Birla Group, Marico and Godrej with strategic road maps, he has claimed the titles of the 'Best Analytical Mind in the country' by Asiamoney and 'Asia's Best Analyst' by the Wall Street Journal in 2012. His leadership prowess has been acclaimed by IDFC Limited by presenting him with their prestigious 'Thought Leadership' award.

Mr. Kapil Minocha (Independent director)

Mr. Kapil Minocha is a man possessing multifaceted talent in the field of investments and repatriation of funds. Over a notable career span of over two decades, he has occupied several key roles, including as a CEO of MCube Capital Private Limited (2006-2019); across a wide spectrum of specializations like Asset and Project management, FDI investments, Seed/First Round Funding for early growth companies, strategy development and implementation, and dispute resolution. He is currently into mentorship roles for many start-ups, facilitating them with strategic guidance.

Mr. Mukul Pathak (Independent Director)

Armed with a rich pedagogical experience of over 22 years in the field of Finance, Mr. Mukul Pathak has been associated with numerous eminent institutions imparting mentorship for the reputed Civil Services in India.

Mrs. Rohina Sanjay Sangtani (Independent director)

A veteran HR professional with graduation in Psychology, Mrs. Rohina Sangtani has been associated as a consultant for Lazard India Pvt. Ltd. She is also serving as a Director on the board of Sanskaar Ventures Pvt. Ltd. and Virtual Yoga, an online portal for yoga in the US and Canada. Spurring her artistic talents, Rohina has ventured into creating made-to-order designer outfits under her label Global Synergy.

Mr. Paramvir Singh Pabla (Chief Executive Officer)

An expert in process innovation and optimization, Mr. Paramvir Singh Pabla is incharge of spearheading our efforts towards achieving our goals. As an Industrial Engineer with more than 20 years of experience, he possesses the right technical and leadership competency in the field of erection, commissioning & maintenance of equipment for manufacturing oral care, cosmetics, chemicals and plastics.

Managerial Team

Mr. Ashish Goel (Chief Financial Officer)

With more than 12 years of experience in FMCG industry and corporate finance, Mr. Ashish Goel has been among the key founding members of the Company. Apart from seamlessly managing complex finance, legal, structuring & accounting issues with his result-driven, analytical approach, he has also been pivotal to various fund-raising initiatives for achieving Company's strategic growth objectives.

Mr. Kashyap Boruah (GM – Private Label)

Mr. Kashyap Boruah has more than 15 years of experience in the field of Chemicals, Packaging and Contract Manufacturing. With his strong technical competence and leadership capabilities, he is in charge of steering the company's efforts in the fields of product launch, market plans execution, pre sales efforts, competition and market analysis.

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 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", "JHS Svendgaard" are to JHS Svendgaard laboratories limited.

ECONOMIC OVERVIEW

Global Industry

The COVID-19 viral pandemic has been individually experienced, but globally shared. It has continued to wreak havoc and has disrupted lives across all countries and communities. Not just that it has negatively affected global economic growth in 2020 beyond anything experienced in nearly a century. Estimates so far indicate the virus reduced global economic growth to an annualized rate of -4.5% to -6.0% in 2020, with a partial recovery of 2.5% to 5.2% projected for 2021. Global trade is estimated to have fallen by 5.3% in 2020, but is projected to grow by 8.0% in 2021. According to a consensus of forecasts, the economic downturn in 2020 was not as negative as initially estimated, due, at least in part, to the fiscal and monetary policies governments adopted in 2020. Major advanced economies, which comprise 60% of global economic activity, are projected to operate below their potential output level through at least 2024, which will negatively affect national and individual economic welfare. Compared with the synchronized nature of the global economic slowdown in the first half of 2020, the global economy showed signs of a two-track recovery that began in the third quarter of 2020 with developed economies experiencing a nascent recovery, but economic growth in developing economies lagging behind.

Source : https://fas.org/sgp/crs/row/R46270.pdf

Indian Industry

Indian FMCG sector is the 4th largest sector in the country, which promises attractive business opportunities for foreign investors. As per reports, the FMCG sector witnessed a healthy and promising FDI flow of 16.28 Billion USD from April 2000 to March 2020. This was following a significant increase in private consumption as well as rural income since the last decade.

India's food and beverage sector is one of the essential components of the FMCG market, which accounts for about 3% of its GDP. Furthermore, the report also reveals that this sector is the single largest employer in the country, with more than a 7.3 Million workforce. FMCG industry in India has built growth momentum by growing at 9.4 per cent in the quarter ending March 2021 after growing at 7.3 per cent in the previous quarter (October-December 2020), over the same quarter of the previous year.

In order to aid the growth of the FMCG sector, the Government of India is also actively framing lucrative policies, like:

- In both Cash and carry and single-brand retail segments, the Indian Government has allowed 100% FDI. Furthermore, in the multi-brand retail segment, the Government has allowed a 51% FDI.
- *Production Linked Incentive Scheme (PLI)* proposed by Indian union cabinet in 2020 has also provided a boost to the manufacturing capabilities and exports.
- Furthermore, the initiation of GST has also reduced the tax bracket of many FMCG products by significant amounts. Most importantly, GST on food products is reduced to 0-5% only.

There is a growing awareness among consumers about hygiene and well-being. Demands for organic products, healthy foods, and goods for self-care hygiene are significantly rising. Leading FMCG companies are embracing these new trends and are leveraging their efforts to create new products in the healthcare domain.

A shift in manufacturing

Much of the world has had China as its resource, assembly and manufacturing hub. With Covid-19 infecting Millions across the world, China is facing an unprecedented global backlash that could destabilize its reign as the world's factory of choice. The shutdown of supply chains, however, has called for a need to shift the market or become independent. India sensed an opportunity and is keen to make inroads to a space it hopes China will vacate sooner rather than later. Thankfully, the Indian government has planned to boost local production and emerge as a global alternate supplier.

Companies that already have some manufacturing in India may be earlier movers in reducing output in plants in China and scaling up in production in India. India is seeking to lure U.S. businesses to relocate from China. This will indirectly boost infrastructure of the country and there will be a rise in the employment.

The Oral Healthcare

According to the statistics the global oral care market is expected to be valued at an all-time high of US$ 65,900 Billion in the year 2021 and is further valued to reach in the next five years to US$ 78,600 Billion, at 7% CAGR in the forecast period. The market of Oral Care is primarily dominated in the Asia-Pacific, owing to the large population of the region, which is then succeeded by the North American and European region, caused by the demand of premium oral care products by the population.

India oral care market has shown tremendous growth by value & volume in last few years. Growing oral care market is driven by change in lifestyle of consumers, demand of premium products, rising of disposable income etc. Penetration level of oral care products in urban area is high. Companies are focusing into rural area for penetration of other products to increase sales. Rise in awareness of Oral hygiene has created huge demand of Premium and innovative products in urban area. Rural consumer has start shifting from toothpowder to toothpaste & toothbrushes. New emerging premium products, like mouthwash, have gained popularity in Indian market.

India Oral care market is fragmented in 5 categories includes toothpaste, toothbrushes, toothpowder, mouthwash and others. Toothpaste is dominant in oral care market. It is a primary product in daily oral hygiene and has huge presence in urban and rural area. Increasing health and personal oral hygiene, Indians are now more aware how their diet affecting their teeth and mouth. Indian is now willing to pay more for prevention attention. This has helped toothpaste category to grow drastically in oral care market. Herbal toothpaste demand is increasing in oral care market from last few years. Toothbrushes are second increasing market in oral care market after toothpaste. Toothbrushes are sub-categorized in manual & Electric. Manual toothbrushes have huge potential in Indian oral care market. Electric toothbrush is new emerging category and has huge opportunity in urban India; Toothpowder category is at decline stage due to consumer taste and preference. Consumers are shifting from toothpowder to toothpaste. Toothpowder has huge presence in rural India.

Source: https://lnct.ac.in/oral-care-market-growth-trends-covid-19-impact/

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 8th October, 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 21st October, 2006 when it was listed at BSE and NSE of India Limited at a price of ₹ 58.00.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

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 marketSome 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, Lavoris, 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 molding 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 Molding 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 midsized 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 31st March, 2021, is as follows:

(₹ in Lacs)

Particulars	Manufacturing Business		Other than Manufacturing Business		Retail Business	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Sale to External Customers	9453.24	12749.14	436.29	898.60	186.99	263.68
Revenue with Other Operating Segment	10007.24	13924.45	527.61	908.82	296.06	461.64
Depreciation	556.43	742.97	20.86	20.47	148.17	112.63
Cost of Goods Sold	6439.80	9161.38	237.80	595.84	156.30	205.93
Income Tax Expenses	43.11	0.38	(31.31)	(88.96)	(49.25)	(11.94)
Total Assets	21448.30	22908.71	3233.84	2742.61	963.23	1197.81
Total Liabilities	2300.49	4758.91	1640.79	1630.63	503.54	603.51

Resources and Liquidity

As on 31st March, 2021, the net worth stood at ₹ 188.69 Crore and the debt was at ₹ 0.47 Crore.

The cash and cash equivalents at the end of 31st March, 2021 were ₹ 21.15 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	36.45%
Toothpastes	59.91%
Mouthrinse	0.62%
Beauty Care	1.22%
Retail Operations	1.81%

While the revenue for the Company has come down due to the shift in the demand pattern of the consumers amidst COVID-19, but the Company with its timely strategic realignment, has not just been able to grew its domestic business by 23%, but has successfully enhanced its operating profitability by 5.89%↑

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 31st March, 2021, Company is giving employment to 352 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.

Impact of COVID-19 on Industry

The ongoing COVID pandemic has not drastically affected the global market of oral care, instead it has forced the people to care largely about their personal hygiene of which oral care is an important aspect. The nation-wide lock downs, have although caused certain disruption and restrictions in the distributing channels across the world.

The impossibility of conducting services on the ground level because of the highly contagious nature of the virus, has forced the industry to operate in the online space of the virtual world. Therefore, major companies have shifted online and the changing trends of the online market are reflected in their services. Key companies have not ceased the production of goods in these crucial times.

In the wake of the global pandemic, many services were shut down and as his world is slowly re-opening, many consumers prefer services that can be provided to them in the comfort of their homes, which has given rise to the home application segment. Manufacturers are coming up with various new and innovative ways, to make the dental-care products more easily available to the people. The COVID-19 pandemic has increased the usage of consumers at home.

Therefore, it can be fairly concluded that the sector will witness a growth in the coming years. The focus on consumer hygiene has grown in the post COVID times. The virus has led people to especially focus on their personal health and hygiene, of which dental and oral care is important aspects. The changing lifestyle of the population has given rise to many new diseases and in turn the need to maintain oral health by the means of mouthwashes, rinses and adhesives.

OUTLOOK

The total concept of hygiene and oral hygiene has drawn special attention in the unprecedented covid times. Now with the pandemic fueling consumer interest in everything health, immunity and natural health, companies are capitalizing hard on the trend.

The modern-day parameters amongst the youth for oral hygiene has evolved over the years and the same goes for the rural part of the country where there is a smooth transition from the naturals products to the our modern day products. A large young working population, along with increasing working women population, various awareness campaigns and emerging opportunities in the services sector are going to be the key factors in the growth of oral care sector in India. The rising awareness of the importance of maintaining a good oral hygiene has led to companies making more user-friendly products. Depending on the need and requirement of the individual concerned, specialized products are also being manufactured and produced. It is this, personalization of the oral care market that is a contributing factor of the growth of the market.

As for the Company, it is particularly targeted on tapping the kid's sector in the oral care segment with a well formulated plan in order to gain dominance since kids' range is not a focused range by the competitors. JHS Svendgaard tries to bring in the oral care hygiene in places with no access through tie ups with various domestic and international brand names. Through various partnerships via the subsidiaries, it creates an extensive community all through the country.

The Company proves to be a one stop provider of the oral care products and hence enhances easier ways to maintain the same in the country. The intention is to be the most preferred manufacturing unit globally. The consciousness is to capture a fair share in the kids' oral care segment and be the brand of choice for kids and is poised to grow out of the shadows into the big league.

The Company has managed to overcome Covid at the best of its abilities and not let business get affected. With the help and perseverance of our employees and highly dedicated and efficient management team, we have managed to show up a decent set of numbers.

Will need to include the following as well:

Particulars	FY20	FY21	% of Change	Reason for Change if change 25% or more
Debtors Turnover Ratio	1.40	1.65	18%	There has been improvement in the receivables period, as the sales mix during FY21 is largely comprising of domestic business.
Inventory Turnover Ratio	42.91	11.13	-74%	While the change is higher but is majorly due to immediate reduction of inventory during last FY20, caused by country wide lockdown amidst COVID-19 creating uncertainty amongst the companies and consumer.
Current Ratio	2.59	5.13	98%	Due to reduction in the debtors outstanding, while the Company has been able to reduce its creditors outstanding at one hand and on the other hand has been able to getter better prices and discounts to protect its margins resulting in higher margins despite reduction in the revenues.
Debt Equity Ratio	0.0020	0.0017	-11%	There has been further improvement in the debt equity ratio as the Company continues to remain debt free with enhanced net worth.
Operating Profit Margin	26.98	31.08	15%	With the change in the sales mix, products and geography wise, there has been improvement in the operating profit margin for the Company during FY21.
Net Profit Margin	1.33	2.85	114%	Due to efficient management and optimization of expenses, the Company has been able to improvise its profit margins.
Return on Net Worth	0.98	1.45	48%	
Book Value Per Share	29.80	29.69	0%	-
Interest Coverage Ratio	15.59	20.36	31%	As the working capital debt was fully repaid by the first quarter of FY21, hence the interest cost has come down substantially resulting in the improvement of the coverage ratio.

CORPORATE INFORMATION

Board of Directors

Mr. Rajagopal Chakravarthi Venkateish
Chairman, Independent Director

Mr. Nikhil Nanda
Managing Director - Executive

Mr. Nikhil Kishorchandra Vora
Nominee Director

Mr. Kapil Minocha
Independent Director

Mr. Mukul Pathak
Independent Director

Mrs. Rohina Sanjay Sangtani
Independent Director

Senior Management

Mr. Paramvir Singh Pabla
Chief Executive Officer

Mrs. Kirti Maheshwari
Company Secretary & Compliance Officer

Mr. Ashish Goel
Group Chief Financial Officer

Mr. Neeraj Kumar
Joint Chief Financial Officer

Committees of Board Statutory Auditors

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 11 4368 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 31st March, 2021.

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 - 173 030
Tel: +91 78328 00344
Fax: +91 1702 238831

Corporate Office

B1/E23, Mohan Co-Operative Industrial
Area, Mathura Road,
New Delhi-110 044, India
Tel: +91 11 2690 0411
E-mail: enquiry@svendgaard.com
Website: www.svendgaard.com

BOARD REPORT

To

The Members,

Your Directors have pleasure in presenting the 17th Annual Report on the business and operations of the Company ('JHS') together with the audited financial statements (standalone and consolidated) for the year ended **31st March, 2021**.

Financial Review/Results

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	31.03.2021	**31.03.2020**	**31.03.2021**	**31.03.2020**
Net sales / Income from Operation	9,696.15	13,295.61	10,076.52	13,911.42
Other Income	554.78	1175.32	754.40	1,383.50
Interest & Finance Charges	45.25	136.11	123.99	195.25
Depreciation	556.43	742.97	725.47	876.07
Profit /(Loss) before Tax	**319.71**	**179.09**	**96.78**	**(584.30)**
Tax Expense:				
Current tax (provision for tax)	52.57	180.87	52.57	180.87
Deferred tax asset	121.95	(152.38)	41.39	(253.28)
Tax for earlier years	(131.42)	(26.39)	(131.42)	(26.39)
Total Tax Expense	43.11	2.10	(37.46)	(98.80)
Profit /(Loss) after Tax	**276.61**	**176.99**	**134.24**	**(485.50)**
Profit /(Loss) to be carried to the Balance Sheet	281.32	175.46	143.04	482.13
Paid up Equity Share Capital (Face Value of rs. 10/- each)	6,440.05	6,090.05	6,440.05	6,090.04
Reserve excluding revaluation reserve	12,707.76	12,059.75	12,429.50	11,709.80
Basic EPS (in Rupees not annualized) Excluding extra ordinary items	0.45	0.29	0.20	(0.32)
Diluted EPS (in Rupees not annualized) Excluding extra ordinary items	0.45	0.29	0.20	(0.32)

Review of Operations/Statement of Affairs

Company generated the revenue from operations during the Financial Year ended 31st March, 2021 amounted to ₹ 9,696.15 Lacs as compared to ₹ 13,295.61 Lacs during the previous year ended 31.03.2020. While the revenue for the Company has come down to the shift in the demand pattern of the consumers amidst COVID-19, but the Company with its timely stratigic realignment, has not just been able to grew its domestic business by 23%, but has successfully enhanced its operating profitability by 4.10%.

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 2020-21. Consolidated turnover of the Company was ₹ 10,076.52 Lacs as on 31st March, 2021 as against ₹ 13,911.42 Lacs in the previous year. Net Profit after Tax for the year stood at ₹ 134.24 Lacs against ₹ (485.50) Lacs 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 Directors and Key Managerial personnel (KMP) of the Company as per section 2(51) and 203 of the Companies Act, 2013 as on 31st March, 2021 are as follows:

Director/KMP	Designation
*Mr. Nikhil Nanda	Managing Director
*Mr. Mukul Pathak	Non-Executive Independent Director
#Mr.Rajagopal Chakravarthi Venkateish	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. Paramvir Singh Pabla	Chief Executive Officer
@Mrs. Kirti Maheshwari	Company Secretary & Compliance Officer

**Mr. Nikhil Nanda, Managing Director (DIN: 00051501) whose term as Managing Director expired on 01st July, 2020 and Mr. Mukul Pathak, Independent Director of the Company, whose term as an Independent Director expired on 01st July, 2020 were re-appointed for another term of 5 (five) consecutive years by the Board w.e.f 2nd July,2020 which was subsequently approved by the shareholders in the last AGM held on 8th August, 2021.*

#During the financial year, Mr. Rajagopal Chakravarthi Venkateish (DIN: 00259537) and Mr. Kapil Minocha (DIN: 02817283),

were appointed as Independent Directors on the Board w.e.f. 23rd June, 2020 for a period of 5 (Five) consecutive years.

@During the last financial year Mr. Chetan Batra had resigned from the post of Company Secretary & Compliance Officer with effect from 04th May, 2020 and thereafter Mrs. Kirti Maheshwari was appointed as Company Secretary & Compliance Officer w.e.f 23rd June, 2020.

Mr. Nikhil Nanda, Managing Director of the Company, who retires by rotation at the ensuing 17th AGM and being eligible offers himself for re-appointment. The necessary proposal for the same forms part of the Notice of the ensuing AGM.

During the FY 2020-21, Mrs. Balbir Verma, Independent Director had resigned from directorship w.e.f 14th September, 2020 and Mr. Vanamali Polavaram, Chairman of Board of Directors also resigned from directorship w.e.f. 18th August, 2020.

Policy on Directors' appointment and Policy on remuneration

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 are attached as **Annexure 1 & 2** respectively, which forms part of this report.

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 3'** which forms an integral part of this report. The information showing names & other particulars of employees as per Rule 5(2) and 5(3) of said Rules is attached as **Annexure 4**.

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.

Details of the Familiarization Programme Module for Independent Directors is provided in the Corporate Governance of the Report.

In the opinion of the Board all independent directors possess strong sense of integrity and having requisite experience, qualification and expertise. 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 09th February, 2021. 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 16th Annual General Meeting till the conclusion of 21st Annual General Meeting to be held in year 2025 which was subsequently approved by the members at 16th AGM of the Company held in 2020.

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 FY21 is part of the Annual Report. The comments on 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 FY 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 5'** 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 report 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 year, your Company undertook new business activities related to manufacturing, buying, selling, import/export, distribution and to deal in any other manner possible, in automobile parts of all kinds & descriptions and other engineering items and other related items for motor cars, motor truck, buses, tractors, vans, jeeps, lorries, motor launches, motor cycles, cycles and vehicles and conveyances of all kinds.

In order to take up such activities, the main object clause of Memorandum of Association was altered with the approval of the members at the 16th AGM of the Company held on 08th August, 2021.

Subsidiary Company

As on 31st March, 2021, 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).

During the year JHS Svendgaard Brands Limited (formerly known as JHS Svendgaard Dental Care Limited) ceased to be Subsidiary of the Company w.e.f 01st September, 2020 within the meaning of Section 2(46) of the Companies Act, 2013 ("Act") on account of allotment of shares by JHS Svendgaard Brands Limited. However, it became an Associate Company 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 except from above no Company has ceased to be/became 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 6**.

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

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 31st March, 2021 have been disclosed in the standalone financial statements of the Company. Kindly refer the relevant **Note 5 and 6** to these 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 not entered into any contract or arrangement with related parties which could be considered material (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 materiality of Related party Transactions. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC -2 is not applicable

The Company has disclosed all related party transactions in relevant **Note 42** to the Standalone Financial Statements for FY 2020-21.

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 7** 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. 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. Further, during the year under review, your Company spent ₹ 27,99,563/- for CSR activities.

Further, the Annual Report on CSR Activities/ Initiatives is annexed with this report at **Annexure 8**.

Material Changes and Commitments

Change in Capital Structure

The authorized equity share capital of the Company stood at ₹ 70,00,00,000 (Rupees Seventy Crores Only) divided into 70,000,000 (Seven Crores) equity shares of ₹ 10/- each as at 31st March, 2021 as increased from ₹ 65,00,00,000/- (Rupees Sixty Five Crores Only) consisting of 6,50,00,000 (Six Crore Fifty Lacs Only) equity shares of face value of ₹ 10/- each pursuant to the Ordinary Resolution of the the members passed at 16th AGM of the Company held on 08th August, 2020.

During the year, a preferential issue of up to 55,00,000 (Fifty-Five Lacs) warrants, convertible into equivalent number of equity shares of face value of ₹ 10/- each of the Company, at an issue price of ₹ 20/- per warrant aggregating to ₹ 11,00,00,000/- (Rupees Eleven Crore only), was approved by the shareholders in the 16th AGM held on 8th August, 2020.

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

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

Consequent to the said allotment, the Issued and Paid-up Equity Share Capital of the Company stands increased to ₹ 64,40,04,650 divided into 6,44,00,465 Equity Shares of face value of ₹ 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

Disclosure on Sexual Harassment of women at work place (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.

Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concerns status and Company`s operations in future

The Company has not received any significant or material orders 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 Arrangements:

During the year under review, the Board of Directors of the Company at their meeting held on 09th 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 relevant jurisdiction, Securities Exchange Board of India (SEBI), Stock Exchange (s), Shareholders and Creditors of all the Companies.

As on 31st March, 2021, the Composite Scheme of Arrangement is pending with Stock Exchanges for their observation post receipt of which the Company will file first motion application before respective National Company Law Tribunals.

The Ministry of Home Affairs vide its Order No.40-3/2020 dated 24.03.2020 had notified a nationwide lockdown in India to contain the outbreak of COVID19 pandemic. As a result, the operations of the Company were temporarily disrupted at its facilities with reference to Sales, Marketing Personnel, warehouses and distribution locations. However, the Management has assessed that there is no material impact on the business operations. Accordingly, 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. The Company has also considered internal and external information upto the date of approval of these standalone financial statements. The Company will continue to closely monitor any material changes to future economic conditions. The impact of COVID-19 on future business of the Company would depend on future developments that cannot be reliably predicted at this stage.

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

	Sd/-	Sd/-
	Nikhil Nanda	**Mukul Pathak**
Date: 10/08/2021	Managing Director	Director
Place: New Delhi	DIN: 00051501	DIN: 0051534

ANNEXURE- 1

POLICY ON APPOINTMENT OF BOARD MEMBERS

Constitution & Size

Members

- Chairman
- Promoter Family nominee(s)
- Executive Members
- Independent Members

Profile

- Board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director.
- Not less than 50% of Members should be non-executive directors.
- Where the Chairperson of the Board of Directors is a non-executive director, at least one-third of the Board of Directors shall comprise of Independent directors.
- The Chairman should be elected by the Board.

The skill profile of Independent Board Members will be driven by the key tasks defined by the Board for them

- Independent Corporate Governance
- Guiding strategy and Enhancing Shareholders Value
- Monitoring Performance, Management Development &
- Compensation
- Control & Compliance

Skill profile of Independent Board Members (multiple skills could be combined in one individual)

Key Skill Area/ Qualification	Essential/Positive Attributes	Desirable Attributes
Strategy/ Business Leadership	• 2-3 years of experience as a CEO, preferably of an MNC in India	FMCG experience
Corporate Strategy Consultant	• Consultant/Academician with experience in FMCG industry and business strategy	Basic understanding of Finance
Sales and Marketing experience	• At least 10 years experience in sales and marketing. • Good understanding of commercial processes • 2-3 years as head of sales of marketing	Experience with FMCG or other consumer Products
Corporate Law	• Expert knowledge of corporate laws	Experience in trade/ consumer related laws

Key Skill Area/ Qualification	Essential/Positive Attributes	Desirable Attributes
Finance	• At least 5 years as a CEO or as head of merchant banking operation	FMCG experience
Trade Policy & Economics	• Expert knowledge of Trade & Economic Policies	FMCG experience
Administration & Government Relations	• Retired Bureaucrat	Basic understanding of Finance & Business

Other Directors could be based on Company's priority at a particular time viz. knowledge of export markets that Company is focusing on and commodity procurement expert.

Board Diversity

- There should not be concentration of Board Members based on a particular skill profile.
- Board member should be selected preferably from all the key skill areas defined earlier.
- Gender diversity: Board should have at least one Women Director.

Criteria for Determining Independence of a Director

1. Should be a person of integrity and possesses relevant expertise and experience.
2. Should be a person other than a Managing Director or Whole Time Director or Nominee Director.
3. Should neither be nor have been a Promoter of the Company or its holding, subsidiary or associate Company.
4. Should not be related to Promoters or Directors in the Company, its holding, subsidiary or associate Company.
5. Apart from receiving sitting fees, should have or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year.
6. None of his/her relatives should have or had any pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, amounting to two percent or more of its gross turnover or total income or ₹ fifty lacs of said Companies or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
7. Neither himself nor any of his relatives –
    - holds or has held the position of a Key Managerial Personnel or is or has been an employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the Financial Year in which he is proposed to be appointed;
    - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the Financial Year in which he is proposed to be appointed, of –
        - a firm of Statutory Auditors or Secretarial Auditors or Cost Auditors of the Company or its holding, subsidiary or associate Company; or
        - any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten percent or more of the gross turnover of such firm;
    - holds together with his relatives two percent or more of the total voting power of the Company.

- is a Chief Executive or Director, by whatever name called of any Non-Profit Organization that receives twenty-five percent or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company.
- is a material supplier, service provider, or customer or a lessor or lessee of the Company.

8. Should not be less than 21 years of age.
9. Shall possess such other qualifications as may be prescribed.
10. Shall not serve as Independent Director in
    - more than 7 listed companies;
    - more than 3 listed companies (if serving as a Whole Time Director in any listed Company).

ANNEXURE- 2

REMUNERATION POLICY

1. Objective:

The objective of the remuneration policy of the Company is to attract, motivate and retain the Directors, KMP and other employees who proves to be the key drivers to the organization's success and help organization to run it successfully and to retain the industry competitiveness. Pay mix is designed in such a manner so that it may reflect the performance and is further aligned to the long term interest of the shareholders.

2. Policy:

Remuneration Design and Mix

a. **Fixed Pay: Enable to attract, retain and develop the talent we need to succeed.**

   1. is competitive with leading companies where we recruit for talent.
   2. reinforces roles and accountabilities.
   3. is flexible and supportive of our organization's growth.
   4. is responsive to specific market pressures in terms of getting key talent from the market.
   5. provides salary Management guidelines so that decisions are made with confidence, integrity and speed.

b. **Short term Incentive Plans (one year): Create a process to effectively reward people for their contributions to the success of the Company in the short term**

   1. Utilizes Company, business unit/ department and individual- based metrics based on the principle of line of sight and impact.
   2. Is supported by clear, frequent communication and simple tools to administer.

c. **Long term Incentive Plans in form of performance based ESOP: Enable us to attract and retain key talent and create a process to effectively reward key talent for their contributions to the long term success of the Company**

   1. A significant portion of the key talent compensation delivered through restricted ESOP Plans with retention expectations in place to ensure alignment of the Executive interest with those of shareholders.
   2. Utilizes Company and business unit/department based metrics which are necessary for long term business sustenance and shareholder wealth creation.
   3. Utilizes measures that are clear, strategically focused, and easily supported by our systems.
   4. Provides suitable rewards to the performer, consistent with our strategy, and reinforce our culture.
   5. Helps to make our pay competitive with leading companies where we recruit for talent.

d. **Benefits: Provide programs that meet people's needs and are cost effective and utilize Innovative programs that make us distinctive as an organization**

   1. Be competitive with companies of our size and where we compete for talent.
   2. Provide benefits that are truly meaningful to people, supported by highly effective communication and easy administrative support.

3. Provide benefits, services, or events that will make us distinctive in the marketplace and consistent with our culture and values.

4. Provide benefits that are cost effective from both an individual and a Company perspective.

e. **Recognition: Utilize effective practices that are supported by innovative programs that reinforce our desired culture and make us a special place to work**

1. Reinforces individual and team's behavior that makes us more competitive, efficient, and important to our customers.

2. To create more employee touch points and recognition on formal and informal basis.

3. Utilize a variety of programs, events and activities that keep the process exciting.

f. **Annual Performance Linked Enhancement that recognizes the performance of the resource keeping in view the achievement of organizational goals and Departmental goals.**

g. **Remuneration to Independent Directors:**

1. Sitting Fee as approved by the Board.

2. Travel Cost and other out of pocket expenses for attending the Board & Committee Meetings.

3. No Stock options.

Tools for an effective Remuneration Policy implementation:

1. Remuneration Benchmark studies
2. Compilation of Live data while recruiting talent
3. Talent attrition studies
4. Benchmarking with Best Industry Practices
5. Participation in various forums

ANNEXURE- 3

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	Ratio of the remuneration of Mr. Nikhil Nanda, Managing Director to the median remuneration of employees – 39.51:1
(ii)	The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year.	Nil
(iii)	Percentage increase in median remuneration of employees in the financial year	19.61%
(iv)	Number of permanent employee on the rolls of the Company.	352
(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;	There was no increase in salaries of employees including executive director during the last financial year
(vi)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.	

For and on behalf of the Board

Sd/-
Nikhil Nanda
Managing Director
DIN: 00051501

Sd/-
Mukul Pathak
Director
DIN: 0051534

Date: 10th August, 2021
Place: New Delhi

ANNEXURE- 4

Statement pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

S. No.	Name & Designation	Remu-neration (in ₹ Lacs)	Nature of employment (whether contractual or otherwise)#	Qualifications & Experience	Date of Joining of Employment	DOB (Age as on 31/03/21)	Last Employment	% of equity shares held in company	Whether relative of any director or manager of the company
1.	Nikhil Nanda Managing Director	53.98	Permanent	Post Graduate diploma in Business management - Finance and Marketing	08-10-2004	26-09-1972	-	36.97	NA
2.	Paramvir Singh Pabla Chief Executive Officer	30.37	Permanent	Bachelor of Engineering -Industrial Engineering	30-06-2010	10-10-1978	Vaishnavi Kosmeticos (P) Ltd	0.19	No
3.	Sahaj Singh Bali Manager - Business Development	27.60	Permanent	Bachelor of Engineering	02-05-2016	02-05-1989	-	Nil	No
4.	Ashish Goel Chief Financial Officer	24.30	Permanent	MBA-Finance	06-04-2009	02-10-1985	Phoenix Lamps Ltd.	0.19	No
5.	Kirti Maheshwari Company Secretary & Compliance Officer	20.00	Permanent	Chartered Accountant & Company Secretary	29-07-2019	23-06-1990	JRD Perfect Tools Pvt. Ltd	Nil	No
6.	Ravi Sharma General Manager- Business Development	12.00	Permanent	Masters in Business Administration	07-09-2019	15-11-1961	Trim Plastics Ltd.	Nil	No
7.	Rakesh Kumar Manager-Purchase & Logistic	11.15	Permanent	MBA -Material Management & Supply Chain	04-09-2014	07-04-1980	Tirupati Medicare Ltd	Nil	No
8.	Jitender Kumar Sharma Deputy Manager- QA	11.12	Permanent	M.Sc. Zoology	01-05-2008	30-04-1981	Yodeva Plastics Pvt Ltd	Nil	No
9.	Rishendra Srivastava Manager- Maintenance & Packing	10.94	Permanent	MBA , B. Tech -Electronic & Communication	16-04-2015	01-07-1980	Ratchet Laboratories Ltd.	Nil	No
10.	Jitender Singh Saini Manager- Exports	10.87	Permanent	Bachelor of Commerce	01-03-2018	27-09-1970	Jindal Saw Gulf LLC	Nil	No

Save as otherwise provided above there are no personnel who are;

a) in receipt of remuneration aggregating not less than ₹ 1,02,00,000 per annum and employed through the financial year; and

b) in receipt of remuneration aggregating not less than ₹ 8,50,000 per month and employed for part of the financial year.

Details of personnel if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.: NIL

	Sd/-	Sd/-
	Nikhil Nanda	**Mukul Pathak**
Date: 10/08/2021	Managing Director	Director
Place: New Delhi	DIN: 00051501	DIN: 00051534

ANNEXURE- 5

MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosers Requirements) Regulation, 2015 as amended]

SECRETARIAL AUDIT REPORT OF M/S JHS SVENDGAARD LABORATORIES LIMITED

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

To,

The Members,

JHS Svendgaard Laboratories Limited

Trilokpur Road kalaAmb, Distt Sirmaur,

Himachal Pradesh-173030

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 CIN- L74110HP2004PLC027558 ("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 their 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 year ended 31st March, 2021 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 31st March, 2020 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008***;**

f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009*****; and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018*****;

i) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;

(i) Other Laws applicable specifically to the Company namely:

  a) Drugs and Cosmetics Act, 1940

  b) The Trade Marks Act, 1999

*** Not applicable because Company did not carry out the activities covered by the regulations/guidelines during the audit period.**

As informed to us the following other Laws specifically applicable to the Company as under-

(i) The Air (Prevention and Control of Pollution) Act, 1981;

(ii) The Environment (Protection) Act, 1986 ;

(iii) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ;

(iv) Employees' State Insurance Act, 1948;

(v) Equal Remuneration Act, 1976 ;

(vi) The Factories Act,1948 ;

(vii) The Industrial Employment (Standing Orders) Act, 1946;

(viii) Maternity Benefit Act, 1961 ;

(ix) Legal Metrology Act, 2009 ;

(x) The Minimum Wages Act, 1948;

(xi) The Payment of Wages Act, 1936 ;

(xii) The Negotiable Instruments Act, 1881 ;

(xiii) The Water (Prevention and Control of Pollution) Act 1974;

(xiv) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013. The Company has not constituted an internal complaints Committee. However the Company, being certified under Worldwide Responsible Accredited Production (WRAP), has a committee for prevention of sexual harassment of women at work place.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

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

I/We further report that-

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Director and Women Director. 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meeting duly recorded and signed by the chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

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

We further report that, during the audit period, Company issue offer letter for 5,500,000/-(Fifty Five Lacs Only) warrant convertible into equity shares out of which 4,000,000/-(Forty Lacs Only) warrant convertible into equity shares accepted by different parties.

We further report that, during the audit period, Company allotted 3,500,000/- equity shares pursuant to conversion of share warrants.

We further report that, during the audit period, Company in its board meeting dated 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'), there were no other specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

For Mohit & Associates
Company Secretaries
Sd/
(CS Mohit Dahiya)
(M. No. F9540)
(C. P. No. 23052)
UDIN: F009540C000849192

Date: 3rd August, 2021
Place: New Delhi

ANNEXURE- 6

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 2020-21

PART "A": SUBSIDIARIES

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

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	(38,06,220)	(1,91,50,215)
6.	Total assets	12,82,40,801/-	9,63,23,447/-
7.	Total Liabilities	13,19,47,021/-	5,03,53,662/-
8.	Investments	-	1,02,66,936/-
9.	Turnover	-	1,86,99,256/-
10.	Profit/(LOSS)before taxation	(59,082)	(2,03,62,725)
11.	Provision for taxation	-	-
12.	Profit after taxation	(59,082)	(1,54,38,042)
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 (₹)

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	60,36,173/-
6.	Total Assets	19,51,43,030/-
7.	Total Liabilities	3,21,31,567/-
8.	Investments	1,01,97,670/-

Sl. No.	Particulars	Details
9.	Turnover	4,36,28,880/-
10.	Profit/(LOSS)before taxation	(7,29,229)
11.	Provision for taxation	-
12.	Profit / Loss after taxation	(27,19,069)
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. 01st September, 2020 within the meaning Section 2(46) of the Companies Act, 2013 on account of allottment 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

Sd/-
Nikhil Nanda
Managing Director
DIN: 00051501

Sd/
Mukul Pathak
Director
DIN: 0051534

Sd/-
Kirti Maheshwari
Company Secretary & Compliance Officer
Membership No- 40253

Sd/-
Ashish Goel
Chief Financial Officer

Sd/-
Paramvir Singh Pabla
Company Executive Officer

Date: 10/08/2021
Place: New Delhi

ANNEXURE- 7

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	2020-21	2019-20
1. Electricity			
(A) Purchased			
--- Units	Kwh	65,63,549	41,78,82
--- Total Amount	₹ In Lacs	252.03 3.84	281.21
--- Rate/Unit	₹		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	₹	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	Kwh/Per Unit		
2) Through Diesel Generator			
Oral Care Products			

Capital investment on energy conservation equipment(s): NIL

2(i). Efforts made towards Techonology 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 ₹)

Particulars	2020-21	2019-20
Foreign Exchange Outgo	88,07,000	1,08,44,824
Earning in Foreign Exchange	4,77,78,000	-

For and on behalf of the Board

	Sd/-	Sd/-
	Nikhil Nanda	**Mukul Pathak**
Date: 10/08/2021	Managing Director	Director
Place: New Delhi	DIN: 00051501	DIN: 00051534

ANNEXURE- 8

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. **Brief outline on CSR Policy of the Company:**

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website www.svendgaard.com

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Nikhil Nanda	Executive Director Chairman	1	1
2	*Vanamali Polavaram	Non-Executive Director Member	1	0
3	**Mr. Rajagopal Chakravarthi Venkateish	Independent Non-Executive Member	1	1
4	Mukul Pathak	Independent Non-Executive Member	1	1

**Mr. Vanamali Polavaram (Non-executive Director) of the Company resigned/ceased as director of the Company w.e.f 18th August, 2020.*

*** Mr. Rajagopal Chakravarthi Venkateish was appointed as the member of the CSR committee w.e.f 15th September, 2020.*

3. The composition of CSR committee of Board can be accessed at https://www.svendgaard.com/committeeofboardofdirectors.html and updated CSR policy can be accessed at https://www.svendgaard.com/download/invester/Policy/Revised%20CSR%20Policy_22JUNE2021.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).- NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- NA

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		NIL	

6. Average net profit of the Company as per section 135(5): **₹ 13,95,09,688/-**

7. (a) Two percent of average net profit of the Company as per section 135(5): **₹ 27,90,193/-**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

   (c) Amount required to be set off for the financial year, if any: **NIL**

   (d) Total CSR obligation for the financial year (7a+7b-7c): **₹ 27,90,193/-**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
27,99,563	NIL				

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Project duration.	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
Not Applicable												

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Promoting Education & livelihood	VII (ii)	Yes	Delhi (India)		16,80,628	No	Harish Chander Nanda Educational and Charitable Society	-
2.	Promoting Health Care	VII (i)	Yes	Delhi (India)		9,06,824/	No	Swami Vivekanand Health Mission Society	-
3.	Promoting Education & livelihood	VII (ii)	Yes	Delhi (India)		1,01,000/-	No	Seva Bharti	-
4.	Protection of National Heritage	VII (v)	No	Uttar Pradesh		1,11,111/-	No	Shri Ram Janam Bhoomi Trust	-
	Total					27,99,563/-			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 27,99,563/-

(g) Excess amount for set off, if any: ₹ 9,370/-

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	27,90,193
(ii)	Total amount spent for the Financial Year	27,99,563
(iii)	Excess amount spent for the financial year [(ii)-(i)]	9,370
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	9,370

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.		NOT APPLICABLE					
2.							
3.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable**

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): **Company has spent required two per cent amount during the financial year.**

Sd/
Nikhil Nanda
Managing Director
DIN: 00051501

Sd/
Mukul Pathak
Chairman CSR Committee
DIN: 0051534

Date: 10th August, 2021
Place: New Delhi

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 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 31st March, 2021, the Company's Board consists of six 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 five 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
• Mr. Nikhil Nanda*	Executive Director, Managing Director	16.66%
• Mr. Rajagopal Chakravarthi Venkateish# • Mrs. Rohina Sanjay Sangtani • Kapil Minocha# • Mr. Mukul Pathak*	Non-Executive Independent Directors	66.67%
• Mr. Nikhil Kishorchandra Vora	Other Non-Executive Directors (Nominee)	16.67%
	Total	**100**

** Mr. Nikhil Nanda, Managing Director (DIN: 00051501) whose term as Managing Director expired on 01st July, 2020 and Mr. Mukul Pathak, Independent Director of the Company, whose term as an Independent Director expired on 01st July, 2020 were re-appointed for another term of 5 (five) consecutive years by the Board w.e.f 2nd July,2020.*

 # During the financial year, Mr. Rajagopal Chakravarthi Venkateish (DIN: 00259537) and Mr. Kapil Minocha (DIN: 02817283), were appointed as Independent Directors on the Board w.e.f. 23rd June, 2020 for a period of 5 (Five) consecutive years.

Note- Mr. Vanamali Polavaram (Non-executive Director) and Mrs. Balbir Verma (Non-executive Independent Director) of the Company resigned/ceased as directors of the Company w.e.f 18th August, 2020 and 14th September, 2020, respectively.

The resignation of Mrs. Balbir Verma before the expiry of her tenure are as per the ones elucidated in her resignation letter dated 14th September 2020 due to personal reasons.

Further, there are no material reasons for her resignation other than those mentioned in her resignation letter.

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 23rd June, 2020, 11th July, 2020, 15th September, 2020, 09th October, 2020, 03rd November, 2020 and 09th February, 2021 . 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 31st March, 2021, 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
Vanamali Polavaram	Chairman Non-Executive	2	2	Yes	3	-	-
Rajagopal Chakravarthi Venkateish	Chairman Non-Executive Independent	5	2	Yes	3	-	-
Nikhil Nanda	Managing Director	6	6	Yes	7	-	-
Kapil Minocha	Non- Executive Independent Director	5	4	-	0	-	-
Balbir Verma	Non- Executive Independent Director – woman	2	2	-	1	-	-
Mukul Pathak	Non- Executive Independent Director	6	6	-	1	-	-
Nikhil Vora	Nominee Director	6	5	Yes	11	-	-
Mrs. Rohina Sanjay Sangtani	Non- Executive Independent Director – Woman	6	3	-	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.

Name of other listed entities in which our Directors are Director as on 31st March, 2021:

Name of Director	Name of Listed entities in which Director is Director
Rajagopal Chakravarthi Venkateish	NA
Nikhil Nanda	NA
Kapil Minocha	NA
Mukul Pathak	NA
Nikhil Vora	Hindustan Foods Limited
Mrs. Rohina Sanjay Sangtani	NA

Other than Mr. Nikhil Nanda and Mr. Nikhil Vora, who holds 2,38,10,774 and 20,94,547 equity shares respectively as on 31st March, 2021, 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 submits a 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.

FAMILIARIZATION 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/invester/Familarization%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 organization 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 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 organization.
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								
	Leader-ship	Manage-ment	Financial expertise	Gover-nance	Strategy Develop-ment and Imple-menta-tion	Knowl-edge of Health-care sec-tor	Infor-mation Technol-ogy	Risk Man-agement	Human Resourc-es
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

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

All Independent Directors of the Company met separately on 09th February, 2021 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 31st March, 2021 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 31st March, 2021, 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 7 (Seven) meetings of Audit Committee were held on 23rd June, 2020, 11th July, 2020, 15th September, 2020, 09th October, 2020, 03rd November, 2020, 06th January, 2021 and 09th February, 2021.

Constitution and Attendance Record:

Name of the Member	Category	No of Meetings entitled to attend	No of Meetings Attended
Mr. Mukul Pathak	Chairperson-Independent	7	7
Mr. Nikhil Nanda	Member-Executive	7	6
Mrs. Rohina Sanjay Sangtani	Member- Independent	7	5
*Mrs. Balbir Verma	Member, Independent	7	2

Mrs. Balbir Verma (Non-executive Independent Director) resigned for the directorship of the Company w.e.f. 14th September, 2020.

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 utilization 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 informations as well:

a) Management discussion and analysis of financial condition and results of operations;

b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

c) Management letters / letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses; and

e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

f) 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 31st March, 2021, the Stakeholders Relationship Committee comprises of two Non-Executive Directors and one Executive director. Mr. Rajagopal Chakravarthi Venkateish, Non-executive Independent Director acts as the Chairman of the Committee w.e.f 25th September, 2020. During the year under review, 3 (Three) meetings of the Committee were held on 23rd June, 2020, 15th September, 2020 and 03rd November, 2020 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. Vanamali Polavaram	Chairperson- Independent	1	1
#Mr. Rajagopal Chakravarthi Venkateish	Chairperson- Independent	2	1
Mr. Mukul Pathak	Member- Independent	3	3
Mr. Nikhil Nanda	Member- Executive	3	3
@Mrs. Balbir Verma	Member, Independent	1	1

** Mr. Vanamali Polavaram (Non-executive Director) of the Company resigned from the Directorship w.e.f. 18th August, 2020.*

 # Mr. Rajagopal Chakravarthi Venkateish was appointed as Chairperson of the SRC w.e.f 15th September, 2020.

@Mrs. Balbir Verma (Non-executive Independent Director) of the Company resigned from the Directorship w.e.f. 14th September, 2020.

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 compliaint was received as no compliant was outstanding at the beginning of the financial year i.e. on 1st April, 2021.

Ms. Kirti Maheshwari is the Company Secretary and Compliance Officer of the Company.

NOMINATION AND REMUNERATION COMMITTEE:

As on 31st March, 2021, the Nomination and Remuneration Committee (NRC) comprises 3 (three) Non-Executive Independent Directors. Mr. Mukul Pathak acts as Chairman of the Committee. During the year under review 4 (four) meetings of NRC were held on 23rd June, 2020, 11th July, 2020, 15th September, 2020 and 03rd November, 2020. 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	4	4
*Mr. Rajagopal Chakravarthi Venkateish	Member - Independent	2	1
#Mr. Vanamali Polavaram	Member – Non-Executive	2	2
Mrs. Rohina Sanjay Sangtani	Member - Independent	4	2

**** Mr. Rajagopal Chakravarthi Venkateish was appointed as the member of the Committee w.e.f. 15th September, 2020.***

#Mr. Vanamali Polavaram (Non-executive Director) of the Company resigned from the Directorship w.e.f. 18th August, 2020.

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 5th January, 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 31st March, 2021 is detailed below:

Particulars	(₹ In Lacs)
Salary	38,00,000/-
Sitting Fees	Nil
Other Perquisites/Benefits	Nil
Commission of Profit	15,98,486/-
Total	53,98,486/-

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

During the financial year under review, meeting of CSR Committee was held on 15th September, 2021. As on 31st March, 2021, 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	-	-
#Mr. Vanamali Polavaram	Member	-	-

***** Mr. Rajagopal Chakravarthi Venkateish was appointed as member of the CSR committee w.e.f. 15th September, 2020.**

#Mr. Vanamali Polavaram (Non-executive Director) resigned from the directorship of the Company w.e.f. 18th August, 2020.

For further details, please refer Annual Report on CSR Activities attached with the Board's Report.

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 no material significant transaction with the related parties viz. promoters, directors of the Company, management, their relatives, subsidiaries of promoter Company etc. that may have a potential conflict with the interest of the Company at large.

  Apart from the transactions specified in above notes of financial statements, there is no 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

- 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:

  i) Delay in furnishing prior intimation of meeting of Board of Directors held on 23rd June, 2021 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 10th July, 2020 from BSE Limited requesting company to pay fine of ₹ 10,000/-

(Rupees Ten Thousand Only) excluding GST to which we inter-alia replied vide mail dated 11th 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 25th August,2020 informed that we have paid said fee under Protest and requesting to condone this lapse. Reminder mails were sent to BSE on 04th September, 2020, 17th September, 2020, 21st September, 2020, 23rd September, 2020, 28th September, 2020 and 05th October, 2020 however, no response for same has been received. (A same fee of ₹ 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 15th 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 14th October,2020 from NSE requesting Company to pay fine of ₹ 10,000/- (Rupees Ten Thousand Only) to which we replied to the NSE vide our e-mail dated 28th October,2020 that we have paid said fee. (A same fee of ₹ 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 09th February, 2021 and Board Meeting held on 09th February,2021. Considering the nature of this event the Audit Committee imposed requisite penalty of ₹ 58,500/- i.e 25% of the transaction value on him and the same was deposited with the SEBI. Mr. Nikhil Nanda was 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

- 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. **Shareholder Rights**

The quarterly/half-yearly/annual financial results of the Company are published in leading newspapers as mentioned under the heading "Means of Communication" of the Corporate Governance Report and also displayed on the website of the Company. The annual financial statements are separately circulated to the shareholders.

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

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

D. **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-subsidiary.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 Polices 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:

i. The Company has not undertaken commodity price risk or foreign exchange risk and hedging activities;

ii. The Board had accepted all the recommendation of the committee(s) of the Board which is mandatorily required, in the year under review financial year.

iii. The provision of Regulation 21 of SEBI Listing Regulations dealing with Risk Management Committee are not applicable on the Company. Company is not required to formulate a Risk Management Committee.

- **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	12,00,000/-
Tax audit	3,50,000/-
Limited review	3,75,000/-
Other matters (certification and reporting)	75,000/-
Re-imbursement of out of pocket expenses	16,000/-
Total	**20,16,000/-**

- **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 31st March, 2021.

- **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

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 FY 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 web site of the Company i.e. 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 and 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
2019-20	Held through Video Conferencing	08.08.2020	01:00 P.M	1. Addition of New Objects in the objects clause of the Memorandum of Association of the Company 2. Issuance of fully convertible warrants by way of preferential issue 3. To re-appoint Mr. Mukul Pathak (DIN: 00051534), as an Independent Director of the Company 4. Re-appointment of Mr. Nikhil Nanda as the Managing Director of the Company
2018-19	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	17.09.2019	01:00 P.M	1. To Regularize/appointment of Mrs. Balbir Verma (DIN: 08210364), as an Independent Director of the Company. 2. Adoption of Memorandum of Association as per Companies Act, 2013. 3. Adoption of New Set of Articles of Association as per Companies Act, 2013.
2017-18	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	11.09.2018	01:00 P.M	Appointment of Mrs. Rohina Sanjay Sangtani as an Independent Director.

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

GENERAL SHAREHOLDER INFORMATION:

- **COMPANY'S WEBSITE:**

  The website of the Company is 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, 28th September, 2021
Time	:	01:00 P.M.
Venue	:	This meeting is being held through Video Conferencing

- **FINANCIAL CALENDER**

  Financial year : 1st April, 2020 to 31st March, 2021

- **TENTATIVE CALENDAR FOR FY 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 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 FY ended 31st March, 2021.

  During the year under review the Board of Directors in its meeting held on 23rd June, 2020 approved issue of upto 55,00,000 Fully Convertible Warrants @ ₹ 20 each which was subsequently approved by the shareholders in Annual General Meeting held on 08th 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 22nd September, 2020.

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

  The warrants were required to be converted into equity shares within 18 months from the date of allotment viz. 22nd 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 09th February,2021.

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

  Subsequently, then company applied for trading approval of said equity shares to NSE and BSE vide its application letters dated 17th March, 2021 and consequently vide NSE and BSE letters dated 22nd March,2021 the securities were granted trading approval upon corporate action of same with depositories.

  As on 31st March, 2021 only 5,00,000 warrants are outstanding which will be converted into equity shares in due course in compliance with applicable laws.

  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

CORPORATE GOVERNANCE REPORT (Contd.)

- **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 31st March, 2021. 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-20	10.93	7.30	11.15	7.20
2	May-20	10.80	8.82	10.55	8.80
3	Jun-20	19.16	9.70	19.15	9.50
4	Jul-20	20.10	12.35	20.10	12.55
5	Aug-20	18.81	12.17	18.75	12.20
6	Sep-20	26.95	16.15	26.90	16.15
7	Oct-20	23.95	17.60	23.75	17.10
8	Nov-20	22.35	17.55	22.35	17.55
9	Dec-20	27.45	19.50	27.30	18.75
10	Jan-21	26.80	20.80	26.90	20.80
11	Feb-21	33.30	23.50	34.35	23.50
12	Mar-21	25.10	19.55	24.90	19.55

Performance in comparison to broad-based indices of BSE Sensex and NIFTY 50

Month	JHS Closing Price (BSE) (In ₹)	BSE Sensex Closing	JHS Closing Price (NSE) (In ₹)	NSE Nifty 50 Closing
Apr-20	10.02	33,717.62	10.05	9,859.9
May-20	9.70	32,424,10	9.75	9,580.3
Jun-20	19.16	34,915.80	19.15	10,302.1
Jul-20	12.80	37,606.89	12.80	11,073.45
Aug-20	17.87	38,628.29	17.80	11,387.5
Sep-20	22.85	38,067.93	22.65	11,247.55
Oct-20	18.15	39,614.07	18.10	11,642.4
Nov-20	21.15	44,149.72	21.00	12,968.95
Dec-20	24.05	47,751.33	24.05	13,981.75
Jan-21	26.80	46,285.77	26.90	13,634.6
Feb-21	25.35	49,099.99	25.00	14,529.15
Mar-21	19.95	49,509.15	20.00	14,690.70

- **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

- **SHARE TRANSFER SYSTEM**

  As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 08th June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018 requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 01st April, 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.

  Reconciliation of Share Capital Audit Report for the Quarter ended 31st March, 2020, confirming that the total issued/ paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL as on 31st March, 2020, was obtained from practicing Company secretary and submitted to the stock exchanges with in stipulated time.

- **SHAREHOLDING PATTERN AS ON 31st MARCH 2021**

Category	Category of shareholders	No. of Shareholders	No of Shares	% of Holding
(A)	Promoter and Promoter Groups	4	2,68,97,988	41.77
(B)	Public	20,014	3,75,02,477	58.23
(C)	Non Promoter- Non Public	-	-	-
(C1)	Shares underlying DRs	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-
	Grand Total	**20,018**	**6,44,00,465**	**100.00**

- **DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2021**

No. of Shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
1 – 500	25,10,884	3.90	14,935	74.61
501 - 1000	18,99,352	2.95	2,272	11.35
1001 - 2000	19,88,054	3.09	1,276	6.37
2001 - 3000	12,58,115	1.95	487	2.43
3001 - 4000	7,91,554	1.23	219	1.09
4001 - 5000	8,53,597	1.33	180	0.90
5001 - 10000	23,98,311	3.72	322	1.61
10001 - 99999999999	5,27,00,598	81.83	327	1.63
Total	**6,44,00,465**	**100**	**20018**	**100**

- **DEMATERIALIZATION OF SHARES**

  The equity shares of your Company are under compulsory dematerialization mode and on 31st March, 2021. 99.97 % of shares of the Company are dematerialized as on 31st March, 2021. 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 has been Listed on Stock Exchange.

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

  There is no outstanding GDRs/ ADRs/ or any convertible instruments as at the end of the FY ended on 31st March, 2021.

- **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 22nd September, 2020, has inter alia, allotted 40,00,000 Fully Convertible Warrants out of the previously approved 55,00,000 lacs ('Warrants') at an issue price of ₹ 20/- per Warrant aggregating to ₹ 8,00,00,000/- (Rupees Eight Crore Only), convertible into equivalent number of Equity Shares of ₹ 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. The funds were utilized for which they were raised through preferential allotment.

- **PLANT LOCATION**

  Himachal Pradesh

  Trilokpur Road, Kheri Kala-Amb, Tehsil - Nahan,

  Distt: Sirmaur, 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

  Compliance Officer:

  Ms. Kirti Maheshwari, Company Secretary

  Phone: 011-26900411; Fax: 011-26900434

  e-mail: cs@svendgaard.com and csbrand@svendgaard.com

For and on behalf of the Board

	Sd/-	Sd/-
	Nikhil Nanda	**Mukul Pathak**
Date: 10/08/2021	Managing Director	Director
Place: New Delhi	DIN: 00051501	DIN: 0051534

ANNEXURE- A

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 FY ended 31st March, 2021 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.

For and on behalf of the Board

	Sd/-	Sd/-
Date: 10/08/2021	**Paramvir Singh**	**Ashish Goel**
Place: New Delhi	CEO	CFO

ANNEXURE- B

CERTIFICATE OF NON-DISQUALIFICATION

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

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 at **Trilokpur Roadkala AMB Distt Sirmaur Himachal Pradesh** (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 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) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the FY ending on 31st March, 2021 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.

Sr. No.	Name of Director	DIN	Date of Appointment
1	NIKHIL NANDA	00051501	08/10/2004
2	MUKUL PATHAK	00051534	14/07/2015
3	RAJAGOPAL CHAKRAVARTHI VENKATEISH	00259537	23/06/2020
4	KAPIL MINOCHA	02817283	23/06/2020
5	NIKHIL KISHORCHANDRA VORA	05014606	11/02/2016
6	ROHINA SANJAY SANGTANI	07520124	21/11/2017

Ensuring the eligibility of for 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
Sd/-
(CS Mohit Dahiya)
(M. No. F9540)
(C. P. No. 23052)
UDIN: F009540C000789761

Date: 03/08/2021
Place: New Delhi

ANNEXURE- C

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

To,

The Members of

JHS Svendgaard Laboratories Limited

B1/E23, Mohan Co-Operative Industrial Area, Mathura Road

New Delhi-110 044

We have examined the compliance of condition of JHS Svendgaard Laboratories Limited ("the Company") for the year ended on 31st March, 2021, as stipulated in chapter IV of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in chapter IV of the Listing Regulations. 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.

For Mohit & Associates
Company Secretaries
Sd/-
(CS Mohit Dahiya)
(M. No. F9540)
(C. P. No. 23052)
UDIN: F009540C000789761

Date: 03/08/2021
Place: New Delhi

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, 2021 in terms of Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/-

Date: 10/08/2021 **Paramvir Singh**

Place: New Delhi CEO

INDEPENDENT AUDITORS' 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 31st March, 2021, 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 31st March, 2021, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

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.

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	**Revenue Recognition** Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized 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. Refer Note 2(a) to the Standalone Financial Statements - Significant Accounting Policies	**Principal Audit Procedures** Our audit approach was a combination of test of internal controls and substantive procedures including: • 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. • Evaluating the design and implementation of Company's controls in respect of revenue recognition. • Testing the effectiveness of such controls over revenue cut off at year-end. • 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. • Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. Based on the above procedure performed, the recognition and measurement of revenue from sale of goods are considered to be adequate and reasonable.

Information Other than the 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 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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, 2016 ("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, based on our audit 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;

   (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 31st March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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.

(i) 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, 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 36 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.

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

per Surinder Kr. Khattar
Partner
Membership No.: 084993
UDIN: 21084993AAAACU2360

Place: New Delhi
Date: 22nd June, 2021

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 Ind AS financial statements as of and for the year ended 31st March, 2021.

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets {comprising of property, plant and equipment and other intangible assets}.

(b) The fixed assets comprising of (property, plant and equipment and other intangible assets) are physically verified by the management according to a phased programme designed to cover all items 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. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds of all the freehold immovable properties which are included under the head 'fixed assets'{comprising of property, plant and equipment and other intangible assets} are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year, According to the information and explanations given to us, no material discrepancies were noticed on the aforesaid verification.

(iii) According to the information and explanations given to us, the Company has granted interest free unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, *prima facie*, prejudicial to the company's interest;

(b) no repayment schedule has been specified and accordingly the question of regularity in repayment of principal amount does not arise. Further, as stated above these loans are interest free and repayment of interest does not arise.

(c) in the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.

(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.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and 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) According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax 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, the dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and goods and services tax on account of any dispute, are as follows.

Name of the statute	Nature of dues	Amount (₹ In Lacs)	Amount paid under Protest (₹ In Lacs)	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, the Company has not defaulted in repayment of loans to banks and financial institution. The Company does not have any loans or borrowings from any government or debenture holders during the year.

(ix) 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) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) 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 by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(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) According to the information and explanations given to us, during the year, the Company has made preferential allotment or private placement of shares by way of conversion of warrants. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purpose for which the funds were raised.

(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 clause3 (xv) of the order are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause3 (xvi) of the order are not applicable.

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

per Surinder Kr. Khattar
Partner
Membership No.: 084993
UDIN : 21084993AAAACU2360

Place: New Delhi
Date: 22nd June, 2021

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 31st March, 2021 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 with reference to financial statements. 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 31st March, 2021, based on the internal financial control with reference to financial statements.

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

per Surinder Kr. Khattar
Partner
Membership No: 084993
UDIN: 21084993AAAACU2360

Place: New Delhi
Date: 22nd June, 2021

STANDALONE BALANCE SHEET

As at 31st March, 2021

(₹ in Lacs)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	5,721.32	5,608.11
(b) Capital work-in-progress	3.1	885.09	697.97
(c) Right-of-use assets	3.3	146.98	174.41
(d) Intangible assets	3.2	0.27	0.56
(e) Financial assets			
i) Investments	4	1,421.00	1,421.00
ii) Loans	5	12.65	11.00
iii) Other financial assets	6	15.73	22.70
(f) Deferred tax assets (net)	7	611.00	765.52
(g) Non-current tax assets (net)	8	111.07	75.08
(h) Other non-current assets	9	2,375.85	2,636.83
Total non-current assets		**11,300.96**	**11,413.18**
2 Current assets			
(a) Inventories	10	871.23	309.86
(b) Financial assets			
i) Investments	11	-	230.66
ii) Trade receivables	12	5,869.44	9,530.77
iii) Cash and cash equivalents	13	1,652.53	26.67
iv) Bank balances other than (iii) above	14	35.06	24.62
v) Loans	15	274.82	266.64
vi) Other financial assets	16	479.92	137.33
(c) Other current assets	17	964.34	957.56
(d) Assets classified as held for sale	-	-	11.42
Total current assets		**10,147.34**	**11,495.53**
Total assets		**21,448.30**	**22,908.71**
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	18	6,440.05	6,090.05
(b) Other equity	19	12,707.76	12,059.75
Total Equity		**19,147.81**	**18,149.80**
2 LIABILITIES			
A Non-current liabilities			
(a) Financial liabilities			
i) Borrowings	20	33.29	35.57
ii) Lease Liabilities	20	161.96	179.83
(b) Provisions	21	128.85	110.33
Total non-current liabilities		**324.10**	**325.73**
B Current liabilities			
(a) Financial liabilities			
i) Borrowings	22	-	-
ii) Trade payables	23		
- total outstanding dues of micro and small enterprises		287.93	338.92
- total outstanding dues Other than dues of micro and small enterprises		1,236.71	3,179.83
iii) Lease Liabilities	20	17.87	10.46
iv) Other financial liabilities	24	357.69	540.04
(b) Other current liabilities	25	62.37	195.57
(c) Provisions	21	13.82	168.36
Total current liabilities		**1,976.39**	**4,433.18**
Total liabilities		**2,300.49**	**4,758.91**
Total equity and liabilities		**21,448.30**	**22,908.71**
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

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

Surinder Kr. Khattar
Partner
Membership No.: 084993

Nikhil Nanda
Managing Director
DIN : 00051501

Mukul Pathak
Director
DIN : 00051534

Place: New Delhi
Date: 22nd June, 2021

Kirti Maheshwari
Company Secretary & Complaince Officer
Membership No. A40253

Paramvir Singh Pabla
Chief Executive Officer

Ashish Goel
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2021

(₹ in Lacs)

	Particulars	Notes	Year ended 31st March, 2021	Year ended 31st March, 2020
	INCOME			
I	Revenue from operations	26	9,696.15	13,295.61
II	Other income	27	554.78	1,175.32
III	**Total income (I +II)**		**10,250.93**	**14,470.93**
	Expenses			
	Cost of materials consumed	28A	6,402.24	9,496.23
	Purchase of stock-in-trade	28B	100.63	21.51
	Changes in inventories of finished goods, work in progress and stock-in-trade	29	179.83	190.13
	Employee benefits expense	30	838.03	874.81
	Finance costs	31	45.25	136.11
	Depreciation and amortisation expenses	32	556.43	742.97
	Other expenses	33	1,808.81	1,766.38
IV	**Total expenses**		**9,931.22**	**13,228.15**
V	**Profit before exceptional items and tax (III-IV)**		**319.71**	**1,242.78**
VI	**Exceptional items**	34	-	(1,063.69)
VII	**Profit before tax (V+VI)**		**319.71**	**179.09**
VIII	**Tax expense**			
	a) Current tax	35	52.57	180.87
	b) Tax for previous years	35	(131.42)	(26.39)
	c) Deferred tax charge/(credit)	35	121.95	(152.38)
IX	**Profit for the year from continuing operations (VII-VIII)**		**276.61**	**176.99**
X	**Profit for the year**		**276.61**	**176.99**
	Other comprehensive income			
	-Items that will not be reclassified subsequently to profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans		**6.53**	(2.13)
	Less: Income tax expense relating to Items that will not be reclassified to profit or loss	35	**(1.82)**	0.60
X	**Total Other comprehensive income for the year, net of tax**		**4.71**	**(1.53)**
XI	**Total comprehensive income for the year (IX+X)**		**281.32**	**175.46**
XII	**Earnings per equity share**			
	a) Basic (Face value of ₹ 10 each)	46	0.45	0.29
	b) Diluted (Face value of ₹ 10 each)	46	0.45	0.29
	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: 22nd June, 2021

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

Nikhil Nanda
Managing Director
DIN : 00051501

Mukul Pathak
Director
DIN : 00051534

Kirti Maheshwari
Company Secretary & Complaince Officer
Membership No. A40253

Paramvir Singh Pabla
Chief Executive Officer

Ashish Goel
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2021

A. EQUITY SHARE CAPITAL

(₹ in Lacs)

Balance as at 01st April, 2020	Changes in equity share capital during the year	Balance as at 31st March, 2021
6,090.05	350.00	6,440.05
Balance as at 01st April, 2019	**Changes in equity share capital during the year**	**Balance as at 31st March, 2020**
6,090.05	-	6,090.05

B. OTHER EQUITY

(₹ in Lacs)

	Reserve and Surplus				Other Comprehensive income	Money Received against Share warrants	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of net defined benefit plans		
Balance as at 01st April, 2020	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
Transaction with owners in capacity as owners							
Adjustment pertaining to a loan given to shareholder	-	-	-	(8.31)		-	(8.31)
Warrant Forfeiture Amount		-	-	-		-	-
Share Warrants converted into Shares	-	350.00	-	-			350.00
Premium on warrant converted into shares	-		-	-		-	-
Other changes - Share Issue Expenses	-		-	-		-	-
Warrant money received						25.00	
Balance as at 31st March, 2021	**241.95**	**9,573.05**	**6.68**	**2,847.16**	**13.92**	**25.00**	**12,707.76**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2021 (Contd.)

B. OTHER EQUITY

(₹ in Lacs)

	Reserve and Surplus				Other Comprehensive income	Money Received against Share warrants	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of net defined benefit plans		
Balance as at 01st April, 2019	241.95	9,223.05	6.68	2,426.99	10.74	-	11,909.40
Profit for the year	-	-	-	176.99	-	-	176.99
Other Comprehensive income	-	-	-	-	(1.53)	-	(1.53)
Total Comprehensive income for the year	-	-	-	176.99	(1.53)	-	175.46
Transaction with owners in capacity as owners							
Adjustment pertaining to a loan given to shareholder	-	-	-	(25.11)		-	(25.11)
Balance as at 31st March, 2020	**241.95**	**9,223.05**	**6.68**	**2,578.86**	**9.21**	**-**	**12,059.75**

Refer note no. 19 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

Place: New Delhi
Date: 22nd June, 2021

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

Nikhil Nanda
Managing Director
DIN : 00051501

Mukul Pathak
Director
DIN : 00051534

Kirti Maheshwari
Company Secretary &
Complaince Officer
Membership No. A40253

Paramvir Singh Pabla
Chief Executive Officer

Ashish Goel
Chief Financial Officer

STATEMENT OF CASH FLOWS

For the year ended 31st March, 2021

(₹ in Lacs)

Particulars		Year ended 31st March, 2021	Year ended 31st March, 2020
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before exceptional items and tax	319.71	1,242.78
	Adjustments for:		
	Provision for inventories written back (Net)	(7.29)	(54.73)
	Depreciation and Amortization	556.43	742.97
	Loss on disposal of Property, Plant and Equipment (Net)	5.03	1.89
	Interest income	(31.92)	(43.24)
	Government grant amortization	(3.00)	(3.00)
	Provision no longer required written back	(353.02)	-
	Balances and Advances written off	328.67	(2.95)
	Intangible assets under development written off	-	(9.79)
	Balances and Advances written back	(57.92)	-
	Interest and financial charges	45.25	136.12
	Net gain on financial asset mandatorily measured at FVTPL	-	(17.68)
	Exchange loss/(gain) (Net)	61.66	(615.96)
	Fair value adjustments	(15.83)	(33.86)
	Operating profit before working capital changes	**847.77**	**1,342.55**
	Adjustments for :		
	(Increase)/Decrease in inventories	(554.07)	458.50
	(Increase)/Decrease in trade receivables	3,598.13	(3,306.43)
	(Increase)/Decrease in Current Loans	4.50	373.64
	(Increase)/Decrease in Other Current Assets	(6.78)	756.97
	(Increase)/Decrease in Asset Held for Sale	5.42	(7.03)
	(Increase)/Decrease in Investment in bank deposits (having original maturity of more than 3 months)	(10.44)	1.29
	(Increase)/Decrease in Other Current Financial assets	(342.35)	180.55
	(Increase)/Decrease in Non current Loans	(1.65)	-
	(Increase)/Decrease in Other non-current assets	258.74	1,291.86
	Increase/ (decrease) in Other Current Financial Liabilities	(156.54)	(120.17)
	Increase/ (decrease) in Trade payables	(1,941.30)	1,265.18
	Increase/ (decrease) in Lease Liabilities	7.42	10.45
	Increase/ (decrease) in Short term provisions	(0.39)	1.63
	Increase/ (decrease) in Long term provisions	18.52	29.34
	Increase/ (decrease) in Non Current financial liabilities	17.88	218.83
	Increase/ (decrease) in Other Current liabilities	(125.09)	63.57
	Cash (used) from operations	**1,619.77**	**2,560.73**
	Taxes Paid	(77.34)	16.50
	Cash flow from exceptional items		
	Loss on asset held for sale	-	(1,063.69)
	Net cash generated/(used) from operating activities	**1,542.43**	**1,513.54**
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipment	(832.10)	(833.82)
	Right-of-use	2.83	174.41
	Proceeds from sale of Property, Plant and Equipment	1.20	2.83
	Purchase of Mutual Funds	(1,584.94)	-
	Proceeds from sale of Mutual funds	1,595.74	51.80
	Proceeds from sale of debentures	234.96	-

STATEMENT OF CASH FLOWS

For the year ended 31st March, 2021 (Contd.)

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Investments in subsidiary companies	-	(150.00)
Interest income received	22.12	73.28
Proceeds from repayment of loan to Corporates	0.36	-
Loan given to Shareholder	-	4.63
Change in Other bank balance and cash not available for immediate use	1.51	0.75
Net Cash generated/(used) in investing activities	**(558.32)**	**(676.12)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/ (repayment of) long term borrowings	(2.28)	(137.64)
Proceeds from/ (repayment of) short term borrowings	-	(500.00)
Repayment of lease liabilities	(35.75)	(39.00)
Proceed from share capital and securities premium	700.00	-
Proceed from of Share Warrant	25.00	-
Interest and financial charges	(45.22)	(168.26)
Net increase from financing activities	**641.75**	**(844.90)**
Net Increase/(decrease) in cash and cash equivalents	**1,625.86**	**(7.48)**
Opening balance of cash and cash equivalents	26.67	34.15
Closing balance of cash and cash equivalents	1,652.53	26.67
Components of cash and cash equivalents as at end of the year		
Cash on hand	11.26	6.51
Balances with banks		
- on current account	1,641.27	18.11
- in term deposits with original maturity of 3 months or less	-	2.05
Cash and cash equivalents (Refer note 13)	**1,652.53**	**26.67**

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

Place: New Delhi
Date: 22nd June, 2021

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

Nikhil Nanda
Managing Director
DIN : 00051501

Mukul Pathak
Director
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Kirti Maheshwari
Company Secretary & Complaince Officer
Membership No. A40253

Paramvir Singh Pabla
Chief Executive Officer

Ashish Goel
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

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 Companyis engaged in manufacturing a range of oral and dental products for elite national and international brands. The main portfolio of the Companyis 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 and other relevant provisions of the Act.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lacs 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 22nd June, 2021.

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 Companyconsiders 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 Companyreview 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 Companyreview 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 Companyand 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 issued by the Ministry of Corporate Affairs.

e) Current versus non-current classification

The Companypresents 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 Companyhas 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 (₹), 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.

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 Companyexpects 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 Companywhen 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 Companyconsiders 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 Companyrecognizes 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 Companyapplies 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 Companythen 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 Companyrefer to as advance from customer)

A contract liability is the obligation to transfer goods or services to a customer for which the Companyhas received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Companytransfers 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 Companyperforms under the contract.

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

Cost to obtain a contract

The Companypays sales commission to its selling agents for each contract that they obtain for the Company. The Companyhas elected to apply the optional practical expedient for costs to obtain a contract which allows the Companyto immediately expense sales commissions (included in 'commission on sales' under other expenses) because the amortization period of the asset that the Companyotherwise 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 Companydoes 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 Companydoes 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.

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 Companyestimates 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 Companywill 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 Companyestablishes 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 there 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 the 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 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 off set 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.

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 Companyassesses 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 Companyassesses whether: (i) the contract involves the use of an identified asset (ii) the Companyhas substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Companyhas the right to direct the use of the asset. At the date of commencement of the lease, the Companyrecognizes 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 Companyrecognizes 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 Companychanges 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.

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 Companyclassifies 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 Companyhas made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

(ii) Initial Measurement

At initial recognition, the Companymeasures 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 Companyclassifies 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 Companymay make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Companymakes 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 financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Companyrecognises 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 Companyhas 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 Companyevaluates 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 Companyhas not retained control of the financial asset. Where the Companyretains 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 Companyprior 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 Companyhas 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.

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 Companyand 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 Companyhas 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.

p) Provisions, Contingent Liabilities and Contingent Assets

A Provision is recognised when the Companyhas 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 Companyprovides 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 Companyare 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 Companyhas 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.

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 Companyfall 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 Companydetermines 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.

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 Companyis 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, 2021.

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Companyin its financial statements. These amendments are applicable to the Companyfor the financial year starting 1st April, 2021.

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

3.1. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01st April, 2020	Additions	Disposals/ adjustments	As at 31st March, 2021	As at 01st April, 2020	Depreciation & amortization for the year	Disposals/ adjustments	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
A) Property, Plant and Equipment										
Freehold Land	563.29	-	-	563.29	-	-	-	-	563.29	563.29
Factory Building	1,901.08	-	-	1,901.08	277.60	74.53	-	352.13	1,548.95	1,623.48
Office Building	143.01	-	-	143.01	24.18	6.04	-	30.22	112.79	118.83
Plant & Machinery	3,868.60	592.75	0.45	4,460.90	1,129.82	324.93	0.30	1,454.45	3,006.45	2,738.78
Mould & Dies	352.97	8.93	-	361.90	163.28	57.02	-	220.30	141.60	189.69
Electronic Equipment	188.66	2.53	-	191.19	159.31	2.77	-	162.08	29.11	29.36
Lab Equipment	5.63	-	-	5.63	3.96	0.88	-	4.84	0.79	1.67
Leasehold Improvements	160.55	-	-	160.55	29.37	18.93	-	48.30	112.25	131.18
Furniture & fixture	107.61	1.62	-	109.22	64.76	9.30	-	74.06	35.16	42.84
Office Equipment	40.24	0.83	-	41.06	15.88	6.44	-	22.32	18.74	24.35
Vehicle	235.32	37.62	-	272.93	92.03	30.48	-	122.51	150.42	143.28
Computer	5.22	0.71	0.09	5.84	3.89	0.22	-	4.11	1.73	1.33
Computer network	0.27	-	-	0.27	0.23	-	-	0.23	0.04	0.04
Total	**7,572.44**	**644.99**	**0.54**	**8,216.87**	**1,964.32**	**531.54**	**0.30**	**2,495.55**	**5,721.32**	**5,608.11**
Previous year	**8,878.09**	**492.18**	**1,797.83**	**7,572.44**	**1,968.58**	**716.79**	**721.05**	**1,964.32**	**5,608.11**	***6,909.51***
B) Capital work-in-progress *										
Building	207.96	4.96	0.32	212.60	-	-	-	-	212.60	207.96
Computer	-	0.13	-	0.13	-	-	-	-	0.13	-
Furniture & Fixtures	0.03	1.95	-	1.97	-	-	-	-	1.97	0.03
Mould	6.35	1.75	-	8.10	-	-	-	-	8.10	6.35
P&M	483.63	26.36	29.97	480.02	-	-	-	-	480.02	483.63
Vehicles	-	182.27	-	182.27	-	-	-	-	182.27	-
Total	**697.97**	**217.42**	**30.29**	**885.09**	**-**	**-**	**-**	**-**	**885.09**	**697.97**
Previous year	**473.83**	**224.14**	-	**697.97**	**-**	**-**	**-**	**-**	**697.97**	**473.83**

* Capital Work in progress represents expenditure incurred in respect of capital projects at cost.

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

3.2. INTANGIBLE ASSETS

(₹ in Lacs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01st April, 2020	Additions	Disposals/ adjustments	As at 31st March, 2021	As at 01st April, 2020	Depreciation & amortization for the year	Disposals/ adjustments	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
Computer software	9.20		-	9.20	8.64	0.29		8.93	0.27	0.56
Total	**9.20**	**-**	**-**	**9.20**	**8.64**	**0.29**	**-**	**8.93**	**0.27**	**0.56**
Intangible assets under development	-	-	-	-	-	-	-	-	-	-
Total Intangible assets under development	**-**	**-**	**-**	**-**	-	-	-	-	**-**	**-**
Previous year	**9.20**	**-**	-	**9.20**	**7.44**	**1.20**	**-**	**8.64**	**0.56**	**1.76**

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

3.3. RIGHT OF USE ASSETS

(in ₹ Lacs)

Particulars	Amount
Balance as at 01st April, 2020	174.41
Additions	
Deletions/Adjustment	(2.83)
Depreciation	(24.60)
Balance as at 31st March, 2021	146.98

4. FINANCIAL ASSET - NON CURRENT INVESTMENTS

Particulars	Face value	As at 31st March, 2021			As at 31st March, 2020		
		Proportion of the ownership interest	Number of shares	Amount (₹ in Lacs)	Proportion of the ownership interest	Number of shares	Amount (₹ in Lacs)
Investment carried at cost							
Investments in subsidiaries in equity instruments (Un-quoted)							
(i) JHS Svendgaard Brands Limited	₹ 10	42.68%	67,00,000	770.00	50.77%	67,00,000	770.00
(ii) JHS Svendgaard Mechanical and Warehouse Private Limited	₹ 10	99.99%	9,999	1.00	99.99%	9,999	1.00
(iii) JHS Svendgaard Retail Ventures Private Limited	₹ 10	99.82%	65,00,000	650.00	99.82%	65,00,000	650.00
Total				**1,421.00**			**1,421.00**
Aggregate amount of unquoted investments				**1,421.00**			**1,421.00**

5. FINANCIAL ASSET - NON - CURRENT LOANS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Security deposit to related parties (Refer Note No. 41)	12.65	11.00
	12.65	**11.00**

6. OTHER NON- CURRENT FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deposits with Banks having maturity period of more than twelve months*	15.48	16.99
Interest accrued on non current fixed deposits	0.25	5.71
	15.73	**22.70**

* includes pledged & Margin money deposited with various government authorities amounting to ₹ 14.48 Lacs (31st March, 2020: ₹ 13.18 Lacs).

7. DEFERRED TAX ASSETS (NET)

(a) The balance comprises temporary differences attributable to:

(₹ in Lacs)

	As at 31st March, 2021	As at 31st March, 2020
Deferred tax liability on account of:		
Property, plant and equipment	(374.63)	(289.84)
Financial assets at FVTPL	-	(2.74)
Lease Liabilities	(50.03)	(52.94)
Sub Total	(424.66)	(345.52)
Deferred tax asset on account of:		
Provision for bonus	1.53	23.00
Provision for doubtful debts	-	65.99
Provision for obsolete stock	13.20	15.23
Provision for gratuity	29.09	24.99
Provision for doubtful advance	567.00	583.03
Provision for leave encashment	10.60	9.65
Right-of-use assets	41.08	48.52
Other temporary differences	5.77	0.71
Tax losses carried forward	8.84	-
Tax of earlier years	-	26.39
MAT credit entitlement	358.54	313.53
Sub Total	1,035.66	1,111.05
Net deferred tax (liability)/asset	611.00	765.52

(b) Movement in deferred tax balances:

(₹ in Lacs)

	Property, Plant and Equipment	Financial assets at FVTPL	Provision for employement benefit	Tax losses carried forward	Right of use asset and lease liability	Others	Total
At 31st March, 2019	**(639.90)**	**(0.97)**	**43.95**	**187.33**	**-**	**973.59**	**563.99**
Charged/(Credited):							
- directly in equity						9.67	**9.67**
- to profit or loss	350.06	(1.77)	13.10	(187.33)	(4.42)	21.62	**191.26**
- to other comprehensive income	-	-	0.60	-	-	-	**0.60**
At 31st March, 2020	**(289.84)**	**(2.74)**	**57.65**	**-**	**(4.42)**	**1,004.88**	**765.52**
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)

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

7. DEFERRED TAX ASSETS (NET) (Contd.)

(₹ in Lacs)

	Property, Plant and Equipment	Financial assets at FVTPL	Provision for employement benefit	Tax losses carried forward	Right of use asset and lease liability	Others	Total
- to other comprehensive income	-	-	(1.82)	-	-	-	(1.82)
At 31st March, 2021	(374.63)	-	41.23	8.84	(8.95)	944.51	611.00

(c) Amounts recognised directly in other equity

(₹ in Lacs)

	As at 31st March, 2021	As at 31st March, 2020
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	9.68
	3.19	**9.68**

8. NON CURRENT TAX ASSETS (NET)

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance income tax and Tax deducted at source	163.64	155.10
Less: Provision for taxation	(52.57)	(80.02)
	111.07	**75.08**

9. OTHER NON CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital advance*		
Unsecured (considered good)	1,782.21	2,040.60
Unsecured (considered doubtful)	730.35	730.35
Less: Provision for doubtful capital advances	(730.35)	(730.35)
Security deposit	577.13	578.29
Prepaid expenses	5.29	4.48
Deferred rent expense	11.22	13.46
	2,375.85	**2,636.83**

* Capital advance includes advance given to related party (Refer Note No. 41)

10. INVENTORIES

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw Materials	406.36	26.86
Packing material	235.40	25.11
Work-in-progress	81.07	144.16
Finished goods	125.82	117.05
Stores and spares	70.02	51.40
Less: Provision for obselence & dimunition in value*	(47.44)	(54.72)
	871.23	**309.86**
*Provision for obselence & dimunition in value		
Opening balance	54.72	138.22
Addition during the year	-	-
Reversed during the year	(7.28)	(83.50)
Closing balance	**47.44**	**54.72**

11. CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investments carried at fair value through Profit & Loss		
- Redeemable secured debentures of Kotak Mahindra Prime Limited		
Nil units (as on 31st March, 2020: 20 units)	-	230.66
	-	**230.66**
Aggregate amount of quoted investments and Market value thereof	**-**	**230.66**

12. TRADE RECEIVABLES

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

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	5,869.44	9,530.77
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	237.21
Less: Allowance for Expected credit loss	-	(237.21)
	5,869.44	**9,530.77**
The movement in allowance for expected credit loss is as follows:		
Balance at the beginning of the year	237.21	237.21
Change in allowance for credit impairement during the year	-	-
Trade receivable written off during the year	(237.21)	-
Balance as at the end of the year	**-**	**237.21**

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

13. CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on hand	11.26	6.51
Balance with bank		
- current account	1,641.27	18.11
- term deposits with original maturity of less than 3 months	-	2.05
	1,652.53	**26.67**

14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deposits with banks with original maturity of more than 3 months but maturity less than 12 months*	35.06	24.62
	35.06	**24.62**

* includes pledged & margin money deposits with various government authorities amounting to ₹ 15.60 Lacs (31st March, 2020: Nil)

15. CURRENT LOANS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
loans to corporates	-	0.36
loan to shareholder	257.56	244.52
loan to employees	17.45	21.76
	274.82	**266.64**

16. OTHER CURRENT FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest Receivables	2.38	2.14
Other receivables	477.54	135.19
	479.92	**137.33**

17. OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances other than capital advances		
Deferred expenses	2.24	2.24
Prepaid expenses	18.57	24.33
Balances with statutory/government authorities	133.04	596.08
Advance to suppliers	1,895.07	1,405.46
Less:Provision for doubtful advance	(1,307.47)	(1,365.38)
Staff Imprest	0.02	-
Export Incentive receivables	222.87	294.83
	964.34	**957.56**

18. EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars		As at 31st March, 2021	As at 31st March, 2020
a)	**Authorised**		
	65,000,000 Equity shares of ₹ 10/- each (31st March, 2020: 65,000,000 Equity shares of ₹ 10/- each)	6,500.00	6,500.00
b)	**Issued, subscribed & fully paid up**		
	64,400,465 Equity shares of ₹ 10/- each; (31st March, 2020: 60,900,465 Equity shares of ₹ 10/- each)	6,440.05	6,090.05
	Total	**6,440.05**	**6,090.05**

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

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	(₹ in Lacs)	No. of Shares	(₹ in Lacs)
At the beginning of the year	60,900,465	6,090.05	60,900,465	6,090.05
Add : Shares issued during the year *	3,500,000	350.00	-	
At the end of the year	**64,400,465**	**6,440.05**	**60,900,465**	**6,090.05**

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 ₹ 10 each at an issue price of ₹ 20 per warrant. Out of this, the Compnay has converted 35,00,000 fully convertible share warrants in to equal number of fully paid equity shares after receiving full issue price of ₹ 20 per warrant from the respective allottees. The said equity shares were listed with stock exchange in March 2021. Balance 5,00,000 fully covertible warrants pending for conversion as on 31st March, 2021 against which the Compnay has received ₹ 25 Lacs being 25% upfront money.

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.

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 31st March, 2021 and 31st March, 2020, 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.

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

19. EQUITY SHARE CAPITAL (Contd.)

f) Lists of shareholders holding more than 5% of equity share capital of the Company at the beginning and at the end of the year

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Nikhil Nanda*	2,38,10,774	36.97%	23,810,774	39.10%
Sushma Nanda	30,65,983	4.76%	3,065,983	5.03%

19. OTHER EQUITY

A Summary of Other Equity Balance

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital reserves	241.95	241.95
Securities premium	9,573.05	9,223.05
General reserves	6.68	6.68
Retained earnings	2,847.16	2,578.86
Money received against share warrants (refer note no. 18c)	25.00	-
Other Comprehensive Income	13.92	9.21
Total	**12,707.76**	**12,059.75**

a) Capital reserves

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	241.95	241.95
Addition/Deletion during the year	-	-
Closing balance (A)	**241.95**	**241.95**

b) Securities premium

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	9,223.05	9,223.05
Add : Premium on Coversion of share warrants	350.00	-
Closing balance (B)	**9,573.05**	**9,223.05**

c) General reserves

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	6.68	6.68
Addition during the year	-	-
Closing balance (C)	**6.68**	**6.68**

19. OTHER EQUITY (Contd.)

d) Retained earnings

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	2,578.86	2,426.98
Add: Profit for the year transferred from the Statement of Profit and Loss	276.61	176.99
Less: Adjustment pertaining to a loan given to shareholder	(8.31)	(25.11)
Closing balance (D)	**2,847.16**	**2,578.86**

e) Money received against share warrants

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	–	–
Add: Money received against share warrants	200.00	–
Less: Share warrants money utlised for conversion into equity shares	175.00	–
Closing balance (E)	**25.00**	**-**

f) Other Comprehensive Income

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	9.21	10.74
Add: Remeasurement of net defined benefit plans	4.71	(1.53)
Closing balance (F)	**13.92**	**9.21**
Total other equity (A+B+C+D+E+F)	**12,707.76**	**12,059.75**

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 utilise 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 utilise in accordance with the provisions of the Companies Act, 2013.

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.

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

19. OTHER EQUITY (Contd.)

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

(i) Borrowings

(₹ in Lacs)

	Non current		Current maturities	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Secured				
Vehicle Loans*				
- from Banks	31.01	21.08	18.20	11.91
- from Others	2.28	14.49	15.75	18.22
	33.29	**35.57**	**33.95**	**30.13**
Amount disclosed under the head Other current financial liabilities (Refer note 24)	-	-	(33.95)	(30.13)
	33.29	**35.57**	**-**	**-**

* 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 Lacs)

	Non current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Lease liability on office building	**161.96**	**179.83**	**17.87**	**10.46**

21. PROVISIONS

(₹ in Lacs)

	Non current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Provision for Employee Benefits - Gratuity	98.15	83.20	6.41	6.63
Provision for Employee Benefits - Leave Encashment	30.70	27.13	7.41	7.57
Provision for Income Tax	-	-	-	154.16
	128.85	110.33	13.82	168.36

22. CURRENT LIABILITIES - BORROWINGS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash Credit*	-	-
	-	**-**

*Cash credit facility obtained from bank is secured by hypothecation of inventories , debtors and charge on factory building. during the year the company has repaid all the cash credit facility post which company has applied to the bank for realese of title documents and vacation of charge on the hypothecated assets.

23. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Due to micro & small enterprises (Refer note 49)	287.93	338.92
Due to others	1,236.71	3,179.83
	1,524.64	**338.92**

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

(₹ in Lacs)

	Particulars	As at 31st March, 2021	As at 31st March, 2020
a)	Amount remaining unpaid to any supplier at the end of each accounting year:		
	Principal	287.93	**338.92**
	Interest	-	**-**
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	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.	-	-

Total outstanding dues of micro and small enterprises (as per the intimation received from vendors)

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

24. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long-term debt (Refer note 20)	33.95	30.13
Interest accrued but not due on borrowings	0.37	0.34
Book overdraft	-	70.50
Payable to employees	129.46	155.95
Payable towards purchase of property, plant and equipment	145.89	196.13
Expenses Payable	48.02	86.99
	357.69	**540.04**

*There are no amounts due for payments to the Investor Education and Protection Fund under section 125 of Companies Act, 2013 as at 31st March, 2021 (31st March, 2020- Nil).

25. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory dues	26.70	18.56
Advance received from Customers	35.67	174.01
Government Grant (Refer note 38)	-	3.00
	62.37	**195.57**

26. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue from contracts with customers*		
Sale of manufactured goods-Oral Care Products	9,567.87	13,141.25
Job Work Income	0.49	48.90
Sale of packing material/raw material/traded Goods	58.51	43.63
Other operating revenue		
Scrap sales	69.28	61.83
Revenue from Operations	**9,626.87**	**13,233.78**

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

Reconciliation of revenue recognised with contract price:

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue as per contracted price	**9,725.74**	**13,307.81**
Adjustments		
Cost Reconciliation	(83.37)	11.13
Rebate given to customers	(9.73)	
Sales return	(5.78)	(85.16)
Revenue from Operations	**9,626.87**	**13,233.78**

26. REVENUE FROM OPERATIONS (Contd.)

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

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Advances from customers (Refer Note no 25)	**35.67**	**174.01**

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 Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest income on fixed deposits	**3.51**	**3.05**
Interest income from financial assets at amortised cost	26.43	76.30
Export incentives	20.43	252.82
Provision no longer required written back	360.31	152.59
Rental Income	0.78	0.76
Government grant(refer note 38)	3.00	3.00
Foreign exchange gain (net)	-	615.98
Profit on sale of investments	15.11	-
Miscellaneous income	28.95	45.92
Profit on Principal Agent Sale	38.34	-
Net gain on financial asset measured at FVTPL	-	17.68
Miscellaneous balance written back	57.92	7.22
	554.78	**1,175.32**

28. COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
A Cost of Raw Materials Consumed		
Stock at the beginning of the year	26.86	350.01
Add: Purchases	4,500.70	6,643.15
Less: Stock at the end of the year	(406.36)	(26.86)
	4,121.20	**6,966.30**
Cost of packing materials consumed		
Stock at the beginning of the year	25.11	268.74
Add: Purchases	2,491.33	2,286.31
Less: Stock at the end of the year	(235.40)	(25.11)
	2,281.04	**2,529.94**
	6,402.24	**9,496.24**

B Purchases of stock in trade

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Purchases of stock in trade	100.63	21.51
	100.63	**21.51**

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Finished goods		
At the beginning of the year	117.05	86.93
Less: At the end of the year	125.82	117.05
	(8.77)	**(30.12)**
Work-in-progress		
At the beginning of the year	144.16	109.40
Add: Purchases	125.51	255.01
Less: At the end of the year	(81.07)	(144.16)
	188.60	**220.25**
	179.83	**190.13**

30. EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries, wages, bonus and other allowances	694.90	769.83
Contribution to provident and other funds	47.41	50.46
Workmen and staff welfare expenses	63.54	20.09
Gratuity	26.11	24.71
Leave encashment	6.07	9.72
	838.03	**874.81**

31. FINANCE COSTS

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest expense	16.70	85.45
Interest on lease liability	28.12	29.91
Interest on delay in deposit of Statutory dues	0.43	20.75
	45.25	**136.11**

32. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation on property, plant & equipment	531.54	716.80
Depreciation on right of use asset	24.60	24.97
Amortisation of intangible assets	0.29	1.20
	556.43	**742.97**

33. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Consumption of stores and spares	7.62	8.44
Power and Fuel	291.95	323.00
Advertisement expenses	1.84	253.74
Job work charges	525.22	536.72
Business promotion expenses	13.39	25.57
Brand Promotion Expenses	-	1.33
Repairs		
Plant and Machinery	132.44	89.20
Building	40.82	13.13
Others	33.70	27.48
Freight and cartage outward	15.46	64.28
Insurance Charges	55.26	53.51
Legal and professional fees	74.08	42.17
Rates and taxes	62.50	23.42
Telephone and postage	6.78	13.49
Printing and stationery	5.61	9.60
Travelling and conveyance expenses	34.26	94.73
Loss on sale of fixed assets (Net)	5.03	1.89
Directors' sitting fees	1.20	5.70
Exchange fluctuation loss (net)	73.50	-
Research & Development charges	4.07	3.72
Auditor's remuneration (Refer note 48)	20.16	15.22
Office maintenance	27.05	21.51
Advances/balances/others written off	328.67	12.74
Advances/balances/others provision	-	57.92
Miscellaneous expenses	17.97	51.32
Amortization of deferred rent expense	2.24	2.25
Corporate Social Responsibility expense (Refer note 52)	28.00	14.00
Donation expense	-	0.30
	1,808.81	**1,766.38**

34. EXCEPTIONAL ITEMS

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Loss on asset discontinued from active use and held for sale*	-	1,063.69
	-	**1,063.69**

*During the year ended 31st March, 2020, the Company had assessed the recoverability of property plant and equipment and had identified certain property plant and equipment which were not in active use having gross value and written down

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

value of ₹ 1776.53 Lacs and ₹ 1073.69 Lacs respectively. Consequently these assets had been carried its net realisable value and recognized under the head "Assets classified as held for Sale" at an estimated realsiable value of ₹ 10.00 Lacs. Therefore, loss of ₹ 1063.69 Lacs had been charged to the statement of profit and loss shown as exceptional item.

35. INCOME TAXES

(a) Income tax expenses

(₹ in Lacs)

		Year ended 31st March, 2021	Year ended 31st March, 2020
	Profit and loss section		
i.	**Current tax**		
	Current tax on profits for the year	52.57	180.87
	Adjustments for current tax of previous years	(131.42)	(26.39)
		(78.85)	154.48
ii.	**Deferred tax charge/(credit)**		
	Origination and reversal of temporary differences	121.95	(152.38)
	Income tax expense reported in the Statement of Profit and Loss (i+ii)	**43.10**	**2.10**
	Other Comprehensive Income (OCI) Section		
	Tax relating to items that will not be reclassified to Statement of Profit & Loss	1.82	(0.60)
	Income tax charged to OCI	**1.82**	**(0.60)**

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

(₹ in Lacs)

	Year ended 31st March, 2021	Year ended 31st March, 2020
Profit from continuing operations (A)	319.71	179.09
Income tax rate applicable (B)	27.82%	27.82%
Computed tax expense (A*B)	**88.94**	**49.82**
Tax effect of the amounts that are not deductible (taxable) while calculating taxable income :		
Effect of Non- deductible expenses	0.71	319.53
Income not taxable under income tax	(2.03)	(23.23)
Effect of changes in tax rate due to MAT	(35.05)	-
Tax expense for previous year	(131.42)	(26.39)
Deferred tax on unabsorbed losses, previously not recognised	(8.84)	(152.38)
Carry forward unabsorbed depreciation	-	(154.60)
Tax impact of IND AS adjustment	50.23	(10.23)
Deffered tax reversal on Provsion write back	95.17	-
Others	(14.61)	(0.42)
Income tax expense/(reversal)	**43.10**	**2.10**

36. 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 ₹ 253.07 lacs (Previous Year ₹ 214.60 lacs). 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 ₹ 4.20 lacs, against which the Company has filed an appeal before Additional excise and taxation commissioner cum - Appelate Authority (SZ) Shimla, where an amount of ₹ 0.50 lacs has been deposited.

II. Others:

Bank Guarantee issued by Bank amounting to ₹ 10.21 lacs (Previous Year ₹ 58.50 lacs).

37. CAPITAL COMMITMENTS

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	356.27	13.74
Investment in sixth sense Ventures Advisors LLP	200.00	-
Total	**556.27**	**13.74**

38. GOVERNMENT GRANT

During the financial year ended 31st March, 2012, the Company had received capital subsidy under the Central Capital Investment Subsidy Scheme, 2003 of the Government of India. The subsidy received is being apportioned to Statement of Profit & Loss over the useful life of the assets which is estimated as 10 years ending on 31st March, 2021. During the year the Company has recognised ₹ 3 Lacs (previous year ₹ 3 Lacs) as government grant based on useful life of the assets.

39. 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 Lacs)

Particulars	Revenue from external customers	
	Year ended 31st March, 2021	Year ended 31st March, 2020
India	9,218.37	7,583.87
UAE	35.84	5,711.74
Singapore	441.94	-
Total	9,696.15	13,295.61

Information about major customers

Revenue of ₹ 7196.68 Lacs, (Previous year ₹ 5975.66.87 Lacs) 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 31st March, 2021. The Company does not hold any non current assets outside India.

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

40. 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)

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Contribution to Provident Fund	37.94	38.96
Contribution to Employee State Insurance Scheme	9.47	11.50
Total	**47.41**	**50.46**

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 31st March, 2021	Year ended 31st March, 2020
Discount Rate (per annum)	6.45%	6.60%
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 6.45% p.a. (Previous year 6.60% 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.

40 EMPLOYEE BENEFIT OBLIGATIONS (Contd.)

I) Changes in the present value of obligation

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present Value of Obligation as at the beginning of the year	34.70	89.83	26.82	64.62
Acquisition Adjustment	-	-	-	-
Interest Cost	2.29	5.93	2.03	4.89
Past Service Cost	-		-	
Current Service Cost	10.48	20.18	10.60	18.19
Contribution by Plan Participants	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	(2.66)	(4.85)	-	
Actuarial (Gains)/Loss	(6.70)	(6.53)	(4.75)	2.13
Present Value of Obligation as at the end of the year	38.11	104.56	34.70	89.83
Current	7.41	6.41	7.57	6.63
Non Current	30.70	98.15	27.13	83.20
Total	**38.11**	**104.56**	**34.70**	**89.83**

II) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	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	38.11	104.56	34.70	89.83
Unfunded Net Liability Recognised in the Balance Sheet	38.11	104.56	34.70	89.83

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

40. EMPLOYEE BENEFIT OBLIGATIONS (Contd.)

III) Expenses recognised in the Statement of Profit and Loss Account

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Current Service Cost	10.48	20.18	10.60	18.19
Past Service Cost	-	-	-	-
Acquisition Adjustment	-	-	-	-
Interest Cost	2.29	5.93	2.03	4.89
Expected Return on Plan Assets	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	-	-	-	-
Remeasurement	(6.70)	-	(4.75)	-
Net actuarial (Gains)/Loss				
Employees Contribution	-	-	-	-
Total Expenses recognised in the Statement of Profit and Loss Account	6.07	26.11	7.88	23.08

Other Comprehensive Income (OCI)

(₹ in Lacs)

Particulars	Gratuity (Unfunded)	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	(6.53)	(2.13)
Actuarial gain /(loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	(6.53)	(2.13)

IV) Expected Employer Contribution

(₹ in Lacs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Expected Employer Contribution for the next year	-	-		

40. EMPLOYEE BENEFIT OBLIGATIONS (Contd.)

V) Maturity Profile of Defined Benefit Obligation

(₹ in Lacs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
0 to 1 Year	7.40	6.41	7.57	6.63
1 to 2 Year	7.04	8.65	5.51	4.93
2 to 3 Year	5.27	7.13	5.47	7.68
3 to 4 Year	4.67	7.80	4.14	6.42
4 to 5 Year	4.13	8.46	3.67	6.79
5 Year onwards	26.96	187.98	24.37	169.49

VI) Sensivity Analysis of the Defined Benefit Obligation:-

(₹ in Lacs)

Particulars	Leave Encashment	Gratuity (Unfunded)
	Year ended 31st March, 2021	
Impact of change in discount rate		
Present Value of obligation at the end of the year	38.11	104.56
a) Impact due to increase of 1%	(1.80)	(9.54)
b) Impact due to decrease of 1%	1.98	11.15
	Year ended 31st March, 2021	
Impact of change in salary rate		
Present Value of obligation at the end of the year	38.11	104.56
a) Impact due to increase of 1%	1.95	9.94
b) Impact due to decrease of 1%	(1.81)	(8.98)

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.

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

41. 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 - JHS Svendgaard Mechanical and Warehouse Private Limited
Entities controlled by a person who is a KMP of the Company or a person who has significant influence over the Company	- Starpool Consultants & Advisors LLP - Harish Chander Nanda Educational and Charitable Society
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 the Company

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Managing Director	2020-21
Mr. Vanamali Polavaram	Non -Executive Non-Independent Director	up to 18.08.2020
Mr. Rajagopal Chakravarthi Venkateish	Non -Executive Independent Director	w.e.f 23.06.2020
Mr. Mukul Pathak	Non - Executive Independent Director	2020-21
Mrs. Rohina Sanjay Sangtani	Non - Executive Independent Director	2020-21
Mr. Nikhil Kishorchandra Vora	Nominee Director	2020-21
Mrs. Balbir Verma	Non-Executive Independent Director	up to 14.09.2020
Mr. Paramvir Singh Pabla	Chief Executive Officer	2020-21
Mr. Ashish Goel	Chief Financial Officer	2020-21
Mr. Chetan Batra	Company Secretary	up to 04.05.2020
Mrs. Kirti Maheshwari	Company Secretary	w.e.f 23.06.2020

c) Key Management Personnel Compensation

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Short- term employee benefits	169.63	107.36
Post- employement benefits	14.86	13.61
Long- term employee benefits	2.93	2.76
Director's Sitting fees	1.20	5.70
Total Compensation	**188.61**	**129.43**

41. RELATED PARTY DISCLOSURES AS PER IND AS 24 (Contd.)

d) Transactions with related parties

The following transactions occurred with related parties:

(₹ in Lacs)

S. No.	Statement of Profit and Loss heads	Year ended 31st March, 2021	Year ended 31st March, 2020
1.	**Income:**		
	Sale of Product		
	- JHS Svendgaard Brands Limited	249.10	545.50
	Rental Income		
	- JHS Svendgaard Brands Limited	0.78	0.76
	Rimbursement of Expenses		
	- Apogee Manufacturing Private Limited	15.19	-
2.	**Expenditure:**		
	i) Purchase of Product		
	- JHS Svendgaard Brands Limited	6.19	0.97
	ii) Interest expenses on lease liability as per IND AS 116		
	- Nikhil Nanda	28.12	29.91
	iii) Depreciation expenses on Right of use assets as per as per IND AS 116		
	- Nikhil Nanda	24.60	24.97
	iv) Amortization of deferred rent expense		
	- Nikhil Nanda	2.24	2.25
	v) Electricity and Water expenses		
	- Nikhil Nanda	13.68	14.14
	vi) Corporate social responsibility expenses		
	- Harish Chander Nanda Educational and Charitable Society	16.81	10.00

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

(₹ in Lacs)

S. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
i.	**Loans and advances given (including security deposits)**		
	'- JHS Svendgaard Mechanical and Warehouse Private Limited	0.63	0.20
ii.	**Payment Received**		
	- Apogee Manufacturing Private Limited	-	10.00
	- Harish Chander Nanda Educational and Charitable Society	-	0.03
iii.	**Payment made**		
	- Magna Waves Private Limited	-	0.40

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

41. RELATED PARTY DISCLOSURES AS PER IND AS 24 (Contd.)

iv.	**Investment in equity share of ₹ 10 each**		
	- JHS Svendgaard Brands Limited	-	150.00
v.	**Security Deposit adjustment**		
	- JHS Svendgaard Brands Limited	-	28.00

f) Balance Sheet heads (Closing Balances)

(₹ in Lacs)

S. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
i.	**Other liabilities**		
	- Nikhil Nanda	3.02	4.02
ii.	**Trade Payable**		
	- JHS Svendgaard Brands Limited	10.51	2.84
iii.	Advances Received		
	- JHS Svendgaard Brands Limited	-	42.69
	Debit Balances		
iv.	**Loans and advances**		
	- JHS Svendgaard Mechanical and Warehouse Private Limited	1,319.07	1,318.45
	- Nikhil Nanda (At amortised cost)	12.65	11.00
v.	**Trade receivables**		
	- Apogee Manufacturing Private Limited	33.78	15.62
	- 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 31st March, 2021 the company has provided for impairment of receivables owed by the related party ₹ Nil and 31st March, 2020 ₹ Nil). This assessment undertaken each financial year through examining the financial position of related party and market in which related party operates.

42. FAIR VALUATION MEASUREMENTS

S. No.	Particulars	Level of Hierarchy	Year ended 31st March, 2021			Year ended 31st March, 2020		
			FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized Cost
	Financial assets							
1	**Investments**							
	Investment in Equity Instrument		-	-	1,421.00	-	-	-
	Investment in MLD	1	-	-	-	230.66	-	-
2	**Loans**							
	Security Deposit	3	-	-	12.65	-	-	11.00
	Others	3	-	-	274.82	-	-	266.64
3	**Trade receivables**	3	-	-	5,869.44	-	-	9,530.77
4	**Other financial assets**	3		-	495.64		-	160.03
5	**Cash & Cash Equivalents**	3	-	-	1,652.53	-	-	26.67
6	**Bank balances other than cash & cash equivalents**	3	-	-	35.06	-	-	24.62
	Total Financial Assets		**-**	**-**	**9,761.15**	**230.66**	**-**	**10,019.72**
	Financial Liability							
1	**Borrowings including current maturities**	3	-	-	67.24	-	-	65.70
2	**Trade & Other Payables**	3	-	-	1,524.64	-	-	3,518.75
3	**Lease Liabilities**	3			179.83			190.29
4	**Other financial Liabilities**	3	-	-	323.74	-	-	509.91
	Total Financial Liabilities		**-**	**-**	**2,095.45**	**-**	**-**	**4,284.66**

a) 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.

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investment in Equity shares	1,421.00	1,421.00

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

44. 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 43. 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 31st March, 2021 and 31st March, 2020 :

(₹ in Lacs)

	Foreign currency	As at 31st March, 2021	As at 31st March, 2020
Trade Payable	USD	6.67	7.40
Trade Payable	EURO	-	0.12
Trade Receivable	USD	2,881.28	8,554.91
Bank account	EURO	-	0.28

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 31st March, 2021	Year ended 31st March, 2020
INR/USD	2%	8%
INR/EURO	4%	6%

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.

44. FINANCIAL RISK MANAGEMENT (Contd.)

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:

Year ended 31st March, 2021	Movement	Profit and loss	
		Strengthening	Weakening
USD Sensitivity	2%	69.79	(69.79)
EURO Sensitivity	4%	-	-
Year ended 31st March, 2020	**Movement**	**Profit and loss**	
		Strengthening	Weakening
USD Sensitivity	8%	710.84	(710.84)
EURO Sensitivity	6%	0.03	(0.03)

(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 Lacs)

Year ended 31st March, 2021	Movement	Profit and loss	
		Strengthening	Weakening
Price risk sensitivity*	1%	-	-
Year ended 31st March, 2020	**Movement**	**Profit and loss**	
		Strengthening	Weakening
Price risk sensitivity	1%	2.31	(2.31)

***During the year company has redeemed all its investments in mutual fund amd market linked debentures.**

(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.

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed-rate borrowings including current maturities		
- Vehicle Loan (Secured)	67.24	65.70
Total Borrowings(gross of transaction cost)	**67.24**	**65.70**

44. FINANCIAL RISK MANAGEMENT (Contd.)

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 ₹ 4,445.31 Lacs (31st March, 2020 ₹ 3,058.26 Lacs).

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.

44. FINANCIAL RISK MANAGEMENT (Contd.)

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 Lacs)

As at 31st March, 2021					
	Upto 1 year	1 to 3 years	3 to 5 year	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
Total	**1,900.20**	**77.49**	**72.91**	**44.85**	**2,095.45**
As at 31st March, 2020					
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	30.13	35.57	-	-	65.70
Trade payables	3,518.75	-	-	-	3,518.75
Lease Liabilities	10.46	38.43	57.55	83.85	190.29
Other financial liabilities	509.91	-	-	-	509.91
Total	**4,069.25**	**74.00**	**57.55**	**83.85**	**4,284.66**

45. 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 31st March, 2021 and 31st March, 2020.

(₹ in Lacs)

	As at 31st March, 2021	As at 31st March, 2020
Equity Share capital	6,440.05	6,090.05
Free Reserve*	2,853.84	2,585.54

* Comprises of retained earning and general reserves.

B Dividends

The Company has not proposed any dividend for the year ended 31st March, 2021 (31st March,2020: ₹ Nil).

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

46. EARNINGS PER EQUITY SHARE

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Earnings per equity share has been computed as under		
Earnings attributable to equity shareholders	276.61	176.99
Nominal value of equity share (₹)	10	10
No of shares as at end of the year	6,44,00,465	6,09,00,465
No. of weighted average equity shares	6,13,79,917	6,09,00,465
Basic Earning per share (₹)	0.45	0.29
Number of equity shares for Dilutive earning per share	6,16,41,561	6,09,00,465
Dilutive earning per share (₹)	0.45	0.29

47. LEASES

The changes in the carrying value of ROU assets for the year are as follows :

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Balance as at April 1, 2020	**174.41**	**199.38**
Add :Additions	-	-
Less :Deletions/Adjustment on account of waiver in Lease rent	(2.83)	-
Less :Depreciation	(24.60)	24.97
Balance as at March 31, 2021	**146.98**	**174.41**

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 :

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Current Lease Liabilities	17.87	10.46
Non-Current Lease Liabilities	161.96	179.83

The movement in lease liabilities is as follows :

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening Balance	190.29	**199.38**
Add : Lease assets during the period	-	-
Add : Interest expense during the period	28.12	29.91
Less: Cash outflows	(35.75)	39.00
Less :Deletions/Adjustment on account of waiver in Lease rent	(2.83)	-
Closing Lease liability at the end of the period	179.83	**190.29**

48. AUDITOR'S REMUNERATIONS

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Statutory Audit	12.00	9.00
Tax audit fees	3.50	2.25
Other matters		
- Limited reviews	3.75	3.75
- Out of pocket expenses	0.16	0.22
- Certification Fees	0.75	-
	20.16	15.22

49. Suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006

A sum of ₹ 287.93 Lacs is payable to Micro and Small Enterprises as at 31st March, 2021 (31st March, 2020: ₹ 338.92 Lacs). The above amount is on account of trade payables only. Out of the total amount outstanding to Micro and Small Enterprises a sum of ₹ 111.38 Lacs (31st March, 2020: ₹ 24.05 Lacs)is outstanding for more than 45 days as at 31st March, 2021. 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.

50. Disclosure required under section 186(4) of the Companies Act 2013 :-

Particulars of loan given (₹ in Lacs)

Sr. No.	Particulars	Outstanding Balances	Purpose
1	JHS Svendgaard Mechanical and Warehouse Private Limited	1,319.07	Purchase of Land
		(1,318.45)	
2	A.R. Textiles Private Limited*	1,221.37	Intercorporate Financing
		(1,221.37)	

*Doubtful of recovery and fully provided for.

Figures in brackets represents previous year figure.

Sr. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
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

Notes to the Financial Statements
For the year ended 31st March, 2021 (Contd.)

51. 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 specifies repayment schedule

JHS Svendgaard Mechanical and Warehouse Private Limited

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Closing Balance excluding provision	1,319.07	1,318.45
Maximum balance during the year	1,319.07	1,318.45

52. In accordance with the requirements of Section 135 of the Companies Act, 2013, during the financial year ending 31st March, 2021, the Company has obligation to spent in pursuance of its Corporate Social Responsibility policy as follows:

(₹ in Lacs)

	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
a)	Gross amount required to be spent by the company during the year	27.90	30.18
b)	Amount spent during the year by the compnay during the year on purpose other than constructions/acquisition of assets	28.00	14.00
c)	Balance amount to be spent	0.00	16.18

53. 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.

54. The figures of the previous year have been re-grouped / re-classified to render them comparable with the figures of the current year.

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: 22nd June, 2021

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

Nikhil Nanda
Managing Director
DIN : 00051501

Mukul Pathak
Director
DIN : 00051534

Kirti Maheshwari
Company Secretary &
Complaince Officer
Membership No. A40253

Paramvir Singh Pabla
Chief Executive Officer

Ashish Goel
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Members of JHS Svendgaard Laboratories Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS 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 31st March, 2021, 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 Ind AS financial statements, including a summary of significant accounting policies ("the consolidated Ind AS 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 Ind AS 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 31st March, 2021, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

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 Consolidated Ind AS Financial Statements section of our report. We are independent of the Group 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 consolidated Ind AS financial statements under the provisions of the Act and the Rules made 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-para (a) of the Other Matters paragraph below, 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 consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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	**Revenue Recognition** Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized 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. Refer Note 2(b) to the Consolidated Financial Statements - Significant Accounting Policies	**Principal Audit Procedures** Our audit approach was a combination of test of internal controls and substantive procedures including: • 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. • Evaluating the design and implementation of Group's controls in respect of revenue recognition. • Testing the effectiveness of such controls over revenue cut off at year-end. • 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. • Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. Based on the above procedure performed, the recognition and measurement of revenue from sale of goods are considered to be adequate and reasonable.

Information Other than the Consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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 Ind AS 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 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 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS 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.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS 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 Ind AS 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 (after eliminating intra-group transactions) of ₹ 2,737.39 lacs and net assets of ₹ (278.26) lacs as at 31st March, 2021, total revenues (after eliminating intra-group transactions) of ₹ 380.37 lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 142.37 lacs for the year ended 31st March, 2021, as considered in the consolidated Ind AS 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 Ind AS 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 Ind AS 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

As required by Section 143(3) of the Act based on our audit and on the consideration of reports of other auditors on separate financial statements 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 Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 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 2021 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 Holding Company and its subsidiary companies, incorporated in India 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 197of 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, 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 Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 35 to the consolidated Ind AS 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.

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

per Surinder Kr. Khattar
Partner
Membership No.: 084993
UDIN: 218084993AAAACV4619

Place: New Delhi
Date: 22nd June, 2021

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 Ind AS financial statements of the company as of and for the year ended 31 March 2021, 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 with reference to financial statements. 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 2021, based on internal financial control with reference to financial statements.

Other Matters

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.

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

per Surinder Kr. Khattar
Partner
Membership No.: 084993
UDIN: 218084993AAAACV4619

Place: New Delhi
Date: 22nd June, 2021

CONSOLIDATED BALANCE SHEET

As at 31st March, 2021

(₹ in Lacs)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3.1	5,799.37	5,720.87
(b) Capital work-in-progress	3.1	891.62	705.02
(c) Right-of-use assets	3.3	407.89	726.18
(d) Goodwill	3.2	110.69	110.69
(e) Other Intangible assets	3.2	3.99	5.66
(f) Financial assets			
i) Investments		-	-
ii) Loans	4	118.77	121.08
iii) Other financial assets	5	60.62	67.84
(g) Deferred tax assets(net)	6	1,053.40	1,131.06
(h) Non-current tax assets (net)	7	111.07	75.08
(i) Other non-current assets	8	2,143.18	2,405.84
Total non-current assets		**10,700.60**	**11,069.32**
Current Assets			
(a) Inventories	9	1,163.85	560.68
(b) Financial assets			
i) Investments	10	204.65	602.59
ii) Trade receivables	11	5,871.00	9,614.60
iii) Cash and cash equivalents	12	2,079.24	67.98
iv) Bank balances other than (iii) above	13	35.51	25.05
v) Loans	14	421.94	404.95
vi) Other financial assets	15	485.94	145.37
(c) Other current assets	16	1,832.45	1,589.65
(d) Current tax assets (net)	-	0.59	0.04
(e) Assets classified as held for sale	-	-	11.42
TOTAL CURRENT ASSETS		**12,095.17**	**13,022.33**
Total assets		**22,795.77**	**24,091.65**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	6,440.05	6,090.05
(b) Other equity	18	12,429.50	11,709.80
Non-controlling Interest		**926.53**	**659.85**
Total Equity		**19,796.08**	**18,459.70**
LIABILITIES			
Non-Current Liabilities			
(a) Financial liabilities			
i) Borrowings	19	46.96	51.79
ii) Lease Liabilities	19	503.45	613.13
(b) Provisions	20	136.25	122.30
Total non-current liabilities		**686.66**	**787.22**
Current liabilities			
(a) Financial liabilities			
i) Borrowings	21	-	-
ii) Trade payables	22		
- total outstanding dues of micro and small enterprises		287.93	338.98
- total outstanding dues Other than dues of micro and small enterprises		1,310.14	3,272.87
iii) Lease Liabilities	19	114.04	161.29
iv) Other financial liabilities	23	406.73	678.79
(b) Other current liabilities	24	179.78	223.47
(c) Provisions	20	14.40	169.33
Total current liabilities		**2,313.03**	**4,844.73**
Total liabilities		**2,999.69**	**5,631.95**
Total equity and liabilities		**22,795.77**	**24,091.65**
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: 22nd June, 2021

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

Nikhil Nanda
Managing Director
DIN : 00051501

Mukul Pathak
Director
DIN : 00051534

Kirti Maheshwari
Company Secretary &
Complaince Officer
Membership No. A40253

Paramvir Singh Pabla
Chief Executive Officer

Ashish Goel
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2021

(₹ in Lacs)

	Particulars	Notes	Year ended 31st March, 2021	Year ended 31st March, 2020
	INCOME			
I	Revenue from operations	25	10,076.52	13,911.42
II	Other income	26	754.40	1,383.50
III	**Total income (I +II)**		**10,830.92**	**15,294.92**
	Expenses			
	Cost of materials consumed	27A	6,402.24	9,496.24
	Purchase of stock-in-trade	27B	283.99	336.85
	Changes in inventories of finished goods, work in progress and stock-in-trade	28	147.67	130.07
	Employee benefit expenses	29	1,008.17	1,343.57
	Finance costs	30	123.99	195.25
	Depreciation and amortisation expenses	31	725.47	876.07
	Other expenses	32	2,042.61	2,437.48
IV	**Total expenses**		**10,734.14**	**14,815.53**
V	**Profit/ (loss) before exceptional items and tax (III-IV)**		**96.78**	**479.39**
VI	**Exceptional items**	33	**-**	**(1,063.69)**
VII	**Profit/ (loss) before tax (V+VI)**		**96.78**	**(584.30)**
VIII	**Tax expense**			
	a) Current tax	34	52.57	180.87
	b) Tax for previous years		(131.42)	(26.39)
	b) Deferred tax	34	41.39	(253.28)
IX	**Profit/ (loss) for the year from continuing operations (VII-VIII)**		**134.24**	**(485.50)**
	Other comprehensive income			
	-Items that will not be reclassified to profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans		12.06	4.50
	Income tax expense relating to Items that will not be reclassified to profit or loss		(3.26)	(1.13)
X	**Total Other comprehensive income for the year, net of tax**		**8.80**	**3.37**
XI	**Total comprehensive income for the year (IX+X)**		**143.04**	**(482.13)**
XII	**Net profit attributable to:**			
	Owners of the Company		119.82	(197.91)
	Non-controlling interest		14.42	(287.59)
	Other Comprehensive Income attributable to:			
	Owners of the Company		6.59	1.01
	Non-controlling interest		2.21	2.36
	Total Comprehensive Income attributable to:			
	Owners of the Company		126.41	(196.90)
	Non-controlling interest		16.63	(285.23)
XIII	**Earnings per equity share**			
	a) Basic	44	0.20	(0.32)
	b) Diluted	44	0.20	(0.32)
	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: 22nd June, 2021

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

Nikhil Nanda
Managing Director
DIN : 00051501

Mukul Pathak
Director
DIN : 00051534

Kirti Maheshwari
Company Secretary &
Complaince Officer
Membership No. A40253

Paramvir Singh Pabla
Chief Executive Officer

Ashish Goel
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2021

A. EQUITY SHARE CAPITAL

(₹ in Lacs)

Balance as at 01st April, 2020	Changes in equity share capital during the year	Balance as at 31st March, 2021
6,090.05	350	6090.05
Balance as at 01st April, 2019	**Changes in equity share capital during the year**	**Balance as at 31st March, 2020**
6,090.05	-	6,090.05

B. OTHER EQUITY

(₹ in Lacs)

	Reserve and Surplus				Other Comprehensive income	Money Received against Share warrants	Non-controlling interest	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of net defined benefit plans			
Balance as at 01st April, 2020	241.95	9,930.72	6.68	1,517.40	13.05	0.00	659.85	12,369.65
Profit for the year	-	-	-	119.82	-	-	14.42	134.24
Other Comprehensive income	-	-	-	-	6.59	-	2.21	8.80
Total Comprehensive income for the year	-	-	-	119.82	6.59	-	16.64	143.04
Transaction with owners in capacity as owners								
Money received against share warrant	-		-	-	-	200.00	-	200.00
Share warrants money utilised for conversion into equity shares	-	-	-	-	-	(175.00)	-	(175.00)
Adjustment pertaining to a loan given to shareholder	-	-	-	(8.31)	-	-	-	(8.31)
Issue of equity share				-			143.30	143.30
Other Consolidation adjustment	-	-	-	121.47	-	-	(7.88)	113.59
Adjustments of Lease Equilisation Reserve				19.78				19.78
Security Premium	-	435.36	-	-	-	-	114.64	550.00
Balance as at 31st March, 2021	**241.95**	**10,366.08**	**6.68**	**1,770.16**	**19.63**	**25.00**	**926.53**	**13,356.03**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2021 (Contd.)

B. OTHER EQUITY

(₹ in Lacs)

	Reserve and Surplus				Other Comprehensive income	Money Received against Share warrants	Non-controlling interest	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of net defined benefit plans			
Balance as at 01st April, 2019	241.95	9,584.41	6.68	1,726.14	12.04	23.25	379.31	11,973.79
Profit for the year	-	-	-	(197.91)	-	-	(287.59)	(485.50)
Other Comprehensive income	-	-	-	-	1.01	-	2.36	3.37
Total Comprehensive income for the year	-	-	-	(197.91)	1.01	-	(285.24)	(482.14)
Transaction with owners in capacity as owners								
Money received against share warrant	-		-	-	-	1,038.85	-	1,038.85
Adjustment pertaining to a loan given to shareholder	-	-	-	(25.11)	-	-	-	(25.11)
Warrant converted into shares	-	-	-	-	-	(1,062.10)	-	(1,062.10)
Issue of equity share	-			-	-		331.75	331.75
Other Consolidation adjustment	-	-	-	7.97	-	-	-	7.97
Adjustments of Lease Equilisation Reserve				6.31				6.31
Security Premium		346.31		-			234.03	580.34
Balance as at 31st March, 2020	**241.95**	**9,930.72**	**6.68**	**1,517.40**	**13.05**	**0.00**	**659.85**	**12,369.65**

Refer note no. 19 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

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: 22nd June, 2021

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

Nikhil Nanda
Managing Director
DIN : 00051501

Mukul Pathak
Director
DIN : 00051534

Kirti Maheshwari
Company Secretary &
Complaince Officer
Membership No. A40253

Paramvir Singh Pabla
Chief Executive Officer

Ashish Goel
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st March, 2021

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items and tax	96.78	479.39
Adjustments for:		
Provision for inventories written back (Net)	(7.29)	(54.73)
Depreciation and Amortization	725.46	876.06
Loss on disposal of Property, Plant and Equipment (Net)	5.03	1.89
Interest income	(44.03)	(53.22)
Government grant amortization	(3.00)	(3.00)
Provision no longer required written back	(357.83)	-
Balances and Advances written off	328.67	(2.95)
Ammortisation expense of security deposit	14.44	9.14
Gain on modification of lease	(9.44)	(5.95)
Intangible assets under development written off	-	(9.79)
Balances and Advances written back	(127.91)	-
Interest and finance Charges	81.17	195.24
Net gain on financial asset mandatorily measured at FVTPL	9.54	(17.68)
Exchange loss/(gain) (Net)	61.66	(616.08)
Fair value adjustments	(31.89)	(52.48)
Others	0.03	9.30
Operating profit before working capital changes	**741.39**	**755.14**
Adjustments for :		
(Increase)/Decrease in inventories	(587.19)	399.41
(Increase)/Decrease in trade receivables	3,680.40	(3,351.51)
(Increase)/Decrease in Current Loans	1.69	388.31
(Increase)/Decrease in Other Current Assets	(201.68)	486.25
(Increase)/Decrease in Asset Held for Sale	5.42	(7.03)
(Increase)/Decrease in Investment in bank deposits	(10.44)	1.29
(Increase)/Decrease in Other Current Financial assets	(340.09)	178.41
(Increase)/Decrease in Non current Loans	1.27	(95.75)
(Increase)/Decrease in Other non-current assets	260.45	(27.11)
Increase/ (decrease) in Other Current Financial Liabilities	(256.07)	(11.54)
Increase/ (decrease) in Trade payables	(1,958.89)	1,024.82
Increase/ (decrease) in Lease Liabilities	7.42	10.45
Increase/ (decrease) in Short term provisions	(0.77)	1.28
Increase/ (decrease) in Long term provisions	24.29	26.46
Increase/ (decrease) in Non Current financial liabilities	(93.69)	727.95
Increase/ (decrease) in Other Current liabilities	6.73	1,575.37
Cash (used) from operations	**1,280.24**	**2,082.20**
Taxes Paid	(77.34)	16.50
Cash flow from exceptional items		
Loss on asset held for sale	-	(1,063.69)
NET CASH GENERATED/(USED) FROM OPERATING ACTIVITIES	**1,202.90**	**1,035.01**
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(833.27)	(1,026.63)
Right-of-use	172.29	(371.41)
Proceeds from sale of Property, Plant and Equipment	1.20	2.83

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st March, 2021 (Contd.)

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Purchase of Mutual Funds	(1,584.94)	-
Proceeds from sale of Mutual funds	1,756.16	330.61
Proceeds from sale of debentures	234.96	63.46
Investments in subsidiary companies	-	(150.00)
Interest income received	28.97	83.25
Proceeds from repayment of loan to Corporates	0.36	-
Loan given to Shareholder	-	4.63
Change in Other bank balance and cash not available for immediate use	1.75	(33.32)
Net Cash generated/(used) in investing activities	**(222.52)**	**(1,096.58)**
C. Cash Flow from Financing Activities		
Proceeds from/ (repayment of) long term borrowings	(2.28)	(135.03)
Proceeds from/ (repayment of) short term borrowings	15.69	(500.00)
Repayment of lease liabilities	(94.52)	(166.22)
Proceed from share capital and securities premium	1,150.00	1,038.85
Proceed from of Share Warrant	25.00	-
Interest and financial charges	(63.01)	(188.59)
Net increase from financing activities	**1,030.88**	**49.01**
Net Increase/(decrease) in cash and cash equivalents	**2,011.26**	**(12.56)**
Opening balance of cash and cash equivalents	67.98	80.54
Closing balance of cash and cash equivalents	2,079.24	67.98
Components of cash and cash equivalents as at end of the year		
Cash on hand	17.16	14.30
Balances with banks		
- on current account	2,062.08	51.63
- in term deposits with original maturity of 3 months or less	-	2.05
Cash and cash equivalent (Refer Note No. 12)	**2,079.24**	**67.98**

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

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: 22nd June, 2021

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

Nikhil Nanda
Managing Director
DIN : 00051501

Mukul Pathak
Director
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Kirti Maheshwari
Company Secretary &
Complaince Officer
Membership No. A40253

Paramvir Singh Pabla
Chief Executive Officer

Ashish Goel
Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

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, 2021.

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 lacs 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 22nd June, 2021.

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 2021. 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.

(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.

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 (₹), 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.

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 Companyexpects 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 Companyconsiders 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 Companyapplies 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 Companyrefer 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 Companyperforms 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.

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.

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 there 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 the 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 asset are recognised to the extent that 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 estimate 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 Companyassesses 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 Companyassesses whether: (i) the contract involves the use of an identified asset (ii) the Companyhas substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Companyhas the right to direct the use of the asset. At the date of commencement of the lease, the Companyrecognizes 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 Companyrecognizes 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 Companychanges 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 Companyis 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 subsequent 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.

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.

(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.

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 live 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.

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 ₹ 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.

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.

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, 2021.

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Companyin its financial statements. These amendments are applicable to the Companyfor the financial year starting 1st April, 2021.

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2021 (Contd.)

3.1. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01st April, 2020	Additions	Disposals/ adjustments	As at 31st March, 2021	As at 01st April, 2020	Depreciation & amortization for the year	Disposals/ adjustments	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
A) Property, Plant and Equipment										
Freehold Land	563.29	-	-	563.29	-	-	-	-	563.29	563.29
Factory Building	1,901.07	-	-	1,901.07	277.60	74.53	-	352.13	1,548.94	1,623.47
Office Building	143.01	-	-	143.01	24.18	6.04	-	30.22	112.79	118.83
Plant & Machinery	3,873.79	592.75	0.45	4,466.09	1,130.63	325.61	0.30	1,455.94	3,010.14	2,743.15
Mould & Dies	361.81	9.76	-	371.57	165.04	58.76	-	223.80	147.76	196.77
Electronic Equipment	189.26	2.63	-	191.89	159.39	2.89	-	162.28	29.61	29.87
Lab Equipment	5.63	-	-	5.63	3.96	0.88	-	4.84	0.79	1.67
Leasehold Improvements	157.33	-	-	157.33	29.37	18.93	-	48.30	109.03	127.96
Furniture & fixture	219.86	1.62	-	221.48	86.61	39.82	-	126.43	95.05	133.25
Office Equipment	40.73	1.12	-	41.84	16.03	6.56	-	22.59	19.25	24.69
Vehicle	249.24	37.62	-	286.86	94.34	32.13	-	126.47	160.38	154.89
Computer	9.36	0.71	0.09	9.98	6.39	1.32	-	7.71	2.27	2.97
Computer network	0.27	-	-	0.27	0.23	-	-	0.23	0.04	0.04
Total	**7,714.65**	**646.20**	**0.54**	**8,360.30**	**1,993.77**	**567.50**	**0.30**	**2,560.95**	**5,799.37**	**5,720.87**
Previous year	8,940.46	575.23	1,801.05	7,714.64	1,978.18	737.82	722.23	1,993.77	5,720.87	*6,962.29*
B) Capital work-in-progress *										
Building	207.95	4.96	0.32	212.59	-	-	-	-	212.59	207.95
Computer	-	0.13	-	0.13	-	-	-	-	0.13	-
Plant and Machinery	484.51	26.36	29.97	480.90	-	-	-	-	480.90	484.51
Mould and Dies	6.45	1.75	0.04	8.16	-	-	-	-	8.16	6.45
Furniture & fixture	1.59	1.95	-	3.54	-	-	-	-	3.54	1.59
Vehicle	-	182.27	-	182.27	-	-	-	-	182.27	-
Intangible Asset	4.51	-	0.48	4.03	-	-	-	-	4.03	4.51
Total	**705.02**	**217.42**	**30.82**	**891.62**	**-**	**-**	**-**	**-**	**891.62**	**705.02**
Previous year	**479.61**	**358.89**	133.49	**705.02**	**-**	**-**	**-**	**-**	**705.02**	**479.61**

* Capital Work in progress represents expenditure incurred in respect of capital projects at cost.

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2021 (Contd.)

3.2. INTANGIBLE ASSETS

(₹ in Lacs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01st April, 2020	Additions	Disposals/ adjustments	As at 31st March, 2021	As at 01st April, 2020	Depreciation & amortization for the year	Disposals/ adjustments	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
Goodwill	110.69	-	-	110.69	-	-	-	-	110.69	110.69
Total	110.69	-	-	110.69	-	-	-	-	110.69	110.69
Other Intangible assets						-	-			
Computer software	9.77	-	-	9.77	8.91	0.40	-	9.31	0.46	0.86
Trademark	6.77	0.48	-	7.25	2.38	1.37	-	3.75	3.49	4.38
Non Compete Fees	1.25	-	-	1.25	0.83	0.37	-	1.20	0.05	0.42
Total Other Intangible assets	**17.79**	**0.48**	**-**	**18.27**	**12.13**	**2.14**	**-**	**14.26**	**3.99**	**5.66**
Total	**128.47**	**0.48**	**-**	**128.95**	**12.13**	**2.14**	**-**	**14.26**	**114.68**	**116.34**
Previous year	**128.18**	**0.29**	**-**	**128.47**	**9.10**	**3.03**	**-**	**12.13**	**116.34**	**119.08**

3.2. RIGHT-OF-USE ASSETS

The changes in the carrying value of ROU assets for the year ended 31st March, 2021 are as follows :

(in ₹ Lacs)

Particulars	Amount
Balance as at 01st April, 2020	**726.18**
Additions	14.06
Deletions	176.53
Depreciation	155.83
Balance as at 31st March, 2021	**407.89**

4. FINANCIAL ASSET - NON - CURRENT LOANS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Security deposit to related parties (Refer Note No. 40)	118.77	14.77
Security deposit to others	-	106.31
	118.77	**121.08**

5. OTHER NON- CURRENT FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deposits with Banks having maturity period of more than twelve months*	60.37	62.13
Interest accrued on non current fixed deposits	0.25	5.71
	60.62	**67.84**

* includes pledged & Margin money deposited with various government authorities amounting to ₹ 14.48 Lacs (31st March, 2020: ₹ 13.18 Lacs).

6. DEFERRED TAX ASSETS (NET)

(a) The balance comprises temporary differences attributable to:

(₹ in Lacs)

	As at 31st March, 2021	As at 31st March, 2020
Deferred tax liability on account of:		
Property, plant and equipment	(375.76)	(293.27)
Financial assets at FVTPL	-	(10.46)
Right-of-use assets	(0.86)	(94.94)
Profit margin on inter group stock	(3.17)	-
Sub Total	**(379.80)**	**(398.67)**
Deferred tax asset on account of:		
Provision for bonus	1.53	23.00
Provision for doubtful debts	1.79	65.99
Provision for obsolete stock	15.03	15.23
Provision for gratuity	29.09	27.58
Provision for doubtful advance	567.00	583.03
Provision for leave encashment	10.84	10.43
Lease Liabilities	37.87	71.53
Other temporary differences	5.94	2.66
Tax losses carried forward	405.57	388.10
MAT Credit entitlement	358.54	339.92
Profit margin on inter group stock	-	2.26
Sub Total	**1,433.20**	**1,529.73**
Net deferred tax (liability)/asset	**1,053.40**	**1,131.06**

(b) Movement in deferred tax balances:

(₹ in Lacs)

	Provision for employement benefit	Property, Plant and Equipment	Tax losses carried forward	Others	Total
At 31st March, 2019	**48.07**	**(644.40)**	**458.80**	**968.87**	**831.35**
Charged/(Credited):					
- directly in equity	-	-	-	9.68	**9.68**
- to profit or loss	15.58	351.13	(70.69)	(16.35)	**279.67**
- to other comprehensive income	**(2.65)**	-	-	-	**(2.65)**
- Tax Expense /MAT	-	-	-	13.02	**13.02**
At 31st March, 2020	**61.00**	**(293.27)**	**388.11**	**975.22**	**1,131.06**
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)
At 31st March, 2021	**41.47**	**(376.62)**	**405.57**	**982.99**	**1,053.40**

6. DEFERRED TAX ASSETS (NET) (Contd.)

(c) Amounts recognised directly in other equity

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
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	9.68
	3.19	**9.68**

7. NON CURRENT TAX ASSETS (NET)

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance income tax and Tax deducted at source	163.64	155.10
Less: Provision for taxation	(52.57)	(80.02)
	111.07	**75.08**

8. OTHER NON CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital advance		
Unsecured (considered good)	463.13	1,784.18
Unsecured (considered doubtful)	730.35	730.35
Less: Provision for doubtful capital advances	(730.35)	(730.35)
Advances other than Capital Advances:		
Security deposit	577.13	578.29
Prepaid expenses	5.29	4.48
Deferred rent expense	1,097.63	38.89
	2,143.18	**2,405.84**

Capital Advance includes advances given to related party (Refer Note 40)

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2021 (Contd.)

9. INVENTORIES

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw Materials	406.36	26.86
Packing material	313.78	25.11
Work-in-progress	130.84	144.16
Finished goods	282.80	365.04
Stores and spares	77.51	54.23
Less: Provision for obselence & dimunition in value*	(47.44)	(54.72)
	1,163.85	**560.68**
*Provision for obselence & dimunition in value		
Opening balance	54.72	138.22
Addition during the year	-	-
Reversed during the year	(7.28)	(83.50)
Closing balance	**47.44**	**54.72**

10. CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investments carried at fair value through Profit & Loss		
Investments in Mutual funds (Quoted)		
- LGR- Union Liquid Fund Growth	-	-
Nil units (As at 31st March, 2019, 6314.26 units)		
- Kotak Liquid Fund	52.02	50.26
1256.27 Units (As at 31st March, 2020: 1256.27 Units)		
- ICICI Prudential	49.96	48.22
16488.90 units (As at 31st March, 2020: 16488.93 Units)		
- HDFC Liquid Fund	-	31.26
Nil Units (As at 31st March 2020: 804.857 Units)		
Aditya Birla Sunlife Mutual Fund	102.67	
24289.768 Units (As at 31st March, 2020 Nil)		
Investments in Debentures		
Nil Units (31st March, 2020: 41) Redeemable secured debentures, of Kotak Mahindra Prime Limited	-	472.85
Aggregate amount of quoted investments and Market value thereof	**204.65**	**602.59**

11. TRADE RECEIVABLES

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

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	5,871.00	9,614.60
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	237.21
Less: Allowance for Expected credit loss	-	(237.21)
	5,871.00	**9,614.60**
The movement in allowance for expected credit loss is as follows:		
Balance at the beginning of the year	237.21	237.21
Change in allowance for credit impairement during the year	-	-
Trade receivable written off during the year	(237.21)	-
Balance as at the end of the year	**-**	**237.21**

12. CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on hand	17.16	14.30
Balance with bank		
- current account	2,062.08	51.63
- term deposits with original maturity of less than 3 months	-	2.05
	2,079.24	**67.98**

13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Depost with bank with original maturity of more than 3 months but maturity of less than 12 months*	35.51	25.05
	35.51	**25.05**

*** includes pledged & margin money deposits with various government authorities amounting to ₹ 15.60 lakhs (31st March, 2020: ₹ 0.41 Lacs)**

14. CURRENT LOANS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
loans to corporates	-	30.76
loan to shareholder	404.49	244.52
Loan to others	-	107.79
loan to employees	17.45	21.88
	421.94	**404.95**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2021 (Contd.)

15. OTHER CURRENT FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest Receivables	8.41	-
Other receivables	477.53	145.37
	485.94	**145.37**

16. OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances other than capital advances		
Deferred expenses	2.24	17.45
Prepaid expenses	35.24	65.92
Balances with statutory/government authorities	337.98	769.45
Imprest to employees	0.69	0.72
Advance to suppliers	2,538.38	1,803.79
Less: Provision for doubtful advances	(1,307.47)	(1,365.38)
Promotional items	-	-
Export Incentive receivables	222.87	294.83
Other receivables	2.52	2.87
	1,832.45	**1,589.65**

17. EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Authorised shares		
65,000,000 Equity shares of ₹ 10/- each (31 March, 2020 : 65,000,000 Equity shares, ₹ 10/- each)	6,500.00	6,500.00
b) Issued, subscribed & fully paid up shares		
64,400,465 Equity shares of ₹ 10/- each; (31 March, 2020: 60,900,465 Equity shares, of ₹ 10/- each)	6,440.05	6,090.05
Total	**6,440.05**	**6,090.05**

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
At the beginning of the year	60,900,465	6,090.05	60,900,465	6,090.05
Add : Shares issued during the year *	3,500,000	350.00		-
At the end of the year	**64,400,465**	**6,440.05**	**60,900,465**	**6,090.05**

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 ₹ 10 each at an issue price of ₹ 20 per warrant. Out of this, the

17. EQUITY SHARE CAPITAL (Contd.)

Group has converted 35,00,000 fully convertible share warrants in to equal number of fully paid equity shares after receiving full issue price of ₹ 20 per warrant from the respective allottees. The said equity shares were listed with stock exchange in March 2021. Balance 5,00,000 fully covertible warrants pending for conversion as on 31st March, 2021 against which the Group has received ₹ 25 Lacs being 25% upfront money.

d) Terms / rights attached to equity shares

The Group 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.

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 31st March, 2021 and 31st March, 2020, 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 Company

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Nikhil Nanda	2,38,10,774	36.97%	23,810,774	39.10%
Sushma Nanda	30,65,983	4.76%	3,065,983	5.03%

18. OTHER EQUITY

A Summary of Other Equity Balance

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital reserves	241.95	241.95
Securities premium	10,366.08	9,930.72
General reserves	6.68	6.68
Retained earnings	1,770.16	1,517.40
Money received against share warrants	25.00	-
Other Comprehensive Income	19.63	13.05
Total	**12,429.50**	**11,709.80**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2021 (Contd.)

18. OTHER EQUITY (Contd.)

a) Capital reserves

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	241.95	241.95
Addition/Deletion during the year	–	-
Closing balance (A)	**241.95**	**241.95**

b) Securities premium

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	9,930.72	9,584.41
Add : Premium on Coversion of share warrants	350.00	-
Add : Premium on share issued	85.36	346.31
Closing balance (B)	**10,366.08**	**9,930.72**

c) General reserves

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	6.68	6.68
Addition during the year	-	-
Closing balance (C)	**6.68**	**6.68**

d) Retained earnings

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	1,517.40	1,726.14
Add: Profit for the year transferred from the Statement of Profit and Loss	119.82	(197.91)
Less: Adjustment pertaining to a loan given to shareholder	(8.31)	(25.11)
Less: Other Consolidation adjustment	121.47	7.97
Add: Adjustments of Lease Equilisation Reserve	19.78	6.31
Closing balance (D)	**1,770.16**	**1,517.40**

18. OTHER EQUITY (Contd.)

e) Money received against share warrants

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	-	23.25
Add: Money received against share warrant	200.00	1,038.85
Less: Share warrants money utilised for conversion into equity shares	(175.00)	(1,062.10)
Closing balance (E)	**25.00**	**-**

f) Other Comprehensive Income

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	13.05	12.04
Add: Remeasurement of net defined benefit plans	6.59	1.01
Closing balance (F)	**19.63**	**13.05**
Total other equity (A+B+C+D+E+F)	**12,429.50**	**11,709.80**

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 utilise 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 utilise in accordance with the provisions of the Companies Act, 2013.

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.

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2021 (Contd.)

19. FINANCIAL LIABILITIES

(i) Borrowings

(₹ in Lacs)

	Non current		Current maturities	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Secured				
Vehicle Loans*				
- from Banks	31.01	27.30	20.94	14.26
- from Others	5.95	14.49	15.75	18.22
	36.96	**41.79**	**36.69**	**32.48**
Amount disclosed under the head Other current financial liabilities (Refer note 23)	-	-	(36.69)	(32.48)
Net Amount (A)	**36.96**	**41.79**	**-**	**-**
Unsecured				
Unsecured Loan from other **	10.00	10.00	-	-
	10.00	**10.00**	**-**	**-**
Amount disclosed under the head Other current financial liabilities (Refer note 25)	-	-	-	-
Net Amount (B)	**10.00**	**10.00**	**-**	**-**
Total (A+B)	**46.96**	**51.79**	**-**	**-**

* 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.

**Loan carrying Interest rate of 15% p.a.

(ii) Lease Liabilities

(₹ in Lacs)

	Non current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Lease libility on office building	503.45	613.13	114.04	161.29
	503.45	613.13	114.04	161.29

20. PROVISIONS

(₹ in Lacs)

	Non current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Provision for Employee Benefits - Gratuity	104.74	92.61	6.86	7.19
Provision for Employee Benefits - Leave Encashment	31.51	29.69	7.54	7.98
Provision for Income Tax	-	-	-	154.16
	136.25	122.30	14.40	169.33

21. CURRENT BORROWINGS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash Credit*	-	-

*Cash credit facility obtained from bank is secured by hypothecation of inventories , debtors and charge on factory building. during the year the company has repaid all the cash credit facility post which group has applied to the bank for realese of title documents and vacation of charge on the hypothecated assets.

22. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade payable		
(a)Due to micro & small enterprises (Refer note 45)	287.93	338.98
(b)Due to others	1,310.14	3,272.87
	1,598.07	**3,611.85**

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

(₹ in Lacs)

Particulars		As at 31st March, 2021	As at 31st March, 2020
a)	Amount remaining unpaid to any supplier at the end of each accounting year:		
	Principal	287.93	338.98
	Interest		
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	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.	-	-

Total outstanding dues of creditors other than micro enterprises and small enterprises.

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2021 (Contd.)

23. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long-term debt (Refer note -19)	36.69	32.48
Interest accrued but not due on borrowings	0.37	0.40
Book overdraft	-	70.50
Payable to employees	169.14	273.31
Security deposit	-	6.00
Payable towards purchase of property, plant and equipment	145.89	196.13
Expenses Payable	54.64	99.97
	406.73	**678.79**

*There are no amounts due for payments to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at 31st March, 2021 (31st March, 2020: Nil).

24. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory dues	28.33	78.86
Advance received from Customers	151.45	141.61
Government Grant (Refer note 37)	-	3.00
	179.78	**223.47**

25. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue from contracts with customers*		
Sale of manufactured goods-Oral Care Products	9,761.25	13,757.06
Job Work Income	0.49	48.90
Sale of packing material/raw material (Traded Goods)	245.50	43.63
Other operating revenue	**-**	**-**
Scrap sales	69.28	61.83
Revenue from Operations	**10,076.52**	**13,911.42**

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

Reconciliation of revenue recognised with contract price:

(₹ in Lacs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue as per contracted price	10,007.25	13,849.60
Adjustments		
Cost Reconciliation	(83.37)	11.13
Rebate given to customer	(9.73)	-
Sales return	(5.78)	(85.16)
Revenue from Operations	**9,908.37**	**13,775.57**

25. REVENUE FROM OPERATIONS (Contd.)

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

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances from customers (Refer Note no 24)	**151.45**	**141.61**

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.

26. OTHER INCOME

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest income on fixed deposits	3.53	24.06
Interest income Others	79.45	79.52
Export incentive	20.46	252.82
Provision no longer required written back	437.67	152.59
Rental Income	-	0.76
Government grant(refer note 37)	3.00	3.00
Foreign exchange gain (net)	0.00	616.11
Gain on Termination of Lease	-	5.95
Profit on sale of Investment	19.98	10.84
Miscellaneous income	119.46	66.82
Net gain on financial asset mandatorily measured at FVTPL	-	13.55
Profit on principal agent sale	38.34	-
Minimum Guarantee	-	150.25
Miscellaneous balance written back	32.51	7.22
	754.40	**1,383.50**

27. COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
A Cost of Raw Materials Consumed		
Stock at the beginning of the year	26.86	350.01
Add: Purchases	4,500.70	6,643.15
Less: Stock at the end of the year	(406.36)	(26.86)
	4,121.20	**6,966.30**
Cost of packing materials consumed		
Stock at the beginning of the year	25.11	268.74
Add: Purchases	2,569.71	2,286.31
Less: Stock at the end of the year	(313.78)	(25.11)
	2,281.04	**2,529.94**
	6,402.24	**9,496.24**

27. COST OF MATERIALS CONSUMED (Contd.)

B Purchases of stock in trade

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Purchases of stock in trade	283.99	336.85
	283.99	**336.85**

28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Finished goods		
At the beginning of the year	365.04	274.86
Less: At the end of the year	(282.80)	(365.04)
	82.84	**(90.18)**
Work-in-progress		
At the beginning of the year	144.16	109.40
Add: Purchases	52.11	255.01
Less: At the end of the year	(130.84)	(144.16)
	65.44	**220.25**
	147.67	**130.07**

29. EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries, wages, bonus and other allowances	848.00	1,193.86
Contribution to provident and other funds	56.14	72.56
Workmen and staff welfare expenses	64.00	20.85
Gratuity	31.64	36.84
Leave encashment	6.07	10.72
Staff Training & Stipends	0.77	8.34
Staff Recruitement Expenses	0.93	0.40
	1,008.17	**1,343.57**

30. FINANCE COSTS

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest expense	18.81	89.17
Interest Expense Lease Liabilities	104.63	85.20
Interest on delay in deposit of Statutory dues	0.55	20.88
	123.99	**195.25**

31. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation of property plant and equipment	567.50	737.83
Depreciation on Right of use asset	155.83	135.21
Amortisation of intangible assets	2.14	3.03
	725.47	**876.07**

32. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Consumption of stores and spares	7.86	12.06
Power and Fuel	297.82	329.95
Rent	0.77	1.50
Advertisement expenses	4.71	432.22
Business promotion expenses	22.47	73.09
Brokerage & Commission	25.29	16.23
Sampling Expense	4.09	14.80
Display and listing charges	3.30	3.15
Brand Promotion Expenses	15.48	12.34
Repairs		
Plant and Machinery	132.44	89.20
Building	40.82	13.13
Others	44.76	43.64
Marketing Fund	1.47	4.23
Revenue Shares	29.46	5.23
Airport Service Charges	18.76	13.19
Minimum Guarantee	1.95	1.04
Freight and cartage outward	21.17	92.39
Insurance charges	56.14	54.33
Legal and professional fees	90.19	126.04
Rates and taxes	66.66	30.68
Telephone and postage	7.25	14.42
Printing and stationery	6.58	16.96
Travelling and conveyance expenses	43.39	203.89
Provision for doubtful receivables	6.87	-
Fixed Deposit Witten Off	73.50	-
Loss on sale of fixed assets (Net)	5.03	3.92
Directors' sitting fees	5.20	10.70
Job work charges	525.22	536.72
Testing charges	4.07	-
Auditor's remuneration	22.11	17.43
Office maintenance	27.05	21.51
Research and Development Expenses	0.14	3.72
Advances/balances/others written off	328.67	12.74
Advances/balances/others provision		57.92
Miscellaneous expenses	23.69	79.77
Amortization of deferred rent expense	16.68	20.00
License fees	33.46	55.04
Donation expneses	-	0.30
Corporate Social Responsibility Expense (Refer Note 48)	28.00	14.00
Expired paste credit	0.10	-
	2,042.61	**2,437.48**

33. EXCEPTIONAL ITEMS

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Loss on asset discontinued from active use and held for sale*	-	1,063.69
	-	**1,063.69**

*During the year ended 31st March, 2020, the Company had assessed the recoverability of property plant and equipment and had identified certain property plant and equipment which were not in active use having gross value and written down value of ₹ 1,776.53 Lacs and ₹ 1,073.69 Lacs respectively. Consequently these assets had been carried its net realisable value and recognized under the head "Assets classified as held for Sale" at an estimated realsiable value of ₹ 10.00 lakhs. Therefore, loss of ₹ 1,063.69 Lacs had been charged to the statement of profit and loss shown as exceptional item.

34. INCOME TAXES

(a) Income tax Expenses

(₹ in Lacs)

		Year ended 31st March, 2021	Year ended 31st March, 2020
	Profit and loss section		
i.	**Current tax**		
	Current income tax charge for the year	52.57	180.87
	Adjustments in respect of current income tax of previous years	(131.42)	(26.39)
		(78.85)	**154.48**
ii.	**Deferred tax charge/(credit)**		
	Origination and reversal of temporary differences	41.39	(253.28)
		41.39	(253.28)
	Income tax expense reported in the Statement of Profit and Loss	**(37.46)**	**(98.80)**
	Other Comprehensive Income (OCI) Section		
	Tax relating to items that will not be reclassified to Statement of Profit & Loss	(3.26)	(1.13)
	Income tax charged to OCI	**(3.26)**	**(1.13)**

34. INCOME TAXES (Contd.)

(b) Reconciliation of tax expense and the accounting profit multiplied by the tax rate.

(₹ in Lacs)

	Year ended 31st March, 2021	Year ended 31st March, 2020
Profit from continuing operations (A)	96.78	(584.30)
Income tax rate applicable (B)	27.82%	27.82%
Income tax expense (A*B)	**26.92**	**(162.55)**
Tax effects of the items that are not deductable (taxable) while calculating taxable income :		
Tax on expenses not tax deductible		
Effect of Non- dedcutible expenses	0.71	329.29
Effect of creation of DTA (Net)	-	(84.72)
Deffered tax on unabsorbed losses	(8.84)	(80.72)
Carry forward unabsorbed depreciation	-	(154.60)
Effect of changes in tax rate due to MAT	(35.05)	
Income not taxable under income tax	(2.03)	(23.23)
Tax impact of Ind AS adjustment	28.73	8.08
Tax expense for earlier year	(131.42)	(26.39)
Tax imapact of difference in tax rate	-	13.59
Deffered tax reversal on Provsion write back	93.54	
Tax impact of consolidation	-	(2.26)
Other	(10.02)	
Income tax expense/(Reversal)	**(37.46)**	**(98.80)**

35. CONTINGENT LIABILITY

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

a) Matters under litigation:

Claims against the Company by vendors & customers amounting to ₹ 253.07 Lacs (Previous Year ₹ 214.60 Lacs). 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 has filed an appeal before Additional excise and taxation commissioner cum - Appelate Authority (SZ) Shimla, where an amount of Rs 0.50 Lacs has been deposited.

b) TDS demand O/s on traces portal amunting to Rs 3.42 Lacs (Previous Year ₹ 3.42 Lakh)

II. Others:

Bank Guarantee issued by Bank amounting to ₹ 54.72 Lacs (Previous Year ₹ 103.02 Lacs).

36. CAPITAL COMMITMENTS

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	356.27	16.68
Investment in sixth sense Ventures Advisors LLP	200.00	-
Total	**556.27**	**16.68**

37. GOVERNMENT GRANT

During the financial year ended 31 March, 2012, the Group had received capital subsidy under the Central Capital Investment Subsidy Scheme, 2003 of the Government of India. The subsidy received is being apportioned to Statement of Profit & Loss over the useful life of the assets which is estimated as 10 years ending on 31 March, 2021. During the year the Group has recognised ₹ 3 Lacs (previous year ₹ 3 Lacs) 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".

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
1. Segment Revenue		
(a) Manufacturing Business	9,696.15	13,295.61
(b) Other than manufacturing business	436.29	898.60
(c) Retail Businesss	186.99	263.68
Total	**10,319.43**	**14,457.89**
Less : Inter Segmental Revenue	(242.91)	(546.47)
Net Sales/Income from opertaion	**10,076.52**	**13,911.42**
2. Segment Results		
(a) Manufacturing Business	276.61	176.99
(b) Other than manufacturing business	26.60	(625.30)
(c) Retail Businesss	(154.38)	(23.04)
Less: Inter segment results	(14.59)	(14.15)
Total	**134.24**	**(485.50)**
3. Segment Asset		
(a) Manufacturing Business	21,448.30	22,908.71
(b) Other than manufacturing business	3,233.84	2,742.61
(c) Retail Businesss	963.23	1,197.81
Less: Inter Segment Assets	(2,849.60)	(2,757.48)
Total	**22,795.77**	**24,091.65**

38. SEGMENT REPORTING (Contd.)

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
4. Segment Liabilities		
(a) Manufacturing Business	2,300.49	4,758.91
(b) Other than manufacturing business	1,640.79	1,630.63
(c) Retail Businesss	503.54	603.51
Less: Inter Segment Liabilities	(1,445.13)	(1,361.10)
Total	**2,999.69**	**5,631.95**

Information about major customers

Revenue of ₹ 7196.68 Lacs, (Previous year ₹ 5975.66 Lacs) 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 31st March, 2021. The Company does not hold any non current assets outside India.

39. 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:

(₹ in Lacs)

Particulars	2020-21	2019-20
Contribution to Provident Fund	45.42	56.53
Contribution to Employee State Insurance Scheme	10.72	16.04
	56.14	**72.57**

b) Defined benefit plans

i.) Gratuity

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.

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2021 (Contd.)

Other disclosures required under Indian Accounting Standards 19 "Employee benefits" are given below:

Principal Actuarial Assumptions at the Balance Sheet date

Particulars	As at 31st March, 2021	As at 31st March, 2020
Discount Rate (per annum)	6.45%	6.60%
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% - 10%	

The discount rate has been assumed at 6.45& p.a (Previous year 6.60% 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.

I) **Changes in the present value of obligation**

(₹ in lakhs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present Value of Obligation as at the beginning of the year	37.67	99.80	29.40	77.92
Acquisition Adjustment	-	-	-	-
Interest Cost	2.29	6.59	2.03	5.89
Past Service Cost	-	-	-	-
Current Service Cost	10.48	22.12	10.60	21.56
Contribution by Plan Participants	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Remeasurement	-	-	1.09	0.76
Benefit Paid	(2.66)	(4.85)	(0.71)	(1.06)
Change in financial assumption	(2.01)	0.11		
Experience variance	-	(5.65)	-	(7.39)
Actuarial (Gains)/Loss	(6.70)	(6.53)	(4.75)	2.13
Present Value of Obligation as at the end of the year	39.07	111.59	37.66	99.80
Current	7.54	6.86	7.98	7.19
Non Current	31.51	104.74	29.69	92.61
Total	**39.05**	**111.60**	**37.67**	**99.80**

II) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets

(₹ in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	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	39.07	111.59	37.66	99.80
Unfunded Net Liability Recognised in the Balance Sheet	39.07	111.59	37.66	99.80

III) Expenses recognised in the Profit and Loss Account

(₹ in lakhs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Current Service Cost	10.48	22.12	10.60	21.56
Past Service Cost	-	-	-	-
Acquisition Adjustment	-	-	-	-
Interest Cost	2.29	6.59	2.03	5.89
Expected Return on Plan Assets	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	-	-	-	-
Remeasurement	(6.70)		(4.37)	
Net actuarial (Gains)/Loss	-	-	-	-
Employees Contribution	-	-	-	-
Total Expenses recognised in the Profit and Loss Account	6.07	28.71	8.26	27.45

Other Comprehensive Income (OCI)

(₹ in Lacs)

Particulars	Gratuity (Unfunded)	
	2020-21	2019-20
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	12.06	4.50
Actuarial gain /(loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	12.06	4.50

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2021 (Contd.)

IV) Experience Adjustment:

(₹ in lakhs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Expected Employer Contribution for the next year				

V) Maturity Profile of Defined Benefit Obligation

(₹ in lakhs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
0 to 1 Year	7.50	6.86	7.57	7.19
1 to 2 Year	7.04	9.14	5.51	5.50
2 to 3 Year	5.27	7.77	5.47	8.32
3 to 4 Year	4.67	8.49	4.14	7.43
4 to 5 Year	4.56	9.15	3.67	7.84
5 Year onwards	27.92	197.99	24.37	185.60

VI) Sensivity Analysis of the Defined Benefit Obligation:-

(₹ in lakhs)

Particulars	Leave Encashment	Gratuity (Unfunded)
	2020-21	
Impact of change in discount rate		
Present Value of obligation at the end of the year	39.07	111.59
a) Impact due to increase of 1%	(1.80)	(9.54)
b) Impact due to decrease of 1%	1.98	11.15
	2020-21	
Impact of change in Salary rate		
Present Value of obligation at the end of the year	39.07	111.59
a) Impact due to increase of 1%	1.95	9.94
b) Impact due to decrease of 1%	(1.81)	(8.98)

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 (2006-08) 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.

40. RELATED PARTY DISCLOSURES AS PER IND AS 24

a) Names of related parties and description of relationship:

Relationships	Name of Related Party
Entities controlled by a person who is a KMP of the Company or a person who has significant influence over the Company where transactions have taken place	- Anand & Anand Legal Services LLP - Starpool Consultants & Advisors LLP - Harish Chander Nanda Educational and Charitable Society
Relatives of Key Managerial Personnel where transactions have taken place	'- 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 where transactions have taken place	- 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	2020-21
Mr. Vanamali Polavaram	Non -Executive Non-Independent Director	up to 18.08.2020
Mr. Rajagopal Chakravarthi Venkateish	Non -Executive Independent Director	w.e.f 23.06.2020
Mr. Mukul Pathak	Non - Executive Independent Director	2020-21
Mrs. Rohina Sanjay Sangtani	Non - Executive Independent Director	2020-21
Mr. Nikhil Kishorchandra Vora	Nominee Director	2020-21
Mrs. Balbir Verma	Non-Executive Independent Director	up to 14.09.2020
Mr. Paramvir Singh Pabla	Chief Executive Officer	2020-21
Mr. Ashish Goel	Chief Financial Officer	2020-21
Mr. Chetan Batra	Company Secretary	up to 04.05.2020
Mrs. Kirti Maheshwari	Company Secretary	w.e.f 23.06.2020

c) Name of Key Mangerial personnel of JHS Svendgaard Brands Ltd

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2020-21
Ms Sushma Nanda	Director	2020-21
Mr. Safir Anand	Director	2020-21
Mr. Vinay Mittal	Independent Director	2020-21
Mr. Nikhil Kishorchandra Vohra	Nominee Director	2020-21
Mr. Chhabi Lal Prasad	Director	2020-21
Mr. Pradeep Kumar Bhardwaj	Additional Director	Joined w.e.f 29.09.2020
Mr Ravi Kumar	Chief Executive Officer	w.e.f. 03.02.2021 upto 30.04.2021
Mr. Vineet Sharma	Company Secretary	Upto 10.11.2020
Mr. Ashutosh Sharma	Company Secretary	w.e.f from 03.02.2021
Mr. Neeraj Kumar	Chief Financial Officer	Joined wef from 03.02.2021

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2021 (Contd.)

40. RELATED PARTY DISCLOSURES AS PER IND AS 24 (Contd.)

d) Name of Key Mangerial personnel of JHS Svendgaard Retail Ventures Private Limited

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2020-21
Mrs. Sushma Nanda	Director	2020-21
Mr. Balbir Verma	Director	2020-21
Mr Ashish Goel	Chief Financial Officer	2020-21

e) Name of Key Managerial Personnel of JHS Mechanical and Warehousing Private Limited

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2020-21
Mr. Chhabi Lal Prasad	Director	2020-21

f) Key Management Personnel Compensation

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Short- term employee benefits	176.50	129.28
Post- employement benefits	19.11	13.93
Long- term employee benefits	3.28	2.82
Director's Sitting fees	5.20	10.70
Total Compensation	**204.09**	**156.73**

g) Transactions with related parties

The following transactions occurred with related parties:

(₹ in Lacs)

S. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
1.	**Income:**		
i.	Reimbursement of Expenses		
	- Apogee Manufacturing Private Limited	15.19	0
ii.	Sale of MLD		
	- Sushma Nanda		79.58
2.	**Expenditure:**		
i.	Interest expense on Lease Liability as per IND AS 116		
	- Nikhil Nanda	43.69	46.47
ii.	Depreciation expense on Right of use as per IND AS 116		
	- Nikhil Nanda	37.92	38.81
iii.	Amortisation of deffered rent expense		
	- Nikhil Nanda	2.27	3.82
	- Magna Waves Impex Private Limited		0.60
iv	Rent Expense		
	- Magna Waves Impex Private Limited	0.50	

(₹ in Lacs)

S. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
v	Electricity expenses		
	- Nikhil Nanda	15.96	15.71
vi	Professional Fee for trademark Registration		
	- Anand & Anand Legal Services LLP	0.06	1.50
vii	Corporate Social Responsibility		
	- Harish Chander Nanda Educational and charitable Society	16.81	10.00

h) Loans and advances to/ from Related Parties

(₹ in Lacs)

S. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
i	**Loans/ advance Given**		
	- Magna Waves Private Limited	200.00	-
	- Naveen Bareja	-	0.10
	- Sagar Bareja	-	1.75
ii.	**Loans/ Advance (repaid/ adjusted)**		
	- Magna Waves Private Limited	200.00	-
iii.	**Payment Made**		
	- Apogee Manufacturing Private Limited	-	10.00
	- Harish Chander Nanda Educational and Charitable Society	16.81	0.03
	- Naveen Bajera	-	3.00
vi	**Trade Receivable Adjusted**		
	- Neeta marketing Services Pvt. Ltd	-	1.07
	Trade Payable Adjusted		
	- Neeta marketing Services Pvt. Ltd	-	27.50

i) Balance Sheet heads (Closing Balances)

(₹ in Lacs)

S. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
i.	**Other Liabilities**		
	- Nikhil Nanda	10.81	-
ii.	**Trade Payables**		
	-Magna Waves Private Limited	0.06	-
	-Anand & Anand Legal Services LLP	-	3.44
	Debit Balances		
iii.	**Loans and advances (including security deposit)**		
	- Nikhil Nanda (At amortised cost)	16.99	14.77
iv.	**Trade receivables (exculding provisions)**		
	- Apogee Manufacturing Private Limited	33.78	15.62
	- Sushma Nanda	-	4.58

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2021 (Contd.)

41. FAIR VALUATION MEASUREMENTS

S. No.	Particulars	Level of Hierarchy	As at 31st March, 2021			As at 31st March, 2020		
			FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized Cost
	Financial assets							
1	**Investments**							
	Investment in Mutual Fund	1	204.65	-	-	602.59	-	-
2	**Loans**			-	-			
	Security Deposit	3	-	-	118.77	-	-	121.08
	Others	3	-	-	421.94	-	-	404.95
3	**Trade receivables**	3	-	-	5,871.00	-	-	9,614.60
4	**Other financial assets**	3		-	546.57		-	213.21
5	**Cash & Cash Equivalents**	3	-	-	2,079.24	-	-	67.98
6	**Bank balances other than cash & cash equivalents**	3	-	-	35.51	-	-	25.05
	Total Financial Assets		**204.65**	**-**	**9,073.03**	**602.59**	**-**	**10,446.85**
	Financial Liability							
1	**Borrowings including current maturities**	3	-	-	83.65	-	-	84.27
2	**Trade & Other Payables**	3	-	-	1,598.07	-	-	3,611.85
3	**Lease Liability**	3			617.50			774.42
4	**Other financial Liabilities**	3	-	-	370.04	-	-	646.32
	Total Financial Liabilities		**-**	**-**	**2,669.26**	**-**	**-**	**5,116.86**

a) 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. TheGroup'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 Group'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:

1(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 Group'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 31st March, 2021 and 31st March, 2020 :

(₹ in lakhs)

	Foreign currency	As at 31st March, 2021	As at 31st March, 2020
Trade Payable	USD	6.67	7.40
Trade Payable	EURO	-	0.12
Trade Receivable	USD	2,881.28	8,554.91
Bank account	EURO	-	0.28

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 Group'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 31st March, 2021	Year ended 31st March, 2020
INR/USD	2%	8%
INR/EURO	4%	6%

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)

31st March, 2021	Movement	Profit and loss	
		Strengthening	Weakening
USD Sensitivity	2%	69.47	(69.47)
EURO Sensitivity	4%	-	-
31st March, 2020	Movement	Profit and loss	
		Strengthening	Weakening
USD Sensitivity	8%	710.84	(710.84)
EURO Sensitivity	6%	0.03	(0.03)

1(b) Price risk

The Group is mainly exposed to the price risk due to investment in mutual funds. 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, Group invest in highly rated mutual funds.

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

(₹ in lakhs)

31st March, 2021	Movement	Profit and loss	
		Strengthening	Weakening
Price risk sensitivity	1%	2.05	(2.05)
31st March, 2020	Movement	Profit and loss	
		Strengthening	Weakening
Price risk sensitivity	1%	6.03	(6.03)

1(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.

	As at 31st March, 2021	As at 31st March, 2020
Fixed-rate borrowings including current maturities		
- Vehicle Loan (Secured)	73.65	74.27
- Loan from Corporate (Unsecured)	10.00	10.00
Total Borrowings	**83.65**	**84.27**

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 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 ₹ 4,509.01 Lacs (31st March, 2020 ₹ 3,063.09).

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.

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 :

	March 31, 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
Total	**2,118.85**	**367.43**	**113.29**	**69.69**	**2,669.26**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2021 (Contd.)

	March 31, 2020				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	32.48	41.78	-	10.00	84.26
Trade payables	3,611.85	-	-	-	3,611.85
Lease Liabilities	161.29	393.41	89.43	130.29	774.42
Other financial liabilities	646.32	-	-	-	646.32
Total	**4,451.94**	**435.19**	**89.43**	**140.29**	**5,116.85**

43. CAPITAL MANAGEMENT

A Risk Management

For the purposes of Group 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 31st March, 2021 and 31st March, 2020.

(₹ in Lacs)

	As at 31st March, 2021	As at 31st March, 2020
Equity Share capital	6,440.05	6,090.05
Free Reserve*	1,776.84	1,524.08

* Comprises of retained earning and general reserves.

B. Dividend

The Group has not proposed any dividend for the year (31st March,2020: ₹ Nil).

44. EARNING PER SHARE (EPS)

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Net Profit/(loss) attributable to equity shareholders	**119.82**	**(197.91)**
Profit after tax (before other comprehensive income)		
Nominal value of equity share (₹)	10	10
No of shares as at end of the year	60,900,465	60,900,465
No. of weighted average equity shares	61,379,917	60,900,465
Basic Earning/(Loss) per share	0.20	(0.32)
Number of equity shares for Dilutive EPS	61,641,561	60,900,465
Dilutive Earning/(Loss) per share	0.20	(0.32)

45. SUPPLIERS REGISTERED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED)

A sum of ₹ 287.93 Lacs is payable to Micro and Small Enterprises as at 31st March, 2021 (2020 - ₹ 338.92). The above amount is on account of trade payables only. Out of the total amount outstanding to Micro, Small and Medium Enterprises a sum of ₹ 111.38 Lacs (31st March, 2020: ₹ 24.05 Lacs) is outstanding for more than 45 days as at 31st March, 2021. 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.

46. THE MOVEMENT IN LEASE LIABILITIES IS AS FOLLOWS :

(₹ in Lacs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening Balance	774.42	500.41
Add : Addition	14.62	416.75
Add : Interest expense during the period	104.63	85.20
Less : Cash outflows	(69.49)	(166.22)
Less : Deletions/Adjustment on account of waiver in Lease rent	(206.68)	(61.72)
Closing Lease liability at the end of the period	617.50	774.42

47. ADDITIONAL INFORMATION

Name of the entity in Group	Net assets i.e. total assets minus total liabilities		Share in Profit/ (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consoli-dated net assets	Amount	As % of consoli-dated (profit) or loss	Amount	As % of consoli-dated Other compre-hensive income	Amount	As % of consoli-dated Total other compre-hensive income	Amount
Parent Company								
JHS Svendgaard laboratories Limited	96.16%	19,038.74	206.04%	276.61	0.00%	4.71	196.65%	281.31
Subsidiary Company								
JHS Svendgaard Brands Limited	4.98%	986.04	9.40%	12.61	0.00%	4.09	11.68%	16.71
JHS Svendgaard Retail Ventures Private Limited	-0.96%	(190.66)	-115.00%	(154.38)	0.00%	-	-107.92%	(154.37)
JHS Svendgaard Mechanical and Warehouse Private Limited	-0.19%	(38.05)	-0.44%	(0.60)	0.00%	-	-0.41%	(0.59)
Total	**100.00%**	**19,796.08**	**99.99%**	**134.24**	**0.00%**	**8.80**	**100.00%**	**143.04**

Notes to the Consolidated Financial Statements
For the year ended 31st March, 2021 (Contd.)

47A. 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 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
	%	%	%	%
(i) JHS Svendgaard Brands Limited	42.68	50.77	57.32	49.23
(ii) JHS Svendgaard Mechanical and Warehouse 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

48. In accordance with the requirements of Section 135 of the Companies Act, 2013, during the financial year ending March 31, 2021, the Group has obligation to spent in pursuance of its Corporate Social Responsibility policy as follows:

(₹ in Lacs)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a)	Gross amount required to be spent by the company during the year	27.90	30.18
b)	Amount spent during the year by the compnay during the year on purpose other than constructions/acquisition of assets	28.00	14.00
c)	Balance amount to be spent	0.00	16.18

49. 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.

50. The figures of the previous year have been re-grouped / re-classified to render them comparable with the figures of the current year.

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: 22nd June, 2021

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

Nikhil Nanda
Managing Director
DIN : 00051501

Mukul Pathak
Director
DIN : 00051534

Kirti Maheshwari
Company Secretary &
Complaince Officer
Membership No. A40253

Paramvir Singh Pabla
Chief Executive Officer

Ashish Goel
Chief Financial Officer

NOTICE OF ANNUAL GENERAL MEETING

To

The Members,

NOTICE is hereby given that the 17th Annual General Meeting ("AGM") of the Members of **JHS SVENDGAARD LABORATORIES LIMITED** will be held through Video Conferencing ("VC") on Tuesday, 28th September, 2021 at 1:00 P.M. 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 31st March, 2021 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.

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

Sd/-
Nikhil Nanda
Managing Director
DIN: 00051501

Date: 10th August, 2021
Place: New Delhi

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 Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular No.10/2021 dated June 23, 2021 ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 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 **llpbcs@gmail.com** with a copy marked to **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, 27th August, 2021.

7. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated May 12, 2020 and January 15,2021, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website at **www.svendgaard.com**, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **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**.

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 2020-21 along with AGM Notice by email to** 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**. 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** and **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**.

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 17th AGM and Annual Report for 2020-21 and thereafter shall be disabled from the records of the RTA immediately after the 17th AGM. 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. Listing Regulations, has mandated that for making dividend payments, companies whose securities are listed on the stock exchanges shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. The companies and the registrar and share transfer agents are required to seek relevant bank details of shareholders from depositories/ investors for making payment of dividends in electronic mode. It is also mandatory to print the bank details on the physical instrument if the payment is made in physical mode. Accordingly, shareholders are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in dematerialised form and with the registrar and share transfer agent in respect of shares held in physical form. For further details about registration process, please contact your depository/ R&TA of the Company.

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**. 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. Upon transfer, the Shareholders will be able to claim these equity shares only from the IEPF Authority by making an online application, the details of which are available at **www.iepf.gov.in** and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the **"Web Form IEPF- 5"**.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA. You are also requested to update your Bank details by writing to the Company's RTA.

19. 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.

20. 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 read with press release no. 12/2019 dated March 27, 2019, 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. Therefore, shareholders are requested to take action to dematerialize the equity shares of the Company.

21. 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, including certificate from the Auditors of the Company under Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014 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**.

22. Members are requested to notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

23. Members holding shares in single name in physical form are advised to make nomination in respect of their shareholding in the Company and for cancellation and variation of nomination in Form SH- 13 and SH-14, respectively, the same forms can be obtained from the Registrar and Transfer Agent of the Company.

24. Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company's Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio.

25. Non-Resident Indian members are requested to inform RTA / respective DPs, immediately of:

    a) Change in their residential status on return to India for permanent settlement.

    b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

26. The Board of Directors of the Company has appointed Mr. Mohit Dahiya, (CP No. [23052]) 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.

27. 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 form 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.

28. 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** 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.

29. 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 ANNUAL 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 during AGM will be provided by NSDL.

The remote e-voting period begins on Saturday, 25th September, 2021 at 09:00 A.M. and ends on Monday, 27th September, 2021 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, 17th September, 2021, 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, 17th September, 2021.

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.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. **https://eservices.nsdl.com** either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** 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 **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** 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 & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at **https://eservices.nsdl.com**. Select **"Register Online for IDeAS Portal"** or click at **https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp** 3. 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 (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 **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.

Type of shareholders	Login Method
	4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. 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 **https://web.cdslindia.com/myeasi/home/login** or **www.cdslindia.com** and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at **https://web.cdslindia.com/myeasi/Registration/EasiRegistration** 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in **www.cdslindia.com** home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login type	Helpdesk details
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 helpdesk.evoting@cdslindia.com 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?

1. 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.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. 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.*

4. 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 user 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.nsdl.com**.

   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on **www.evoting.nsdl.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 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 **llpbcs@gmail.com** with a copy marked to **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** 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 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 , 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**

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. 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** 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.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system.** After successful login, you can see link of "VC link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC link placed under Join General Meeting menu. The link for VC will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at **cs@svendgaard.com**. The same will be replied by the company suitably.

6. Registration of Speaker related point needs to be added by company.

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	26.09.1972
Brief Resume	Nikhil Nanda, 48 years is 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	Enterpreneur with Good Leadership Skills
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
Others	He also holds 5,00,000 Fully Convertible warrants @ ₹20 each to be converted into equity shares of the company within 18 months from the date of allotment i.e 22/09/2020.

JHS SVENDGAARD LABORATORIES LIMITED

Registered ofice:

Trilokpur Road, Kheri (Kala-Amb), Tehsil-Nahan
District- Sirmour, Himachal Pradesh -173 030
www.svendgaard.com

Corporate Ofice:

B-1/E-23, Mohan Co-operative Industrial Area,
Mathura Road, New Delhi-110044

BSE - 532771, NSE - JHS, E-mail - cs@svendgaard.com