SVENDGAARD LABORATORIES LIMITED
CIN : L24230HP2004PLC027558

September 20, 2018

The Bombay Stock Exchange Limited
Department of Corporate Services
25th Floor, P.J. Towers,
Dalal Street,
Mumbai-400001

Company Code No: 532771

The National Stock Exchange of India Limited
"Exchange Plaza",
Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai-400051

NSE Symbol: JHS

Sub: Submission of Annual Report under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we hereby submit 14th Annual Report of the Company. Annual General Meeting of the company was held on Tuesday, 11th September, 2018 at 01:00 P.M. at the Registered Office of the Company at Trilokpur Road, Kheri, Kala -Amb, Tehsil-Nahan, Distt: Sirmaur, Himachal Pradesh, for which Proceedings, Report of Scrutinizer along with Voting results have been duly filed.

Further, enclosed herewith the 14th Annual Report of the company in compliance with above said Listing Regulations.

Kindly note the compliance.

Thanking you,
Yours faithfully,
For **JHS Svendgaard Laboratories Limited**

New Delhi

Sanjeev K Singh
(Company Secretary & Compliance Officer)
Mem. No. F6295

Delivering on our Promises

JHS Svendgaard Laboratories Limited

ANNUAL REPORT 2017-18

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You are what you do,
not what you say you will do.
— CG Jung
So, if you have promised the moon, deliver it along with a handful of stars. For you want to shine in your shareholder's eyes.
nickelodeon
Shimmer & Shine

At JHS Svendgaard, we did just that.

At the start of the year, we made a promise to grow business. We made a promise to make business growth profitable.

And we delivered on our promises.

EBIDTA (₹ crore)

2017-18	21.38
2016-17	12.15

75.88%

Net Profit (₹ crore)

2017-18	28.07
2016-17	22.00

27.60%

ROCE (%)

2017-18	8.17
2016-17	4.26

3.90%

EBIDTA margin (%)

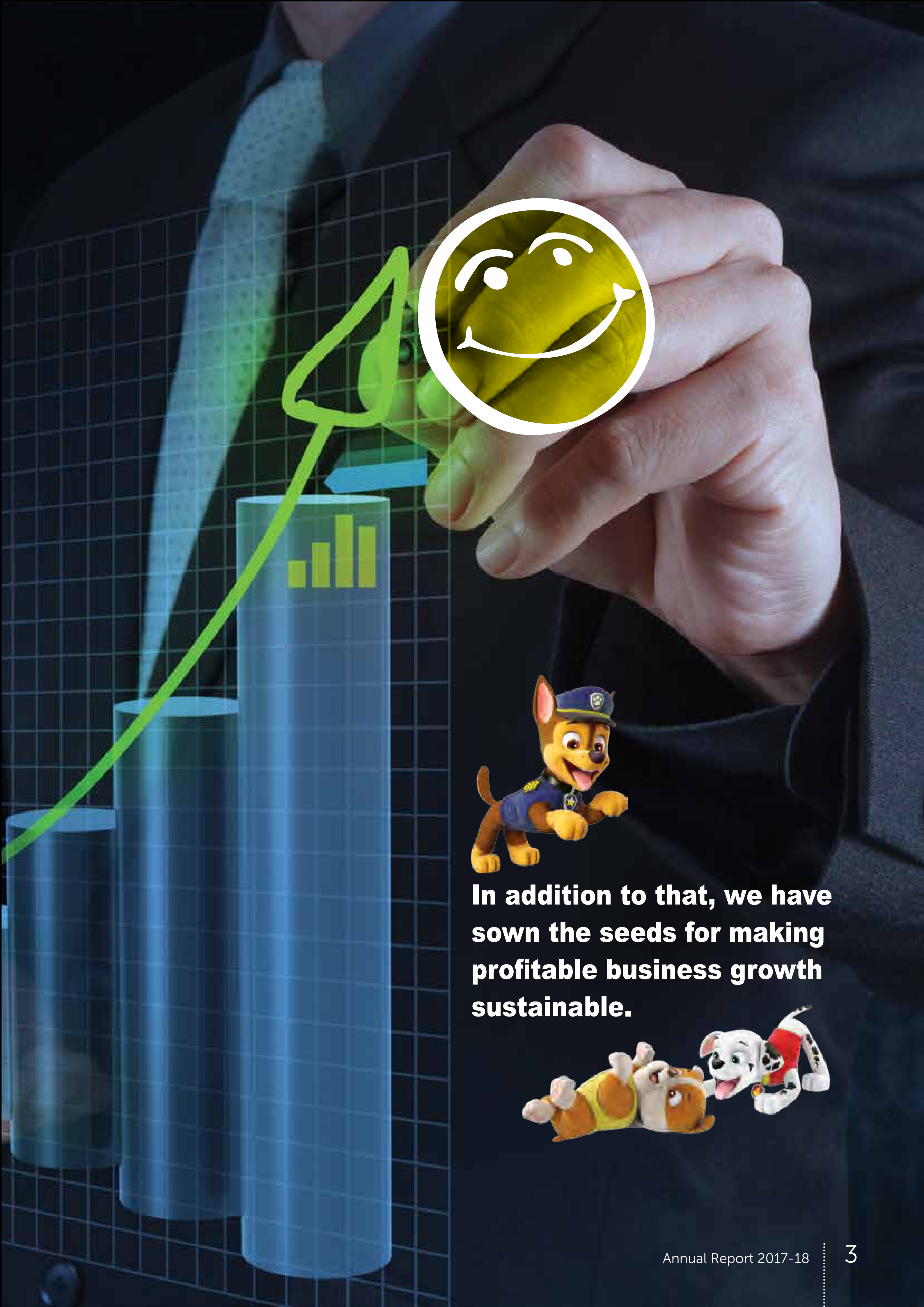
2017-18	14.67
2016-17	11.52

3.15%

Revenue from operations (₹ crore)

2017-18	140.73
2016-17	105.06

33.96%



In addition to that, we have sown the seeds for making profitable business growth sustainable.

STRENGTHENING THE CORE

At the year-start, we assured you that we would strengthen our business relations with our existing outsourcing partners.

We have remained steadfast in our commitment. During 2017-18, we increased the toothbrush and toothpaste outsourcing volumes by adding more SKUs to relationships with FMCG brands.

By the year-end, our private label business increased even as we expanded the product and customer base.

11.37%	4
Increase in revenue from private label business over the previous year	Number of contracts that are long-term in nature

BUILDING OUR BRAND

At the year-start, we promised that we would enhance volumes from our proprietary brands.

We were determined to deliver on our word. During 2017-18, we added substantial number of SKUs to our product basket and strengthened customer interface points in markets where we are present.

By the year-end, our revenue from our proprietary brands leapfrogged higher than our budgeted estimates.

1 lakh (approx.)

Increase in number of retail touch-points over the previous year

65

Increase in the number of SKUs developed under our umbrella brand of Aquawhite label

141%

Increase in revenue from proprietary brands (including exports) over the previous year

27.21%

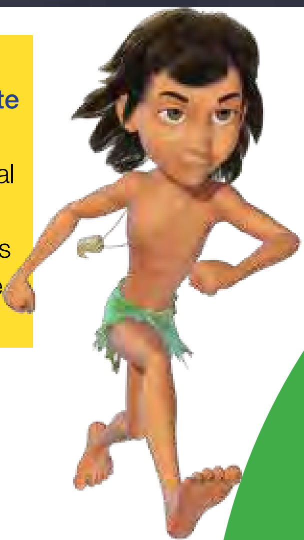
Proportion in overall revenue in 2017-18 against 14.77% in 2016-17

WIDENING THE CANVAS

It is said that if you really want to achieve something and focus all your energies towards reaching that goal, the whole Universe conspires for you to get it.

And yes the World, if not the Universe, did come together to make a difference.

During 2017-18, our proprietary brand **aquawhite** gained considerable acceptance in the key global oral care markets, which provided significant volumes – increasing export revenue considerably.



90	5	366%	15.81%
Increase in the number of distributors over the previous year	Increase in the number of SKUs for export destinations	Increase in revenue from exports over the previous year	Proportion in overall revenue in 2017-18 against 4.45% in 2016-17

An overview

JHS SVENDGAARD LABORATORIES LIMITED

It is India's largest integrated manufacturer of oral care products that service the demanding requirements of leading Indian and global FMCG brands operating in India.

Apart from contract manufacturing partnerships with domestic oral care brands, the Company manufactures proprietary brands as well.

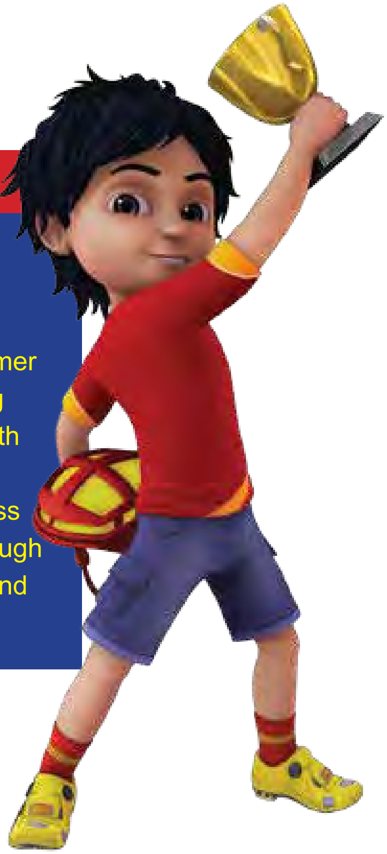
Headquartered in New Delhi, India, the Company manufactures the entire range of oral care products comprising toothbrushes, toothpastes, mouthwash, whitening gels, and denture products at its two ISO-certified, state-of-the-art manufacturing facilities at Kala Amb (Himachal Pradesh) with a ready land bank and tax benefits for immediate capacity/ category expansion.

Spearheaded by the visionary entrepreneur, Mr. Nikhil Nanda, the Company's operations are managed by an experienced and enthusiastic team.

The Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited.

Mission

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



44.17
Promoter holding (%)

0.62%
Institutional holding (%)

283
Team size

178.44
Capital employed (₹ crore)

326.73
Market Capitalisation (₹ crore)

305.10
Enterprise value (₹ crore)

145.68
Revenue (₹ crore)

21.38
EBIDTA (₹ crore)

28.07
Net Profit (₹ crore)

Vision

Aim to make aquawhite a respected brand at par with other established and global brands and be the most preferred contract manufacturer for national and global brands.

To inculcate the importance of oral hygiene across the country, with a focus on children.

OUR PRODUCT BASKET

Children are the savior consumers since ever before, as the size of the kids' population is good news. So is the fact that parents are spending more money than ever on children. Most compelling of all, however, is the surge in kids' own purchasing power.

Because of changes in the social and family roles of children, recently there have seen sharp increases not only in kids' direct spending but also in their influence on household spending and in order to tap the most growing opportunity in the kids segment JHS Svendgaard Laboratories Limited started its focus on the kids oral care solutions inter-alia tooth paste, and tooth brushes of premium category through one of its subsidiary namely JHS Svendgaard Brands Limited (JHS).

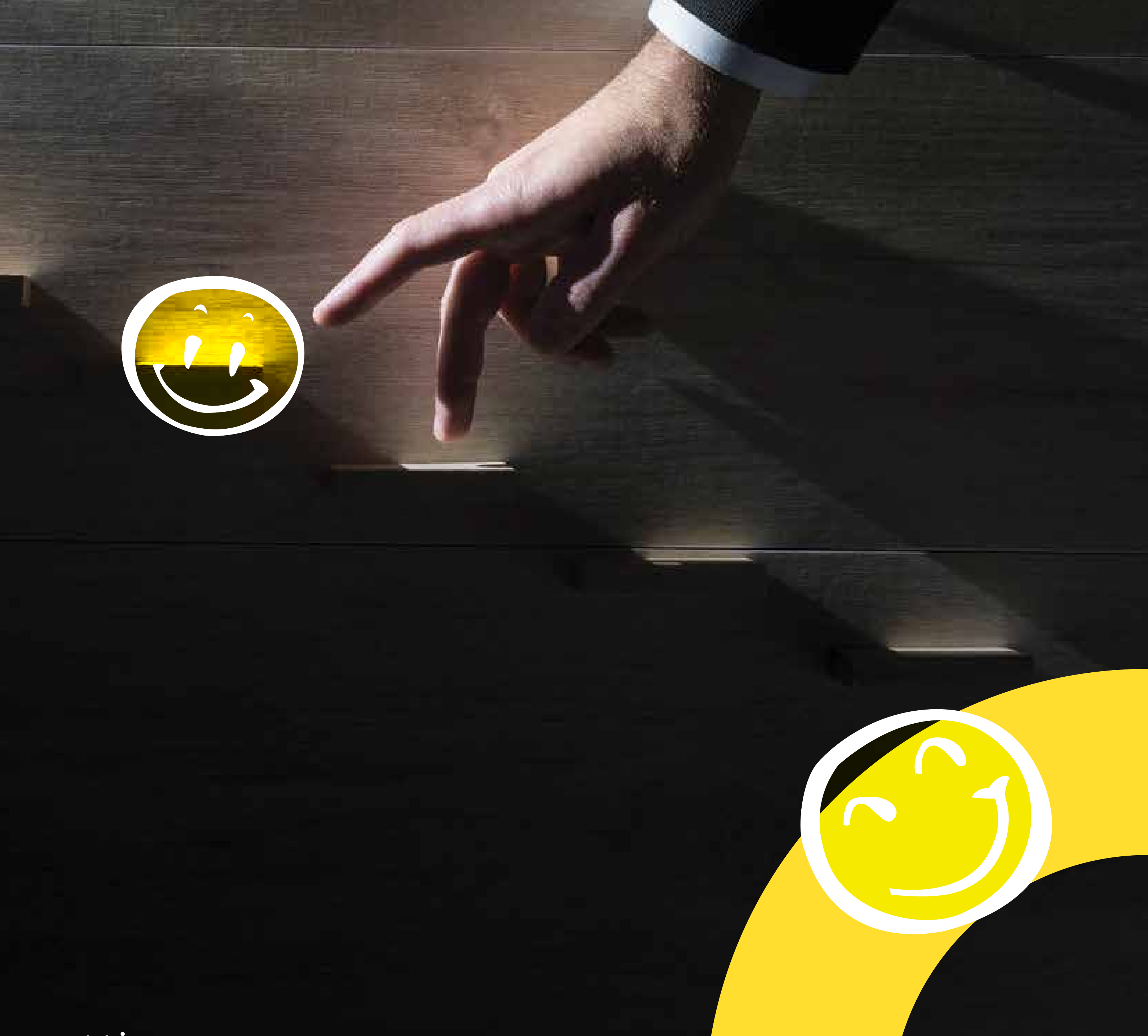
Most recently, JHS, the subsidiary of the company have entered into the exclusive license with Kids' most favourite cartoon character CHHOTA BHEEM and their family members inter-alia Chutki, Jaggu, Raju, Kalia, Indumati, Dholu, Bholu etc. Besides these presents, we are also partnering with VIACOM 18MEDIA PVT. LTD for their favourite cartoon character JUNGLE BOOK, SPONGEBOB, SQUAREPANTS, PAW PETROL, SHIMER & SHINE, and SHIVA. We are also partnering with Dream Theatre Pvt. Ltd. for their Character POKEMON.
All these characters are being used continuously with our licensed articles in kids premium range with our umbrella brand "aquawhite". There are a few other favourite cartoon characters with whom we are progressing on our discussions to have a license/business partnership. Further, we feel proud to share that during the year under review we convinced our business partners that JHS may provide them an ideal place for the successful business opportunity and invited them to share in our success effectively. With the help of our strategic partners and our extensive marketing we will reach millions of people and deliver fun loving and compliant quality products to thousands of our customers. Company's Proprietary brand "aquawhite" is gaining wide recognition in the domestic market. Recently, company launched its "aquawhite – DO-DO KA FORMULA" on FM Radio Fever 104. The response of the campaign was very positive and company is looking for better results in the coming years too.

We are committed to deliver quality products and we believe that Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution. JHS had invested a substantial amount in its state of art facilities followed with the continuous incurring expenditures on its Research and Development and development of its mould to produce the world class premium products. Presently, we had launched approx. 65 SKUs in the toothpaste and tooth brush range for only kids offering them their wise choice of many alternatives.

We had strengthen our distribution channel and now our products are widely available within the geographical territories of India either online or offline market space. We had our existing association with leading online portals inter-alia Amazon, Flipkart, Bigbasket, First Cry, Nykaa, Snapdeal, Paytm, Cloudtail etc.
We are also in the process of introducing two of company's own e-commerce portals namely aquawhite.in and chiddyaudd.com where all our products are also available for our esteemed customers.
Further, considering the huge business potential in kids segment and in order to continue expand in the kids premium range, your esteemed organization may by the end of September'18, review it's licensing Budget for upcoming years and may look forward a long term business association with few of your other favourite cartoon characters.

We hope that this will be most exciting opportunity to boost your Company's revenue in the upcoming years and partnering with all these cartoon characters would be a great way for us to end the coming years on a high note and approach the new year with a positive mindset.

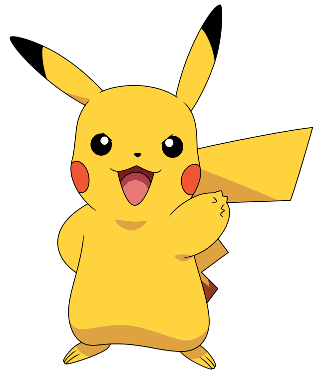
MOVING UP – YEAR ON YEAR!

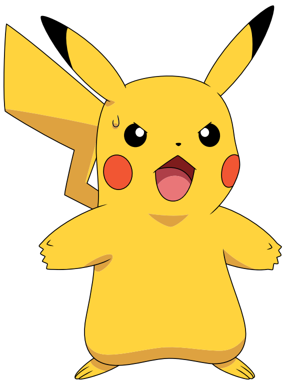


TOTAL REVENUE (₹ crore)

2014-15	2015-16	2016-17	2017-18
56.18	100.82	105.49	145.68

CAGR: 37.38%





EBIDTA (₹ crore)

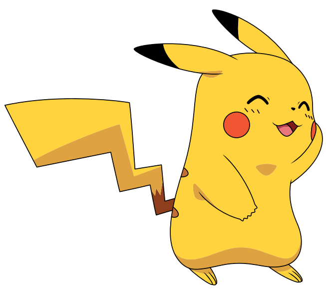
2014-15	2015-16	2016-17	2017-18
(2.98)	7.17	12.15	21.38

CAGR: 72.70%

NET PROFIT (₹ crore)

2014-15	2015-16	2016-17	2017-18
(22.14)	(21.63)	22.00	28.07

CAGR: 27.60%



NETWORTH (₹ crore)

2014-15	2015-16	2016-17	2017-18
101.84	95.10	134.80	176.64

CAGR: 20.15%

OPERATIONAL HIGHLIGHTS

Private Label business

- Increased our wallet share with existing clients by adding more SKUs to their product basket manufactured by us
- Increased revenues from manufacturing conversion of toothbrushes with multilevel marketing FMCG brands.

Proprietary brand business

- Added 65 SKUs to our proprietary brand **aquawhite**
- Increased our presence by adding 54,000 and 36,000 retail touch points in Tier II and III towns
- Increased export of proprietary products to key nations where we have a presence

Financial space

- Sustained our zero-debt status; received a loan sanction of ₹5 crore to be utilised, if required, to fund expansions

Business investment

- Part commissioned our brownfield expansion, which will be fully ramped up in the current year
- Undertook development activities to establish a niche in the kids segment of the oral care industry

THE COMPETITIVE ADVANTAGE

Strategic advantage

- More than two decades experience in manufacturing toothpastes and toothbrushes
- Majority of the outsourcing relationships with customers are long-term contracts providing adequate revenue visibility

Operational advantage

- State-of-the-art manufacturing facilities at Kala Amb (Himachal Pradesh) with additional land bank and tax benefits for immediate capacity/ category expansion
- Toothpaste unit continues to enjoy tax benefits under the new GST policy

Customer advantage

- Closely worked with more than 25 reputed FMCG brands domestically and globally
- Business with existing clients has been growing every year as new SKUs are being added to the outsourcing basket with the Company

Financial advantage

- Reliance on external funding has declined substantially – debt equity ratio has strengthened from 0.18 as on March 31, 2015 to 0.01 as on March 31, 2018.

Flanking advantage

- Building proprietary brands as a flanking strategy by establishing a presence in Tier II and III towns – products have gained significant acceptance
- Building a niche segment within proprietary brand pieces, which should strengthen business growth and profitability

90%

Revenue from multi-year outsourcing agreements

FOCUS ON GROWING SHAREHOLDER VALUE

In its efforts to strengthen business profitability, JHS focused on increasing capacity utilisation of its assets – thereby deriving economies of scale and optimising cost of operations. Towards this end, the Company successfully adopted two strategies.

1) Strengthening the Core

- Increased the proportion of job-work revenues for large organized customers, leading to increased asset sweating and improved working capital efficiency (since the materials will be provided by the customers).
- Grew outsourcing relations with large and fast-growing FMCG brands, which helped grow volumes of existing products and also facilitated in growing the SKU basket outsourced by them from JHS.

2) Building the Brand

- Entered into the definitive license agreements for the renowned cartoon characters vis Chhota Bheem, Shiva, Paw Patrol, Shimmer and Shine, Jungle Book, Pokemon etc. in order to step into the kids product portfolio.
- The Company is also leveraging its quality to launch various SKUs in the premium market, which would strengthen both top line and bottom line revenue growth.

EBIDTA margin (%)

2014-15	2015-16	2016-17	2017-18
(5.31)	7.11	11.21	14.67

NET margin (%)

2014-15	2015-16	2016-17	2017-18
(39)	(21)	20	19

In its efforts to create a solid financial foundation, JHS decided to increase its liquidity. To achieve this goal, the Company made a preferential allotment by way of 3,49,74,748 warrants for ₹11 each, mobilising an aggregate ₹38.47 crore. This quantum, along with internal accruals and funding from the promoter group, was used to settle bank debts of ₹28.50 crore, following which the Company became debt-free. It also helped fund the on-going expansion programme, which promises to strengthen the Company's cash flow from the current year.

Further, the Company made determined efforts to optimise its working capital cycle through disciplined adherence to business processes and regular follow-up for receivables. In doing so, the work capital cycle improved during the year under review.

DEBT-EQUITY RATIO (x)

2014-15	2015-16	2016-17	2017-18
0.18	0.03	0.01	0.01

RETURN ON CAPITAL EMPLOYED (%)

2014-15	2015-16	2016-17	2017-18
(14.85)	(3.22)	4.18	8.17

The determination and patient perseverance of the team, in consistently delivering on its promises, helped the Company achieve its ultimate goal – growing shareholder value. Market capitalisation increased significantly.

19.64
Market Capitalisation as on March 31, 2015 (₹ crore)

326.73
Market Capitalisation as on March 31, 2018 (₹ crore)

Message from the Managing Director

"At JHS Svendgaard, there were a number of occasions when the world screamed... 'give up'. And there were some silent whispers ... 'try one more time'. We are thankful that we heard the quiet murmurs."

Dear Shareholders,

It gives me immense pleasure to share my thoughts on the previous year, during which your Company has surpassed the expectations and delivered significantly beyond targets.
This, we believe, is particularly encouraging in strengthening trust in the organisation for it is commonly said that an ounce of performance is worth pounds of promise.

The performance

We had envisaged a robust business growth of about 20% which includes 10% organic growth and 10% owing to capacity expansion. It is extremely satisfying to report that we have surpassed it. Our revenue grew by 35.60% and net profit by 27.67% over the previous year while capacity expansion has been added in the 4th quarter only which should have a positive impact on business in the current year. This achievement is particularly special because it came during a period of strong headwinds, wherein the aftermath of demonetisation and the teething issues post the launch of Goods and Services Tax (GST) regime continuously challenged our efforts to reach the desired goal.

What also makes this growth extremely heartening is that every revenue vertical has contributed in equal measure to the Company's growth aspirations, enabling it to outperform the sectoral average.

While our private label segment continued to cement stronger relations with leading FMCG players in India – growing their business and ours, our proprietary brand (AQUAWHITE) gained customer acceptance – clocking significant volumes.

The promise

Even as the past was fulfilling, the road ahead appears more exciting. Our roadmap involves a number of important initiatives which will need us to raise our performance efficiency, individually and collectively, several notches higher.

Among other things, our plan for the year comprises of two vital elements with the potential to sustain our profit growth momentum over the coming years.

First, we expect to fully commission our new additional toothpaste facility in the second quarter of the current financial year 2018-2019. The ramp up of this unit is exciting for the Company because of the flexibility it provides – we can manufacture different variations and different sized packages – and as a result utilise our existing and new capacity better. Our facility has been designed in a manner to be flexible enough, so we can also manufacture semi-liquid formulations, which provide us with the opportunity to enter the personal care space, if and when we decide to. We expect the revenue and returns from this facility to significantly shore up your Company's growth in the current financial year.

Second, we are focused on creating our niche space within the ₹10,000 crore oral care segment leveraging our proprietary brand. We are leveraging our expertise and insight to establish our presence in the kids oral care segment. Towards this goal, we are developing products aligned to the mind-space and evolving preferences of the age group. We are in the process of securing licenses for marketing our exclusive products in the niche kids oral care market. We are confident of launching this new revenue vertical in the current year. we are certain it will make a significant contribution to sustaining your Company's growth trajectory over the coming years.

At JHS Svendgaard, there have been a number of occasions when the world bayed… 'give up'. But there were also silent urgings … 'try one more time'... We are thankful that we paid heed to the quiet urgings. For their intervention and our committed approach helped us focus beyond the quagmire.

And, the resurgence of gathering momentum at JHS Svendgaard – a direct result of the intensified collaborative team work is getting further consolidated. A number of strategies are unfolding at the same time – course corrections, new initiatives in existing verticals and the creation of a new vertical altogether.

We are working to break free of the challenges in the environment. The opinion makers suggest that winds for the FMCG sector herald promising times going forward.

The bottomline then is … we are seizing the day, to emerge better tomorrow and we are strengthening our core to make our business operations more agile .

Sincerely

Nikhil Nanda
Managing Director

Over the medium term

We are planning to expand our manufacturing presence to other geographies within India, more pertinently South or West India. This is necessary as it helps us forge new relations and service existing clients better. We hope to achieve some success in this endeavour over the medium term.

OUR OUTLINE FOR 2018-19

At JHS, we have drawn a comprehensive blue print focusing on aggressive business-building with the objective of sustaining our growth momentum while strengthening business profitability.

1) Grow the private label business by about 11.37%

We remain committed to growing the private label business by

- adding four vendors to the private label business to strengthen our existing outsourcing relationships
- adding two new large FMCG brands as our outsourcing partners; we have started the product development process for these prospective clients

2) Grow revenue from our proprietary brand (**aquawhite**)

We are focused on growing awareness on and revenue from our proprietary brands (**aquawhite**). For this end, we will

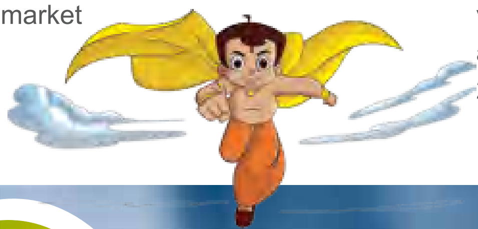
- add 15 SKUs to our product basket marketed under the **aquawhite** brand
- revamp our distribution channel to nearly double our retail touchpoints
- leverage technology to monitor and analyse people and retail unit productivity, market potential and product trends, and align the right product for the right market

3) Grow revenue from exports

Having made significant ground in establishing a reasonable presence in key export markets, we are preparing to leverage the progress made this far. We are working on forging outsourcing alliances with two international clients. Further, we will continue to strengthen the presence of our proprietary brands in international geographies - we plan to add 10 more SKUs to our export basket in the current year.

4) Creating a niche vertical within our proprietary segment – the Kids segment

To capitalise on this relatively uncluttered sub-segment within the Indian oral care space, we are focused on developing a product range customised to the requirement and aspirations of kids of different age groups. We plan to launch about 15 SKUs in the market in the current year and create awareness about our products, leveraging the electronic and print media platforms. We remain confident of making this vertical an important revenue and profitability contributor in 2019-20.



30%
Year-on-year growth of organisational revenue upto 2020

OUR EFFORT OUR ASPIRATION

50%
Contribution of revenue from our proprietary brands by 2020

CORPORATE INFORMATION

Board of Directors

Mr. Vanamali Polavaram	Chairman, Non-Executive Director
Mr. Nikhil Nanda	Managing Director - Executive
Mr. Nikhil Vora	Nominee Director
Mr. Mukul Pathak	Independent Director
Mrs. Rohina Sanjay Sangtani	Independent Director

Senior Management

Mr. Paramvir Singh	Chief Executive Officer
Mr. Sanjeev K Singh	Company Secretary & Compliance Officer
Mr. Ajay Bansal	Chief Financial Officer

Committees of Board

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

Statutory Auditors

M/s S N Dhawan & Co. LLP
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
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, 1E/13,
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, 2018.

Stock Code

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

Registered Office

Trilokpur Road, Kheri (Kala Amb),
Tehsil – Nahan, Distt-Sirmour,
Himachal Pradesh-173030
Tel: +91 7832-800344-7
Fax: +91 1702-238830
Web: www.svendgaard.com

Corporate Office

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

Works

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

DIRECTORS' REPORT

To
The Shareowners

Your Directors have pleasure to present 14th Annual Report on the business and operations of the Company together with the audited IND AS financial statements (standalone and consolidated) for the year ended 31st March, 2018.

FINANCIAL REVIEW

(₹ in lakhs)

Particulars	**Standalone**		**Consolidated**	
	31.03.2018	**31.03.2017**	**31.03.2018**	**31.03.2017**
Net sales / Income from Operation	14073.16	10505.78	14264.19	10505.78
Other Income	494.78	43.00	498.06	43.01
Interest & Finance Charges	73.65	61.80	73.75	61.80
Depreciation	680.64	635.70	681.32	636.11
Profit /(Loss) before Tax	**4109.65**	**515.87**	**3842.34**	**513.68**
Tax Expense:				
Current tax (provision for tax)	198.22	5.28	198.22	5.28
Deferred tax asset	1096.54	(1685.19)	1028.83	(1685.19)
Tax for earlier years	9.85	-	9.85	-
Total Tax Expense	1304.62	(1679.92)	1236.91	(1679.92)
Profit /(Loss) after Tax	**2806.61**	**2199.52**	**2607.02**	**2197.33**
Profit /(Loss) to be carried to the Balance Sheet	2806.61	2199.52	2607.02	2197.33
Paid up Equity Share Capital (Face Value of ₹10/- each)	6090.04	4412.04	6090.04	4412.04
Reserve excluding revaluation reserve		-	-	-
Basic EPS (in Rupees not annualized) Excluding extra ordinary items	4.96	5.46	4.61	5.45
Diluted EPS (in Rupees not annualized) Excluding extra ordinary items	4.60	3.70	4.27	3.69

REVIEW OF OPERATIONS

Company was successful to achieve it target fixed at the beginning of the financial year and generated the revenue from operations during the financial year ended 31st March, 2018 amounted to ₹1407.32 Million as compared to ₹1050.58 Million during the previous year ended 31.03.2017. The Turnover of the company has increased by 33.96% over and above the previous year.

DIVIDEND

The company is expanding its business and requires surplus to be ploughed back in the company. Hence, your directors are constraint to declare any dividend.

During year under review (Financial Year 2017-18), the Board of Directors has not recommended any dividend.

On February 27, 2018, an amount of unclaimed dividend of ₹43,276/- pending for claim for the Financial year 2009-10 has been transferred to the Investor Education and Protection Fund (IEPF).

FINANCIAL STATEMENTS

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Section 136 of the Companies Act, 2013 read with Rule 10 of the Companies (Accounts) Rules, 2014, the abridged Annual Report containing salient features of the financial statements, including Consolidated Financial Statements, for the financial year 2017-18, along with statement containing salient features of the Directors' Report (including Management Discussion & Analysis and Corporate Governance Report) is being sent to all shareholders who have not registered their email address(es) for the purpose of receiving documents/ communication from the Company in electronic mode. Please note that you will be entitled to be furnished, free of cost, the full Annual Report 2017-18, upon receipt of written request from you, as a member of the Company. Full version of the Annual Report 2017-18 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, including Consolidated Financial Statements, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis, and Corporate Governance Report is being sent via email to all shareholders who have provided their email address(es). Full version of Annual Report 2017-18 is also available for inspection at the corporate office of the Company during working hours up to the date of ensuing Annual general meeting (AGM). It is also available at the Company`s website at www.svendgaard.com.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the applicable provisions of Companies Act, 2013 including the Accounting Standard Ind AS 110 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2017-18. Consolidated Turnover was ₹14264.19 Lakhs as against ₹10505.78 lakhs in the previous year. Net Profit after Tax for the year stood at ₹2607.00 lakhs against ₹2197.33 Lakhs in the previous year.

OPERATIONS AND BUSINESS PERFORMANCE

Kindly refer to the integrated reporting and Management Discussion & Analysis and Corporate Governance Report which forms part of this report.

CORPORATE GOVERNANCE

JHS believes in adopting the best practices of Corporate Governance, Corporate Governance Principles 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.

A certificate from M/s Mohit & Associates, Practising Company Secretary, regarding compliance of the conditions of Corporate Governance, as stipulated under Schedule V of the Listing Regulations is attached as 'Annexure 1' and forms part of this report. Certificate of the CEO/CFO, inter-alia, confirming the correctness of the financial statements, compliance with Company`s Code of Conduct, adequacy of the internal control measures and reporting of matters to the auditors and the Audit committee in terms of Regulation 17 of the Listing Regulations is attached in the Corporate Governance report, and forms part of this report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. C.R. Sharma and Mrs. Manisha Lath Gupta, Independent Directors, were ceased their offices on account of resignation with effect from 19.01.2018 and 30.08.2017 respectively. The Board places on record its appreciation to the invaluable contribution, guidance provided by them to the company.

Mrs. Rohina Sanjay Sangtani, was appointed as additional director to the office of an Independent Women Director w.e.f. 21.11.2017, appointment of her as the regular director is due at the ensuring Annual General Meeting of the Company.

Ms. Deepshikha Tomar, the Company Secretary of the Company was stepped down to the Dy. Company Secretary of the Company and Mr. Sanjeev Kumar Singh, was appointed as the Company Secretary & Compliance Officer of the Company with effect from 01st February, 2018 in the Board Meeting dated 30th January, 2018.

Pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer them for re-appointment at every AGM. Consequently, Mr. Vanamali Polavaram, Non-Executive Director will retire by rotation at the ensuing AGM, and being eligible, offers himself for re-appointment in accordance with the provisions of the Companies Act, 2013.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

The key Managerial personnel (KMP) in the Company as per section 2(51) and 203 of the Companies Act, 2013 are as follows:

Mr. Nikhil Nanda	-	Managing Director
Mr. Ajay Bansal	-	Chief Financial Officer
Mr. Paramvir Singh	-	Chief Executive Officer
Mr. Sanjeev Kumar Singh	-	Company Secretary & Compliance Officer

POLICY ON DIRECTORS' APPOINTMENT AND POLICY ON REMUNERATION

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees is attached as `Annexure 2 & 3` 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 4' which forms an integral part of this report. The information showing names and other particulars of employees as per Rule 5(2) and 5(3) of the aforesaid Rules forms part of this report. However, as per first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company and others entitled thereto. The said information is available for inspection by members at the corporate office of the Company during business hours on all working days upto the date of ensuing annual general meeting. Any member interested in obtaining a copy thereof, may also write to the Company Secretary at the corporate office of the Company.

COMMITTEES OF THE BOARD

Currently, the Board has five committees: the Audit Committee, the Nomination & Remuneration Committee, the Stakeholders Relationship Committee, the Corporate Social Responsibility Committee and the Allotment Committee. A detailed note on the composition of the Board and its committees 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 & COMMITTEE MEETINGS

During the year under review, six Board meetings, six Audit Committee meetings, four Stakeholders Relationship Committee meetings, two Nomination & Remuneration Committee meetings, two Allotment Committee meetings and one independent directors meeting were convened and held. Details and attendance of such Board & Committees meetings are provided in Corporate Governance Report Annexed herewith and forming integral part of this report.

DECLARATION OF INDEPENDENCE BY DIRECTORS

Pursuant to the provisions of Sub-Section (6) of Section 149 of the Companies Act, 2013, the Company is in receipt of the Declaration given by each Independent Directors meeting the criteria of Independence as provided is received and taken on record.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to applicable provisions of the Companies Act, 2013 read with the 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 January 30, 2018. 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 directors 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, M/s S. N. Dhawan & Co. LLP, Chartered Accountants, (Firm Regn. No. 000050N/ N500045) were appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 11th Annual General Meeting held on 1st September 2015 till the conclusion of 16th Annual General Meeting to be held in Calendar year 2020 subject to annual ratification by the members at every Annual General Meeting of the company on such remuneration as may be decided by the Audit Committee of the Board. However, as per the Companies (Amendment) Act, 2017, the requirement of annual ratification has been omitted, which is yet to be notified. Accordingly, the ratification of their appointment shall be placed before the shareholders, in the ensuing Annual General Meeting, if so required. Pursuant to the provisions of Section 139 to 141 of the Companies Act, 2013 Company has received a certificate from M/s S. N. Dhawan & Co. LLP, Chartered Accountants to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and relevant rules prescribed thereunder and that they are not disqualified for re-appointment and no pending proceedings against them or any of their partners with respect to professional matters of conduct.

The auditor have also confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI.

Report of Statutory Auditors
Auditors Qualification and Managements Representation thereon are as follows:

The Company has recognized net income amounting to ₹2,727.21 Lakhs in the year ended 31st March, 2018 on account of compensation received pursuant to Settlement Agreement dated 28th March, 2017, instead of recognizing the same in the year ended 31st March, 2017. This constitutes a material departure from the India Accounting Standards (Ind AS) referred to in section 133 of the Companies Act, 2013. Consequently, the exceptional income for the year ended 31st March, 2018 is over stated and the exceptional income for the year ended 31st March, 2017 is understated by ₹2727.21 lakhs. Had the company followed the correct accounting, the net profit after tax for the year ended 31st March, 2018 would have been reduced by ₹2727.21 lakhs and increased by the same amount for the year ended 31st March, 2017, the carrying amount of other current assets as at the previous year ended 31st March, 2017 would have increased by ₹2,475 Lakhs, deferred tax assets (net) as at the previous year ended 31st March, 2017 would have been reduced by 843.65 lakhs as at the previous year ended 31st March, 2017 and other equity would have increased by ₹1883.56 lakhs as at the previous year ended 31st March, 2017. This was a matter of qualification in the previous year as well.

Managements Representation:

The amounts received from P&G on account of Settlement should be considered and accounted for as Income only in 2017-18 as the Arbitral Tribunal has given its final Award on 03.04.2017 and two SLPs from the Supreme court were withdrawn on 06.04.2017 & 12.04.2017. the applicable TDS on the respective settlement amounts have been deducted and deposited during the FY 2017-18 only.

One of the conditions in the settlement agreement is pending. Though, it was not a condition precedent to the payment of the settlement amount, however in the terms of the agreement and thus unless not concluded, the Settlement Agreement can't be termed as completed as the material conditions precedent were dependent on the authorities which were not within the control of the company. Thus, it was inappropriate in view of the management, to recognize the income in FY 2016-17. Accordingly, net compensation of the settlement amounting to ₹2727.21 lakhs has been accounted as income during the year ended 31st March, 2018 and as shown under exceptional items.

SECRETARIAL AUDITORS & THEIR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 M/s Mohit & Associates, Practising Company Secretaries, was appointed the Secretarial Auditor for the financial year 2017-18 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.

There are no qualifications or observations or other remarks by the Secretarial Auditors in their Report issued by them for the financial year 2017-18 which call for any explanation from the Board of Directors.

M/s Mohit & Associates, Practising Company Secretaries, have been re-appointed to conduct the Secretarial Audit of the Company for the financial year 2018-19. They have confirmed that they are eligible for such re-appointment.

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 which ensures that all assets are safeguarded and protected and that the transactions are authorised, 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. Additionally during the year 'M/s MAZARS Advisory Private Limited' have also been engaged for providing assistance in improvising IFC framework (including preparation of Risk & Control Matrices for various processes) and deployment of Self-Assessment Tool.

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.

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.

NATURE OF BUSINESS

There has been no change in the nature of business of the Company. However, after the closure of the financial year under review, M/s JHS Svendgaard Retail Ventures Private Limited, has become the subsidiary of the company.

However the company is into the process of closure of its non-operational unit M/s Jai hanuman Exports (a unit of JHS Svendgaard Laboratories Limited) located at H-3A, SDF, NSEZ, Noida, Phase-II, Dadri Road, Gautam Buddh Nagar, U.P., India. We expect that the closure would be completed by the current financial year. No material effect will be impacted on account of such closure.

JHS Svendgaard Retail Ventures Pvt. Ltd. is engaged into the Chain of Retail Stores at various Airports in or outside India. The First Retail Store of the company is functional at the Indira Gandhi International Airport (T2 Terminal) at Delhi. The company has plan to open 150 stores at various Airports in coming future.

SUBSIDIARY COMPANY

During the year under review there are two subsidiaries i.e. M/s JHS Svendgaard Brands Limited (formerly known as JHS Svendgaard Dental Care Limited) and M/s JHS Svendgaard Mechanical and Warehouse Private Limited, as on March 31, 2018.

However, after the close of financial year 2017-18, M/s JHS Svendgaard Retail Ventures Pvt. Ltd. has become the Subsidiary of the company with effect from April 13, 2018.
There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

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 in the consolidated financial statements.

Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company www.svendgaard.com. The company will make available physical copies of these documents upon request by any shareholders of the company/subsidiary interested in obtaining the same.

These documents can also be inspected at the registered office of the company during business hours up to the date of ensuing AGM.

EXTRACT OF ANNUAL RETURN

Pursuant to the provision of Section 92(3) of the companies Act, 2013 read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the extract of annual return as on 31st March, 2018 is attached herein Annexure-6 in the prescribed Form MGT-9, which forms an integral part of this report.

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, 2018 have been disclosed in the standalone financial statements of the company. Kindly refer the relevant note 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 materiality of Related party Transactions, there are no transactions that are required to be reported in Form AOC-2.

The Company disclosed all related party transactions in relevant Notes to the Standalone Financial Statements of the year.

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

Considering the last audited results of company, the Provisions of Section 135 of the Companies Act, 2013 has become applicable on the company and accordingly in compliance with the same, the company has constituted a CSR Committee and formulates the CSR Policy of the Company which is available on the website of the Company www.svendgaard.com. The constitution of the Committee and the details of the meeting have been provided on the Corporate Governance Report, which forms an integral part of this report.

However, during the year under review, your Company did not expand any amount of the CSR activities due to non-availability of the profits during immediately preceding years.

MATERIAL CHANGES AND COMMITMENTS

Change in Capital Structure and Listing of Shares

As on the date paid up capital of the company is increased to ₹60,90,04,650 consisting of 6,09,00,465 fully paid up equity shares of ₹10/- each.

During the year under review, the company had allotted 1,67,80,000 Fully paid up equity shares of ₹10 each due to conversion of Fully Convertible Warrants issued in FY2015-16 to the persons belonging to the promoter and non-promoter category on a Preferential basis at an issue price of ₹11/- per warrant in accordance with the provisions of the SEBI (ICDR) Regulations, 2009 read with relevant provisions of Companies Act, 2013. Equity shares allotted pursuant to conversion of Fully Convertible Warrants during the financial year 2017-18 are as follows:

(i) 4,40,000 equity shares allotted on 23.05.2017
(ii) 1,63,40,000 equity shares allotted on 06.07.2017

Out of the above 1,63,60,000 equity shares are pending for the listing approval at BSE and NSE.

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 Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established Vigil Mechanism through which Directors, Employees, and Business Associates may report unethical behavior, malpractices, wrongful conduct fraud, 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 provisions of this policy are in line with the provisions of the Section 177(9) of the Companies Act, 2013. 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. 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. 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.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANICAL POSITION OF THE COMPANY

There have been 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 this report.

INDUSTRIAL RELATIONS

The Company maintained 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 of
JHS Svendgaard Laboratories Limited

Nikhil Nanda
Managing Director
DIN: 00051501

Mukul Pathak
Independent Director
DIN: 00051534

Date : 14.08.2018
Place : New Delhi

Annexure-1

Report on Corporate Governance

To,
The Members of JHS Svendgaard Laboratories Limited,

We have examined the Compliance of conditions of Corporate Governance by JHS Svendgaard Laboratories Limited, for the year ended March 31, 2018, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination is limited to procedures, and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

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 stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that all investor grievances were redressed within 30 days of lodgement of grievance and as on March 31, 2018 no investor complaint is pending against the Company as per the records maintained by the Stakeholders Relationship Committee.

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)

CS Mohit Dahiya
(M. No.: F9540, COP: 11722)

Place: Gurgaon (Haryana)
Date : August 11, 2018

Policy on Appointment of Board Members

Annexure-2

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	Essantial/Postive 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
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 atleast 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 lakh rupees 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).

Remuneration Policy

Annexure-3

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 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-4

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 – 25.84:1.
(ii)	The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year.	The remuneration of CS has increased by 704% and that of CEO has increased by 45% in the financial year.
(iii)	Percentage decrease in median remuneration of employees in the financial year.	34.84%
(iv)	Number of permanent employee on the rolls of the company.	283 Employees
(viii)	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;	The aggregate remuneration of employees excluding Managerial personnel grew by 20.04% over the previous fiscal. The aggregate increase in remuneration for KMPs was 71% in fiscal 2018 over fiscal 2017. Remuneration of Managing Director has increased due to change in net profits of the company in financial year 2017-18. Remuneration of Managing Director (KMPs) is divided into two parts: 1. Fixed (Salary); and 2. Variable (5% Commission based on the net profits). His remuneration (salary and % of commission) is fixed but due to changes in net profits of the company, his commission part keeps on changing.
(xii)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.	

Annexure-5

MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

[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]

SECRETARIAL AUDIT REPORT OF M/S JHS SVENDGAARD LABORATORIES LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

To,
The Members,
JHS Svendgaard Laboratories Limited
CIN-L24230HP2004PLC027558
Trilokpur Road, (Kheri) 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 (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also 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, 2018 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, 2018 according to the provisions of-

(i) The Companies Act, 2013(the Act) and the rules made there under and the provisions of the Companies Act, 1956 to the extent applicable;

(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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

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

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

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

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998*;

(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 constituted an internal complaints Committee separately for registered office and corporate office 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. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to 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 except few forms which were filed after 30 days from the date of resignation/appointment of Directors. Where these forms are filed with late fees, this should be reported as compliance by reference of payment of additional fees.

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

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, except issue of Convertible warrants on preferential basis and conversion of warrants into Equity Shares, 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 & Behalf of Mohit & Associates

Sd/-
CS Mohit Dahiya
FCS No. 9540
C.P No: 11722

Place: Gurugram (Haryana)
Date: 11/08/2018

Note: This report is to be read with letter of even date by the Secretarial Auditor, which is annexed and Forms an integral part of this report.

Annexure to Secretarial Auditors' Report

To,
The Members,
JHS Svendgaard Laboratories Limited
CIN-L24230HP2004PLC027558
Trilokpur Road Kala-Amb, Distt. Sirmaur,
Himachal Pradesh-173030

Our Secretarial Audit Report for the financial year 31st March, 2018 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

For & Behalf of Mohit & Associates

Sd/-
CS Mohit Dahiya
FCS No. 9540
C.P No: 11722

Place: Gurugram (Haryana)
Date: 11/08/2018

Annexure-6

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2018
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L24230HP2004PLC027558
ii	Registration Date	08th October, 2004
iii	Name of the Company	JHS Svendgaard Laboratories Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
v	Address of the Registered office & contact details	Trilokpur Road, Kheri (Kala-Amb), Tehsil: Nahan, Distt: Sirmaur, Himachal Pradesh - 173 030 +011 26900411
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Limited, Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi-110055

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacturing of Oral Care Products	3050	96.60%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SL No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	JHS Svendgaard Brands Ltd. (Formerly known as JHS Svendgaard Dental Care Limited)	U52100DL-2008PLC176320	Subsidiary	95%	2(87)(ii)
2	JHS Svendgaard Mechanical and Warehouse Private Limited	U29199DL2007 PTC159125	Subsidiary	99.99%	2(87)(ii)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) CATEGORY-WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	15147988	0	15147988	34.33	26897988	0	26897988	44.17	11750000	9.84
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0	0.00
SUB TOTAL:(A) (1)	15147988	0	15147988	34.33	26897988	0	26897988	44.17	11750000	9.84
(2) Foreign										
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0	0.00
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	15147988	0	15147988	34.33	26897988	0	26897988	44.17	11750000	9.84
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0	0.00
b) Banks/FI	26912	0	26912	0.06	79907	0	79907	0.13	52995	0.07
C) Central Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0	0.00
g) FIIS	75000	0	75000	0.17	300000	0	300000	0.49	225000	0.32
h) Foreign Venture Capital Funds	1500547	0	1500547	3.40	0	0	0	0.00	-1500547	-3.40
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0	0.00
SUB TOTAL (B)(1):	1602459	0	1602459	3.63	379907	0	379907	0.62	-1222552	-3.01
(2) Non Institutions a) Bodies corporates	6869852	0	6869852	15.57	4313815	0	4313815	7.08	-2556037	-8.49
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	7979518	16607	7996125	18.09	12277527	16737	12294264	20.19	4298139	2.10
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakhs	12008519	0	12008519	27.22	15128958	0	15128958	24.84	3120439	-2.38
c) Others (specify)										
Clearing Member	0	0	0	0	126530	0	126530	0.21	126530	0.21
NRI	488949	0	488949	1.11	933586	0	933586	1.53	444637	0.42
Foreign Nationals	1000	0	1000	0.00	1000	0	1000	0.00	0	0.00
NBFCs Registered with RBI	5573	0	5573	0.01	5323	0	5323	0.01	-250	0.00
Trusts	0	0	0	0	0	0	0	0	0	0.00
Resident (HUF)	0	0	0	0	819094	0	819094	1.34	819094	1.34

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
Foreign portfolio Investors (Corporate Category II)	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(2):	27353411	16607	27370018	62.00	33605833	16737	33622570	55.21	6252552	-6.79
Total Public Shareholding (B)= (B)(1)+(B)(2)	28955870	16607	28972477	65.63	33985740	16737	34002477	55.83	5030000	-9.80
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	44103858	16607	44120465	100.00	60883728	16737	60900465	100.00	16780000	0.04

Notes:

1. 2,68,97,988 (Nos.) Equity shares of Promoter category includes 1,17,50,000 (Nos.) Equity shares issued to Mr. Nikhil Nanda (Promoter) on account of conversion of FCWs on 06.07.2017 which has not received listing approval from the Stock Exchanges.
2. 34002477 (Nos.) Equity shares of Non-Promoter category includes 46,10,000 (Nos.) Equity shares issued to various shareholders belonging to the Public (Non-Institution category) on account of conversion of FCWs on various dates which has not received listing approval from the Stock Exchanges.

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Nikhil Nanda	12060774	27.34	0	23810774	39.10	0	11.76
2	Harish Chandra Nanda	19731	0.04	0	19731	0.03	0	-0.01
3	Sushma Nanda	3065983	6.95	0	3065983	5.03	0	-1.91
4	D S Grewal	1500	0.00	0	1500	0.00	0	0.00
Total		15147988	34.33	0	26897988	44.17	0	9.83

iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (31.03.2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	**Sushma Nanda***				
	At the beginning of the year	3065983	6.95		
	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)				
At the end of the year				**3065983**	**5.03**
No change during the year					

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (31.03.2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	**Nikhil Nanda***				
	At the beginning of the year	12060774	27.34		
	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.) 1. Date : 06.07.2017 (Warrants alloted on Preferential basis were converted into equivalent no. of equity shares)	11750000	19.29	23810774	39.10
At the end of the year				**23810774**	**39.10**
No change during the year					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding at the end of the year (31.03.2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	NIKHIL NANDA	12060774	27.34	23810774	39.10
2	SUSHMA NANDA	3065983	6.95	3065983	5.03
3	VORA CHAITALI NIKHIL	3500000	7.93	2000000	3.28
4	HT MEDIA LIMITED	1860465	4.22	1860465	3.05
5	AMIT SAXENA	2000000	4.53	1608259	2.64
6	NIKHIL VORA	0	0.00	1500000	2.46
7	DEEPAK SINGH	1000000	2.27	909812	1.49
8	TARRA FUND	0	0.00	300000	0.49
9	NECTAR CONSULTANTS AND REALTORS PVT LTD	300000	0.68	300000	0.49
10	MEENU PURI	300000	0.68	300000	0.49

(v) Shareholding of Directors & KMP

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (31.03.2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	**Nikhil Nanda***				
	At the beginning of the year	12060774	27.34		
	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc) 1. Date : 06.07.2017 (Warrants alloted on Preferential basis were converted into equivalent no. of equity shares)	11750000	19.29	23810774	39.10
At the end of the year				**23810774**	**39.10**

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (31.03.2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
2	**Ajay Kumar Bansal (CFO)***				
	At the beginning of the year	0	0	0	0
	Date wise increase/ decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	No Change	No Change		
	At the end of the year			**0**	**0.00**

Notes: 1.* Mr. Ajay Bansal, Chief Financial Officer of the company has resigned from the Company w.e.f from 01st June, 2018.

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (31.03.2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
3	**Paramvir Singh (CEO)**				
	At the beginning of the year	125010	0.28		
	Date wise increase/ decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	No Change	No Change		
	At the end of the year			**125010**	**0.21**

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (31.03.2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	**Deepshikha Tomar (Company Secretary)***				
	At the beginning of the year	0	0	0	0
	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc	No Change	No Change		
	At the end of the year			**0**	**0.00**

Notes: 1.* Ms. Deepshikha Tomar (Company Secretary) of the company has resigned from the post of Company Secretary and has been designated as Dy. Company Secretary w.e.f from 01st February, 2018.

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (31.03.2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
4	**Sanjeev Kumar Singh (Company Secretary)***				
	At the beginning of the year	NA	NA		
	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	NA	NA		
	At the end of the year			**0**	**0.00**

Notes: 1.*Mr. Sanjeev K Singh, Company Secretary & Compliance Officer has been appointed as GM-Legal and Corporate Affairs w.e.f. 01st February, 2018.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	8,148,811	13,750,135	-	21,898,946
ii) Interest due but not paid				
iii) Interest accrued but not due	132,671.00	100,232.00	-	232,903
Total (i+ii+iii)	**8,281,481.70**	**13,850,366.98**	**-**	**22,131,848.68**
Change in Indebtedness during the financial year				
Additions	8,200,000.00	-	-	8,200,000
Reduction	2,944,666.00	2,740,110.00	-	5,684,776
Net Change	**5,255,334.00**	**2,740,110.00**	**-**	**13,884,776.00**
Indebtedness at the end of the financial year				
i) Principal Amount	13,579,312.27	11,010,024.98	-	24,589,337
ii) Interest due but not paid				-
iii) Interest accrued but not due	73,268.00	1,827,208.23	-	1,900,476
Total (i+ii+iii)	**13,652,580.27**	**12,837,233.21**	**-**	**26,489,813.48**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	**Gross salary**	Nikhil Nanda (Managing Director)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	3,600,000.00	3,600,000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission as % of profit	21,248,718.00	21,248,718.00
	others (specify)	-	-
5	Others, please specify	-	-
	Total (A)		**24,848,718.00**

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors				Total Amount
1	Independent Directors	**C R Sharma***	**Mukul Pathak**	**Manisha Lath Gupta****	**Rohina Sanjay Sangtani*****	
	(a) Fee for attending board committee meetings	90,000.00	180,000.00	-	120,000.00	390,000.00
	(b) Commission					-
	(c) Others, please specify					-
	Total (1)					**390,000.00**
2	Other Non Executive Directors	**Vanamali Polavaram**		**Nikhil Vora (Nominee Director)**		
	(a) Fee for attending board committee meetings	160,000.00		-		160,000.00
	(b) Commission			-		-
	(c) Others, please specify.			-		-
	Total (2)			**-**		**160,000.00**
	Total (B)=(1+2)			**-**		**550,000.00**
	Total Managerial Remuneration					**550,000.00**

Notes:

1.* Mr. CR Shrama (Independent director) has resigned from the company with effect from 19th January, 2018.

2.**Mrs. Manisha Lath Gupta (Independent director) has resigned from the company with effect from 30th August, 2017.

3.***Mrs. Rohina Sanjay Sangtani (Independent director)has been appointed as Independent Director (Additional) of the company with effect from 21st November, 2017 subject to approval of the members of the company in the ensuing Annual General Meeting.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl.No	Particulars of Remuneration	Key Managerial Personnel				Total Amount
1	Gross salary	**Paramvir Singh-CEO**	***Deepshikha Tomar-Company Secretary**	****Sanjeev K Singh-Company Secretary**	*****Ajay Bansal-CFO**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	2,363,947.00	370,154.00	344,612.00	1,665,835.00	4,744,548.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	0	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	0	-	-
2	Stock option	-	-	0	-	-
3	Sweat Equity	-	-	0	-	-
4	Commission	-	-	0	-	-
	as % of profit	-	-	0	-	-
	others (specify)	-	-	0	-	-
5	Others, please specify	-	-	0	-	-
	Total	**2,363,947.00**	**370,154.00**	**344,612.00**	**1,665,835.00**	**4,744,548.00**

Notes:

1.* Ms. Deepshikha Tomar (Company Secretary) of the company has resigned from the post of Company Secretary and has been designated as Dy. Company Secretary w.e.f from 01st February, 2018.

2.**Mr. Sanjeev K Singh, Company Secretary & Compliance Officer has been appointed as GM-Legal and Corporate Affairs w.e.f. 01st February, 2018.

3.*** Mr. Ajay Bansal, Chief Financial Officer of the company has resigned from the Company w.e.f from 01st June, 2018.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty		0	0	0	0
Punishment		0	0	0	0
Compounding		0	0	0	0
B. DIRECTORS					
Penalty		0	0	0	0
Punishment		0	0	0	0
Compounding		0	0	0	0
C. OTHER OFFICERS IN DEFAULT					
Penalty		0	0	0	0
Punishment		0	0	0	0
Compounding		0	0	0	0

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 continued 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 as and when not in use.

Requisite data in respect of energy conservation is given below:

Power and fuel Consumption	Units	2017-18	2016-17
1. Electricity			
(A) Purchased --- Units --- Total Amount --- Rate/Unit	Kwh ₹ In Lacs ₹	41,24,280 289.25 7.01	41,43,300 284.44 6.87
(B) Own Generator --- Through Diesel Generator Units --- Unit per litre of Diesel Oil --- Cost/Unit --- Through steam turbine/ generator	Kwh Kwh ₹	183408 3.04 19.22	290719 3.50 13.90
2. Other/ Internal generation light/diesel oil/furnace oil			
(A) Quantity Total Cost Average Rate		-- --	-- --
(B) Consumption Per unit of Production 1) Electricity Oral Care Products 2) Through Diesel Generator Oral Care Products	Kwh/Per Unit Kwh/Per Unit	0.043 0.002	0.03 0.03

2. Research & Development (R&D) & Technology Absorption

The company has continued its endeavor to absorb best of the technologies for its products range to meet the requirements of globally competitive markets. The Company undertakes from time to time, various studies for process improvement, quality improvement and economies in production cost. The Company has a R&D team having good experience and well equipped with all the latest technologies and machines that help the Company to compete with the competitors who exist in both Organized and unorganized Sector.

Disclosure of Particulars With respect to Technology Absorption

i) Specific areas in which R&D carried out by the Company :

- Project of Global significance
- Technology upgradation
- Quality enhancement to achieve International Standards
- New Process Development
- Analysis of alternative raw materials

ii) Benefits derived as a result of the above R&D and Future plans of action

The R&D efforts are dedicated to development of new products and continuous improvement in process, quality and cost of existing products. The combined efforts ensured a strong portfolio in all categories including Oral Care, Health Care and Personal Care products.

iii) Expenditure of R&D

S.No.	Particulars	2017-18 (Amount in ₹)	2016-17 (Amount in ₹)
1	Capital	NIL	NIL
2	Recurring	NIL	NIL
3	Total	NIL	NIL
4	Total R&D Expenditure as a percentage of total turnover	NIL	NIL

3. Foreign exchange earnings and outgo

Particulars	2017-18	2016-17
Foreign Exchange Outgo		
Travelling	9,73,162	10,86,828
Raw Materials	3,30,00,772	3,09,14,676
Business Promotion	-	1,62,377
WIP	12,55,654	14,11,708
Spare Parts	26,34,126	-
Capital Goods	1,17,52,317	77,46,368
Brand Promotion	-	15,88,194
Earning in Foreign Exchange	-	-

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

A global perspective

At 3.8%, global growth in 2017 was the fastest since 2011. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Two-thirds of countries accounting for about three-fourths of global output experienced faster growth in 2017 than in the previous year. What is even more interesting is that economic activity in 2017 ended on a high note. Growth in the second half of the year was above 4%, the strongest since the second half of 2010, supported by a recovery in investment. With broad-based momentum and expectations of a sizable fiscal expansion in the United States over this year and the next, global growth is now projected at 3.9% for 2018–19.

Future growth prospects look challenging indeed for advanced economies and many commodity exporters. In advanced economies, aging populations and lower projected advances in total factor productivity will make it hard to return to the pre-crisis pace for the average household's income growth. Substantially raising middle and lower incomes appears even tougher. Moreover, growth rates will inevitably bend toward their weaker longer-term levels.

An Indian perspective

Fiscal 2017-18 was a defining year for the Indian economy. India took the bold step of completely resetting its indirect tax system to a comprehensive GST regime while continuing to experience the impact of the demonetisation shock of November 2016. Call them disruptions or structural reforms, the result of these two reforms was evident as India's GDP growth dipped to 6.7% in 2017-18 against 7.1% in 2016-17. Even as economic progress remained throttled in the first half of the fiscal, India bounced back aggressively to report a 7%-plus growth in the second half of the year - 7.7% in the three months ended 31 March, the fastest pace in seven quarters, signaling a strong turnaround.

The turnaround in the economy was led by robust agriculture (4.5%) and manufacturing growth (9.1%) as well as double-digit growth in construction activities (11.5%) in the quarter ended March 2018. However, services sectors such as trade, hotels, transport (6.8%) and financial services (5%) decelerated from their levels in the third quarter, signaling a lingering impact from disruptions caused by hasty implementation of the goods and services tax (GST) as well as the state of the banking sector.

The economy, however, got a boost from higher government spending (13.3%) in the quarter ended March 2018. Gross fixed capital formation, a proxy for investment demand in the economy, expanded at a double-digit pace (14.4%) after a gap of seven quarters, signaling a revival in investment activities.

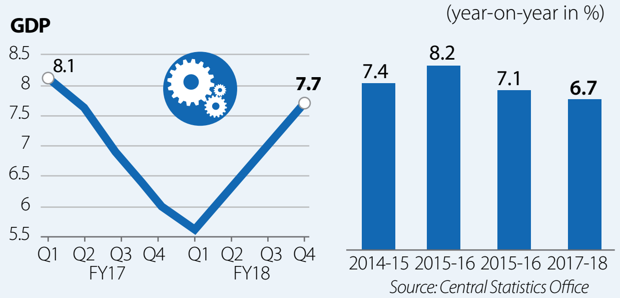
This underscores the reality that the Indian economy has moved past the disruptions triggered by demonetisation of high-value currencies and rollout of the Goods and Services Tax. The latest quarterly corporate earnings data suggest that consumer demand too is reviving.

The high points for 2017-18

- India emerged as the most competitive country in South Asia, appearing at No. 40 in the global competitiveness ranking of 137 countries by the World Economic Forum.
- India jumped up 30 notches into the top 100 rankings on the World Bank's 'ease of doing business' index, consequent to major improvements in indicators such as resolving insolvency, paying taxes, protecting minority investors and getting credit.
- India topped management consulting firm AT Kearney's 2017 Global Services Location Index for the eighth consecutive year and extended its lead over other countries from 0.47 last year to 0.76 in 2017.

Fastest pace in seven quarters

The data indicates that the economy is clawing back to its trend growth prior to demonetization in November 2016



Source: Central Statistics Office

India is now a **$2.5 trillion** economy

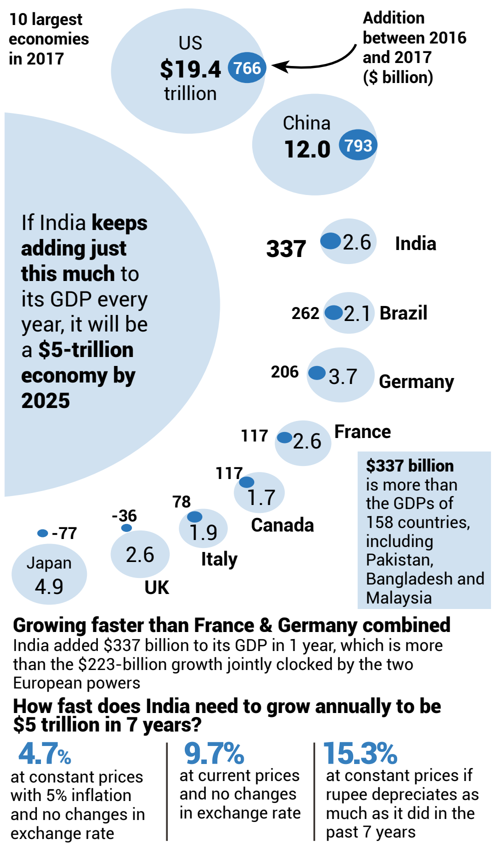
India's March quarter growth is higher than China's (**6.8%**)

Govt's fiscal deficit stands at **3.53%** of GDP in FY18

About tomorrow: In keeping with the cyclical upswing witnessed in 2017-18, Deutsche Bank estimates the country to clock a GDP growth of 7.5% in 2018-19 - tad higher than the RBI estimate of 7.4%. On the negative side though, higher global oil prices, risk of an earlier than anticipated rate hike cycle from the RBI and the potential negative impact of the banking sector frauds on credit and overall growth are some of the factors that pose downside risk to its baseline GDP estimate.

Over the long term

INDIAN ECONOMY TO DOUBLE TO $5 TRILLION BY 2025



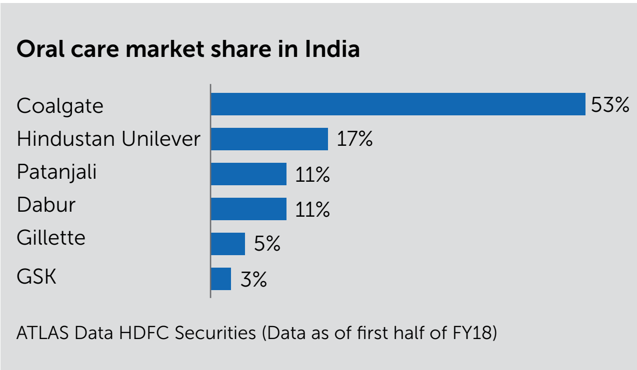
INDIA'S ORAL CARE INDUSTRY

India's oral hygiene market is one of the most dynamic, fastest growing and competitive component of the FMCG industry. However, the scenario has not been the same since its evolution. Over the time, it has changed from a static to dynamic, less competitive to more competitive, traditional to more organise and advanced one.

Earlier, the domestic oral hygiene market was confined to the production of mostly primary oral care products which were considered essential like toothpastes and toothbrushes and hence held a nominal share of the FMCG sector. However, over the time, the oral hygiene market in India has gone through tremendous change on account of encouraging demand side and supply side factors along with supporting govt. policies. Over the last five years, India's oral hygiene market has grown with a CAGR of 11.4% and has become a significant FMCG sector in India.

Currently, India's oral hygiene market is dominated by the toothpaste category followed by toothbrush majorly including manual and electric toothbrushes. Toothpowder sales have declined due to changing consumer tastes. Advance oral care products such as mouthwashes, dental floss, teeth whitening products are at an early stage in India, catering mostly to urban consumers.

ORAL CARE MARKET IN INDIA



Indian Oral Care Market Size*

~INR 10,000 crs

Toothbrush	Toothpaste
20% of the market	75% of the market

Others
(Mouthwash, Dental floss etc)
5% of the market

Toothpaste Market Split*

White Dental Cream Toothpaste	56%
Gel Toothpaste	20%
Herbal and Ayurvedic Toothpaste	14%
Sensitivity Toothpaste	6%
Speciality Toothpaste	4%

GROWTH DRIVERS

- Awareness
  - Less than 5% Indians brush twice a day and only 65% of the population uses Toothbrushes & Toothpaste resulting in a huge untapped market
  - India's market Toothbrush usage is more than 9 months, whereas global average is 2-3 months leading to huge potential.
- Innovation
  - New and unique products/ideas have always been a driver for the industry

RISKS

- Stiff competition from brand owners on pricing
- In-house manufacturing by brands

Future Outlook

The future outlook for the oral hygiene market of India appears to be very promising owing to various market conditions and educative initiatives on part of manufacturers and govt., which has led to increased demand from consumer side as well as offers great potential growth opportunities to the manufacturers.

Apart from demand for improved oral care products, Indian consumers are getting more inclined towards herbal products in recent years. Large rural population depends upon natural products like neem twigs etc. for oral hygiene.

Hence, through premiumisation and production of natural-herbal oral care products, a large market segment can be captured. Also, low market penetration both in terms of region (urban-rural) and product (primary and secondary oral care products), implies a largely untapped Indian oral care market with great opportunities to the manufacturers to expand and grow.

Moreover, in order to sustain in highly competitive India oral care products market, an increasing number of companies are introducing new and innovative oral care products in the country. Increasing marketing and promotional activities by leading oral care products manufactures through electronic as well as print media is anticipated to further aid growing sales of oral care products in India over the next five year

According to a recently released TechSci Research report, "India Oral Care Products Market By Product Type, Competition Forecast and Opportunities, 2011 – 2021", the oral care products market in India is projected to grow at a CAGR of over 6% during 2016 – 2021, on account of increasing purchasing power, growing urbanisation, higher levels of awareness among consumers about oral care, and surging demand from urban, semi-urban as well as rural areas of the country.

Considering the present market scenario, your company has already been equipped itself for last couple of years and continuously supplying its Ayurvedic and herbal toothpaste to leading player in the Ayurveda and herbal including Patanjali, Dabur on contract manufacturing basis.

Opportunities and threats

Various threats caused on account of potential risks and opportunities that arise from Political, Economic & Regulatory environment, Exchange Rate fluctuations, Technology Changes, Environment and Competition are being closely monitored by the Company. Following are some of the Business Sustainability risks identified by us from a business perspective and our approach towards addressing them.

Political & Macroeconomic Environment

The past couple of years have been tough for the Domestic industry facing severe headwinds. Packaged Consumer Products observed as silent in its demand growth despite good monsoon. Pre -GST regime also depressed customer sentiments and led to a massive destocking of products across the various trade channels.

Regulatory Framework

Frequent amendment in the existing laws proven to be the important challenges for any industry in India. Introduction of GST on July 1, 2017, the most ambitious tax reform since Independence also impacted the business of the Company during the year under review. The Company has followed all legal and regulatory requirements and has implemented all statutory requirements. In addition, it has also assisted its business associates, viz. distributors and vendors to prepare for compliance with the new GST regime.

Counterfeit Products

Counterfeiting of products are emerging as a global problem at enormous scale, impacting a lot in every sector. In India, FMCG was observed as one of Sector having the most counterfeiting product specifically tooth brushes, causing significant losses to the industry and the government. It was also reported that sales of fake consumer goods are growing faster than the overall consumer products market.

JHS has formulated a multi-pronged strategy to target the counterfeit products manufacturers as also label printers in a planned manner.

INFORMATION SECURITY

It has become important to any organisation to protect its digital assets from misuse, loss or unauthorised access. JHS maintained a strict vigilance regarding entry of laptops, mobile phones, hard drives and pen drives at all locations where its offices and facilities are situated. In day-to-day operations of the Company, JHS have put in place safeguards in order to ensure that information should not be misused by the employees having access to a variety of data and information inter-alia production plans, investment strategies and new product launches.

PERFORMANCE REVIEW

The Company's revenues increased from ₹105.05 crores in 2016-17 to ₹140.73 crores in 2017-18, a growth of 35%. An increase in the proportion of value - added products and improving operating efficiencies helped in a 76% increase in EBIDTA – from ₹12.12 crore in 2016-17 to ₹21.38 crore in 2017-18.

ENVIRONMENT, HEALTH AND SAFETY

Environment, Health and Safety (EHS) is a core focus area for the Company. We strive to be an 'injury free' and 'zero environmental incident' organisation.

In line with the vision, the Company has created a framework for operations which ensures minimal risk of injury or incidents. Sub- systems and procedures are also structured to be operable in greater safety and comfort. JHS has been incorporating the latest engineering standards and investing in active safety hardware across all facilities. The EHS Management Standards ensure fair and regular audits of all operations and guidelines for assessment. This ensures compliance to all applicable Environment and Health and Safety regulations.

HUMAN RESOURCE

JHS believes that 'great people create great organisations'. As a result, it considers its human resources as an intellectual capital to be proven as the key competitive advantage which differentiates the organisation from among the clutter. Hence, the Company remains committed in creating an engaging environment and a learning culture which facilitates each member to gather knowledge, sharpen their skills and and deliver superior performance.

During 2017-18, JHS focused on various strategic learning programmes, employee engagement and health management initiatives aimed at the overall development of our dynamic workforce. The team intensified its training initiative by increasing the training sessions in which knowledge was imparted by renowned experts in each field.

The Company also focused on key strategic issues such as building a leadership pipeline and succession planning. The team has identified star performers and is working on developing a fast-track career development journey which empowers them for larger roles within the organisation.

INTERNAL CONTROL SYSTEM

JHS has a well-defined internal control system which is structured around the business and its operations. The system is well tested and certified internally as well as externally to prevent escalation of risk. The Audit Committee is in charge of reviewing the efficiency of the control environment and also monitoring the implementation of key recommendations. A robust ERP system accentuates the control system by offering furthering control and analytics of the Company's operations. The Audit recommendations and follow-up action plans are also discussed with the Board of Directors of the organisation and Senior Management of the Company along with the Audit Committee to ensure strategic action and adequacy of the control system.

STAKEHOLDER RELATIONSHIP

JHS appreciates and encourages a robust two-way communication with its stakeholders. JHS always believe in maintaining an open, honest and clear communication with its stakeholders. JHS has mapped its internal and external stakeholders in a structured way, and carry out engagements with them on a regular and ongoing basis. Currently, around 55.83% of the Company's equity are being held publicly and traded on stock exchanges. JHS endeavors to disseminate an accurate, transparent and timely information to its stakeholders.

RISK AND CONCERNS

As with any organisation, JHS is also exposed to business risks which might affect its interests if left unchecked. The Company has a comprehensive risk management system, which analyses the nature of the risk and prepare mitigation strategies. The Senior Management oversees the risk management framework and sets the risk culture and response. This framework ensures efficient risk monitoring, identification, assessment and mitigation of external as well as internal risk. The Board of Directors provides oversight and also reviews the Risk Management Policy. Additionally, an independent audit by internal auditors offers a second assessment on potential risks and mitigation measures.

CAUTIONARY STATEMENT

Statements in this Management and discussion and Analysis describing the JHS's objectives, projections, estimates and expectations might be construed as forward looking statement within the meaning of applicable laws and regulations.

Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company operations include a downward trend in the Oral Care Industry, rise in input costs, exchange rate fluctuation and significant changes in political and economic environment, environment standards, tax laws, litigations and labour relations.

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 do things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation.

To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our Members, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

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.

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 and Chief Executive Officer (CEO) of the Company and has business/functional heads as its Members, which look after the management of the day-to-day affairs of the Company.

COMPOSITION OF THE BOARD

As on 31st March 2018, the Company's board consists of five directors. The chairman of the board is a non-executive director. The Company has an optimum combination of executive and non-executive directors in accordance with the provisions of applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The board has one executive director and four non-executive directors, of whom two are independent directors. 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

Category	Number of Directors	% to total number of Directors
Executive Directors	1	20
Non-Executive Independent Directors (including Woman Director)	2	40
Other Non-Executive Directors	2	40
Total	**5**	**100**

DATE OF BOARD MEETINGS

Minimum four Board meetings are held every year (One Meeting in every quarter). 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 six times during the financial year 2017-18 on 23rd May, 2017, 29th August, 2017, 21st November, 2017, 25th December, 2017, 30th January, 2018 and 27th March, 2018. The maximum gap between any two meetings was less than 120 days.

The necessary quorum was present for all the meetings.

DIRECTORS' ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIPS/ COMMITTEE MEMBERSHIPS

The Name and categories of the Directors on the Board, 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 herein below :

Name of Director	Category	Board Meetings Attended (No. of Meeting:6)	Attendance at the Last AGM	Directorships in other Companies *	Committee positions held in other Cos.	
					Chairman #	Member#
Vanamali Polavaram	Chairman - Non-Executive	6	Yes	3	-	-
Nikhil Nanda	Managing Director	6	Yes	3	-	-
C R Sharma*	Independent Director	2	Yes	4	2	-
Mukul Pathak	Independent Director	6	Yes	-	-	-
Nikhil Vora	Nominee Director	1	Yes	7	-	-
Manisha Lath Gupta**	Independent Director - Women	0	No	1	-	-
Mrs. Rohina Sanjay Sangtani***	Independent Director Women	4	NA	1	-	-

Other than Mr. Nikhil Nanda, who holds 2,38,10,774 equity shares (including 1,17,50,000 Equity shares issued to Mr. Nikhil Nanda on account of conversion of FCWs on 06.07.2017 pending for approval from the Stock Exchanges), no other Director holds any shares in the Company.

*Mr. CR Sharma (Independent Director), resigned from the company with effect from 19th January, 2018.

**Mrs. Manisha Lath Gupta (Independent Director) resigned from the company with effect from 30th August, 2017.

***Mrs. Rohina Sanjay Sangtani has been appointed as Additional Director (Independent) w.e.f 21st November, 2017 shall vacate her office as director at the conclusion of forthcoming Annual General Meeting and being eligible and offer herself for the appointment as Director at the ensuing AGM.

Note: Including Private Limited Companies but excluding Foreign Companies, Section 8 companies and LLPs.

#Includes only Audit Committee and Stakeholders' Relationship Committee.

The Board periodically reviews the compliance status of all laws applicable to the Company as certified by all the departmental heads as well as steps taken by to rectify instances of non-compliances. The Board also reviews the minutes of the meetings of the Board of all unlisted subsidiaries.

BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations. The Independent Directors have confirmed that they meet the criteria of Independence laid down under the Companies Act, 2013 and Regulation 16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

All Independent Directors of the Company met separately on January 30, 2018 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 March 31, 2018 had four Committees and after the applicability of Section 135 of the Companies Act, 2013, also constituted Corporate Social Responsibility Committee to focus effectively on the issues and ensure expedient resolution for diverse matters namely:

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

Notes:

- Compensation Committee was dissolved w.e.f 30th January, 2018.
- Corporate Social Responsibility Committee constituted w.e.f. 15th May, 2018 after the applicability of Section 135 of the Companies Act, 2013.

Name of Director	Board	Audit Committee	Stakeholders' Relationship Committee	Nomination & Remuneration Committee	Allotment Committee	Corporate Social Responsibility Committee
Vanamali Polavaram	✓		✓	✓		✓
Nikhil Nanda	✓	✓	✓		✓	✓
Nikhil Vora	✓					
Mukul Pathak	✓	✓	✓	✓	✓	✓
Rohina Sanjay Sangtani*	✓	✓		✓		
Total No. of Members	5	3	3	3	2	3

Notes:

*Mrs. Rohina Sanjay Sangtani has been appointed as Additional Director (Independent) w.e.f 21st November, 2017 shall vacate her office as director at the conclusion of forthcoming Annual General Meeting and being eligible and offer herself for the appointment as Director at the ensuing AGM.

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

The Company's Audit Committee comprises of three members, out of whom two are Independent Non-Executive Directors and one is Executive Director. During the year under review total 6 (six) meetings of Audit Committee were held on 23rd May, 2017, 29th August, 2017, 21st November, 2017, 25th December, 2017, 30th January, 2018 and 27th March, 2018.

Constitution and Attendance Record

Name of the Member	Category	No. of meetings held	No. of meetings attended
#Mr. Mukul Pathak	Chairperson-Independent	6	4
Mr. Nikhil Nanda	Member-Executive	6	6
#Mrs. Rohina Sanjay Sangtani	Member- Independent	6	4
*Mrs. Manisha Lath Gupta	Member- Independent	6	0
*Mr. C R Sharma	Chairperson-Independent	6	2

Notes:

*Mr. C.R. Sharma, and Mrs. Manisha Lath Gupta, Independent Directors, were ceased their offices on account of resignation with effect from 19.01.2018 and 30.08.2017 respectively.

#Mr. Mukul Pathak, Independent Director and member of Audit Committee was elected as the Chairman of the Audit Committee w.e.f. 30.01.2018. Mrs. Rohina Sanjay Sangtani, Independent Director (Additional) was elected as the member of the Audit Committee w.e.f. 21.11.2017.

The Director responsible for the finance function, the head of internal audit and the representative of the statutory auditors, internal auditors are permanent invitees to the Audit Committee. 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 Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013, and includes oversight of the Companies financial process, reviewing the financial statements, review of related party transactions, adequacy of internal audit and look into such matters as mandated under the listing agreement as amended from time to time. The role of audit committee includes the discussion internal and statutory auditors periodically about their scope of audit and adequacy of internal control system.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of two Non-Executive Directors and one Executive director. Mr. Vanamali Polavaram acts as the Chairman of the Committee. During the year 2017-18, 4 (Four) meetings of the Committee were held on 23rd May, 2017, 29th August, 2017, 21st November, 2017 and 30th January, 2018 which were attended by all members of the committee at that time.

Constitution of the committee:-

Name of the Member	Category
Mr. Vanamali Polavaram	Chairperson- Non-Executive
*Mr. Mukul Pathak	Member- Non-Executive
Mr. Nikhil Nanda	Member- Executive
**Mrs. Manisha Lath Gupta	Member- Non-Executive
***Mr. CR Sharma	Member- Non-Executive

Notes:

*Mr. Mukul Pathak, Independent Director was elected as the new member of the Stakeholders' Relationship Committee w.e.f. 30.01.2018.

**Mrs. Manisha Lath Gupta, Independent Director, ceased her office on account of her resignation with effect from 30.08.2017.

***Mr. CR Sharma, who became a member of the committee w.e.f. 29.08.2017 ceased the office of Independent Director of the company w.e.f. 19.01.2018 and automatically ceased his membership in the said committee with immediate effect.

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. and ensuring an expeditious share transfer process in line with the proceedings of the Share Transfer Committee. The Committee also evaluates performance and service standards of the Registrar and Share Transfer Agent of the Company and also provides continuous guidance to improve the service levels for the investors.

Number of complaints regarding shares for the financial year ended 31st March, 2018 is enumerated below:

Particulars	Status
Complaints outstanding as on 1st April, 2017	Nil
Complaints received during the year ended 31st March, 2018	Nil
Complaints resolved during the year ended 31st March, 2018	Nil
Complaints Outstanding as on 31st March, 2018	Nil

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of all Non-executive Directors and out of which two are independent directors. Mr. Mukul Pathak acts as Chairman of the Committee. During the year under review two (2) meetings of Remuneration Committee were held on 21st November, 2017 and 30th January, 2018 which were attended by all members of the committee at that time.

Constitution of the committee:-

Name of the Member	Category
*Mr. Mukul Pathak	Chairperson- Independent
Mr. Vanamali Polavaram	Member-Non-Executive
**Mrs. Rohina Sanjay Sangtani	Member-Non-Executive
***Mr. C R Sharma	Chairperson- Independent

Notes:

*Mr. Mukul Pathak, Independent Director was elected as the Chairperson of the Stakeholders' Relationship Committee w.e.f. 30.01.2018.

**Mrs. Rohina Sanjay Sangtani, Independent Director was elected as the member of the committee with effect from 30.01.2018.

***Mr. CR Sharma, ceased the office of Independent Director of the company w.e.f. 19.01.2018 and automatically ceased his Chairmanship in the said committee with immediate effect.

The Terms of Reference of the Nomination & Remuneration Committee of the Company, inter-alia, evaluates, recommends to the Board and approves the Executive Directors compensation plans, policies and programmes of the Company.

Company has also formulated a policy containing familiarization programme and stating the performance evaluation criteria for independent directors. Details of the familiarization programme policy for the independent directors is available on the website of the Company www.svendgaard.com.

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.

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 Directors of the Company during the year ended 31st March, 2018:

Particulars	(₹ In Lakhs)
Salary	248.49
Sitting Fees	5.50
Other Perquisites/Benefits	Nil
Total	**253.99**

- **ALLOTMENT COMMITTEE:**

Board of Directors in their meeting held on 05th January, 2016 has formulated an Allotment Committee for issuance of Fully Convertible Warrants to the proposed allottees and conversion of the said warrants into equivalent number of equity shares.

The Allotment Committee comprises of One Executive Director, Mr. Nikhil Nanda and One Non-Executive-Independent Director, Mr. Mukul Pathak. Mr. Mukul Pathak acts as the chairman of the Committee.

During the year under review two (2) meetings of Allotment Committee were held on 23rd May, 2017 and 06th July, 2017 which were attended by all members of the committee at that time.

Name of the Member	Category
Mr. Mukul Pathak	Member
Mr. Nikhil Nanda	Member
*Mr. C R Sharma	Chairman

*Mr. CR Sharma, ceased the office of Independent Director of the company w.e.f. 19.01.2018 and automatically ceased his Chairmanship in the aforementioned committee with immediate effect.

- **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Considering the last audited results of company, the Provisions of Section 135 of the Companies Act, 2013 has become applicable on the company and accordingly in compliance with the same, the Board of Directors in their meeting held on 15th May, 2018 has constituted a CSR Committee and formulated the CSR Policy of the Company which is available on the website of the Company www.svendgaard.com.

However, during the year under review, your Company did not expand any amount of the CSR activities due to non-availability of the profits during immediately preceding years. No meeting of CSR Committee has been held till date. CSR Committee consists of the following members:

Name of the Member	Category
Mr. Nikhil Nanda	Chairman
Mr. Mukul Pathak	Member
Mr. Vanamali Polavaram	Member

The role of CSR Committee is as under:

(a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in compliance with the Companies Act, 2013 and rules thereunder.

(b) Recommend the amount of expenditure to be incurred on the activities as above, and

(c) Monitor the CSR Policy of the Company from time to time.

The Company has formulated a CSR Policy in line with Schedule VII of the Companies Act, 2013.

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
2016-17	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	29.08.2017	12.00 P.M	N.A.

2015-16	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	22.08.2016	12.00 P.M	1. Appointment of Mrs. Manisha Lath Gupta as an Independent Director.
2014-15	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173 030	01.09.2015	11.00 AM	1. Appointment of Mr. Mukul Pathak as an Independent Director. 2. Appointment of Mr. Vishal Sarad Shah as Whole-Time Director. 3. Enhancement of Authorized Share Capital of the company to ₹60 Crores. 4. Preferential Issue of 3,59,04,748 Fully convertible Warrants of the Company.

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

b) Extra-Ordinary General Meeting

Year	Venue	Date	Special Resolution
2016-17	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173030	10.01.2017	Issuance of equity shares on preferential basis to the person belonging to non- promoter category.
2015-16	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173030	15.03.2016	Ratification of the disclosure made with respect to the pre and post preferential holding of the proposed allottees of 3,59,04,748 FCWs on preferential basis at the 11th AGM dated 01.09.2015.
2014-15	Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan, District Sirmour, Himachal Pradesh – 173030	04.08.2015	Special resolution was: 1. Amendment of Memorandum of Association for increase of authorized capital upto 55 Crores. 2. Sell, Lease or otherwise dispose off whole or substantially the whole of the undertaking 3. Ratification of earlier resolution authorizing the Board to borrow upto 150 Crores. 4. Ratification of earlier resolution authorizing the Board to invest upto ₹50 Crores.

DISCLOSURES

- **RELATED PARTY TRANSACTIONS**

  Disclosure on materially significant related party transactions, i.e., transactions of the Company of material nature, with its Promoters, the Directors and the Management, their relatives, of subsidiaries and so on, that may have potential conflict with interests of the Company at large. None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the members is drawn to the disclosure set out in Notes to Account - Schedule - forming a part of the Annual Report. All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interests. The Company's policy on Related Party Transactions is available at our website www.svendgaard.com.

  All Related Party Transactions are approved by the Audit Committee prior to the transaction. The Audit Committee has, after obtaining approval of the Board of Directors, laid down the criteria for granting omnibus approval which also forms part of the Policy. Related Party Transactions of repetitive nature are approved by the Audit Committee on omnibus basis for one financial year at a time. The Audit Committee satisfies itself regarding the need for omnibus approval and that such approval is in the interest of the Company and ensures compliance with the requirements of Listing Regulations and the Companies Act, 2013. All omnibus approvals are reviewed by the Audit Committee on a quarterly basis.

  During the Financial Year 2017-18, there were no such Related Party Transactions, either as per Companies Act, 2013 or Listing Regulations which were required to be approved by the Board of Directors or the shareholders of the Company. Further, there were no materially significant related party transactions that may have potential conflict with the interests of Company at large.

  A confirmation as to compliance of Related Party Transactions as per Listing Regulations is also sent to the Stock Exchanges along with the quarterly compliance report on Corporate Governance.

- **DETAILS OF NON-COMPLIANCE**

  The Company has complied with the requirements of the Stock Exchanges and SEBI on matters related to Capital Markets, as applicable. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

- **RECONCILIATION OF SHARE CAPITAL AUDIT**

  Mohit & Associates, an independent firm of practicing Company Secretaries, carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the reconciliation of total issued and listed Capital with that of total share capital admitted / held in dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Company`s shares are listed and is also placed before the Stakeholders` Relationship Committee of the Board.

- **COMPLIANCE WITH SECRETARIAL STANDARDS**

  The Institute of Company Secretaries of India, a statutory body, has issued Secretarial Standards (SS) on various aspects of corporate law and practices. The Company has complied with the SS -1 on Board Meetings and SS - 2 on General Meetings.

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

  The Company has complied with the requirements of Part C (Corporate Governance Report) of Schedule V of the Listing Regulations.

  The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

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

  As per Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism which is overseen by the Audit Committee. No personnel has been denied access to the Audit Committee. The policy as approved by the Board is uploaded on the Company's website at www.svendgaard.com.

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

  The Company is fully compliant with all applicable mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

  The Company has also formulated a policy for determining material subsidiaries in accordance with Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and it has placed the same on the website of the company at www.svendgaard.com.

- **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 Companies Act, 2013 ("the Act") and other relevant provision of the Act. The Company has uniformly applied the Accounting Polices during the period presented. Kindly refer notes of the financial statements (standalone and consolidated) for significant accounting policies adopted by the Company.

- **CEO/ CFO CERTIFICATION**

  As required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification is provided in this Annual Report.

- **INTEGRATED REPORTING AND MANAGEMENT DISCUSSION & ANALYSIS**

  The Annual Report has a detailed chapter on Integrated Reporting and Management Discussion & Analysis, which forms part of this report.

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. www.svendgaard.com

TRAINING OF DIRECTORS

The Board members of JHS are eminent personalities having wide experience in the field of Business, Finance, Education, Industry, Commerce and Administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings.

The new Board members are also requested to access the necessary documents/brochures, Annual reports and internal policies available at our website www.svendgaard.com to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Directors.

LEGAL COMPLIANCE REPORTING

The Board of Directors reviews in detail, on a quarterly basis, the report of compliance with respect to all laws and regulations applicable to the Company. The Company has developed a very comprehensive Legal Compliance System, which drills down from the CEO to the executive-level person (who is primarily responsible for compliance) within the Company. The process of compliance reporting is on monthly basis and Company Secretary being the Legal Compliance Officer submits the monthly compliance report along with non-compliance, if any, to the Board, with fixation of accountability and steps taken for rectification of non-compliance.

APPOINTMENT OF DIRECTORS

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, Mr. Vanamali Polavaram (DIN 01292305), Director will retire by rotation at the ensuing AGM, and being eligible, offer himself for re-appointment in accordance with provisions of the said Act.

Mrs. Rohina Sanjay Sangtani (DIN: 07520124), who was inducted into the Board as an Additional Director shall vacate her office at the conclusion of ensuing annual general meeting of the company and shall be further re- appointed as an Independent Woman Director of the Company.

The brief resumes of the above persons proposed to be appointed as Directors, the nature of their expertise in specific functional areas, names of Companies in which he/she hold Directorships, Committee Memberships/ Chairmanships, his/her shareholding etc. is furnished in Annexure 1 of the Notice of the ensuing AGM.

Your Directors recommend their appointment at the ensuing annual general meeting .

None of the Directors of the company are related inter-se, in terms of section 2(77) of the Companies Act, 2013 including Rules thereunder.

MEANS OF COMMUNICATION

All vital information relating to the Company and its performance, including quarterly and annual financial 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) circulated all over India, Nyaya Setu-Himachal (Hindi) circulated in Regional Area and 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.

The Company also files the Corporate Governance report, Shareholding pattern and quarterly and annual financial results in the NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.

SUBSIDIARY COMPANIES

The Company monitors performance of its subsidiary companies, inter alia, by the following means:

i) The Audit Committee reviews the Financial Statements of the subsidiary companies, along with investments made by them, on a quarterly basis.

ii) The Board of Directors reviews the Board meeting minutes and statements of all significant transactions and arrangements, if any, of the subsidiary companies.

Your Company does not have a material non-listed Indian subsidiary.

GENERAL SHAREHOLDER INFORMATION

- **COMPANY'S WEBSITE**

  The website of the Company is www.svendgaard.com 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, September 11, 2018
  Time : 01:00 P.M.
  Venue : Trilokpur Road, Kheri (Kala Amb)
  Tehsil- Nahan, Distt: Sirmour,
  Himachal Pradesh -173 030

- **FINANCIAL CALENDER**

  Financial year : 1st April, 2017 to 31st March, 2018
  For the year ended 31st March, 2018
  results were announced on : 15th May, 2018

- **BOOK CLOSURE**

  The books will be closed from Wednesday, 05th September, 2018 to Tuesday, 11th September, 2018 (Both days inclusive) as annual book closure for the Annual General Meeting.

- **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 financial year ended 31st March, 2018.

- **STOCK CODE**

  Bombay Stock Exchange Limited: 532771

  National Stock Exchange of India Limited: JHS

  ISIN Code: INE544H01014

- **MARKET PRICE DATA**

  Monthly high and low prices and volumes of equity shares of the Company at BSE and the NSE for the year ended 31st March, 2018. 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-17	62.10	38.10	61.95	37.65
2	May-17	57.00	44.40	57.45	44.00
3	Jun-17	76.95	58.30	76.95	58.05
4	Jul-17	76.00	62.80	76.35	62.25
5	Aug-17	74.80	58.50	75.00	57.80
6	Sep-17	72.85	59.10	72.90	60.00
7	Oct-17	83.05	65.00	82.25	65.00
8	Nov-17	78.95	69.55	79.00	69.00
9	Dec-17	77.00	66.00	77.00	65.65
10	Jan-18	77.00	67.00	76.95	66.95
11	Feb-18	71.90	59.20	71.35	58.60
12	Mar-18	67.25	51.50	67.95	51.35

REGISTRARS AND TRANSFER AGENTS

Name and Address	:	M/s 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

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. All valid transfers are processed and registered within 15 days from the date of receipt.

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2018

Category	Shareholders	No. of Shares	% of Holding
Promoters Shareholding	4	26897988	44.17
Non-promoters holding			
Mutual funds and UTI	-	-	-
Banks, Financial Institutions, Insurance Companies ,Clearing Member	51	206437	0.34
Foreign Portfolio Investors	1	300000	0.49
Foreign Venture Capital Investor	0	0	0
Bodies Corporate	276	5013815	8.23
India Public	23521	27542316	45.23
NBFCs registered with RBI	3	5323	0.01
Non Resident Indians	475	933586	1.53
Foreign Nationals	1	1000	0.00
Trusts	-	-	-
Grand Total	24332	60900465	100.00

• DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018

No. of Shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
1 – 100	584136	1.311	9893	39.983
101 - 500	2704984	6.073	9510	38.435
501 - 1000	2165846	4.863	2582	10.435

No. of Shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
1001 - 5000	4976853	11.174	2213	8.944
5001 - 10000	2145687	4.817	293	1.184
10001 - 20000	1947406	4.372	137	0.554
20001 - 30000	957896	2.151	39	0.158
30001 - 40000	618020	1.388	18	0.073
40001 - 50000	690314	1.550	15	0.061
50001 - 100000	1611833	1.619	20	0.081
100001 - 500000	3132197	7.032	16	0.065
500001 - ABOVE	23005293	51.65	7	0.028

- **DEMATERIALIZATION OF SHARES**

  The equity shares of your Company are under compulsory dematerialization mode as on 31st March, 2018. 99.97% of shares of the Company are dematerialized as on 31st March, 2018. Trading in Equity shares of the Company is permitted only in demat mode. The Equity shares of your company are frequently traded.

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

  There is no outstanding GDRs/ ADRs/ or any convertible instruments as at the end of the financial year ended on 31st March, 2018.

- **PLANT LOCATION**

  i) 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 M/s. 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, Distt: Sirmaur, Himachal Pradesh-173030

Compliance Officer:

Mr. Sanjeev K Singh, Company Secretary
Phone: 011-26900411; Fax: 011-26900434
e-mail: cs@svendgaard.com and sanjeev@svendgaard.com

CEO CFO CERTIFICATION

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

A. We have reviewed the financial statements and the Cash Flow Statement of the Company for the Financial Year ended 31.03.2018 and that to the best of our knowledge and belief:

   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. These statements together present a true and fair view of the Company`s affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. We also certify, that based on our knowledge and the information provided to us, there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company`s code of conduct.

C. The Company`s other certifying officers and we are responsible for establishing and maintaining internal controls for financial reporting and procedures for the Company and that we have evaluated the effectiveness of Company`s internal control systems and procedures pertaining to financial reporting.

D. The Company`s other certifying officers and we have indicated, based on our most recent evaluation, wherever applicable, to the Company`s Auditors and through them to the Audit Committee of the Company`s Board of Directors:

   1. Deficiencies in the design or operation of internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;

   2. Significant changes in internal control over financial reporting during the year;

   3. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   4. Any fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company`s internal control system over financial reporting.

Place: New Delhi	**Paramvir Singh**	**Ajay Bansal**
Date : 12.04.2018	CEO	CFO

CERTIFICATION BY CHIEF EXECUTIVE OFFICER OF THE COMPANY

I declare that all Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the Financial Year 2017-18.

Place: New Delhi	**Paramvir Singh**
Date : 14.08.2018	CEO

STANDALONE FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Members of
JHS Svendgaard Laboratories Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Indian Accounting Standards (Ind AS) financial statements of JHS Svendgaard Laboratories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

Basis for Qualified opinion

As mentioned in Note No. 35 to the standalone Ind AS financial statements, the Company has recognized net income amounting to ₹2727.21 lacs during the year ended 31 March 2018 on account of compensation received pursuant to the Settlement Agreement dated 28 March 2017, instead of recognizing the same in the year ended 31 March 2017. This constitutes a material departure from the Indian Accounting Standards(Ind AS) referred to in Section 133 of the Companies Act, 2013. Consequently, the exceptional income for the year ended 31 March 2018 is overstated and for the year ended 31 March 2017 is understated by ₹2727.21 lacs. Had the Company followed the correct accounting, the net profit after tax for the year ended 31 March 2018 would have been reduced by ₹1883.56 lacs and increased by the same amount for the year ended 31 March 2017, the carrying amount of other current assets as at the previous year ended 31 March 2017 would have increased by ₹2475 lacs, deferred tax assets (net) as at the previous year ended 31 March 2017 would have been reduced by ₹843.65 lacs as at the previous year ended 31 March 2017 and other equity would have increased by ₹1883.56 lacs as at the previous year ended 31 March 2017. This was a matter of qualification in the previous year as well.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31,2018, and its profits (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 except for the effects of the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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 standalone Ind AS Financial Statements dealt with by this Report are in agreement with the books of account;

d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 over financial reporting 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 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 standalone financial position in its Ind AS financial statements- Refer Note 37 to the standalone Ind AS 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

S. K. Khattar
Partner
Membership No.: 084993

Place: New Delhi
Date: 15 May 2018

Annexure "A" to the Independent Auditor's Report

(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 March 31, 2018)

(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 title deeds provided to us, we report that, the title deeds of all the freehold immovable properties (which are included under the head 'Property, Plant and Equipment) are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year, except for stocks lying with a third party. For stocks lying with a third party at the year-end, written confirmations have been obtained by the management. 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 Companies Act, 2013, in respect of such loans;

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, 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 amount.

(iv) In our opinion and according to the information and explanations given to us the 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, 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 service tax and other material statutory dues, as applicable, have generally been regularly deposited 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 became payable.

b) According to the information and explanations given to us, there are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and goods and service tax that have not been deposited with the appropriate authorities on account of any dispute.

(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) In our opinion, 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, 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 of shares. 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 there under. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make private placement of shares/ fully/partly convertible debentures.

(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. Accordingly, provisions of clause 3 (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 clause 3 (xvi) of the Order are not applicable.

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

S. K. Khattar
Partner
Membership No.: 084993

Place: New Delhi
Date: 15 May 2018

Annexure "B"

Independent Auditor's report on the Internal Financial Controls 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 over financial reporting of JHS Svendgaard Laboratories Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's Internal financial controls over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of Internal financial controls over financial reporting included obtaining an understanding of Internal financial controls over financial reporting, 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's Internal financial controls over financial reporting 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 over financial reporting 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 over Financial Reporting

7. Because of the inherent limitations of Internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that Internal financial controls over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on Internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

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

S. K. Khattar
Partner
Membership No.: 084993

Place: New Delhi
Date: 15 May 2018

BALANCE SHEET AS AT 31 MARCH, 2018

(₹ in lakhs)

Particulars	Notes	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
I. ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	3.1	7,125.89	6,491.22	6,498.73
(b) Capital work-in-progress	3.1	41.67	67.41	64.72
(c) Intangible assets	3.2	3.38	5.80	7.74
(d) Intangible assets under development	3.3	-	-	3.16
(e) Financial assets				
(i) Investments in subsidiaries	4	1.00	1.00	1.00
(ii) Loans	5	9.89	0.15	10.42
(iii) Other financial assets	6	31.50	13.35	18.05
(f) Deferred tax assets (net)	7	586.33	1,683.52	-
(g) Non-current tax assets (net)	8	141.84	-	-
(h) Other non-current assets	9	2,707.50	3,265.55	1,961.46
Total non-current assets		**10,649.00**	**11,528.00**	**8,565.28**
2 Current assets				
(a) Inventories	10	868.66	1,072.44	931.15
(b) Financial assets				
(i) Investments	11	1,818.93	102.64	-
(ii) Trade receivables	12	4,266.17	1,365.73	671.40
(iii) Cash and cash equivalents	13	551.76	550.92	268.59
(iv) Bank balances other than (iii) above	14	37.53	34.95	19.25
(v) Loans	15	290.16	53.77	10.15
(vi) Other financial assets	16	1,189.40	215.66	1,214.81
(c) Other current assets	17	817.98	628.95	445.64
(d) Assets classified as held for sale	-	4.39	4.39	4.39
Total current assets		**9,844.98**	**4,029.45**	**3,565.38**
Total assets		**20,493.98**	**15,557.45**	**12,130.66**
II. EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	18	6,090.05	4,412.05	3,763.50
(b) Other equity	19	11,573.57	9,067.48	6,346.22
Total Equity		**17,663.61**	**13,479.53**	**10,109.72**
2 LIABILITIES				
A Non-current liabilities				
(a) Financial liabilities				
i) Borrowings	20	107.59	64.65	142.95
(b) Provisions	21	66.65	48.13	40.51
(c) Other non-current liabilities	22	6.01	9.00	12.00
Total non-current liabilities		**180.25**	**121.78**	**195.46**
B Current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	0.10	0.11	15.74
(ii) Trade payables	24	1,927.86	1,397.12	1,336.07
(iii) Other financial liabilities	25	531.68	453.65	381.78
(b) Other current liabilities	26	182.15	99.95	87.63
(c) Provisions	21	8.33	5.31	4.26
Total current liabilities		**2,650.12**	**1,956.14**	**1,825.48**
Total liabilities		**2,830.37**	**2,077.92**	**2,020.94**
Total equity and liabilities		**20,493.98**	**15,557.45**	**12,130.66**
Basis of Preparation	1			
Summary of significant accounting policies	2			
First time adoption of Ind AS	54			

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.
For S.N. Dhawan & Co LLP
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

S.K.Khattar
Partner
Membership no.: 084993

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

S/d-
Nikhil Nanda
Managing Director
DIN : DIN : 00051501

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

S/d-
Sanjeev Kumar Singh
Company Secretary &
Compliance Officer
Membership No. F6295

S/d-
Ajay Kumar Bansal
Chief Financial Officer

Place : New Delhi
Date : 15 May, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Particulars	Notes	Year ended 31 March, 2018	Year ended 31 March, 2017
Income			
I. Revenue from operations	**27**	**14,073.16**	**10,505.78**
II. Other income	28	494.78	43.01
III. Total income (I +II)		**14,567.94**	**10,548.79**
Expenses			
Cost of materials consumed	29	8,214.17	6,112.14
Purchase of stock-in-trade	29	76.47	33.30
Changes in inventories of finished goods, work in progress and stock-in-trade	30	762.68	551.48
Excise duty		235.03	-
Employee benefit expenses	31	940.83	865.97
Finance costs	32	73.65	61.80
Depreciation and amortisation expenses	33	680.64	635.70
Other expenses	34	2,202.02	1,772.53
IV. Total expenses		**13,185.49**	**10,032.92**
V. Profit/ (loss) before exceptional items and tax (III-IV)		1,382.45	515.87
VI.Exceptional items	35	2,727.21	-
VII.Profit/ (loss) before tax (V+VI)		4,109.66	515.87
VIII.Tax expense			
a) Current tax	36	198.23	5.28
b) Tax for previous years	36	9.85	-
c) Deferred tax charge/(credit)	36	1,096.54	(1,685.19)
IX. Profit/ (loss) for the year from continuing operations (VII-VIII)		**2,805.04**	**2,195.78**
Other comprehensive income			
-Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		2.22	5.41
Less: Income tax expense relating to Items that will not be reclassified to profit or loss	36	(0.65)	(1.67)
X. Total Other comprehensive income for the year, net of tax		**1.58**	**3.74**
XI. Total comprehensive income for the year (IX+X)		**2,806.61**	**2,199.52**
XII.Earnings per equity share			
a) Basic (Face value of ₹ 10 each)	46	4.96	5.46
b) Diluted (Face value of ₹ 10 each)	46	4.60	3.70
Basis of Preparation	1		
Summary of significant accounting policies	2		
First time adoption of Ind AS	54		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.
For S.N. Dhawan & Co LLP
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date : 15 May, 2018

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

S/d-
Nikhil Nanda
Managing Director
DIN : DIN : 00051501

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

S/d-
Sanjeev Kumar Singh
Company Secretary & Compliance Officer
Membership No. F6295

S/d-
Ajay Kumar Bansal
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

A. Equity Share Capital (₹ in lakhs)

Balance as at 01 April, 2016	Changes in equity share capital during the year	Balance as at 31 March, 2017
3,763.50	648.55	4,412.05

Balance as at 01 April, 2017	Changes in equity share capital during the year	Balance as at 31 March, 2018
4,412.05	**1,678.00**	**6,090.05**

B. Other Equity (₹ in lakhs)

	Reserve and Surplus				Money Received against Share warrants	Total Other Equity
	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings		
Balance as at 01 April, 2016	241.12	8,407.51	6.68	(2,898.55)	589.46	6,346.22
Profit for the year	-	-	-	2,195.78	-	2,195.78
Other Comprehensive income	**-**	**-**	**-**	**3.74**	**-**	**3.74**
Total Comprehensive income for the year	-	-	-	2,199.52	-	2,199.52
Transaction with owners in capacity as owners						
Share Warrants converted into Shares	-	-	-	-	(127.19)	(127.19)
Premium on warrant converted into shares	-	46.25	-	-	-	46.25
Premium on preferential issue	-	613.95	-	-	-	613.95
Other changes - Share Issue Expenses	-	(11.27)	-	-	-	(11.27)
Balance as at 31 March, 2017	**241.12**	**9,056.44**	**6.68**	**(699.03)**	**462.28**	**9,067.48**

	Reserve and Surplus				Money Received against Share warrants	Total Other Equity
	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings		
Balance as at 01 April, 2017	241.12	9,056.44	6.68	(699.03)	462.28	9,067.48
Profit for the year	-	-	-	2,805.04	-	2,805.04
Other Comprehensive income	**-**	**-**	**-**	**1.58**	**-**	**1.58**
Total Comprehensive income for the year	-	-	-	2,806.62	-	2,806.62
Transaction with owners in capacity as owners						
Adjustment pertaining to a loan given to shareholder	-	-	-	(5.69)	-	(5.69)
Warrant Forfeiture Amount	0.83	-	-	-	-	0.83
Share Warrants converted into Shares	-	-	-	-	(462.28)	(462.28)
Premium on warrant converted into shares	-	167.80	-	-	-	167.80
Other changes - Share Issue Expenses	**-**	**(1.19)**	**-**	**-**	**-**	**(1.19)**
Balance as at 31 March, 2018	**241.95**	**9,223.05**	**6.68**	**2,101.91**	**-**	**11,573.58**

Basis of Preparation	1
Summary of significant accounting policies	2
First time adoption of Ind AS	54

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.
For S.N. Dhawan & Co LLP
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date : 15 May, 2018

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

S/d-
Nikhil Nanda
Managing Director
DIN : DIN : 00051501

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

S/d-
Sanjeev Kumar Singh
Company Secretary &
Compliance Officer
Membership No. F6295

S/d-
Ajay Kumar Bansal
Chief Financial Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
A. Cash Flow from Operating Activities		
Profit/ (loss) before exceptional items and tax	1,382.45	515.87
Adjustments for:		
Provision/ write-back for inventory (net)	49.43	(140.84)
Depreciation and Amortization	680.64	635.70
Loss on disposal of Fixed assets (Net)	18.79	3.12
Interest income	(107.63)	(7.75)
Government grant amortization	(3.00)	(3.00)
Provision for doubtful advances	-	0.73
Provision no longer required written back	(5.41)	-
Intangible assets under development written off	-	3.16
Advance/balances written off	87.33	-
Interest and finance Charges	51.95	49.59
Net gain on financial asset mandatorily measured at FVTPL	(182.38)	(20.38)
Exchange(gain)/loss (net)	(109.14)	(17.47)
Fair value adjustments	14.13	12.27
Operating profit before working capital changes	**1,877.15**	**1,031.01**
Adjustments for :		
(Increase)/Decrease in inventories	154.35	(0.44)
(Increase)/Decrease in trade receivables	(2,790.97)	(681.62)
(Increase)/Decrease in Current Loans	(9.43)	(48.70)
(Increase)/Decrease in Other Current Assets	(243.93)	(183.37)
Investment in bank deposits (having original maturity of more than 3 months)	(2.58)	(15.71)
(Increase)/Decrease in Other Current Financial assets	(974.73)	(5.86)
(Increase)/Decrease in Non current Loans	5.29	0.36
(Increase)/Decrease in Other non-current assets	184.12	(615.55)
Increase/ (decrease) in Other Current Financial Liabilities	62.67	37.73
Increase/ (decrease) in Trade payables	501.85	65.81
Increase/ (decrease) in Short term provisions	5.24	6.46
Increase/ (decrease) in Long term provisions	18.52	7.62
Increase/ (decrease) in Other Current liabilities	82.21	12.32
Cash generated from operations	**(1,130.23)**	**(389.93)**
Taxes Paid	(280.37)	(4.16)
Cash flow from exceptional items		
Amount received on account of claim settlement	2,727.21	-
Net cash generated from operating activities	**1,316.61**	**(394.09)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2018

(CONTD...)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,064.82)	(1,285.79)
Proceeds from sale of Fixed assets	43.32	15.70
Proceeds from Mutual funds	2,915.47	1,044.73
Investment in Mutual funds	(4,449.37)	(1,127.00)
Sale proceeds of wave hygiene products business	1.00	1,005.00
Interest income received	86.69	7.72
Loan given to Corporates	(450.00)	-
Proceeds from repayment of loan to Corporates	250.00	-
Loan given to Shareholder	(500.00)	-
Proceeds from repayment of Loan given to shareholder	500.00	-
Change in Other bank balance and cash not available for immediate use	(18.16)	4.70
Net Cash (used) in investing activities	**(2,685.88)**	**(334.93)**
C. Cash Flow from Financing Activities		
Proceeds from/ (repayment of) long term borrowings	42.94	(78.30)
Proceeds from/ (repayment of) short term borrowings	(0.01)	(15.63)
Proceed from Share Capital and securities premium	1,845.80	1,308.75
Share Issue Expenses	(1.19)	(11.27)
Proceed/(utilization) from/of Share Warrant	(461.45)	(127.19)
Forefeiture of share warrants	-	-
Interest and financial charges	(55.98)	(65.01)
	1,370.11	**1,011.35**
Net Increase/(decrease) in cash and cash equivalents	**0.85**	**282.33**
Opening balance of cash and cash equivalents	550.92	268.59
Closing balance of cash and cash equivalents	551.76	550.92
Components of cash and cash equivalents as at end of the year		
Cash on hand	9.28	2.16
Balances with banks		
- on current account	540.62	382.63
- in term deposits with original maturity of 3 months or less	1.86	166.13
Cash and bank balance (Refer note 13)	**551.76**	**550.92**

Explanatory notes to statement of cash flows

(₹ in lakhs)

1. Net debt reconciliation	31 March, 2018	31 March, 2017
Cash & cash equivalents	**551.76**	**550.92**
Liquid Investments	1,818.93	102.64
Non current borrowings	(267.41)	(253.32)
Net Debt	**2,103.29**	**400.25**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2018
(CONTD...)

(₹ in lakhs)

Particulars	Other assets		Liabilities from financing activities	Total
	Cash & cash equivalents	Liquid Investments	Non current borrowings	
Net debt as at April 01, 2017	**550.92**	**102.64**	**(253.32)**	**400.25**
Cash flows	0.85	1,533.91	(16.77)	1,517.98
Interest expense	-	-	(26.32)	(26.32)
Interest paid	-	-	39.14	39.14
Other non-cash movements	-	-	-	-
- Fair value adjustments	-	182.38	(10.14)	172.24
				-
Net debt as at March 31, 2018	**551.76**	**1,818.93**	**(267.41)**	**2,103.29**

Basis of Preparation	1
Significant accounting policies	2
First time adoption of Ind AS	54

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.
For S.N. Dhawan & Co LLP
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date : 15 May, 2018

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

S/d-
Nikhil Nanda
Managing Director
DIN : DIN : 00051501

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

S/d-
Sanjeev Kumar Singh
Company Secretary &
Compliance Officer
Membership No. F6295

S/d-
Ajay Kumar Bansal
Chief Financial Officer

Background

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

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, 2015 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 Indian Accounting Standards (Ind AS) 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').

These financial statements for the year ended 31 March, 2018 are the first financial statements that are prepared in accordance with Ind AS. Refer to note 43 for information on how the transition from Previous GAAP to Ind AS has affected the financial position, financial performance and cash flows.

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

b) Basis of measurement

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

c) Critical estimates and judgments

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

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

The areas involving critical estimates and judgments are:

i. Useful life of property, plant and Equipment

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

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

ii. Recoverable amount of property, plant and equipment

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

iii. Estimation of defined benefit obligation

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

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

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

v. Impairment of trade receivables

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

vi. Fair value measurement

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

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

d) Others

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

e) Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle

- Expected to be realized within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

f) Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

2. Summary of significant accounting policies

a) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, sales tax, value added tax etc.

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, sales tax, value added tax etc.

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.

Sale of Scrap

Revenue from sale of scrap is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer with the Company losing effective control or the right to managerial involvement thereon.

Service income

Service income includes job work and its revenue is recognized on completion of services, based on service contracts.

b) Government Grants

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

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

c) Income Taxes

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

Current Tax

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

Deferred Tax

Deferred income taxes are calculated without discounting on temporary differences between carrying amounts of assets and liabilities and 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 fulfillment 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.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Operating Lease

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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.Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 01 April 2016.

i) Financial Assets other than Investment in Subsidiaries

(i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.
  The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

(ii) Initial Measurement

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

(iii) Subsequent Measurement

Debt instruments

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

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

• **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 fulfill this condition.

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

Equity instruments

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

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

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

(iv) Impairment of Financial Assets

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

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

(v) De recognition of Financial Assets

A financial asset is derecognized only when:

• The Company has transferred the rights to receive cash flows from the financial asset or

• retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

j) Financial Liabilities

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

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.

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 Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

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

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

Transition to Ind AS
Property, Plant and Equipment up to March 31, 2016 were carried in the Balance Sheet in accordance with IGAAP (Previous GAAP). The Company has elected to avail the exemption granted by Ind AS 101, "First time adoption of IND AS" to regard those amounts as deemed cost at the date of the transition to Ind AS (i.e. as on April 1, 2016).

m) 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.

Transition to Ind AS

Upto March 31, 2016, Intangible assets were carried in the Balance Sheet in accordance with IGAAP (Previous GAAP). The Company has elected to avail the exemption granted by IND AS 101, "First time adoption of Ind AS" to regard those amounts as deemed cost at the date of the transition to Ind AS (i.e. as on April 1, 2016).

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.

Capital work in Progress up to March 31, 2016 were carried in the Balance Sheet in accordance with IGAAP (Previous GAAP). The Company has elected to avail the exemption granted by Ind AS 101, "First time adoption of Ind AS" to regard those amounts as deemed cost at the date of the transition to Ind AS (i.e. as on April 1, 2016).

o) Depreciation and Amortization

"Depreciation on fixed assets 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 fixed assets is provided on pro rata basis from the date of assets are ready to use. Depreciation and amortization on sale/deduction from fixed assets 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.

p) 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.

q) Provisions, Contingent Liabilities and Contingent Assets

A Provision is recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources emboyding 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.

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

Defined Contribution Plans

Provident Fund

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

Employee state Insurance

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

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.

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.

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 Company fall under Manufacturing of Oral Care products, which is considered to be the only reportable segment.

v) Measurement of fair values

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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.

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 Company is treated as an exceptional item and the same is disclosed in the Statement of Profit and Loss.

y) Applicable standards issued but not yet effective

IND AS 115: Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The Standard is applicable to the Company with effect from 1st April, 2018.

Revenue from Contracts with Customers Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Company has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard from 1st April, 2018.

3.1 Property, Plant and Equipment

Current Year

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK
Particulars	**As at 01 April, 2017**	**Additions**	**Disposals/ adjustments**	**As at 31 March, 2018**	**As at 01 April, 2017**	**Depreciation & amortization for the year**	**Disposals/ adjustments**	**As at 31 March, 2018**	**As at 31 March, 2018**
A) Property, Plant and Equipment									
Freehold Land	234.67	216.00	-	450.67	-	-	-	-	450.67
Factory Building	1,656.77	133.82	-	1,790.59	65.89	66.81	-	132.70	1,657.89
Office Building	143.01	-	-	143.01	6.04	6.04		12.08	130.93
Plant & Machinery	4,359.50	735.02	71.90	5,022.63	420.95	455.80	16.03	860.72	4,161.91
Mould & Dies	269.45	47.78	5.66	311.56	31.26	43.51	0.13	74.64	236.93
Electronic Equipment	187.26	0.86	1.39	186.73	53.73	43.64	1.06	96.30	90.43
Lab Equipment	5.27	-	-	5.27	1.10	1.05		2.14	3.13
Leasehold Improvements	-	70.54	-	70.54	-	2.66	-	2.66	67.88
Furniture & fixture	91.92	9.39	0.48	100.83	19.31	18.17	0.19	37.29	63.54
Office Equipment	15.04	19.28	-	34.32	1.34	2.98		4.32	30.00
Vehicle	151.98	141.44	-	293.42	27.66	36.25		63.91	229.51
Computer	4.44	0.87	0.09	5.22	0.97	1.22	-	2.19	3.03
Computer network	0.27	-	-	0.27	0.12	0.09		0.21	0.06
Total	**7,118.97**	**1,375.00**	**79.52**	**8,415.05**	**628.35**	**678.22**	**17.41**	**1,289.16**	**7,125.89**
B) Capital work-in-progress *	**67.41**	**787.40**	**813.13**	**41.67**	**-**	**-**	**-**	**-**	**41.67**

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

Previous Year

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK
Particulars	**As at 01 April, 2016**	**Additions**	**Disposals/ adjustments**	**As at 31 March, 2017**	**As at 01 April, 2016**	**Depreciation & amortization for the year**	**Disposals/ adjustments**	**As at 31 March, 2017**	**As at 31 March, 2017**
A) Property, Plant and Equipment									
Freehold Land	234.67	-	-	234.67	-	-	-	-	234.67
Factory Building	1,568.86	87.91	-	1,656.77	-	65.89	-	65.89	1,590.88
Office Building	143.01	-	-	143.01	-	6.04	-	6.04	136.97
Plant & Machinery	4,002.06	357.45	-	4,359.50	-	420.95	-	420.95	3,938.55
Mould & Dies	147.02	122.43	-	269.45	-	31.26	-	31.26	238.19
Electronic Equipment	187.26	-	-	187.26	-	53.73	-	53.73	133.53
Lab Equipment	5.27	-	-	5.27	-	1.10	-	1.10	4.18
Furniture & fixture	86.90	5.02	-	91.92	-	19.31	-	19.31	72.61
Office Equipment	6.94	8.10	-	15.04	-	1.34	-	1.34	13.70
Vehicle	113.47	61.68	23.18	151.98	-	32.01	4.36	27.66	124.32
Computer	3.01	1.43	-	4.44	-	0.97	-	0.97	3.47
Computer network	0.27	-	-	0.27	-	0.12	-	0.12	0.15
Total	**6,498.73**	**644.02**	**23.18**	**7,119.57**	**-**	**632.70**	**4.36**	**628.35**	**6,491.22**
B) Capital work-in-progress **	**64.72**	**129.72**	**127.03**	**67.41**	**-**	**-**	**-**	**-**	**67.41**

* The Company has considered previous GAAP carrying value as at March 31, 2016 as deemed cost in accordance with the exemption available under Ind AS 101 (for details refer note 54)

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

3.2 Intangible assets

Current Year

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK
Particulars	**As at 01 April, 2017**	**Additions**	**Disposals/ adjustments**	**As at 31 March, 2018**	**As at 01 April, 2017**	**Depreciation & amortization for the year**	**Disposals/ adjustments**	**As at 31 March, 2018**	**As at 31 March, 2018**
Computer software	8.80	-	-	8.80	3.00	2.42		5.42	3.38
Total	**8.80**	**-**	**-**	**8.80**	**3.00**	**2.42**	**-**	**5.42**	**3.38**

Previous Year

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK
Particulars	**Deemed Cost As at 01 April, 2016**	**Additions**	**Disposals/ adjustments**	**As at 31 March, 2017**	**Deemed Cost As at 01 April, 2016**	**Depreciation & amortization for the year**	**Disposals/ adjustments**	**As at 31 March, 2017**	**As at 31 March, 2017**
Computer software	7.74	1.06	-	8.80	-	3.00	-	3.00	5.80
Total	**7.74**	**1.06**	**-**	**8.80**	**-**	**3.00**	**-**	**3.00**	**5.80**

* The Company has considered previous GAAP carrying value as at March 31, 2016 as deemed cost in accordance with the exemption available under Ind AS 101 (for details refer note 54)

3.3 Intangible assets under development

Previous Year

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK
Particulars	**Deemed Cost As at 01 April, 2016**	**Additions**	**Disposals/ adjustments**	**As at 31 March, 2017**	**As at 01 April, 2016**	**Depreciation & amortization for the year**	**Disposals/ adjustments**	**As at 31 March, 2017**	**As at 31 March, 2017**
Computer software	3.16	-	3.16	-	-	-	-	-	-

* The Company has considered previous GAAP carrying value as at March 31, 2016 as deemed cost in accordance with the exemption available under Ind AS 101 (for details refer note 54)

4. Non Current Investments

(₹ in lakhs)

Particulars		As at 31 March, 2018			As at 31 March, 2017			As at 01 April, 2016		
Particulars	Face value	Proportion of the ownership interest	Number of shares	Amount (₹ in lakhs)	Proportion of the ownership interest	Number of shares	Amount (₹ in lakhs)	Proportion of the ownership interest	Number of shares	Amount (₹ in lakhs)
Investment carried at cost										
Investments in subsidiaries in equity instruments (Un-quoted) *										
"(i) JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)"	₹10	95%	389,901	38.99	95%	389,901	38.99	95%	389,901	38.99
(ii) JHS Mechanical and Warehousing Private Limited	₹10	99.99%	9,999	1.00	99.99%	9,999	1.00	99.99%	9,999	1.00
Provision for diminution in value of investments				(38.99)			(38.99)			(38.99)
Total				**1.00**			**1.00**			**1.00**
Aggregate amount of unquoted investments				**1.00**			**1.00**			**1.00**

* The Company has considered previous GAAP carrying value as at 31 March, 2016 as deemed cost in accordance with the exemption available under Ind AS 101 (for details refer note 54)

5. Non - current loans

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Unsecured, considered good			
Security deposit to related parties (Refer Note No. 42)	9.19	0.15	-
Security deposit to others	0.70	-	10.42
	9.89	0.15	10.42
Unsecured, considered Doubtful			
loans to related parties (Refer Note No. 42)	-	-	4.38
Provision for bad and doubtful debts	-	-	(4.38)
	-	-	-
	9.89	0.15	10.42

6. Other non- current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deposits with Banks having maturity period of more than twelve months*	27.67	10.49	17.57
Interest accrued on non current fixed deposits	3.83	2.86	0.48
	31.50	13.35	18.05

*pledged with various government authorities amounting to ₹10.48 lakhs (March 31, 2017: ₹10.48 lakhs, April 01, 2016: ₹17.56 lakhs).

7. Deferred tax assets (net)

(a) The balance comprises temporary differences attributable to:

(₹ in lakhs)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deferred tax liability on account of:			
Property, plant and equipment	(676.24)	(650.13)	-
Deferred tax asset on account of:			
Provision for bonus	10.95	5.28	-
Provision for doubtful debts	69.08	73.30	-
Provision for obsolete stock	14.39	-	-
Provision for gratuity	15.26	12.57	-
Provision for doubtful advance	594.18	630.17	-
Provision for investments carried at cost	11.35	12.05	-
Financial assets at FVTPL	(11.81)	(1.02)	
Provision for leave encashment	6.57	3.94	-
Other temporary differences	0.22	(2.45)	-
Tax losses carried forward	380.55	1,599.82	-
MAT credit entitlement	171.83	-	-
Net deferred tax (liability)/asset	**586.33**	**1,683.52**	**-**

(₹ in lakhs)

(b) Movement in deferred tax balances:

	Property, Plant and Equipment	Financial assets at FVTPL	Provision for employment benefit	Tax losses carried forward	Others	Total
At 01 April, 2016	-	-	-	-	-	-
Charged/(Credited):						
- to profit or loss	(650.13)	(1.02)	23.47	1,599.82	713.06	1,685.19
- to other comprehensive income	-	-	(1.67)	-	-	(1.67)
At 31 March, 2017	**(650.13)**	**(1.02)**	**21.80**	**1,599.82**	**713.06**	**1,683.52**
Charged/(Credited):						
- to profit or loss	(26.11)	(10.79)	11.64	(1,219.27)	147.99	(1,096.54)
- to other comprehensive income	-	-	(0.65)	-	-	(0.65)
At 31 March, 2018	**(676.24)**	**(11.81)**	**32.79**	**380.55**	**861.05**	**586.33**

(c) In view of recurring losses and in absence of reasonable certainty, the Company had not recognized deferred tax assets on 01 April,2016.

However, during the year ended 31 March, 2017, the Company has, based on its operational parameters and future earnings, assessed and recognized deferred tax asset on unabsorbed depreciation and carried forward business losses. The management is confident about its virtual certainty that sufficient future taxable income will be available against which such asset can be realized."

(d) Unrecognised deferred tax assets (₹ in lakhs)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deductible temporary differences	-		783.39
Tax losses carried forward	-		5,455.12
Gross amount	**-**	**-**	6,238.51
Potential tax benefit	-	-	1,927.70

(e) Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows: (₹ in lakhs)

	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Amount	Year of Expiry	Amount	Year of Expiry	Amount	Year of Expiry
Expire	-	-	-	-	2,458.70	2022-23
For the year 2014-15						2023-24
For the year 2015-16						
	-	-	-	-	2,996.41	-
Never expire	-		-		5,455.12	

(f) During the year no amount of tax has been recognised directly into equity of the Company.

8. Non current tax assets (net)

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Advance income tax and Tax deducted at source	345.34	-	-
Less: Provision for taxation	203.50	-	-
	141.84	-	-

9. Other non current assets

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Capital advance*	2,276.80	2,568.38	1,887.90
Unsecured (considered good)	736.34	730.23	734.62
Unsecured (considered doubtful)	(736.34)	(730.23)	(734.62)
Less: Provision for doubtful capital advances			
Advances other than capital advances:	-	72.44	73.56
Advance payment of taxes	409.03	609.92	-
Security deposit	4.69	1.95	-
Prepaid expenses	16.98	12.86	-
Deferred rent expense	2,707.50	3,265.55	1,961.46

* Capital advance includes advance given to related party (Refer Note No. 42)

10. Inventories

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Raw Materials	463.74	403.81	434.41
Packing material	201.76	330.93	327.85
Work-in-progress	162.33	170.25	163.08
Finished goods	61.32	149.16	131.61
Stores and spares	28.94	18.29	15.04
Less: Provision for obselence & dimunition in value*	49.43	-	140.84
	868.66	1,072.44	931.15
*Provision for obselence & dimunition in value			
Opening balance	-	140.84	140.84
Addition during the year	49.43	-	-
Used during the year	-	-	-
Reversed during the year	-	140.84	-
Closing balance	49.43	-	140.84

11. Current Investments

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Investments carried at fair value through Profit & Loss			
Investments in Mutual funds (Quoted)			
- LGR- Union Liquid Fund Growth			
Nil units (as on 31 March, 2017, 6,340.17 units)	-	102.64	-
- LGRD - Union Liquid Fund Growth Direct Plan			
104,853.696 units (as on 31 March, 2017, Nil units)	1,818.93	-	-
	1,818.93	**102.64**	**-**
Aggregate amount of quoted investments and Market value thereof	**1,818.93**	**102.64**	**-**

12. Trade receivables

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Unsecured, Considered good			
Receivable from related party (Refer Note No. 42)	478.05	60.71	1.26
Receivable from others	3,788.12	1,305.02	670.14
	4,266.17	**1,365.73**	**671.40**
Receivable from others	237.21	237.21	237.21
Provision for bad and doubtful debts	(237.21)	(237.21)	(237.21)
	-	-	-
	4,266.17	**1,365.73**	**671.40**

13. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Balance with bank			
- current account	540.62	382.63	246.99
- term deposits with original maturity of less than 3 months	1.86	166.13	20.43
Cash on hand	**9.28**	**2.16**	**1.17**
	551.76	550.92	268.59

14. Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deposit account-Unpaid dividend	0.89	1.33	1.68
Investment in term deposits with original maturity of more than 3 months but less than 12 months*	36.64	33.62	17.57
	37.53	34.95	19.25

* includes pledged & margin money deposits with various government authorities amounting to ₹ 14.82 lakh (31 March, 2017: ₹ 13.93 lakh, 01 April,2016: ₹ 13 lakh)

15. Current Loans

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Unsecured, considered good			
loans to corporates	237.63	-	-
loan to employees	52.53	53.77	10.15
	290.16	53.77	10.15

16. Other current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Interest Receivables	(16.23)	3.36	3.81
Amount receivable from Liquid Funds	1,000.63	-	-
Other receivables	205.00	206.00	1,211.00
Security Deposits	-	6.30	-
	1,189.40	**215.66**	**1,214.81**

* As per the terms of Business Transfer Agreement (BTA) dated March 21, 2016 with Avalon Cosmetics Private Limited to sell/ transfer one of its undertakings known as "Waves Hygiene Products" on a 'slump sale' basis for a lump sum consideration without values being assigned to individual assets and liabilities. The agreed total consideration for sale of undertaking under slump sale was ₹ 1625 lakhs. Out of which ₹ 1420 lakhs (March 31, 2017: ₹ 1419 lakhs, April 01, 2016: ₹ 414 lakhs) has been received and balance is receivable.

17. Other current assets

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Advances other than capital advances	372.73	197.73	-
Security deposits	2.32	1.61	-
Deferred expenses	6.25	2.42	12.14
Prepaid expenses	135.22	120.61	91.15
Balances with statutory/government authorities	**-**	**18.35**	**18.92**
Imprest to employees	**1,605.56**	**1,512.80**	**1,607.82**
Advance to suppliers*	**(1,304.10)**	**(1,304.10)**	**(1,304.10)**
Less:Provision for doubtful advance	**-**	**79.53**	**19.71**
Other receivables	**817.98**	**628.95**	**445.64**

* Advance to suppliers includes advance given to related party (Refer Note No. 42)

18. Equity Share Capital

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
a) Authorised			
65,000,000 Equity shares of ₹ 10/- each (65,000,000 Equity shares, 31 March, 2017 : ₹ 10/- each) (60,000,000 Equity shares, 01 April, 2016 : ₹ 10/- each) "	6,500.00	6,500.00	6,500.00
b) Issued, subscribed & fully paid up			
60,900,465 Equity shares of ₹ 10/- each; (44,120,465 Equity shares, 31 March, 2017 : ₹ 10/- each) (37,635,000 Equity shares, 01 April, 2016 : ₹ 10/- each) "	6,090.05	**4,412.05**	**3,763.50**
Total	6,090.05	**4,412.05**	**3,763.50**

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

(₹ in lakhs)

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
At the beginning of the year	44,120,465	4,412.05	37,635,000	3,763.50	37,635,000	3,763.50
Add : Shares issued during the year *	16,780,000	1,678.00	6,485,465	648.55		
At the end of the year	60,900,465	6,090.05	44,120,465	4,412.05	37,635,000	3,763.50

"* 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, 2009 the Company approved preferential allotment of 34,974,748 nos. fully convertible warrants of ₹ 10 each at an issue price of ₹11 per warrant. Out of this, the Company has converted 16,780,000 nos.,[upto 31 March, 2017: 18,164,748 nos. (upto 31 March, 2016: 13,539,748 nos.)] fully convertible share warrants into equal number of fully paid up equity shares after receiving full issue price of ₹ 11/- per warrant from the respective allottees during the year ended 31 March, 2018. For remaining 30,000 warrants, application money was received at 25% of Issue price i.e. ₹ 2.75 /- per warrant. However, no call money was received till final allotment date 06 July, 2017 hence, the warrants were forfeited and adjusted through Capital Reserve amounting to ₹ 0.82 lakh.

"

Pursuant to special resolution passed in the Extraordinary General Meeting held on 10 January, 2017, the Company has approved and issued on preferential basis, 1,860,465 nos. fully paid equity shares at an issue price of ₹ 43/- per share to HT Media Limited via Share Subscription Agreement dated 25 January, 2017. These shares have subsequently been listed.

Paid up equity share capital includes 1,63,60,000 equity shares alloted pursuant to conversion of share warrants. These shares are under process for listing.

d. Terms / rights attached to equity shares

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

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case where interim dividend is distributed. During the year ended 31 March, 2018 and 31 March, 2017, 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.

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

65,45,245 equity shares issued to the shareholders of merged entities pursuant to the scheme of amalgamation in the financial year 2012-13.

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

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Nikhil Nanda*	23,810,774	39.10%	12,060,774	27.34%	11,210,774	29.79%
Tano Mauritius India FVCI	-	0.00%	1,473,339	3.34%	3,499,999	9.30%
Sixth Sense India Opportunities-I	-	0.00%	3,000,000	6.80%	3,000,000	7.97%
Sushma Nanda	3,065,983	5.03%	3,065,983	6.95%	3,065,983	8.15%
Chaitali Vohra	2,000,000	3.28%	3,500,000	7.93%	-	0.00%
Amit Saxena	1,608,259	2.64%	2,000,000	4.53%	2,000,000	5.31%

19. Other Equity

A Summary of Other Equity Balance (₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Capital reserves	241.95	241.12	241.12
Securities premium account	9,223.05	9,056.44	8,407.51
General reserves	6.68	6.68	6.68
Retained earnings	**2,101.90**	**(699.03)**	**(2,898.55)**
Money received against share warrants	-	462.28	589.46
Total	**11,573.57**	**9,067.48**	**6,346.22**

a) Capital reserves (₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Opening balance	241.12	241.12	241.12
Addition/Deletion during the year	0.83	-	-
Closing balance (A)	241.95	241.12	241.12

b) Securities premium account (₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Opening balance	9,056.44	8,407.51	8,407.51
Add : Premium on warrant converted into shares	-	46.25	-
Add : Premium on preferential issue	167.80	613.95	-
Less : Other changes - Share Issue Expenses	(1.19)	(11.27)	-
Closing balance (B)	**9,223.05**	**9,056.44**	**8,407.51**

c) General reserves

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Opening balance	6.68	6.68	6.68
Addition during the year	-	-	-
Closing balance (C)	**6.68**	**6.68**	**6.68**

d) Retained earnings

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Opening balance	(699.03)	(2,898.55)	(2,898.55)
Add: Profit for the year transferred from the Statement of Profit and Loss account	2,806.62	2,199.52	-
Less: Adjustment pertaining to a loan given to shareholder	(5.69)	-	-
Closing balance (D)	**2,101.90**	**(699.03)**	**(2,898.55)**

e) Money received against share warrants

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Opening balance	462.28	589.46	589.46
Less: Share warrants converted into shares	(462.28)	(127.19)	-
Closing balance (E)	-	462.28	589.46
Total other equity (A+B+C+D+E)	**11,573.57**	**9,067.48**	**6,346.22**

B. **Nature and purpose of reserve**

Capital reserve

Out of total preferntial allotment of 34,974,748 warrants, till the year ending 31 March, 2018, 34,944,748 warrants were successfully alloted. For remaining 30,000 warrants, application money was received at 25% of Issue price i.e. ₹ 2.75 /- per warrant. However, no call money was received till final allotment date 06 July, 2017 hence, the warrants were forfeited and adjusted through Capital Reserve amounting to ₹ 0.82 lakhs.

b. Security premium account

Securities premium account 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.

20. Borrowings

(₹ in lakhs)

	Non current			Current maturities		
Particulars	**As at 31 March, 2018**	**As at 31 March, 2017**	**As at 1 April, 2016**	**As at 31 March, 2018**	**As at 31 March, 2017**	**As at 1 April, 2016**
Secured						
Vehicle Loans*						
- from Banks	58.20	-	2.92	13.70	2.92	7.71
- from Others	49.39	64.65	-	14.50	13.91	-
	107.59	64.65	2.92	28.20	16.83	7.71
Amount disclosed under the head Other current financial liabilities (Refer note 25)	-	-	-	(28.20)	(16.83)	(7.71)
Net Amount (A)	107.59	64.65	2.92	-	-	-
Unsecured						
Deferred Payment Liabilities**	-	-	30.03	-	27.39	34.89
Unsecured Loan from other ***	-	-	110.00	110.00	110.00	110.00
	-	-	140.03	110.00	137.39	144.89
Amount disclosed under the head Other current financial liabilities (Refer note 25)	-	-	-	(110.00)	(137.39)	(144.89)
Net Amount (B)	-	-	140.03	-	-	-
Total (A+B)	107.59	64.65	142.95	-	-	-

* Respective assets are hypothecated against the loans taken to acquire such vehicles. Loan is repayable within a period of 60 months at interest rate in the range of 8% p.a. to 12% p.a.
**It represents deferred payment for acquisition of machine. Payment is to be made in 36 equal installments of ₹ 3.13 lakh each starting from 15 April, 2015. This has been carried at amortised cost.

***Repayable in 2 equal yearly installment commencing from 31st December, 2016 @ interest rate of 15% p.a.

21. Provisions

(₹ in lakhs)

	Non current			Current		
Particulars	**As at 31 March, 2018**	**As at 31 March, 2017**	**As at 1 April, 2016**	**As at 31 March, 2018**	**As at 31 March, 2017**	**As at 1 April, 2016**
Provision for Employee Benefits - Gratuity (Refer note 41)	48.70	37.97	32.24	3.71	2.71	2.16
Provision for Employee Benefits - Leave Encashment (Refer note 41)	17.95	10.16	8.27	4.62	2.60	2.10
	66.65	48.13	40.51	8.33	5.31	4.26

22. Other non current liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Government grants (Refer note 39)	**6.01**	**9.00**	**12.00**
	6.01	9.00	12.00

23.Current borrowings

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Interest free loan related parties repayable on demand (Refer note 42)	0.10	0.11	15.74
	0.10	0.11	15.74

24.Trade payables

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Trade payable			
(a)Due to micro & small enterprises (Refer note 49)	-	-	-
(b)Due to others	1,927.86	1,397.12	1,336.07
	1,927.86	1,397.12	1,336.07

25.Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Current maturities of long-term debt (Refer note 20)	138.20	126.83	117.71
Current maturities of deferred payment liabilities (Refer note 20)	-	27.39	34.89
Interest accrued but not due on borrowings	19.00	1.33	4.54
Unpaid dividends*	0.89	1.33	1.68
Book overdraft	60.61	20.99	4.27
Payable to employees	179.48	130.67	102.17
Payable towards purchase of property, plant and equipment	73.32	75.34	38.00
Expenses Payable	60.18	69.77	78.52
	531.68	453.65	381.78

*There are no amounts due for payments to the Investor Education and Protection Fund under section 125 of Companies Act, 2013 as at 31 March, 2018 (31 March, 2017- Nil, 01 April, 2016 - Nil)

26.Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Statutory dues	82.30	34.95	49.89
Advance received from Customers	96.85	62.00	34.74
Government Grant (Refer note 39)	3.00	3.00	3.00
	182.15	99.95	87.63

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2018

27.Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Sale of manufactured goods-Oral Care Products	13,611.84	10,119.53
Job Work Income	250.08	247.16
Sale of packing material/raw material/traded Goods	77.76	57.27
Other operating revenue		
Scrap sales	133.48	81.82
	14,073.16	10,505.78

28.Other income

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	" Year ended 31 March, 2017
Interest income on fixed deposits	4.45	7.50
Interest income from financial assets at amortised cost	59.13	0.22
Export incentives	32.64	-
Provision no longer required written back	5.41	-
Rental Income	0.54	-
Government grant(refer note 39)	3.00	3.00
Foreign exchange gain (net)	177.91	-
Miscellaneous income	26.94	11.91
Prepayment gain on loan to shareholder	2.38	-
Net gain on financial asset measured at FVTPL	182.38	20.38
	494.78	43.01

29.Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
A. Cost of Raw Materials Consumed		
Stock at the beginning of the year	403.81	434.41
Add: Purchases	4,955.75	3,517.62
	5,359.56	3,952.04
Less: Stock at the end of the year	463.74	403.81
Less: Reversal of earlier write-down	-	52.50
	4,895.82	3,495.72
Cost of packing materials consumed		
Stock at the beginning of the year	330.93	327.85
Add: Purchases	3,216.33	2,657.71
	3,547.26	2,985.56
Less: Stock at the end of the year	201.76	330.93
Less: Reversal of earlier write-down	-	38.22
Less: Sale of scrap	27.15	-
	3,318.35	2,616.42

B. Purchases of stock in trade

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Purchases of stock in trade	76.47	33.30
	76.47	**33.30**

30.Changes in inventories of finished goods, work in progress and stock-in-trade

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Finished goods		
At the beginning of the year	149.16	131.61
Less: At the end of the year	61.32	149.16
Add: Provision for stock obselence	49.43	-
Less: Reversal of earlier write-down	-	35.87
	137.27	(53.42)
Work-in-progress		
At the beginning of the year	170.25	163.08
Add: Purchases	617.49	626.32
Less: At the end of the year	162.33	170.25
Less: Reversal of earlier write-down	-	14.25
	625.41	604.90
	762.68	551.48

31.Employee Benefits Expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Salaries, wages, bonus and other allowances	853.07	797.92
Contribution to provident and other funds (Refer Note No. 41)	38.06	37.11
Workmen and staff welfare expenses	23.13	15.53
Gratuity (Refer Note No. 41)	16.11	12.79
Leave encashment (Refer Note No. 41)	10.46	2.62
	940.83	865.97

32.Finance Costs

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Interest expense	72.70	61.29
Interest on delay in deposit of Statutory dues	0.95	0.51
	73.65	61.80

33. Depreciation and Amortization Expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Depreciation on property, plant & equipment	678.22	632.70
Amortisation of intangible assets	2.42	3.00
	680.64	635.70

34. Other expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Consumption of stores and spares	19.99	53.60
Power and Fuel	342.10	344.87
Rent	37.63	22.87
Advertisement expenses	56.11	14.87
Business promotion expenses	151.00	19.83
Brokerage & Commission	4.44	8.93
Brand Promotion Expenses	12.56	29.95
Repairs		
Plant and Machinery	143.04	104.19
Building	21.38	11.54
Others	39.44	15.10
Provision for doubtful loan and advances	-	0.73
Freight and cartage outward	61.22	68.16
Insurance Charges	14.24	14.04
Legal and professional fees	122.93	136.96
Rates and taxes	50.50	31.74
Telephone and postage	15.15	14.91
Printing and stationery	9.77	9.27
Travelling and conveyance expenses	166.91	238.75
Loss on sale of fixed assets (Net)	18.79	3.12
Directors' sitting fees	5.50	5.90
Job work charges	713.21	459.76
Foreign exchange Loss (Net)	-	0.66
Testing charges	1.06	0.90
Auditor's remuneration(Refer note 48)	17.60	17.28
Office maintenance	24.11	29.88
Service Tax Expenses	16.88	87.76
Advances/balances/others written off	97.76	4.01
Miscellaneous expenses	9.58	22.87
Loss on scrap sale	27.17	-
Amortization of deferred rent expense	1.61	0.06
Donation expense	0.34	-
	2,202.02	1,772.53

35. Exceptional items

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Claim settlement (net)	2,727.21	-
	2,727.21	-

The Company has recognized net income amounting to ₹ 2727.21 lakhs during the year ended 31 March, 2018 on account of compensation received pursuant to the Settlement Agreement dated 28 March, 2017. The Arbitral Tribunal has given its Final Award on 3 April, 2017 and two SLP's from the Supreme Court were withdrawn on 06 April, 2017 & 12 April, 2017.

36. Income taxes

(a) Income tax expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit and loss section		
Current tax		
Current tax on profits for the year	198.23	5.28
Adjustments for current tax of previous years	9.85	-
	208.08	5.28
Deferred tax charge/(credit)		
Origination and reversal of temporary differences	1,268.37	-
Recognition of previously unrecognised tax losses	-	(1,599.82)
Recognition of previously unrecognised deductible temporary differences		(85.37)
MAT credit on profits for the year	(171.83)	-
	1,096.54	(1,685.19)
Income tax expense reported in the Statement of Profit and Loss (i+ii)	1,304.62	(1,679.91)
Other Comprehensive Income (OCI) Section		
Tax relating to items that will not be reclassified to Statement of Profit & Loss	0.65	1.67
Income tax charged to OCI	0.65	1.67

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

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit from continuing operations (A)	4,109.66	515.87
Income tax rate applicable (B)	30.90%	30.90%
Computed tax expense (A*B)	1,269.89	159.40
Tax effect of the amounts that are not deductible (taxable) while calculating taxable income :		
Effect of Non- dedcutible expenses	1.16	7.10
Deferred tax on unabsorbed losses, previously not recognised	-	84.48
Deferred tax not recognised earlier	-	(1,930.96)
Tax expense for previous year	9.85	-
Effect of MAT credit adjustment	26.39	-
Others	(2.68)	0.07
Income tax expense/(reversal)	1,304.62	(1,679.91)

37. Contingent Liability

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

Matters under litigation:

Claims against the Company by employees, vendors & customers amounting to ₹ 149.39 lakh (Previous Year ₹ 77.60 lakh). 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.

II. Others:

Bank Guarantee issued by Bank amounting to ₹ 71.11 lakh (Previous Year ₹ 71.11 lakh).

38. Capital Commitments

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances for 31 March, 2018: ₹ 28.81 lakh, for 31 March, 2017: ₹ 802.07 lakh, for 01 April, 2016: ₹ 1.82 lakh)	1,595.70	967.66	11.08

39. Government Grant

During the financial year ended 31 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.During the year the Company has recognised ₹ 3 lakh (previous year ₹ 3 lakh) as government grant based on useful life of the assets.

40. Segment Reporting

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

Information about geographical areas are as under

(₹ in lakhs)

	Revenue from external customers	
Particulars	**Year ended 31 March, 2018**	**Year ended 31 March, 2017**
India	11,744.10	10,036.51
UAE	2,224.61	397.05
USA	40.06	-
Nepal	64.39	72.22
Total	14,073.16	10,505.78

Information about major customers

Revenue of ₹ 9316.49 lakh, (Previous year ₹ 8272.17 lakh) arising from two customers in India and ₹ 2224.61 lakh (Previous year ₹ 397.05 lakh) from one customer outside India contribute more than 10% of the Company's revenue individually. No other customer contribute 10% or more than 10% to the Company's revenue for the current year ended 31 March, 2018 and previous year ended 31 March, 2017. The Company does not hold any non current assets outside India.

41. 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- 31)

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Contribution to Provident Fund	28.12	29.01
Contribution to Employee State Insurance Scheme	9.94	8.10
Total	38.06	37.11

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 Indian Accounting Standards 19 "Employee benefits" are given below:

Principal Actuarial Assumptions at the Balance Sheet date

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Discount Rate (per annum)	7.70%	7.30%	7.90%
Rate of increase in Compensation Levels	7.00%	7.00%	7.00%
Retirement age	58 Years		
Mortality Table	100% of IALM (2006-08)		
Average withdrawal rate	7%	7%	7%

The discount rate has been assumed at 7.70% p.a. (Previous year 7.30% 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	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present Value of Obligation as at the beginning of the year	12.76	40.68	10.37	34.40	9.92	31.86
Acquisition Adjustment	-	-	-	-	-	-
Interest Cost	0.93	2.97	0.82	2.72	0.77	2.49
Past Service Cost	-	1.29	-	-	-	-
Current Service Cost	8.71	11.85	2.90	10.08	2.49	11.42
Contribution by Plan Participants	-	-	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-	-	-
Benefit Paid	(0.64)	(2.16)	(0.23)	(1.10)	(1.28)	(4.17)
Actuarial (Gains)/Loss	0.82	(2.22)	(1.11)	(5.41)	(1.53)	(7.20)
Present Value of Obligation as at the end of the year	22.57	52.41	12.76	40.68	10.37	34.40
Current	4.62	3.71	2.60	2.71	2.10	2.16
Non Current	17.95	48.70	10.16	37.97	8.27	32.24
Total	**22.57**	**52.41**	**12.76**	**40.68**	**10.37**	**34.40**

II) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets (₹ in lakhs)

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
	Leave Encashment	Gratuity (Unfunded)	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	22.57	52.41	12.76	40.68	10.37	34.40
Unfunded Net Liability Recognised in the Balance Sheet	22.57	52.41	12.76	40.68	10.37	34.40

III) Expenses recognised in the Profit and Loss Account (₹ in lakhs)

Particulars	Year ended 31 March,2018		Year ended 31 March,2017	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Current Service Cost	8.71	11.85	2.90	10.08
Past Service Cost	-	1.29	-	-
Acquisition Adjustment	-	-	-	-
Interest Cost	0.93	2.97	0.82	2.72
Expected Return on Plan Assets	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	-	-	-	-
Remeasurement	0.82	-	(1.11)	-
Net actuarial (Gains)/Loss	-	-	-	-
Employees Contribution	-	-	-	-
Total Expenses recognised in the Profit and Loss Account	10.46	16.11	2.62	12.79

Other Comprehensive Income (OCI) (₹ in lakhs)

	Gratuity (Unfunded)			
Particulars	As at 31 March, 2018		As at 31 March, 2017	
Net cumulative unrecognized actuarial gain/(loss) opening	-	-	-	-
Actuarial gain / (loss) for the year on PBO	2.22	-	5.41	-
Actuarial gain /(loss) for the year on Asset	-	-	-	-
Unrecognized actuarial gain/(loss) at the end of the year	2.22	-	5.41	-

IV) Expected Employer Contribution (₹ in lakhs)

	Gratuity (Unfunded)			
Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Expected Employer Contribution for the next year	12.12	20.01	3.82	10.23

V) Maturity Profile of Defined Benefit Obligation (₹ in lakhs)

	Year ended 31 March,2018		Year ended 31 March,2017	
Year	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
0 to 1 Year	4.62	3.71	2.60	2.71
1 to 2 Year	3.46	3.43	1.92	2.29
2 to 3 Year	2.78	2.92	1.56	2.42
3 to 4 Year	2.46	3.70	1.28	2.42
4 to 5 Year	1.78	3.01	1.04	2.36
5 Year onwards	7.46	35.64	4.36	28.48

VI) Sensivity Analysis of the Defined Benefit Obligation:- (₹ in lakhs)

Particulars	Year ended 31 March,2018	
	Leave Encashment	Gratuity (Unfunded)
	As at 31 March, 2018	
Impact of change in discount rate		
Present Value of obligation at the end of the year	22.57	52.41
a) Impact due to increase of 1%	0.89	4.50
b) Impact due to decrease of 1%	0.97	5.23
	As at 31 March, 2018	
Impact of change in salary rate		
Present Value of obligation at the end of the year	22.57	52.41
a) Impact due to increase of 1%	0.97	5.01
b) Impact due to decrease of 1%	0.91	4.43

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.

42. Related party disclosures

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

Relationships	Name of Related Party
"Related parties where control exists (Subsidiary Companies)"	- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited) - JHS Mechanical and Warehousing Private Limited (India
Entities controlled by a person who is a KMP of the Company or a person who has significant influence over the Company	- JHS Svendgaard Retail ventures Private Limited - Starpool Consultants & Advisors LLP - IAC Art Collectors Private Limited (upto 30.08.2017) - Sanskaar Ventures Private Limited
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. - JHS Svendgaard Retail Venture Private Limited - Apogee Manufacturing Private Limited - Magna Waves Private Limited - DVS Worldwide Services Private Limited

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

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Managing Director	2017-18
Mr. Vanamali Polavaram	Non -Executive Non-Independent Director	2017-18
Mr. Mukul Pathak	Non - Executive Independent Director	2017-18
Mr. CR Sharma	Non - Executive Independent Director	Upto 19.01.2018
Mrs. Manisha Lath Gupta	Non - Executive Independent Director	Upto 30.08.2017
Mrs. Rohina Sanjay Sangtani	Non - Executive Independent Director	W.e.f. 21.11.2017
Mr. Nikhil Vora	Nominee Director	2017-18
Mr. Paramvir Singh	Chief Executive Officer	2017-18
Mr. Ajay Bansal	Chief Financial Officer	2017-18
Mr. Sanjeev Kumar Singh	Company Secretary	W.e.f. 01.02.2018
Mrs. Deepshikha Tomar	Company Secretary	Upto 01.02.2018

(c) Key Management Personnel Compensation (₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Short- term employee benefits	292.17	83.35
Post- employement benefits	2.57	1.21
Long- term employee benefits	1.19	0.66
Director's Sitting fees	5.50	5.90
Total Compensation	301.43	91.12

(d)cTransactions with related parties
The following transactions occurred with related parties:

(₹ in lakhs)

S.No.	Statement of Profit and Loss heads	Year ended 31 March, 2018	Year ended 31 March, 2017
1.	**Income:**		
	Sale of Product		
	- Apogee Manufacturing Private Limited	-	59.46
	- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)	664.30	-
	Reimbursement of expenses		
	- Apogee Manufacturing Private Limited	0.01	-
	Sale of Fixed Assets		
	- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)	3.70	-
	Rental Income		
	- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)	0.54	-
2.	**Expenditure:**		
	i) Rent expenses		
	- Nikhil Nanda	28.01	7.42
	- Amortisation of deferred rent expense	1.61	0.06
	ii) Electricity expenses		
	- Nikhil Nanda	9.25	6.14

(e) Loans and advances to/ from Related Parties

(₹ in lakhs)

		Year ended 31 March, 2018	Year ended 31 March, 2017
i.	**Loans/ Advances taken**		
	- Nikhil Nanda	0.25	66.00
	- Apogee Manufacturing Private Limited	-	33.95
ii.	**Loans/ Advance (repaid/adjusted)**		
	- Apogee Manufacturing Private Limited	-	33.95
	- Nikhil Nanda	25.00	81.63
	- JHS Mechanical and Warehousing Private Limited (India)	200	-
	"- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)"	5.62	-
iii.	**Loans and advances given (including security deposits)**		
	- Nikhil Nanda	9.00	20.25
	"- JHS Svendgaard Brands Limited (India) (Formerly known as JHS Svendgaard Dental Care Limited)"	0.50	0.73
	- JHS Mechanical and Warehousing Private Limited (India)	0.60	0.75
	- JHS Svendgaard Retail Venture Private Limited	10.30	-
iv.	**Advance Rent**		
	- Nikhil Nanda	-	18.00
v.	**Preferential allotment**		
	Preferential allotment-Amount Received		
	- Nikhil Nanda	969.38	70.13
vi	**Preferential allotment-Amount Refunded**		
	- Nikhil Nanda	-	-
vii.	**Equity Share capital issued of ₹10 each**		
	- Nikhil Nanda	1,175.00	93.50

(f) Balance Sheet heads (Closing Balances) (₹ in lakhs)

		As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	Credit Balances			
i.	**Unsecured loan**			
	- Nikhil Nanda	0.10	0.11	15.74
ii.	**Other liabilities**			
	- Nikhil Nanda	1.70	-	11.81
iii.	**Money received against share warrants**			
	- Nikhil Nanda	-	323.13	346.50
	Debit Balances			
i.	**Loans and advances**			
	- JHS Svendgaard Brands Limited	-	5.12	4.38
	- JHS Svendgaard Mechanical and Warehouse Private Limited	1,317.75	1,517.15	1,516.40
	- Nikhil Nanda (At amortised cost)	9.19	18.15	-
	- JHS Svendgaard Retail Venture Private Limited	10.30	-	-
ii.	**Trade receivables (exculding provisions)**			
i	- Apogee Manufacturing Private Limited	56.72	60.71	1.26
	- JHS Svendgaard Brands Limited	421.33	-	-
iii.	**Provision**			
	Provision for doubtful Loans and advances			
	- JHS Svendgaard Brands Limited	-	5.12	4.38

(g) Terms and Conditions

Outstanding balances at the year end are unsecured, interest free and recoverable/repayable on demand. There has been no guarantee provided or received for any related party receivable and payable, other than disclosed. For the year end 31 March, 2018 the company has provided for impairment of receivables owed by the related party ₹ Nil in 31 March, 2018 and 31 March, 2017 ₹ 0.73 lakh). This assessment undertaken each financial year through examining the financial position of related party and market in which related party operates.

43. Fair valuation measurements

(₹ in lakhs)

S. No.	Particulars	Level of Hierarchy	As at 31 March, 2018			As at 31 March, 2017			As at 01 April, 2016		
			FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
	Financial assets										
1	Investments										
	Investment in Mutual Fund	1	1,818.93	-	-	102.64	-	-	-	-	-
2	Loans										
	Security Deposit	3	-	-	9.89	-	-	0.15	-	-	10.42
	Others	3	-	-	290.16	-		53.77	-	-	10.15
3	Trade receivables	3	-	-	4,266.17	-	-	1,365.73	-	-	671.40
4	Other financial assets	3		-	1,220.90	-	-	229.00	-	-	1,232.86
5	Cash & Cash Equivalents	3	-	-	551.76	-	-	550.92	-	-	268.59
6	Bank balances other than cash & cash equivalents	3	-	-	37.53	-	-	34.95	-	-	19.25
	Total Financial Assets		1,818.93	-	6,376.42	102.64	-	2,234.51	-	-	2,212.66
	Financial Liability										
1	Borrowings including current maturities	3	-	-	245.89	-	-	191.60	-	-	276.40
2	Trade & Other Payables	3	-	-	1,927.86	-	-	1,397.12	-	-	1,336.07
3	Other financial Liabilities	3	-	-	393.50	-	-	326.82	-	-	264.07
	Total Financial Liabilities		-	-	2,567.25	-	-	1,915.54	-	-	1,876.53

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.

b) Fair value of non-current financial assets and liabilities has not been disclosed as there is no significant differences between carrying value and fair value
- 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.

43A The Company valued has valued the following investments in subsidiaries at cost, as per Ind AS 27. (₹ in lakhs)

	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Investment in Equity shares	1.00	1.00	1.00

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:

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:

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 o currency risk and are unhedged as at 31 March, 2018, 31 March, 2017 and 01 April, 2016 :

(₹ in lakhs)

	Currency	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Trade Payable	USD	35.24	90.93	38.63
Trade Receivable	USD	308.05	233.37	233.33
Trade Receivable	EURO	2,298.03	363.45	0.00

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:

Currency	As at 31 March, 2018	As at 31 March, 2017
INR/USD	5%	5%
INR/EURO	8%	10%

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

Sensitivity analysis for entities with foreign currency balances in INR

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

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

(₹ in lakhs)

	Movement	Profit and loss	
		Strengthening	Weakening
Year ended 31 March, 2018			
USD Sensitivity	5%	17.16	(17.16)
EURO Sensitivity	8%	183.84	(183.84)
	Movement	**Profit and loss**	
		Strengthening	**Weakening**
Year ended 31 March, 2017			
USD Sensitivity	5%	16.21	(16.21)
EURO Sensitivity	10%	36.34	(36.34)

(b) Price risk

The Company 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, Company invest in highly rated mutual funds.

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

(₹ in lakhs)

	Movement	Profit and loss	
		Strengthening	Weakening
Year ended 31 March, 2018			
Price risk sensitivity	1%	18.19	(18.19)
	Movement	**Profit and loss**	
		Strengthening	**Weakening**
Year ended 31 March, 2017			
Price risk sensitivity	**1%**	**1.03**	**(1.03)**

(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 lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Fixed-rate borrowings including current maturities			
- Vehicle Loan (Secured)	135.79	81.49	10.63
-Loan from Corporate (Unsecured)	110.00	110.00	220.00
Floating-rate borrowings	-	-	-
Total Borrowings(gross of transaction cost)	245.79	191.49	230.63

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 ₹ 580 lakh (31 March, 2017 ₹ 226.10 lakh; 01 April, 2016 ₹ 123.30 lakh).

The credit risk for cash and cash equivalents and other financial instruments is considered negligible and no impairment has been recorded by the Company.

Significant estimates and judgments
Impairment of financial assets
The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3 Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments : (₹ in lakhs)

As at 01 April, 2016					
	Upto 1 year	**1 to 3 years**	**3 to 5 year**	**Above 5 years**	**Total**
Borrowings including current maturities	133.44	142.96	0.00	0.00	276.40
Trade payables	1,336.07	0.00	0.00	0.00	1,336.07
Other financial liabilities	264.07	0.00	0.00	0.00	264.07
Total	**1,733.57**	**142.96**	**0.00**	**0.00**	**1,876.53**

As at 31 March, 2017					
	Upto 1 year	**1 to 3 years**	**3 to 5 year**	**Above 5 years**	**Total**
Borrowings including current maturities	126.94	50.16	14.49	0.00	191.60
Trade payables	1,397.12	0.00	0.00	0.00	1,397.12
Other financial liabilities	326.82	0.00	0.00	0.00	326.82
Total	**1,850.88**	**50.16**	**14.49**	**0.00**	**1,915.54**

As at 31 March, 2018					
	Upto 1 year	**1 to 3 years**	**3 to 5 year**	**Above 5 years**	**Total**
Borrowings including current maturities	138.30	97.89	9.70	0.00	245.89
Trade payables	1,927.86	0.00	0.00	0.00	1,927.86
Other financial liabilities	393.50	0.00	0.00	0.00	393.50
Total	2,459.66	97.89	9.70	0.00	2,567.25

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 31 March, 2018, 31 March, 2017 and 01 April, 2016.

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Equity Share capital	6,090.05	4,412.05	3,763.50
Free Reserve*	2,108.59	(692.35)	(2,891.87)

* Comprises of retained earning and general reserves.

B Dividends

The Company has not proposed any dividend for the year (31 March,2017: ₹ Nil 01 April, 2016: ₹ Nil).

46. Earnings per equity share

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Earnings per equity share has been computed as under		
Earnings attributable to equity shareholders (₹ in lakhs)	2,805.04	2,195.78
Nominal value of equity share (₹)	10	10
No of shares as at end of the year	60,900,465	44,120,465
No. of weighted average equity shares	56,540,136	40,240,464
Basic Earning per share (₹)	4.96	5.46
Number of equity shares for Dilutive earning per share	60,954,410	59,403,793
Dilutive earning per share (₹)	4.60	3.70

47. Leases

Operating lease

The Company has taken premises under cancellable operating leases with an option of renewal at the end of the lease term with mutual consent. There are scheduled escalation clauses. Lease rental expense of ₹ 39.24 lakh (31 March, 2017: ₹ 22.93 lakh) charged to the Statement of Profit and Loss during the year.

48. Auditor's Remunerations

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Statutory Audit	9.00	7.00
Tax audit fees	-	2.00
Other matters		
- Limited reviews	3.75	3.00
- Out of pocket expenses	0.38	0.54
- Certification Fees	4.47	2.49
Service tax expense on above items	-	2.25
	17.60	17.28

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

The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED), promulgated by Government of India came into force with effect from 2 October 2006. As per the Act, the Company is required to identify the Micro and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The Company has not received information from any suppliers regarding their status under MSMED and hence disclosures relating to amount unpaid as at the year end together with interest paid/payable under this Act have not been given.

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

(₹ in lakhs)

Sr. No.	Particulars	Particulars	Outstanding Balances	Purpose
1	JHS Mechanical and Warehouse Private Limited	1,317.75	Purchase of land	
		(1,517.15)		
2	A.R. Textiles Private Limited*	1,221.37	Intercorporate	
		(1,221.37)	Financing	

*Doubtful of recovery and fully provided for.
Figures in brackets represents previous year figure.

Particulars of Investment Made

(₹ in lakhs)

Sr. No.	Particulars	Investment Made
1	JHS Svendgaard Brands Limited (Formerly known as JHS Svendgaard Dental Care Limited)*	38.99
2	JHS Mechanical and Warehousing Private Limited	1.00

*Provision for diminution in value of investment has been made in books of accounts for the entire investment.

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

(₹ in lakhs)

	JHS Svendgaard Brands Limited (Formerly known as JHS Svendgaard Dental Care Limited)	JHS Mechanical and Warehouse Private Limited
Balance as at 31 March, 2018 excluding provision	NIL (5.12)	1,317.75 (1,517.15)
Maximum balance during the year ended 31 March, 2018	NIL (5.12)	1,517.75 (1,517.15)
Provision against loan balance as at 31 March, 2018	NIL (5.12)	NIL (NIL)

Figures in brackets represents previous year figure.

52 During the year under review, Section 135 of Companies Act 2013 read with (Companies Corporate Social Responsibility)Rules, 2014 has become applicable on the company and in compliance with the provisions of the aforesaid Section read with the said Rules , the company has duly constituted a CSR committee and framed the CSR policy. However, the company has not spend any amount due to the accumulated lossess in preceeding years.

53 Consequent to the introduction of Goods and Services Tax (GST) with effect from 01 July, 2017,the indirect taxes like Central Excise, VAT etc. have been replaced by GST. In accordance with Indian Accounting Standard 18 on Revenue and Schedule III of Companies Act, 2013, GST is not to be included in Gross Revenue from sale of products. In view of aforesaid restructuring of indirect taxes, Gross Revenue from sale of products and Excise duty for quarter and year ended 31 March, 2018 are not comparable with previous periods. Following additional information is being provided to facilitate such comparison.

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Sales/Revenue from operations (as reported)	14,073.16	10,505.78
Less: Excise duty on sales	235.03	-
Sales/Income from operations (net of excise duty)	13,838.13	10,505.78

54 First-time adoption of Ind AS

These are the first financial statements prepared in accordance with Ind AS by the Company.

The accounting policies set out in Note 2 have been applied in preparing financial statements for the year ended 31 March, 2018, the comparative information presented in these financial statements for the year ended 31 March, 2017 and in preparation of an opening Ind AS balance sheet at 1 April, 2016 (the transition date). In preparing its opening Ind AS balance sheet , the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006(as amended) and other relevant provisions of the Act (previous GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A1.1 Deemed cost

Para D7AA of appendix C to Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant and Equipment and Intangible Assets as recognised in the financial statements as the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments as per Ind AS 101.

The Company has elected to measure all of its Property, Plant and Equipment and Intangible Assets at their previous GAAP carrying value.

A.1.2 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

A1.3 Investment in subsidiaries

As per Ind AS 101 , If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

(a) cost determined in accordance with Ind AS 27; or

(b) deemed cost. The deemed cost of such an investment shall be its:

(i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or

(ii) previous GAAP carrying amount at that date

The Company has availed the exemption and has measured these investments in subsidiaries at deemed cost being the previous GAAP carrying amount at the transition date.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimate were in error.

Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in confirmity with previous GAAP.

Further, the Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVTPL or FVOCI; and
- Investment in debt instruments carried at amortised cost

A.2.2 Classification and measurement of financial assets
Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

A.2.3 De-recognition of financial assets and liabilities
As per Ind AS 101, an entity should apply de-recognition requirement of Ind AS 109, " Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS.

B. Reconciliations between previous GAAP and Ind AS:
Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods

The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Reconciliation of equity as at date of transition (01 April, 2016)

(₹ in lakhs)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS
ASSETS				
Non-current assets				
(a) Property, plant and equipment		6,498.73	-	6,498.73
(b) Capital work-in-progress		64.72	-	64.72
(c) Intangible assets		7.74	-	7.74
(d) Intangible assets under development		3.16	-	3.16
(e) Financial assets				-
i)Investments in subsidiaries		1.00	-	1.00
ii) Loans		10.42	-	10.42
iv) Others		18.05	-	18.05
(f) Deferred tax assets(net)		-	-	-
(g) Non Current Tax Assets (net)		-	-	-
(h) Other non-current assets		1,961.46	-	1,961.46
		8,565.28	**-**	**8,565.28**

(₹ in lakhs)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS
Current Assets				
(a) Inventories		931.16	-	931.16
(b) Financial assets				
(i) Investments		-	-	-
(ii) Trade receivables		671.40	-	671.40
(iii) Cash and cash equivalents		268.59	-	268.59
(iv) Bank balances other than (iii) above		19.25	-	19.25
(v) Loans		10.15	-	10.15
(vi) Others		1,214.81	-	1,214.81
(c) Other current assets		445.64	-	445.64
(d) Assets classified as held for sale		4.39	-	4.39
		3,565.38	-	3,565.38
Total Assets		**12,130.66**	**-**	**12,130.66**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		**3,763.50**	**-**	**3,763.50**
(b) Other equity	**3.00**	**6,336.08**	**10.14**	**6,346.22**
		10,099.58	**10.14**	**10,109.72**
LIABILITIES				
Non-Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	3.00	150.46	(7.50)	142.95
(b) Provisions		40.51	-	40.51
(c) Other non current liabilities		12.00	-	12.00
		202.97	(7.50)	195.46
Current liabilities				
(a) Financial liabilities				
(i) Borrowings		15.74	-	15.74
(ii) Trade payables		1,336.07	-	1,336.07
(iii) Other financial liabilities		384.43	(2.64)	381.78
(b) Other current liabilities	3.00	87.63	-	87.63
(c) Provisions		4.26	-	4.26
		1,828.12	**(2.64)**	**1,825.48**
Total Equity and Liabilities		**12,130.66**	**-**	**12,130.66**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

(ii) Reconciliation of equity as at 31 March, 2017 (₹ in lakhs)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	6,498.09	(6.87)	6,491.22
(b) Capital work-in-progress		67.41	-	67.41
(c) Intangible assets		5.80	-	5.80
(d) Financial Assets				
(i) Investments in subsidiaries		1.00	-	1.00
(ii) Loans	5	14.65	(14.50)	0.15
(iii) Others		13.35	-	13.35
(e) Deferred tax assets(net)	6	1,684.87	(1.35)	1,683.52
(f) Non Current Tax Assets (net)		-	-	-
(g) Other non-current assets	5	3,252.69	12.86	3,265.55
		11,537.85	(9.86)	11,528.00
Current Assets				
(a) Inventories		1,072.44	-	1,072.44
(b) Financial assets				
(i) Investments	7	99.34	3.30	102.64
(ii) Trade receivables		1,365.73	-	1,365.73
(iii) Cash and cash equivalents		550.92	-	550.92
(iv) Bank balances other than (iii) above		34.95	-	34.95
(v) Loans		53.77	-	53.77
(vi) Others		215.66	-	215.66
(c) Other current assets		627.35	1.61	628.95
(d) Assets classified as held for sale		4.39	-	4.39
		4,024.55	**4.91**	**4,029.45**
Total Assets		**15,562.40**	**(4.95)**	**15,557.45**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		4,412.05	-	4,412.05
(b) Other equity	3, 4, 5, 6, 7	9,067.40	0.08	9,067.48
		13,479.45	**0.08**	**13,479.53**
LIABILITIES				
Non-Current Liabilities				
(a) Financial liabilities				
i) Borrowings		64.65	-	64.65
(b) Provisions		48.13	-	48.13
(c) Other non current liabilities		9.00	-	9.00
		121.78	**-**	**121.78**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings		0.11	-	0.11
(ii) Trade payables		1,397.12	-	1,397.12
(iii) Other financial liabilities	3, 4	458.67	(5.03)	453.64
(b) Other current liabilities		99.95	-	99.95
(c) Provisions		5.31	-	5.31
		1,961.16	**(5.03)**	**1,956.14**
Total Equity and Liabilities		**15,562.40**	**(4.95)**	**15,557.45**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

(iii) Reconciliation of total comprehensive income for the year ended 31 March, 2017

(₹ in lakhs)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS
Income				
Revenue from operations	**9**	10,547.85	(42.07)	10,505.78
Other Income	5, 7, 11, 12	195.76	(152.75)	43.01
Total Income (I +II)		**10,743.61**	**(194.82)**	**10,548.79**
Expenses				
Cost of materials consumed	11, 12	6,218.10	(105.96)	6,112.14
Purchase of stock-in-trade		33.30	-	33.30
Changes in inventories of finished goods, work in progress and stock-in-trade	11	601.61	(50.12)	551.48
Emloyee benefit expense	10	860.56	5.41	865.97
Finance cost	3,4	49.59	12.21	61.80
Depreciation and amortisation expense	4	635.92	(0.22)	635.70
Other expense	5,8, 9	1,825.81	(53.28)	1,772.53
Total expenses		**10,224.89**	**(191.97)**	**10,032.92**
Profit/ (loss) before exceptional items and tax (III-IV)		**518.72**	**(2.85)**	**515.87**
Exceptional items		**-**	**-**	**-**
Profit/ (loss) before tax (V-VI)		**518.72**	**(2.85)**	**515.87**
Tax expense				
a) Current tax		5.28	-	5.28
b) Deferred tax	6	(1,684.87)	(0.32)	(1,685.19)
Profit/ (loss) for the period from continuing operations		**2,198.31**	**(2.53)**	**2,195.78**
Profit/ (loss) from discontinued operations		-	-	-
Tax expense of discontinued operations		-	-	-
Profit/ (loss) from discontinuing operations (after tax) (X-XI)		-	-	-
Profit/ (loss) for the period (IX+XII)		2,198.31	(2.53)	2,195.78
Other comprehensive income				
-Items that will not be reclassified to profit or loss				
Re-measurement gains/ (losses) on defined benefit plans	10	-	5.41	5.41
Income tax relating to Items that will not be reclassified to profit or loss	6	-	(1.67)	(1.67)
Total comprehensive income for the period (XIII+XIV) (Profit/ loss + other comprehensive income)		**2,198.31**	**1.21**	**2,199.52**

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

iv. Reconciliation of total equity as at 31 March, 2017 and 01 April, 2016 (₹ in lakhs)

Particulars	Notes	Year ended 31 March, 2017	Year ended 31 March, 2016
Total equity(shareholder's fund) as per previous GAAP		**13,479.46**	**10,099.58**
Adjustments			
Amortisation of deferred payment liabilities	3,13	10.14	10.14
Impact of fair valuation of investments in mutual funds	**7**	**3.30**	**-**
Impact of security deposit	**5**	**(0.03)**	**-**
Impact of financial liability	3,4	(11.99)	-
Tax on above adjustments	6	(1.35)	-
Total Adjustments		**0.07**	**10.14**
Total equity as per Ind AS		**13,479.53**	**10,109.72**

v. Reconciliation of total comprehensive income for the year ended 31 March, 2017 (₹ in lakhs)

Particulars	Year ended 31 March, 2017
Profit after tax as reported under IGAAP	2,198.31
Adjustments on Account of :	
Measurement of Financial liabilities at Amortised Cost	(12.21)
Measurement of Financial Asset at Fair Value	3.30
Share issue expenses adjusted with reserve	11.27
Actuarial (Gain) / Loss on Defined benefit plan transferred to OCI	(5.41)
Reversal of Depreciation pertaining to Ind AS adjustment	0.23
Deferred Tax asset charge	0.32
Amortisation of Deferred rent and Security deposit	(0.03)
Profit after tax as reported under Ind AS	2,195.78
Other Comprehensive Income	5.41
Income tax relating to items that will not be reclassified to profit or loss	(1.67)
Total Comprehensive Income as reported under Ind AS	2,199.52

vi. Impact of Ind AS adoption on cash flows for the year ended 31 March, 2017 (₹ in lakhs)

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Net cash flow from Operating activities		(413.78)	(413.78)	(394.09)
Net cash flow from Investing activities		**(353.05)**	**(353.05)**	**(334.93)**
Net cash flow from Financing activities		1,064.87	1,064.86	1,011.35
Net increase/ (decrease) in cash and cash equivalents	14	**298.03**	**298.03**	**282.33**
Cash and cash equivalents as at 1st April 2016		**287.84**	**287.83**	**268.59**
Cash and cash equivalents as at 31st March 2017		**585.87**	**585.87**	**550.92**

Notes to reconciliation on first time adoption

Note 1. The Company has elected to take the exemption of para D7AA, Appendix C of Ind-AS 101 for all items of Property, Plant and Equipment, and Intangible Assets as at the date of transition to Ind AS. Hence, as at the date of transition to Ind AS there is no change in the carrying values under previous GAAP .

Note 2 Under pevious GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled previous GAAP profit to total comprehensive income as per Ind AS.

Note 3 Under previous GAAP, non-current liabilities are recognised on undiscounted basis. Ind AS requires such liabilities to be recognised initially at fair value and then to be carried at amortised cost. The discounted value of the liabilty is increased over the period of term by recognising the notional interest expense under 'finance cost' .

(₹ in lakhs)

Effect to Balance Sheet	31 March, 2017	01 April, 2016
Increase/(decrease) in other current financial liabilites	(2.64)	(7.50)
Increase/(decrease) in other Non current financial liabilites	-	(2.64)
Increase/(decrease) in retained earning	10.14	10.14

Effect to Statement of Profit and Loss	31 March, 2017
Increase in notional interest income/(expense)	(7.50)

Note 4 Under previous GAAP, the Company recognises settlement liabilty on undiscounted basis. Under Ind AS, financial liabilty is to be recognised at fair value and carried at amortised cost. D1Accordingly the difference between settlement amount and its fair value is adjusted through the asset recognised and subsequently, Notional Interest charged to Statement of Profit & Loss as finance cost over the term. The impact on depreciation is also considered.

(₹ in lakhs)

Effect to Balance Sheet	31 March, 2017	01 April, 2016
Increase/(decrease) in Property, Plant and Equipment	(6.87)	-
Increase/(decrease) in other current financial liabilites	(2.38)	-

Effect to Statement of Profit and Loss	31 March, 2017
Increase in notional interest income/(expense)	(4.71)
Increase in notional rent income/(expense)	(0.22)

Note 5 : Under previous GAAP, the interest free security deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has to be amortised over respective lease term as rent expense under 'other expenses'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income under 'other income'.

(₹ in lakhs)

Effect to Balance Sheet	31 March, 2017	01 April, 2016
Increase/(decrease) in Non current financial asset -Loans	(14.50)	-
Increase/(decrease) in other non current asset	12.86	-
Increase/(decrease) in other current asset	1.61	

Effect to Statement of Profit and Loss	31 March, 2017
Increase in notional interest income/(expense)	0.03
Increase in notional rent income/(expense)	(0.06)

Note 6 The changes in the deferred tax assets are on account of adjustments made on transition to Ind AS.

(₹ in lakhs)

Effect to Balance Sheet	31 March, 2017	01 April, 2016
Increase/(decrease) in Deffered Tax Asset	(1.35)	-

Effect to Statement of Profit and Loss	31 March, 2017
(Increase)/decrease in Deffered Tax Asset (Credit)/charge	(0.32)
Income tax relating to remeasurement (gain)/loss on net defined benefit plans	1.67

Note 7 Investment in mutual funds have been fair valued in accordance with Ind AS 109.Under previous GAAP these investments were carried at cost net of diminution in their value as at the Balance Sheet date. Accordingly,fair value changes are recognised in the statement of profit and loss for the year ended on 31 March, 2017.

(₹ in lakhs)

Effect to Balance Sheet	31 March, 2017	01 April, 2016
Increase/(decrease) in Deffered Tax Asset	3.30	-

Effect to Statement of Profit and Loss	31 March, 2017
Increase in other income/(other expense)	3.30

Note 8 Under previous GAAP, the Company has recognised share issue expenses in profit and loss. Ind AS requires the transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

(₹ in lakhs)

Effect to Statement of Profit and Loss	31 March, 2017
Decrease in other expenses	11.27

Note 9 Under the previous GAAP the net effect of periodical cost reconciliation with customer were grouped under other expenses/income, however, under Ind AS 18 "Revenue, these expenses are netted off against sale of goods.

(₹ in lakhs)

Effect to Statement of Profit and Loss	31 March, 2017
Decrease in revenue from operation	42.07
Decrease in other expenses	42.07

Note 10 : Both under previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS 19, Actuarial gains and losses pertaining to defined benefit obligations and re-measurement pertaining to return on plan assets are recognised in Other Comprehensive Income and are not reclassified to profit or loss. Thus the employee benefit cost is reduced by ₹ 540,858 and Remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

Note 11 : Under previous GAAP, written down of inventories to net relisable value as well as the reversal of such write down disclosed as expense or income respectively. Ind AS 2 "Inventories", the amount of any reversal of any write-down of inventories, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which reversal occurs.

(₹ in lakhs)

Effect to Statement of Profit and Loss	31 March, 2017
Decrease in other income	140.84
Decrease in change in inventories of finished goods, stock in trade and work in progress	50.12
Decrease in cost of raw material consumed	90.72

Under previous GAAP, discount received from supplier is disclosed as Other Income. Ind AS requires that all rebates and discounts, including prompt settlement discount, should be deducted from the cost of inventories.

(₹ in lakhs)

Effect to Statement of Profit and Loss	31 March, 2017
Decrease in other income	15.25
Decrease in cost of raw material consumed	15.25

Note 13: The Company had taken a loan from Banks which had been waived off during the year 2015. The Company had shown the effect of waiver of loan in Capital Reserve. Under Ind AS, the same as has been reclassified under Retained earnings as an reclassification entry amounting to ₹ 3082.89 lakh.

Note 14 : Under the previous GAAP, all the Bank Balances were part of Cash & Cash Equivalents. However, as per Ind AS, only short term Bank Deposit with original maturity of less than three months shall be part of Cash & Cash Equivalent. Accordingly Bank deposits amounting to ₹ 37.53 lakh (previous year ₹ 34.95 lakh) which were classified as Cash & Cash Equivalents in previous GAAP are classified as "Financial Assets - Current - Bank Balances Other than Cash & Cash Equivalents" in Ind AS. The changes in Bank deposits which are not classified as Cash & Cash Equivalents of ₹ 15.70 lakh forms the part of Operating Activities in Cash Flow Statement.

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INDEPENDENT AUDITOR'S REPORT

To the Members of
JHS Svendgaard Laboratories Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Indian Accounting Standard (Ind AS) financial statements of JHS Svendgaard Laboratories Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("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; 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 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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

As Mentioned in the Note No. 31 to the consolidated Ind AS Financial Statements, the Holding Company has recognized net income amounting to ₹2727.21 lacs during the year ended 31 March 2018 on account of compensation received pursuant to the Settlement Agreement dated 28 March 2017, instead of recognizing the same in the year ended 31 March 2017. This constitutes a material departure from the Indian Accounting Standards (Ind AS) referred to in Section 133 of the Companies Act, 2013. Consequently, the exceptional income for the year ended 31 March 2018 is overstated and for the year ended 31 March 2017 is understated by ₹2727.21 lacs. Had the Company followed the correct accounting, the net profit after tax for the year ended 31 March 2018 would have been reduced by ₹1881.73 lacs and increased by the same amount for the year ended 31 March 2017, the carrying amount of other current assets as at the previous year ended 31 March 2017 would have increased by ₹2475 lacs, deferred tax assets (net) as at the previous year ended 31 March 2017 would have been reduced by ₹843.65 lacs as at the previous year ended 31 March 2017 and other equity would have increased by ₹1881.73 lacs as at the previous year ended 31 March 2017. This was a matter of qualification in the previous year as well.

Qualified Opinion

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 reports of the other auditors on the separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2018, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

We did not audit the financial statements of two subsidiaries and whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹290.83 Lakhs and net assets of ₹(247.16) as at 31 March 2018, total revenues (after eliminating intra-group transactions) of ₹194.31 lakhs and net cash flows amounting to ₹40.71 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. 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 in 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 qualified opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, and based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, as noted in the 'Other Matter paragraph, we report, to the extent applicable, that:

a) We have sought and except for the effect of the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 Ind AS financial statements 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) Except for the effect of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the consolidated Ind AS financial statements comply with Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiaries, none of the directors of the Group companies, is disqualified as on 31 March 2018 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 over financial reporting of the Holding Company and its subsidiaries, 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 Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports and other financial information of the Holding Company and 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 32 to the consolidated Ind AS financial statements;

(ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(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, during the year ended 31 March 2018.

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

S. K. Khattar
Partner
Membership No.: 084993

Place: New Delhi
Date: 15 May 2018

Annexure "A"

Independent Auditor's report on the Internal Financial Controls 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 March 31, 2018, we have audited the internal financial controls over financial reporting of JHS Svendgaard Laboratories Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies 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, its subsidiary companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on Internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ("ICAI'). 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 over financial reporting of the Holding Company, its subsidiary companies 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 over financial reporting. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of Internal financial controls over financial reporting included obtaining an understanding of Internal financial controls over financial reporting, 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 paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Internal financial controls over financial reporting of the Holding Company and its subsidiary companies.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's Internal financial controls over financial reporting 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 over financial reporting 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 over Financial Reporting

7. Because of the inherent limitations of Internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the Internal financial controls over financial reporting 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 subsidiary companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on Internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India..

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 over financial reporting insofar as it relates to the aforesaid 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's Registration No.:000050N/N500045

S. K. Khattar
Partner
Membership No.: 084993

Place: New Delhi
Date: 15 May 2018

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2018

(₹ in lakhs)

Particulars	Notes	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
I. ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	3.1	7,133.70	6,494.28	6,502.21
(b) Capital work-in-progress	3.1	51.29	67.41	64.72
(c) Intangible assets	3.2	7.37	5.80	7.74
(d) Intangible assets under development	3.3	-	-	3.16
(e) Financial assets				
(i) Investments	-	-	-	-
(ii) Loans	4	32.73	10.06	10.42
(iii) Other financial assets	5	31.50	13.55	18.05
(f) Deferred tax assets (net)	6	654.04	1,683.52	-
(g) Non-current tax assets (net)	7	141.85	-	-
(h) Other non-current assets	8	2,458.12	2,995.37	1,707.06
Total non-current assets		**10,510.60**	**11,269.99**	**8,313.36**
2 Current assets				
(a) Inventories	9	954.34	1,072.44	931.16
(b) Financial assets				
(i) Investments	10	1,818.93	102.64	-
(ii) Trade receivables	11	4,273.07	1,365.73	671.40
(iii) Cash and cash equivalents	12	593.04	551.48	268.93
(iv) Bank balances other than (iii) above	13	37.93	34.95	19.25
(v) Loans	14	296.64	58.89	10.15
(vi) Other financial assets	15	1,189.42	215.66	1,215.40
(c) Other current assets	16	1,106.47	848.96	665.64
(d) Assets classified as held for sale	-	4.39	4.39	4.39
Total current assets		**10,274.23**	**4,255.14**	**3,786.31**
Total assets		**20,784.83**	**15,525.13**	**12,099.67**
II. EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	17	6,090.05	4,412.05	3,763.50
(b) Other equity	18	11,336.47	9,025.62	6,305.73
Total Equity		**17,426.52**	**13,437.67**	**10,069.23**
		(10.06)	(0.57)	(0.49)
LIABILITIES		17,416.46	13,437.10	10,068.74
1 Non-current liabilities				
(a) Financial liabilities				
i) Borrowings	19	110.35	64.65	142.95
(b) Provisions	20	77.20	48.13	40.51
(c) Other non-current liabilities	21	6.00	9.00	12.00
Total non-current liabilities		**193.55**	**121.78**	**195.47**
2 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	22	0.10	9.81	25.43
(ii) Trade payables	23	2,372.25	1,397.12	1,336.07
(iii) Other financial liabilities	24	594.06	454.06	382.07
(b) Other current liabilities	25	199.66	99.95	87.63
(c) Provisions	20	8.75	5.31	4.26
Total current liabilities		**3,174.82**	**1,966.25**	**1,835.46**
Total liabilities		**3,368.37**	**2,088.03**	**2,030.93**
Total equity and liabilities		**20,784.83**	**15,525.13**	**12,099.67**
Basis of Preparation	1			
Summary of significant accounting policies	2			
First time adoption of Ind AS	50			

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.
For S.N. Dhawan & Co LLP
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

S.K.Khattar
Partner
Membership no.: 084993

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

S/d-
Nikhil Nanda
Managing Director
DIN : DIN : 00051501

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

S/d-
Sanjeev Kumar Singh
Company Secretary &
Compliance Officer
Membership No. F6295

S/d-
Ajay Kumar Bansal
Chief Financial Officer

Place : New Delhi
Date : 15 May, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Particulars	Notes	Year ended 31 March, 2018	Year ended 31 March, 2017
Income			
I. Revenue from operations	**26**	**14,264.19**	**10,505.78**
II. Other income	27	498.06	43.01
III. Total income (I +II)		**14,762.25**	**10,548.79**
Expenses			
Cost of materials consumed	28	8,214.17	6,112.14
Purchase of stock-in-trade	28	116.27	33.30
Changes in inventories of finished goods, work in progress and stock-in-trade	29	676.99	551.48
Excise duty on sales of goods		235.03	-
Employee benefit expenses	30	1,210.04	865.97
Finance costs	31	73.75	61.80
Depreciation and amortisation expenses	32	681.32	636.12
Other expenses	33	2,436.58	1,773.71
IV. Total expenses		**13,644.15**	**10,034.52**
V. Profit/ (loss) before exceptional items and tax (III-IV)		1,118.11	514.27
VI.Exceptional items	34	2,724.25	(0.59)
VII.Profit/ (loss) before tax (V+VI)		3,842.36	513.68
VIII.Tax expense			
a) Current tax	35	198.23	5.28
b) Tax for previous years		9.85	
c) Deferred tax	35	1,028.83	(1,685.19)
IX. Profit/ (loss) for the year from continuing operations (VII-VIII)		**2,605.45**	**2,193.59**
Other comprehensive income			
-Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		2.22	5.41
Less: Income tax expense relating to Items that will not be reclassified to profit or loss		(0.65)	(1.67)
X. Total Other comprehensive income for the year, net of tax		1.58	3.74
XI. Total comprehensive income for the year (IX+X)		**2,607.02**	**2,197.33**
XII. Net profit attributable to:			
Owners of the Company		2,614.92	2,193.67
Non-controlling interest		(9.49)	(0.08)
Comprehensive Income attributable to:			
Owners of the Company		1.58	3.74
Non-controlling interest		-	-
Total Comprehensive Income attributable to:			
Owners of the Company		2,616.49	2,197.41
Non-controlling interest		(9.49)	(0.08)
XIII. Earnings per equity share			
a) Basic		4.61	5.45
b) Diluted		4.27	3.69
Basis of Preparation	1		
Significant accounting policies	2		
*First time adoption of Ind AS	50		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.
For S.N. Dhawan & Co LLP
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date : 15 May, 2018

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

S/d-
Nikhil Nanda
Managing Director
DIN : DIN : 00051501

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

S/d-
Sanjeev Kumar Singh
Company Secretary &
Compliance Officer
Membership No. F6295

S/d-
Ajay Kumar Bansal
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2018

A. Equity Share Capital

(₹ in lakhs)

Balance as at 01 April, 2016	Changes in equity share capital during the year	Balance as at 31 March, 2017
3,763.50	648.55	4,412.05

Balance as at 01 April, 2017	Changes in equity share capital during the year	Balance as at 31 March, 2018
4,412.05	**1,678.00**	**6,090.05**

B. Other Equity

(₹ in lakhs)

	Reserve and Surplus				Money Received against Share warrants	Non-controlling interest	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings			
Balance as at 01 April, 2016	241.12	8,407.51	6.68	(2,939.03)	589.46	(0.49)	6,305.24
Changes in accounting policy/prior period errors	-	-	-	-		-	-
Profit for the year	-	-	-	2,193.67	-	(0.08)	2,193.59
Other Comprehensive income	-	-	-	3.74	-		3.74
Total Comprehensive income for the year	-	-	-	2,197.41	-	(0.08)	2,197.32
Transaction with owners in capacity as owners							
Share Warrants converted into Shares	-	-	-	-	(127.19)	-	(127.19)
Premium on warrant converted into shares	-	46.25	-	-	-	-	46.25
Premium on preferential issue	-	613.95	-	-	-	-	613.95
Other changes - Share Issue Expenses	-	(11.27)	-	0.73	-	-	(10.54)
Balance as at 31 March, 2017	**241.12**	**9,056.44**	**6.68**	**(740.90)**	**462.28**	**(0.57)**	**9,025.04**

	Reserve and Surplus				Money Received against Share warrants	Non-controlling interest	Total Other Equity
	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings			
Balance as at 01 April, 2017	241.12	9,056.44	6.68	(740.90)	**462.28**	**(0.57)**	**9,025.04**
Changes in accounting policy/prior period errors	-	-	-	-	-	**-**	**-**
Profit for the year	-	-	-	2,614.92	**-**	**(9.49)**	**2,605.43**
Other Comprehensive income	-	-	-	1.58	**-**	-	**1.58**
Total Comprehensive income for the year	-	-	-	2,616.49	**-**	**(9.49)**	**2,607.00**
Transaction with owners in capacity as owners							
Adjustment pertaining to a loan given to shareholder	-	-	-	(5.69)	**-**	**-**	**(5.69)**
Warrant Forfeiture Amount	0.83	-	-	-	**-**	**-**	**0.83**
Share Warrants converted into Shares	-	-	-	-	**(462.28)**	**-**	**(462.28)**
Premium on warrant converted into shares	-	167.80	-	-	**-**	**-**	**167.80**
Other changes - Share Issue Expenses	-	(1.19)	-	(5.12)	**-**	**-**	**(6.30)**
Balance as at 31 March, 2018	**241.95**	**9,223.05**	**6.68**	**1,864.79**	**-**	**(10.06)**	**11,326.40**

Basis of Preparation	1
Significant accounting policies	2
*First time adoption of Ind AS	50

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.
For S.N. Dhawan & Co LLP
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

S.K.Khattar
Partner
Membership no.: 084993

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

S/d-
Nikhil Nanda
Managing Director
DIN : DIN : 00051501

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

S/d-
Sanjeev Kumar Singh
Company Secretary &
Compliance Officer
Membership No. F6295

S/d-
Ajay Kumar Bansal
Chief Financial Officer

Place : New Delhi
Date : 15 May, 2018

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
A. Cash Flow from Operating Activities		
Profit/ (loss) before exceptional items and tax	1,118.11	514.27
Adjustments for:		
Provision/ write-back for inventory (net)	49.43	(140.84)
Depreciation and Amortization	681.32	636.12
Loss on disposal of Fixed assets (Net)	18.79	3.12
Interest income	(107.66)	(7.75)
Government grant amortization	(3.00)	(3.00)
Provision for doubtful advances	-	0.73
Provision no longer required written back	(5.41)	-
Intangible assets under development written off	-	3.16
Interest and finance Charges	52.04	49.59
Net gain on financial asset mandatorily measured at FVTPL	(182.38)	(20.38)
Exchange(gain)/loss (net)	(109.21)	(17.47)
Fair value adjustments	14.14	12.27
Others	(5.12)	0.73
Operating profit before working capital changes	**1,608.39**	**1,030.56**
Adjustments for :		
(Increase)/Decrease in inventories	68.67	(0.44)
(Increase)/Decrease in trade receivables	(2,797.80)	(681.62)
(Increase)/Decrease in Current Loans	(15.91)	(48.70)
(Increase)/Decrease in Other Current Assets	(532.42)	(183.37)
Investment in bank deposits (having original maturity of more than 3 months)	(2.98)	(15.71)
(Increase)/Decrease in Other Current Financial assets	(974.75)	(6.91)
(Increase)/Decrease in Non current Loans	(17.55)	0.36
(Increase)/Decrease in Other non-current assets	397.76	(615.54)
Increase/ (decrease) in Other Current Financial Liabilities	122.24	40.25
Increase/ (decrease) in Trade payables	946.24	65.81
Increase/ (decrease) in Short term provisions	5.67	6.46
Increase/ (decrease) in Long term provisions	29.07	7.62
Increase/ (decrease) in Current liabilities	99.71	12.32
Cash generated from operations	**(1,063.69)**	**(388.90)**
Taxes Paid	(280.37)	(3.57)
Cash flow from exceptional items		
Amount received on account of claim settlement	2,724.25	(0.59)
Net cash generated from operating activities	**1,380.19**	**(393.06)**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2018

(CONTD...)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,083.92)	(1,287.45)
Proceeds from sale of Fixed assets	46.38	15.70
Proceeds from Mutual funds	2,915.47	1,044.73
Investment in Mutual funds	(4,449.37)	(1,127.00)
Sale proceeds of wave hygiene products business	1.00	1,006.05
Interest income received	86.72	7.72
Loan given to select cars	(450.00)	-
Proceeds from repayment of loan to select cars	250.00	-
Loan given to Shareholder	(500.00)	-
Proceeds from repayment of Loan given to shareholder	500.00	-
Change in Other bank balance and cash not available for immediate use	(17.96)	4.50
Net Cash (used) in investing activities	**(2,701.69)**	**(335.74)**
C. Cash Flow from Financing Activities		
Proceeds from/ (repayment of) long term borrowings	45.70	(78.30)
Proceeds from/ (repayment of) short term borrowings	(9.71)	(15.63)
Proceed from Share Capital and securities premium	1,845.80	1,308.75
Share Issue Expenses	(1.19)	(11.27)
Proceed/(utilization) from/of Share Warrant	(461.45)	(127.19)
Interest and financial charges	(56.07)	(65.01)
	1,363.08	1,011.35
Net Increase/(decrease) in cash and cash equivalents	**41.58**	**282.55**
Opening balance of cash and cash equivalents	551.48	268.93
Closing balance of cash and cash equivalents	593.06	551.48
Components of cash and cash equivalents as at end of the year		
Cash on hand	9.83	2.30
Balances with banks		
- on current account	581.35	383.05
- in term deposits with original maturity of 3 months or less	1.86	166.13
Cash and bank balance (Refer note 12)	**593.04**	**551.48**

Explanatory notes to statement of cash flows

(₹ in lakhs)

1. Net debt reconciliation	**31 March, 2018**	**31 March, 2017**
Cash & cash equivalents	593.04	551.48
Liquid Investments	1,818.93	102.64
Non current borrowings	(270.77)	(263.02)
Net Debt	**2,141.20**	**391.10**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH, 2018

(CONTD...)

(₹ in lakhs)

Particulars	Other assets		Liabilities from financing activities	Total
	Cash & cash equivalents	Liquid Investments	Non current borrowings	
Net debt as at April 01, 2017	**551.48**	**102.64**	**(263.02)**	**391.10**
Cash flows	41.58	1,533.91	(10.43)	1,565.06
Interest expense			(26.39)	(26.39)
Interest paid			39.21	39.21
Other non-cash movements				
- Fair value adjustments		182.38	(10.14)	172.24
Net debt as at March 31, 2018	**593.06**	**1,818.93**	**(270.77)**	**2,141.22**

Basis of Preparation	1
Significant accounting policies	2
First time adoption of Ind AS	50

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.
For S.N. Dhawan & Co LLP
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

S.K.Khattar
Partner
Membership no.: 084993

Place : New Delhi
Date : 15 May, 2018

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

S/d-
Nikhil Nanda
Managing Director
DIN : DIN : 00051501

S/d-
Vanamali Polavaram
Chairman
DIN : 01292305

S/d-
Sanjeev Kumar Singh
Company Secretary &
Compliance Officer
Membership No. F6295

S/d-
Ajay Kumar Bansal
Chief Financial Officer

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 and the Bombay Stock Exchange in India.

The Holding Group has two Subsidiary Comapnies namely, JHS Svendgaard Brands Limited and JHS Svendgaard Warehouse and Mechanical Limited.

JHS Svendgaard Brands Limited operates a chain of dental clinics . It is also involved in Non- specialised retail trade in stores. Currently there are no major operations in JHS Svendgaard Warehouse and Mechancial Limited.

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, 2018

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').

These financial statements for the year ended 31 March, 2018 are the first financial statements that are prepared in accordance with Ind AS. Refer to note 50 for information on how the transition from Previous GAAP to IND AS has affected the financial position, financial performance and cash flows.
All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Division II IND AS Schedule III, unless otherwise stated.

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 2017. 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 non controlling 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."

c)Basis of Measurement

The Financial Statements have been prepared under the historical cost convention on accrual basis, unless otherwise stated.

d)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.

e) 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.

f) Foreign Currency Translation

(i) Functional and Presentation Currency

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

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, sales tax, value added tax etc.

Sale of goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer with the Group losing effective control or the right to managerial involvement thereon.

The Group recognizes revenues on the sale of products, net of returns, sales incentives/rebate, amounts collected on behalf of government (such as goods and service tax, sales tax etc.) and payments or other consideration given to the customer that has impacted the pricing of the transaction. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice.

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 Group 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 Group'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.

Sale of Scrap

Revenue from sale of scrap is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer with the Group losing effective control or the right to managerial involvement thereon.

Service income

Service income includes job work and its revenue is recognized on completion of services, based on service contracts.

Reimbursement Receipts

Reimbursement income is recognized on accrual basis on the basis of contracts.

b) 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.

c) 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 assesse 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.

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 fulfillment 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.

For arrangements entered into prior to April 1, 2016, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Operating Lease

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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.

f) 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.

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) 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.

h) Investment in Subsidiaries
Investment in equity of subsidiaries is accounted and carried at cost less impairment in accordance with Ind AS 27.Upon first-time adoption of Ind AS, the Group has elected to measure its investments at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2016.

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 fulfill 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
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.

Transition to Ind AS
The Group has elected to continue with the carrying value for all of its PPE recognized in the financial statements as on April1,2016 to Ind AS , measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments as per Ind AS 101. "First-time Adoption of Indian Accounting Standards". Refer note 42 for the first time adoption impact.

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.

Transition to Ind AS
The Group has elected to continue with the carrying value for all of its intangible assets recognized in the financial statements as on April 1,2016 to Ind AS , measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments as per Ind AS 101. "First-time Adoption of Indian Accounting Standards". Refer note 43 for the first time adoption impact.

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.

o) Depreciation and Amortization
Depreciation on fixed assets 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 fixed assets is provided on pro rata basis from the date of assets are ready to use. Depreciation and amortization on sale/deduction from fixed assets 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 emboyding 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.

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.

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, which is considered to be the only reportable segment.

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

IND AS 115: Revenue from Contracts with Customers
In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The Standard is applicable to the Group with effect from 1st April, 2018.

Revenue from Contracts with Customers Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- tep 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Group has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard from 1st April, 2018."

z) 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(c).

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.

3.1 Property, Plant and Equipment

Current Year

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK
Particulars	**As at 01 April, 2017**	**Additions**	**Disposals/ adjustments**	**As at 31 March, 2018**	**As at 01 April, 2017**	**Depreciation & amortization for the year**	**Disposals/ adjustments**	**As at 31 March, 2018**	**As at 31 March, 2018**
A) Property, Plant and Equipment									
Freehold Land	234.67	216.00	-	450.67	-	-	-	-	450.67
Factory Building	1,656.77	133.82	-	1,790.59	65.89	66.81	-	132.70	1,657.89
Office Building	143.01	-	-	143.01	6.04	6.04	-	12.08	130.93
Plant & Machinery	4,362.63	735.16	75.03	5,022.77	421.28	455.91	16.47	860.72	4,162.05
Mould & Dies	269.45	48.13	5.66	311.91	31.26	43.51	0.13	74.64	237.28
Electronic Equipment	187.26	0.86	1.39	186.73	53.73	43.64	1.06	96.30	90.43
Lab Equipment	5.27	-	-	5.27	1.10	1.05	-	2.14	3.13
Leasehold Improvements	-	70.54	-	70.54	-	2.66	-	2.66	67.88
Furniture & fixture	92.25	9.39	0.81	100.83	19.39	18.17	0.27	37.29	63.54
Office Equipment	15.04	19.41	-	34.45	1.34	2.99	-	4.34	30.11
Vehicle	151.98	146.10	-	298.08	27.66	36.45	-	64.11	233.96
Computer	4.46	3.81	0.10	8.16	0.97	1.41	-	2.38	5.78
Computer network	0.27	-	-	0.27	0.12	0.09	-	0.21	0.06
Total	**7,123.04**	**1,383.22**	**82.99**	**8,423.27**	**628.76**	**678.73**	**17.93**	**1,289.57**	**7,133.70**
B) Capital work-in-progress *	**67.41**	**797.02**	**813.13**	**51.29**	**-**	**-**	**-**	**-**	**51.29**

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

Previous Year

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK
Particulars	**As at 01 April, 2016 (Deemed Cost)**	**Additions**	**Disposals/ adjustments**	**As at 31 March, 2017**	**As at 01 April, 2016**	**Depreciation & amortization for the year**	**Disposals/ adjustments**	**As at 31 March, 2017**	**As at 31 March, 2017**
A) Property, Plant and Equipment									
Freehold Land	234.67	-	-	234.67	-	-	-	-	234.67
Factory Building	1,568.86	87.91	-	1,656.77	-	65.89	-	65.89	1,590.88
Office Building	143.01	-	-	143.01	-	6.04	-	6.04	136.97
Plant & Machinery	4,005.19	357.45	-	4,362.63	-	421.28	-	421.28	3,941.35
Mould & Dies	147.02	122.43	-	269.45	-	31.26	-	31.26	238.19
Electronic Equipment	187.26	-	-	187.26	-	53.73	-	53.73	133.53
Lab Equipment	5.27	-	-	5.27	-	1.10	-	1.10	4.18
Furniture & fixture	87.22	5.02	-	92.25	-	19.39	-	19.39	72.86
Office Equipment	6.94	8.10	-	15.04	-	1.34	-	1.34	13.70
Vehicle	113.48	61.68	23.18	151.98	-	32.01	4.36	27.66	124.32
Computer	3.02	1.43	-	4.46	-	0.97	-	0.97	3.49
Computer network	0.27	-	-	0.27	-	0.12	-	0.12	0.15
Total	**6,502.21**	**644.02**	**23.18**	**7,123.04**	**-**	**633.12**	**4.36**	**628.76**	**6,494.28**
B) Capital work-in-progress **	**64.72**	**129.72**	**127.03**	**67.41**	**-**	**-**	**-**	**-**	**67.41**

* The Company has considered previous GAAP carrying value as at March 31, 2016 as deemed cost in accordance with the exemption available under Ind AS 101 (for details refer note 54)

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

3.2 Intangible assets

Current Year

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK
Particulars	As at 01 April, 2017	Additions	Disposals/ adjustments	As at 31 March, 2018	As at 01 April, 2017	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March, 2018	As at 31 March, 2018
Computer software	8.80	4.16		12.96	3.00	2.59	-	5.59	7.37
Total	**8.80**	**4.16**	**-**	**12.96**	**3.00**	**2.59**	**-**	**5.59**	**7.37**

Previous Year

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK
Particulars	As at 01 April, 016 (Deemed Cost)	Additions	Disposals/ adjustments	As at 31 March, 2017	As at 01 April, 2016 (Deemed Cost)	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March, 2017	As at 31 March, 2017
Computer software	7.74	1.06	-	8.80	-	3.00	-	3.00	5.80
Total	**7.74**	**1.06**	**-**	**8.80**	**-**	**3.00**	**-**	**3.00**	**5.80**

* The Company has considered previous GAAP carrying value as at March 31, 2016 as deemed cost in accordance with the exemption available under Ind AS 101 (for details refer note 50)

3.3 Intangible assets under development

Previous Year

(₹ in lakhs)

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION & AMORTIZATION				NET BLOCK
Particulars	As at 01 April, 2016 (Deemed Cost)	Additions	Disposals/ adjustments	As at 31 March, 2017	As at 01 April, 2016	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March, 2017	As at 31 March, 2017
Computer software	3.16	-	3.16	-	-	-	-	-	-

* The Company has considered previous GAAP carrying value as at March 31, 2016 as deemed cost in accordance with the exemption available under Ind AS 101 (for details refer note 50)

4. Non - current loans

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Unsecured, considered good			
Security deposit to related parties (Refer Note No. 41)	12.03	5.75	-
Security deposit to others	0.70	4.31	10.42
	12.73	10.06	10.42
Unsecured, considered good			
Advances to others	20.00	-	-
	20.00	-	-
	32.73	10.06	10.42

5. Other non- current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deposits with Banks having maturity period of more than twelve months*	27.67	10.69	17.57
Interest accrued on non current fixed deposits	3.83	2.86	0.48
	31.50	13.55	18.05

*pledged with various government authorities amounting to ₹10.48 lakhs (March 31, 2017: ₹10.68 lakhs, April 01, 2016: ₹17.56 lakhs).

6. Deferred tax assets (net)

(a) The balance comprises temporary differences attributable to:

(₹ in lakhs)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deferred tax liability on account of:			
Property, plant and equipment	(676.53)	(650.13)	-
Deferred tax asset on account of:			
Provision for bonus	10.95	5.28	-
Provision for doubtful debts	69.08	73.30	-
Provision for obsolete stock	14.39	-	-
Provision for gratuity	12.73	12.57	-
Provision for doubtful advance	594.18	630.17	-
Provision for investments carried at cost	(0.46)	11.03	-
Provision for leave encashment	6.02	3.94	-
Other temporary differences	1.44	(2.45)	-
Tax losses carried forward	449.68	1,599.82	-
MAT credit entitlement	171.83	-	-
Difference in WDV as pe books and IT Act	0.73	-	
Net deferred tax (liability)/asset	**654.04**	**1,683.52**	**-**

(₹ in lakhs)

(b) Movement in deferred tax balances:

	Provision for employement benefit	Property, Plant and Equipment	Tax losses carried forward	Others	Total
At 01 April, 2016		-	-	-	-
Charged/(Credited):					
- to profit or loss	23.47	650.13	(1,599.82)	(751.90)	(1,678.11)
- to other comprehensive income	(1.67)	-	-	(3.74)	(5.41)
At 31 March, 2017	**21.80**	**650.13**	**(1,599.82)**	**(755.63)**	**(1,683.52)**
Charged/(Credited):					
- to profit or loss	8.56	26.40	1,150.14	(153.39)	1,031.70
- to other comprehensive income	(0.65)	-	-	(1.58)	(2.22)
At 31 March, 2018	**29.71**	**676.53**	**(449.68)**	**(910.60)**	**(654.04)**

(c) In view of recurring losses and in absence of reasonable certainty, the Company had not recognized deferred tax assets on 01 April,2016.

However, during the year ended 31 March, 2017, the Company has, based on its operational parameters and future earnings, assessed and recognized deferred tax asset on unabsorbed depreciation and carried forward business losses. The management is confident about its virtual certainty that sufficient future taxable income will be available against which such asset can be realized."

(d) Unrecognised deferred tax assets (₹ in lakhs)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deductible temporary differences	-	-	783.39
Tax losses carried forward	-	-	5,455.12
Gross amount	**-**	**-**	6,238.51
Potential tax benefit	-	-	1,927.70

(e) Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows: (₹ in lakhs)

	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Amount	Year of Expiry	Amount	Year of Expiry	Amount	Year of Expiry
Expire						
For the year 2014-15	-	-	-	-	2,458.70	2022-23
For the year 2015-16						2023-24
Never expire	-	-	-	-	(2,458.70)	-
	-		-		-	

(f) During the year no amount of tax has been recognised directly into equity of the Company.

7. Non current tax assets (net)

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Advance income tax and Tax deducted at source	345.35	-	-
Less: Provision for taxation	203.50	-	-
	141.85	-	-

8. Other non current assets

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Unsecured (considered good)	2,021.06	2,308.12	1,633.50
Unsecured (considered doubtful)	736.34	730.23	730.23
Less: Provision for doubtful capital advances	(736.34)	(730.23)	(730.23)
Advances other than capital advances:			
Advance payment of taxes	-	72.44	73.56
Security deposit	409.02	600.00	-
Prepaid expenses	4.69	1.95	-
Deferred rent expense	23.35	12.86	-
	2,458.12	**2,995.37**	**1,707.06**

9. Inventories

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Raw Materials	463.74	403.81	434.41
Packing material	201.76	330.93	327.85
Work-in-progress	162.33	170.25	163.08
Finished goods	147.01	149.16	131.61
Stores and spares	28.93	18.29	15.04
Less: Provision for obselence & dimunition in value*	49.43		140.84
	954.34	**1,072.44**	**931.16**
*Provision for obselence & dimunition in value			
Opening balance	-	140.84	140.84
Addition during the year	49.43	-	-
Used during the year	-	-	-
Reversed during the year	-	140.84	-
Closing balance	**49.43**	**-**	**140.84**

10. Current Investments

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Investments carried at fair value through Profit & Loss			
Investments in Mutual funds (Quoted)			
- LGR- Union Liquid Fund Growth			
Nil units (as on 31 March, 2017, 6,340.17 units)	-	102.64	-
- LGRD - Union Liquid Fund Growth Direct Plan			
104,853.696 units (as on 31 March, 2017, Nil units)	1,818.93	-	-
	1,818.93	**102.64**	**-**
Aggregate amount of quoted investments and Market value thereof	**1,818.93**	**102.64**	**-**

11. Trade receivables

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Unsecured, Considered good			
Receivable from related party (Refer Note No. 41)	478.05	60.71	1.26
Receivable from other	3,795.02	1,305.02	670.14
	4,273.07	1,365.73	671.40
Unsecured, Considered doubtful			
Receivable from other	237.21	237.21	237.21
Provision for bad and doubtful debts	(237.21)	(237.21)	(237.21)
	-	-	-
Total	**4,273.07**	**1,365.73**	**671.40**

12. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Balance with bank			
- current account	581.35	383.05	247.24
- term deposits with original maturity of less than 3 months	1.86	166.13	20.43
Cash on hand	9.83	2.30	1.26
	593.04	551.48	268.93

13. Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deposit account-Unpaid dividend	0.89	1.33	1.68
Investment in term deposits with original maturity of more than 3 months but less than 12 months*	37.04	33.62	17.57
	37.93	34.95	19.25

* includes pledged & margin money deposits with various government authorities amounting to ₹ 15.22 lakh (31 March, 2017: ₹ 13.93 lakh, 01 April,2016: ₹ 13 lakh)

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14. Current Loans

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Unsecured, considered good			
Loans to corporates	237.63	-	-
Loan to shareholder	-	-	-
Loan to employees	59.01	58.89	10.15
	296.64	**58.89**	**10.15**

15. Other current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Amount receivable from Liquid Funds	1,000.63	-	-
Other receivables*	188.79	209.35	1,215.40
Security deposit	-	6.31	-
	1189.42	215.66	1,215.40

* As per the terms of Business Transfer Agreement (BTA) dated March 21, 2016 with Avalon Cosmetics Private Limited to sell/ transfer one of its undertakings known as "Waves Hygiene Products" on a 'slump sale' basis for a lump sum consideration without values being assigned to individual assets and liabilities. The agreed total consideration for sale of undertaking under slump sale was ₹ 1625 lakhs. Out of which ₹ 1420 lakhs (March 31, 2017: ₹ 1419 lakhs, April 01, 2016: ₹ 414 lakhs) has been received and balance is receivable.

16. Other current assets

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Advances other than capital advances			
Security deposits	372.73	197.74	-
Deferred expenses	3.11	1.61	-
Prepaid expenses	6.39	2.42	12.14
Balances with statutory/government authorities	147.67	120.61	91.15
Imprest to employees	0.16	18.35	18.92
Advance to suppliers*	1,880.31	1,732.80	1,827.82
Less:Provision for doubtful advance	(1,304.10)	(1,304.10)	(1,304.10)
Other receivables	0.18	79.53	19.71
	1,106.47	**848.96**	**665.64**

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

17. Equity Share Capital

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
a) Authorised			
65,000,000 Equity shares of ₹ 10/- each (65,000,000 Equity shares, 31 March, 2017 : ₹ 10/- each) (60,000,000 Equity shares, 01 April, 2016 : ₹ 10/- each) "	6,500.00	6,500.00	6000
b) Issued, subscribed & fully paid up			
60,900,465 Equity shares of ₹ 10/- each; (44,120,465 Equity shares, 31 March, 2017 : ₹ 10/- each) (37,635,000 Equity shares, 01 April, 2016 : ₹ 10/- each) "	6,090.05	**4,412.05**	**3,763.50**
Total	6,090.05	**4,412.05**	**3,763.50**

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

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
At the beginning of the year	44,120,465	4,412.05	37,635,000	3,763.50	37,635,000	3,763.50
Add : Shares issued during the year *	16,780,000	1,678.00	6,485,465	648.55		
At the end of the year	**60,900,465**	**6,090.05**	**44,120,465**	**4,412.05**	**37,635,000**	**3,763.50**

* 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, 2009 the Company approved preferential allotment of 34,974,748 nos. fully convertible warrants of ₹ 10 each at an issue price of ₹11 per warrant. Out of this, the Company has converted 16,780,000 nos.,[upto 31 March, 2017: 18,164,748 nos. (upto 31 March, 2016: 13,539,748 nos.)] fully convertible share warrants into equal number of fully paid up equity shares after receiving full issue price of ₹ 11/- per warrant from the respective allottees during the year ended 31 March, 2018. For remaining 30,000 warrants, application money was received at 25% of Issue price i.e. ₹ 2.75 /- per warrant. However, no call money was received till final allotment date 06 July, 2017 hence, the warrants were forfeited and adjusted through Capital Reserve amounting to ₹ 0.82 lakh.

Pursuant to special resolution passed in the Extraordinary General Meeting held on 10 January, 2017, the Company has approved and issued on preferential basis, 1,860,465 nos. fully paid equity shares at an issue price of ₹ 43/- per share to HT Media Limited via Share Subscription Agreement dated 25 January, 2017. These shares have subsequently been listed.

Paid up equity share capital includes 1,63,60,000 equity shares alloted pursuant to conversion of share warrants. These shares are under process for listing.

d. Terms / rights attached to equity shares

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

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case where interim dividend is distributed. During the year ended 31 March, 2018 and 31 March, 2017, 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.

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

65,45,245 equity shares issued to the shareholders of merged entities pursuant to the scheme of amalgamation in the financial year 2012-13.

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

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Nikhil Nanda*	23,810,774	39.10%	12,060,774	27.34%	11,210,774	29.79%
Tano Mauritius India FVCI	-	0.00%	1,473,339	3.34%	3,499,999	9.30%
Sixth Sense India Opportunities-I	-	0.00%	3,000,000	6.80%	3,000,000	7.97%
Sushma Nanda	3,065,983	5.03%	3,065,983	6.95%	3,065,983	8.15%
Chaitali Vohra	2,000,000	3.28%	3,500,000	7.93%	-	0.00%
Amit Saxena	1,608,259	2.64%	2,000,000	4.53%	2,000,000	5.31%

18. Other Equity

A Summary of Other Equity Balance (₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Capital reserves	241.95	241.12	241.12
Securities premium account	9,223.05	9,056.44	8,407.51
General reserves	6.68	6.68	6.68
Retained earnings	**1,864.79**	**(740.90)**	**(2,939.03)**
Money received against share warrants	-	462.28	589.46
Total	**11,336.46**	**9,025.61**	**6,305.73**

a) Capital reserves (₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Opening balance	241.12	241.12	241.12
Addition/Deletion during the year	0.83	-	-
Closing balance (A)	241.95	241.12	241.12

b) Securities premium account (₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Opening balance	9,056.44	8,407.51	8,407.51
Add : Premium on warrant converted into shares	-	46.25	-
Add : Premium on preferential issue	167.80	613.95	-
Less : Other changes - Share Issue Expenses	(1.19)	(11.27)	-
Closing balance (B)	**9,223.05**	**9,056.44**	**8,407.51**

c) General reserves (₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Opening balance	6.68	6.68	6.68
Addition during the year	-	-	-
Closing balance (C)	**6.68**	**6.68**	**6.68**

d) Retained earnings (₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Opening balance	(740.90)	(2,939.03)	(2,939.03)
"Add: Profit for the year transferred from the Statement of Profit and Loss"	2,616.49	2,197.41	
Less: Adjustment pertaining to a loan given to shareholder	(5.69)	-	
Other adjustments	**(5.12)**	**0.73**	
Closing balance (D)	**1,864.79**	**(740.90)**	**(2,939.03)**

e) Money received against share warrants (₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Opening balance	462.28	589.46	589.46
Less: Share warrants converted into shares	(462.28)	(127.19)	
Closing balance (E)	-	462.28	589.46
Total other equity (A+B+C+D+E)	**11,336.46**	**9,025.61**	**6,305.73**

B. **Nature and purpose of reserve**

Capital reserve

Out of total preferntial allotment of 34,974,748 warrants, till the year ending 31 March, 2018, 34,944,748 warrants were successfully allloted. For remaining 30,000 warrants, application money was received at 25% of Issue price i.e. ₹ 2.75 /- per warrant. However, no call money was received till final allotment date 06 July, 2017 hence, the warrants were forfeited and adjusted through Capital Reserve amounting to ₹ 0.82 lakhs.

b. **Security premium account**

Securities premium account 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2018

19. Borrowings

(₹ in lakhs)

	Non current			Current maturities		
Particulars	**As at 31 March, 2018**	**As at 31 March, 2017**	**As at 1 April, 2016**	**As at 31 March, 2018**	**As at 31 March, 2017**	**As at 1 April, 2016**
Secured						
Vehicle Loans*						
- from Banks	60.96	-	2.92	14.30	2.92	7.71
- from Others	49.39	64.65	-	14.50	13.91	-
	110.35	64.65	2.92	28.80	16.83	7.71
Amount disclosed under the head Other current financial liabilities (Refer note 24)	-	-	-	(28.80)	(16.83)	(7.71)
Net Amount (A)	110.35	64.65	2.92	-	-	-
Unsecured						
Deferred Payment Liabilities**	-	-	30.03	-	29.79	34.89
Unsecured Loan from other ***	-	-	110.00	110.00	110.00	110.00
	-	-	140.03	110.00	139.79	144.89
Amount disclosed under the head Other current financial liabilities (Refer note 24)	-	-	-	(110.00)	(139.79)	(144.89)
Net Amount (B)	-	-	140.03	-	-	-
Total (A+B)	110.35	64.65	142.95	-	-	-

* Respective assets are hypothecated against the loans taken to acquire such vehicles. Loan is repayable within a period of 60 months at interest rate in the range of 8% p.a. to 12% p.a.
**It represents deferred payment for acquisition of machine. Payment is to be made in 36 equal installments of ₹3.13 lakh each starting from 15 April, 2015. This has been carried at amortised cost.

***Repayable in 2 equal yearly installment commencing from 31st December, 2016 @ interest rate of 15% p.a.

20. Provisions

(₹ in lakhs)

	Non current			Current		
Particulars	**As at 31 March, 2018**	**As at 31 March, 2017**	**As at 1 April, 2016**	**As at 31 March, 2018**	**As at 31 March, 2017**	**As at 1 April, 2016**
Provision for Employee Benefits - Gratuity (Refer note 40)	58.23	37.97	32.24	4.01	2.60	2.16
Provision for Employee Benefits - Leave Encashment (Refer note 40)	18.97	10.16	8.27	4.74	2.71	2.10
	77.20	48.13	40.51	8.75	5.31	4.26

21. Other non current liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Government grants (Refer note 38)	**6.00**	**9.00**	**12.00**
	6.00	9.00	12.00

22.Current borrowings

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Interest free loan related parties repayable on demand (Refer note 41)	0.10	9.81	25.43
	0.10	9.81	25.43

23.Trade payables

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(a)Due to micro & small enterprises (Refer note 46)	-	-	-
(b)Due to others	2,372.25	1,397.12	1,336.07
	2,372.25	1,397.12	1,336.07

24.Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Current maturities of long-term debt (Refer note 19)	138.80	126.83	117.71
Current maturities of deferred payment liabilities (Refer note 19)	-	29.79	34.89
Interest accrued but not due on borrowings	19.00	1.33	4.54
Unpaid dividends*	0.89	1.33	1.68
Book overdraft	60.61	20.99	4.27
Payable to employees	207.74	130.67	102.17
Payable towards purchase of property, plant and equipment	73.32	72.94	38.00
Expenses Payable	93.70	70.06	78.81
Other Liabilities	-	0.12	-
	594.06	**454.06**	**382.07**

*There are no amounts due for payments to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at March 31, 2018 (March 31, 2017: Nil, April 1, 2016: Nil).

25.Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Statutory dues	92.93	34.95	49.89
Advance received from Customers	103.73	62.00	34.74
Government Grant (Refer note 38)	3.00	3.00	3.00
	199.66	99.95	87.63

26.Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Sale of manufactured goods-Oral Care Products	13,611.84	10,119.53
Job Work Income	250.08	247.16
Sale of packing material/raw material/traded Goods	268.79	57.27
Other operating revenue		
Scrap sales	133.48	81.82
	14,264.19	**10,505.78**

27.Other income

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	" Year ended 31 March, 2017
Interest income on fixed deposits	4.47	7.50
Interest income Others	59.14	0.22
Export incentive	32.64	-
Provision no longer required written back	5.41	-
Rental Income	0.54	-
Government grant(refer note 38)	3.00	3.00
Foreign exchange gain (net)	177.98	-
Profit on sale of Fixed asset	-	-
Miscellaneous income	28.04	11.91
Prepayment gain on loan to shareholder	2.38	-
Net gain on financial asset mandatorily measured at FVTPL	182.38	20.38
Reversal of retention money	2.08	-
	498.06	**43.01**

28.Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
A. Cost of Raw Materials Consumed		
Stock at the beginning of the year	403.81	434.41
Add: Purchases	4,955.75	3,517.62
	5,359.56	3,952.04
Less: Stock at the end of the year	463.74	403.81
Less: Reversal of earlier write-down	-	52.50
	4,895.82	3,495.72
Cost of packing materials consumed		
Stock at the beginning of the year	330.93	327.85
Add: Purchases	3,216.33	2,657.71
	3,547.26	2,985.56
Less: Stock at the end of the year	201.76	330.93
Less: Reversal of earlier write-down	-	38.22
Less: Sale of scrap	27.15	-
	3,318.35	2,616.42
	8,214.17	**6,112.14**

B. Purchases of stock in trade

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Purchases of stock in trade	116.27	33.30
	116.27	**33.30**

29.Changes in inventories of finished goods, work in progress and stock-in-trade

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Finished goods		
At the beginning of the year	149.16	131.61
Less: At the end of the year	147.01	149.16
Add: Provision for obsolete stock	49.43	-
Less: Reversal of earlier write-down	-	35.87
	51.58	(53.42)
Work-in-progress		
At the beginning of the year	170.25	163.08
Add: Purchases	617.49	626.31
Less: At the end of the year	162.33	170.25
Less: Reversal of earlier write-down	-	14.25
	625.41	604.90
	676.99	**551.48**

30.Employee Benefits Expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Salaries, wages, bonus and other allowances	1,086.49	797.92
Contribution to provident and other funds*	59.58	37.11
Workmen and staff welfare expenses	23.27	15.53
Gratuity*	25.95	12.79
Leave encashment*	11.59	2.62
Staff Training & Stipends	0.80	-
Staff Recruitement Expenses	2.38	-
	1,210.04	**865.97**

*Refer Note- 40

31.Finance Costs

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Interest expense	72.77	61.29
Interest on delay in deposit of Statutory dues	0.98	0.51
	73.75	**61.80**

32. Depreciation and Amortization Expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Depreciation of property plant and equipment	678.73	633.12
Amortisation of intangible assets	2.59	3.00
	681.32	**636.12**

33. Other expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Consumption of stores and spares	19.99	53.60
Power and Fuel	342.10	344.87
Rent	40.03	22.87
Advertisement expenses	58.95	14.87
Business promotion expenses	152.01	19.83
Brokerage & Commission	4.44	8.93
Brand Promotion Expenses	17.53	29.95
Repairs		
Plant and Machinery	143.04	104.19
Building	21.38	11.54
Others	41.68	15.10
Provision for doubtful loan and advances	-	0.73
Freight and cartage outward	97.65	68.16
Insurance charges	14.51	14.04
Legal and professional fees	139.82	137.12
Rates and taxes	60.19	32.12
Telephone and postage	15.21	14.91
Printing and stationery	10.50	9.27
Travelling and conveyance expenses	270.09	238.90
Loss on sale of fixed assets (Net)	18.79	3.12
Directors' sitting fees	5.50	5.90
Job work charges	713.21	459.76
Foreign exchange Loss (Net)	-	0.66
Testing charges	1.06	0.90
Auditor's remuneration	20.42	17.74
Office maintenance	24.11	29.88
Service Tax Expenses	16.88	87.76
Advances/balances/others written off	97.76	4.01
Miscellaneous expenses	10.34	22.89
Loss on scrap sale	27.17	-
Amortization of deferred rent expense	1.62	0.06
Bank Charges	0.38	0.01
Online subscription charges	0.33	-
Consumable expenses	1.04	-
License fees	48.50	-
Donation expneses	0.34	-
	2,436.58	**1,773.71**

34. Exceptional items

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Trade receivables *	-	(0.59)
Fixed assets written off **	(2.96)	-
P & G Settlement Amount ***	2,727.21	-
	2,724.25	**(0.59)**

* This represents trade receivable balances pertaining to TDS receivable, written off on account of non-recoverability.
** This represents property, plant and equipment derecognized (Cost: ₹ 5.90 lakh; accumulated depreciation: ₹ 2.94 lakh), since no future economic benefits are expected from its use or disposal.
*** The Company has recognized net income amounting to ₹ 2727.21 lakhs during the year ended 31 March, 2018 on account of compensation received pursuant to the Settlement Agreement dated 28 March, 2017. The Arbitral Tribunal has given its Final Award on 3 April, 2017 and two SLP's from the Supreme Court were withdrawn on 06 April, 2017 & 12 April, 2017.

35. Income taxes

(a) Income tax expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
i. Current Tax		
Current income tax charge for the year	198.23	5.28
Adjustments in respect of current income tax of previous years	9.85	-
	208.08	5.28
ii. Deferred tax charge/(credit)		
Origination and reversal of temporary differences	1,200.66	-
Recognition of previously unrecognised tax losses		(1,599.82)
Recognition of previously unrecognised deductible temporary differences	-	(85.37)
Adjustments in respect of deferred tax of previous years	-	-
MAT credit on profits for the year	(171.83)	-
	1,028.83	(1,685.19)
Income tax expense reported in the Statement of Profit and Loss	**1,236.91**	**(1,679.91)**
Other Comprehensive Income (OCI) Section		
Tax relating to items that will not be reclassified to Statement of Profit & Loss	0.65	1.67
Income tax charged to OCI	**0.65**	**1.67**

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

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit from continuing operations (A)	3,842.36	513.68
Income tax rate applicable (B)	30.90%	30.90%
Computed tax expense (A*B)	**1,187.29**	**158.73**
Tax effect of the amounts that are not deductible (taxable) while *calculating taxable income :*		
Tax on expenses not tax deductible		
Effect of Non- dedcutible expenses	3.37	7.10
Effect of creation of DTA (Net)	-	84.48
Tax expense for previous year	9.86	(1,930.96)
Effect of MAT credit adjustment	26.39	-
Deferred tax asset not recognized in absence of reasonable certainty of realization	(6.47)	0.59
Others- due to difference in P/L and BS Approach	16.48	0.15
Income tax expense/(Reversal)	**1,236.92**	**(1,679.91)**

36. Contingent Liability

I. Claims/litigations made against the Company not acknowledged as debts:
a)Matters under litigation:

Claims against the Company by employees, vendors & customers amounting to ₹ 149.39 lakh (Previous Year ₹ 77.60 lakh). 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.
b) TDS demand outstanding on TRACES portal amounting to ₹ 3.42 lakhs.

II. Others:
Bank Guarantee issued by Bank amounting to ₹ 71.11 lakh (Previous Year ₹ 71.11 lakh).

37. Capital Commitments

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances for 31 March, 2018: ₹ 28.81 lakh, for 31 March, 2017: ₹ 802.07 lakh, for 01 April, 2016: ₹ 1.82 lakh)	**1,595.70**	**967.66**	**11.08**

38. Government Grant

During the financial year ended March 31, 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.

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 lakhs)

	Revenue from external customers	
Particulars	**Year ended 31 March, 2018**	**Year ended 31 March, 2017**
India	11,935.13	10,036.51
UAE	2,224.61	397.05
USA	40.06	-
Nepal	64.39	72.22
Total	**14,264.19**	**10,505.78**

Information about major customers

Revenue of ₹ 9316 lakh, (For the year ended March 31, 2017 ₹ 8272 lakh) 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 March 2018 and previous year ended March 31, 2017. The Company does not hold any non current assets outside India.

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- 27)

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Contribution to Provident Fund	43.23	29.01
Contribution to Employee State Insurance Scheme	16.35	8.10
	59.58	**37.11**

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 theProjected 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 Indian Accounting Standards 19 "Employee benefits" are given below:

Principal Actuarial Assumptions at the Balance Sheet date

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Discount Rate (per annum) Rate of increase in Compensation Levels	7.25% -7.7% 7.00%	7.30% 7.00%	7.90% 7.00%
Retirement age	58 years		
Mortality Table	100% of IALM (2006-08)		
Average withdrawal rate	7% - 10%	7% - 10%	7% - 10%

The discount rate has been assumed at 7.70% p.a. (Previous year 7.30% 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)

	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
Particulars	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present Value of Obligation as at the beginning of the year	12.76	40.68	10.37	34.40	9.92	31.86
Acquisition Adjustment	-	-	-	-	-	-
Interest Cost	0.93	2.97	0.82	2.72	0.77	2.49
Past Service Cost	-	1.29	-	-	-	-
Current Service Cost	8.71	11.85	2.90	10.08	2.49	11.42
Contribution by Plan Participants	-	-	-	-	-	
Curtailment Cost/(Credit)	-	-	-	-	-	
Settlement Cost/(Credit)	-	-	-	-	-	
Remeasurement	1.13	9.84	-	-	-	
Benefit Paid	(0.64)	(2.16)	(0.23)	(1.10)	(1.28)	(4.17)
Actuarial (Gains)/Loss	0.82	(2.22)	(1.11)	(5.41)	(1.53)	(7.20)
Present Value of Obligation as at the end of the year	23.71	62.25	12.76	40.68	10.37	34.40
Current	4.74	4.01	2.60	2.71	2.10	2.16
Non Current	18.97	58.23	10.16	37.97	8.27	32.24
Total	**23.71**	**62.25**	**12.76**	**40.68**	**10.37**	**34.40**

II) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets (₹ in lakhs)

	As at 31 March, 2018		As at 31 March, 2017	
Particulars	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	23.71	62.25	12.76	40.68
Unfunded Net Liability Recognised in the Balance Sheet	23.71	62.25	12.76	40.68

III) Expenses recognised in the Profit and Loss Account (₹ in lakhs)

	Year ended 31 March,2018		Year ended 31 March,2017	
Particulars	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Current Service Cost	8.71	11.85	2.90	10.08
Past Service Cost	-	1.29	-	-
Acquisition Adjustment	-	-	-	-
Interest Cost	0.93	2.97	0.82	2.72
Expected Return on Plan Assets	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-
Benefit Paid	-	-	-	-
Remeasurement	1.95	9.84	(1.11)	-
Net actuarial (Gains)/Loss	-	-	-	-
Employees Contribution	-	-	-	-
Total Expenses recognised in the Profit and Loss Account	11.59	25.95	2.62	12.79

Other Comprehensive Income (OCI) (₹ in lakhs)

Particulars	Gratuity (Unfunded)			
	2017-18		2016-17	
Net cumulative unrecognized actuarial gain/(loss) opening	-		-	
Actuarial gain / (loss) for the year on PBO	2.22		5.41	
Actuarial gain /(loss) for the year on Asset	-		-	
Unrecognized actuarial gain/(loss) at the end of the year	2.22		5.41	

IV) Experience Adjustment: (₹ in lakhs)

Particulars	Gratuity (Unfunded)			
	As at 31 March, 2018		As at 31 March, 2017	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Expected Employer Contribution for the next year	12.13	28.35	3.82	10.23

V) Maturity Profile of Defined Benefit Obligation (₹ in lakhs)

Year	Year ended 31 March,2018		Year ended 31 March,2017	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
0 to 1 Year	4.62	4.25	2.60	2.71
1 to 2 Year	3.46	4.27	1.92	2.29
2 to 3 Year	2.78	3.84	1.56	2.42
3 to 4 Year	2.46	4.65	1.28	2.42
4 to 5 Year	1.78	4.63	1.04	2.36
5 Year onwards	7.46	43.15	4.36	28.48

VI) Sensivity Analysis of the Defined Benefit Obligation:- (₹ in lakhs)

Particulars	Leave Encashment	Gratuity (Unfunded)
	2017-18	
Impact of change in discount rate		
Present Value of obligation at the end of the year	23.71	62.25
a) Impact due to increase of 1%	0.97	5.20
b) Impact due to decrease of 1%	1.05	5.85
	2017-18	
Impact of change in Salary rate		
Present Value of obligation at the end of the year	23.71	62.25
a) Impact due to increase of 1%	1.05	5.70
b) Impact due to decrease of 1%	0.98	5.06

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.

41. Related party disclosures

(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	- JHS Svendgaard Retail ventures Private Limited - Starpool Consultants & Advisors LLP - IAC Art Collectors Private Limited (upto 30.08.2017) - Sanskaar Ventures Private Limited
Relatives of Key Managerial Personnel	- Mrs Sushma Nanda (Mother of Mr. Nikhil Nanda) - Mr. Sagar breja (Son of Mr. Naveen Breja)
Entities which are controlled or jointly controlled by Key Managerial Personnel category or by his/her close family members	- Number One Enterprises Pvt. Ltd. - JHS Svendgaard Retail Venture Private Limited - Apogee Manufacturing Private Limited - Magna Waves Private Limited - DVS Worldwide Services Private Limited - Neeta Marketing Services Private Limited

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

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Managing director	2017-18
Mr. Naveen Breja	Director (JHS Svendgaard Brands Limited)	w.e.f. 24.07.2017
Mr Chhabi Lal Prasad	Director (JHS Svendgaard Brands Limited)	2017-18
Mr. Vanamali Polavaram	Non -Executive Non-Independent Director	2017-18
Mr. Mukul Pathak	Non - executive Independent director	2017-18
Mr. CR Sharma	Non - executive Independent director	Upto 19.01.2018
Mrs. Manisha Lath Gupta	Non - executive Independent director	Upto 30.08.2017
Mrs. Rohina Sanjay Sangtani	Non - executive Independent director	w.e.f. 21.11.2017
Mr. Nikhil Vora	Nominee Director	2017-18
Mr. Paramvir Singh	Chief Executive Officer	2017-18
Mr. Ajay Bansal	Chief Financial Officer	2017-18
Mr. Sanjeev Kumar Singh	Company Secretary	w.e.f. 01.02.2018
Mrs. Deepshikha Tomar	Company Secretary	Upto 01.02.2018

(c) Key Management Personnel Compensation

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Short- term employee benefits	300.17	83.35
Post- employement benefits	2.57	1.21
Long- term employee benefits	1.19	0.66
Director's Sitting fees	5.50	5.90
Total Compensation	**310.43**	**91.12**

(d)cTransactions with related parties
The following transactions occurred with related parties:

(₹ in lakhs)

S.No.	Statement of Profit and Loss heads	Year ended 31 March, 2018	Year ended 31 March, 2017
1.	**Income:**		
	Sale of Product		
	- Apogee Manufacturing Private Limited	-	59.46
	-Neeta Marketing Services Private Limited	1.07	
	Reimbursement of expenses		
	- Apogee Manufacturing Private Limited	0.01	-
2.	**Expenditure:**		
i	Rent expenses		
	- Nikhil Nanda	28.01	7.42
	- Amortisation of deferred rent expenses	1.62	0.06
	- Magna waves Impex Private Limited	1.86	
ii	Purchase of products		
	-Neeta Marketing Services Private Limited	0.11	
iii	Electricity expenses		
	- Nikhil Nanda	9.25	6.14
iv	Salary expenses		
	- Sagar Breja	9.00	

(e)Loans and advances to/ from Related Parties

(₹ in lakhs)

		Year ended 31 March, 2018	Year ended 31 March, 2017
i	**Loans/ Advances taken**		
	- Nikhil Nanda	25.00	66.00
	- Apogee Manufacturing Private Limited	-	33.95
ii	**Loans/ Advance (repaid/ adjusted)**		
	- Apogee Manufacturing Private Limited	-	33.95
	- Nikhil Nanda	26.22	81.63
	-Number One Enterprises Private Limited	8.48	
iii	**Loans and advances given (including security deposits)**		
	- Nikhil Nanda	9.00	20.25
	- JHS Svendgaard Retail Venture Private Limited	10.30	-
	-Neeta Marketing Services Private Limited	20.00	
iv	**Advance Rent**		
	- Nikhil Nanda	-	18.00
	Preferential allotment		
	Preferential allotment-Amount Received		
	- Nikhil Nanda	969.38	70.13
v	**Equity Share capital issued of ₹10 each**		
	- Nikhil Nanda	1,175.00	93.50

(f) Balance Sheet heads (Closing Balances)

(₹ in lakhs)

		As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
	Credit Balances			
i.	**Unsecured loan**			
	- Nikhil Nanda	0.10	1.33	16.96
	-Number One Enterprises Private Limited	-	8.48	8.48
ii	**Other Liabilities**			
	- Nikhil Nanda	1.70	-	11.81
iii	Money received against share warrants			
	- Nikhil Nanda	-	323.13	346.50
iv	**Trade Payables**			
	-Neeta Marketing Services Private Limited	0.11	-	-
	Debit Balances			
i	**Loans and advances**			
	- Nikhil Nanda (At amortised cost)	12.03	18.15	-
	- JHS Svendgaard Retail Venture Private Limited	10.30	-	-
	-Neeta Marketing Services Private Limited	20.00	-	-
ii	**Trade receivables (exculding provisions)**			
	- Apogee Manufacturing Private Limited	56.72	60.71	1.26
	-Neeta Marketing Services Private Limited	1.07	-	-

42. Fair valuation measurements

(₹ in lakhs)

S. No.	Particulars	Level of Hierarchy	As at 31 March, 2018			As at 31 March, 2017			As at 01 April, 2016		
			FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
	Financial assets										
1	Investments										
	Investment in Mutual Fund	1	1,818.93	-	-	102.64	-	-	-	-	-
2	Loans										
	Security Deposit	3	-	-	12.73			16.37			10.42
	Others	3	-	-	316.64	-	-	52.58	-	-	10.15
3	Trade receivables	3	-	-	4,273.07	-	-	1,365.73	-	-	671.40
4	Other financial assets	3		-	1,220.92	-	-	229.21	-	-	1,233.45
5	Cash & Cash Equivalents	3	-	-	593.04	-	-	551.48	-	-	268.93
6	Bank balances other than cash & cash equivalents	3	-	-	37.93	-	-	34.95	-	-	19.25
	Total Financial Assets		**1,818.93**	**-**	**6,454.34**	**102.64**	**-**	**2,250.32**	**-**	**-**	**2,213.59**
	Financial Liability										
1	Borrowings including current maturities	3	-	-	249.25	-	-	231.09	-	-	320.99
2	Trade & Other Payables	3	-	-	2,372.25	-	-	1,397.12	-	-	1,336.07
3	Other financial Liabilities	3	-	-	455.28	-	-	297.44	-	-	229.47
	Total Financial Liabilities		**-**	**-**	**3,076.78**	**-**	**-**	**1,925.65**	**-**	**-**	**1,886.52**

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.

b) Fair value of non-current financial assets and liabilities has not been disclosed as there is no significant differences between carrying value and fair value

- 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. 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 42. 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:

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:

1. (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 o currency risk and are unhedged as at 31 March, 2018, 31 March, 2017 and 01 April, 2016 :

(₹ in lakhs)

	Foreign currency	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Trade Payable	USD	35.24	90.93	38.63
Trade Receivable	USD	308.05	233.37	233.33
Trade Receivable	EURO	2,298.03	363.45	0.00

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	As at 31 March, 2018	As at 31 March, 2017
INR/USD	5%	5%
INR/EURO	8%	10%

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

Sensitivity analysis for entities with foreign currency balances in INR

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

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

(₹ in lakhs)

	Movement	Profit and loss	
		Strengthening	Weakening
Year ended 31 March, 2018			
USD Sensitivity	5%	17.16	(17.16)
EURO Sensitivity	8%	183.84	(183.84)
Year ended 31 March, 2017			
USD Sensitivity	5%	16.21	(16.21)
EURO Sensitivity	10%	36.34	(36.34)

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)

	Movement	Profit and loss	
		Strengthening	Weakening
Year ended 31 March, 2018			
Price risk sensitivity	1%	18.19	(18.19)
	Movement	**Profit and loss**	
		Strengthening	**Weakening**
Year ended 31 March, 2017			
Price risk sensitivity	1%	1.03	(1.03)

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.

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Fixed-rate borrowings including current maturities			
- Vehicle Loan (Secured)	139.15	81.49	10.63
-Loan from Corporate (Unsecured)	110.00	110.00	220.00
Floating-rate borrowings	-	-	-
Total Borrowings(gross of transaction cost)	249.15	191.49	230.63

2 CREDIT RISK

Credit risk arises from cash and cash equivalent, investments in mutual funds, deposits with the banks, as well as credit exposure to customers including outstanding receivables.

Credit risk management

For Bank and Financial Institutions, only high rated banks/ institutions are accepted

For other counter parties, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties only.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group considers reasonable and supportive forward-looking information.

The Group based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivable is considered low. The Group estimates its allowance for trade receivable using life time expected credit loss. The balance past due for more than 6 months(net of expected credit loss allowance), excluding receivable from group companies is ₹ 580 lakh (31 March, 2017 ₹ 226.10 lakh; 01 April, 2016 ₹ 123.30 lakh).

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 Company'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 :

As at 01 April, 2016					
	Upto 1 year	**1 to 3 years**	**3 to 5 year**	**Above 5 years**	**Total**
Borrowings including current maturities	143.14	177.85	-	-	320.99
Trade payables	1,336.07	-	-	-	1,336.07
Other financial liabilities	229.47	-	-	-	229.47
Total	**1,708.68**	**177.85**	**-**	**-**	**1,886.52**

As at 31 March, 2017					
	Upto 1 year	**1 to 3 years**	**3 to 5 year**	**Above 5 years**	**Total**
Borrowings including current maturities	136.64	50.16	14.49	-	201.30
Trade payables	1,397.12	-	-	-	1,397.12
Other financial liabilities	327.23	-	-	-	327.23
Total	**1,860.99**	**50.16**	**14.49**	**-**	**1,925.65**

As at 31 March, 2018					
	Upto 1 year	**1 to 3 years**	**3 to 5 year**	**Above 5 years**	**Total**
Borrowings including current maturities	138.90	100.02	10.33	-	249.25
Trade payables	2,372.25	-	-	-	2,372.25
Other financial liabilities	455.27	-	-	-	455.27
Total	2,966.43	100.02	10.33	-	3,076.18

44 Capital 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 March 31, 2018, March 31, 2017 and April 1, 2016.

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Equity Share capital	6,090.05	4,412.05	3,763.50
Free Reserve*	1,871.47	(734.22)	(2,932.36)

* Comprises of retained earning and general reserves.

Dividends

The Company has not proposed any dividend for the year (March 31, 2017: ₹ Nil, April 01, 2016: ₹ Nil)

45. Profit per share (EPS)

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Calculation of loss for basic/diluted EPS		
Net Profit attributable to equity shareholders	2,605.45	2,193.59
Profit after tax (before other comprehensive income)		
Nominal value of equity share (₹)	10	10
No of shares as at end of the year	6,09,00,465	4,41,20,465
No. of weighted average equity shares	5,65,40,136	4,02,40,464
Basic Earning/(Loss) per share	4.61	5.45
Number of equity shares for Dilutive EPS	6,09,54,410	5,94,03,793
Dilutive Earning/(Loss) per share	4.27	3.69

46. Suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED), promulgated by Government of India came into force with effect from 2 October 2006. As per the Act, the Company is required to identify the Micro and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The Company has not received information from any suppliers regarding their status under MSMED and hence disclosures relating to amount unpaid as at the year end together with interest paid/payable under this Act have not been given.

47. Additional Information

Name of the entity in Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated Total other comprehensive income	Amount
Parent Company JHS Svendgaard laboratories Limited Subsidiary Company	101.69%	17,711.21	107.53%	2,801.57	100%	1.58	107.55%	2,803.15
JHS Svendgaard Brands Limited ((Formerly known as JHS Svendgaard Dental Care Limited)	-1.48%	(258.39)	-7.51%	(195.63)	0.00%	-	-7.51%	(195.63)
JHS Svendgaard Warehouse and Mechanical Private Limited	-0.21%	(36.36)	-0.02%	(0.51)	0.00%	-	-0.02%	(0.5%)
Total	**100.00%**	**17,417.06**	**100.00%**	**2,605.43**	**100%**	**1.58%**	**100.02%**	**2606.40**

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 March 31, 2018	As at March 31, 2017	As at 01 April, 2016	As at March 31, 2018	As at March 31, 2017	As at 01 April, 2016
	%	%	%	%	%	%
(i) JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care limited)	95.00	95.00	95.00	5.00	5.00	5.00
(ii) JHS Mechanical and Warehousing Private Limited	99.99	99.99	99.99	0.01	0.01	0.01

48 Leases

Operating lease

The Company has taken premises under cancellable operating leases with an option of renewal at the end of the lease term with mutual consent. There are scheduled escalation clauses. Lease rental expense of ₹ 39.24 lakh (31 March, 2017: ₹ 22.93 lakh) charged to the Statement of Profit and Loss during the year.

49 Consequent to the introduction of Goods and Services Tax (GST) with effect from 01 July, 2017,the indirect taxes like Central Excise, VAT etc. have been replaced by GST. In accordance with Indian Accounting Standard 18 on Revenue and Schedule III of Companies Act, 2013, GST is not to be included in Gross Revenue from sale of products. In view of aforesaid restructuring of indirect taxes, Gross Revenue from sale of products and Excise duty for quarter and year ended 31 March, 2018 are not comparable with previous periods. Following additional information is being provided to facilitate such comparison.

(₹ in lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Sales/Revenue from operations (as reported)	14,264.19	10,505.78
Less: Excise duty on sales	235.03	-
Sales/Income from operations (net of excise duty)	14,029.16	10,505.78

54 First-time adoption of Ind AS

These are the first financial statements prepared in accordance with Ind AS by the Group.

The accounting policies set out in Note 2 have been applied in preparing financial statements for the year ended 31 March, 2018, the comparative information presented in these financial statements for the year ended 31 March, 2017 and in preparation of an opening Ind AS balance sheet at 1 April, 2016 (the transition date). In preparing its opening Ind AS balance sheet , the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006(as amended) and other relevant provisions of the Act (previous GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A1.1 Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant and Equipment and Intangible Assets as recognised in the financial statements as the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments as per Ind AS 101.

The Group has elected to measure all of its Property, Plant and Equipment and Intangible Assets at their previous GAAP carrying value.

A.1.2 Leases

AAppendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Group has elected to apply this exemption for such contracts/arrangements.

A1.3 Investment in subsidiaries

Ind AS 110 required that total comprehensive income should be attributed to the owners of the parent and the NCI even if this results in the NCI having a negative balance. Ind AS 101 requires this requirement to be applied prospectively frm the date of transition to Ind AS. The Group elected to apply such exemption.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimate were in error.

Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in confirmity with previous GAAP.

Further, the Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVTPL or FVOCI;
- Investment in debt instruments carried at amortised cost; and

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

A.2.3 De-recognition of financial assets and liabilities

As per Ind AS 101, an entity should apply de-recognition requirement in Ind AS 109, " Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS.

B. Reconciliations between previous GAAP and Ind AS:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods

The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Reconciliation of equity as at date of transition (01 April, 2016)

(₹ in lakhs)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS
ASSETS				
Non-current assets				
(a) Property, plant and equipment		6,502.21	-	6,502.21
(b) Capital work-in-progress		64.72	-	64.72
(c) Other Intangible Assets		7.74	-	7.74
(d) Intangible assets under development		3.16	-	3.16
(e) Financial assets				
i)Investments		-	-	-
ii) Loans		10.42	-	10.42
iii) Others		18.05	-	18.05
(f) Deferred tax assets(net)		-	-	-
(g) Non Current Tax Assets (net)		-	-	-
(h) Other non-current assets		1,707.06	-	1,707.06
		8,313.36	**-**	**8,313.36**

(₹ in lakhs)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS
Current Assets				
(a) Inventories		931.16	-	931.16
(b) Financial assets				
(i) Investments		-	-	-
(ii) Trade receivables		671.40	-	671.40
(iii) Cash and cash equivalents		268.93	-	268.93
(iv) Bank balances other than (iii) above		19.25	-	19.25
(v) Loans		10.15	-	10.15
(vi) Others		1,215.40	-	1,215.40
(c) Other current assets		665.64	-	665.64
(d) Assets classified as held for sale		4.39	-	4.39
		3,786.31	-	3,786.31
Total Assets		**12,099.67**	**-**	**12,099.67**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		3,763.50	-	3,763.50
(b) Other equity	13	6,295.10	10.64	6,305.73
		10,058.60	10.64	10,069.23
Non Controlling Interest	14	-	(0.49)	(0.49)
TOTAL EQUITY		10,058.60	10.74	10,068.74
LIABILITIES				
Non-Current Liabilities				
(a) Financial liabilities	3			
(i) Borrowings		150.46	(7.50)	142.95
(b) Provisions		40.51	-	40.51
(c) Other non current liabilities		12.00	-	12.00
		202.97	(7.50)	195.47
Current liabilities				
(a) Financial liabilities				
(i) Borrowings		25.43	-	25.43
(ii) Trade payables		1,336.07	-	1,336.07
(iii) Other financial liabilities	3	384.71	(2.64)	382.07
(b) Other current liabilities		87.63	-	87.63
(c) Provisions		4.26	-	4.26
		1,838.11	**(2.64)**	**1,835.46**
Total Equity and Liabilities		**12,099.67**	**0.00**	**12,099.67**

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

(ii) Reconciliation of equity as at 31 March, 2017

(₹ in lakhs)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	6,501.15	(6.87)	6,494.28
(b) Capital work-in-progress		67.41	-	67.41
(c) Intangible assets		5.80	-	5.80
(d) Financial Assets				
(i) Investments		-	-	-
(ii) Loans	5	24.56	(14.50)	10.06
(iii) Others		13.55	-	13.55
(e) Non-current tax assets(net)		-	-	-
(f) Differed tax assets (net)	6	1,684.87	(1.35)	1,683.52
(g) Other non-current assets	5	2,982.51	12.86	2,995.37
		11,279.85	**(9.85)**	**11,270.00**
Current Assets				
(a) Inventories		1,072.44	-	1,072.44
(b) Financial assets				
(i) Investments	7	99.34	3.30	102.64
(ii) Trade receivables		1,365.73	-	1,365.73
(iii) Cash and cash equivalents		551.48	-	551.48
(iv) Bank balances other than (iii) above		34.95	-	34.95
(v) Loans		58.89	-	58.89
(vi) Others		215.66	-	215.66
(c) Other current assets	5	847.35	1.61	848.96
(d) Assets classified as held for sale		4.39	-	4.39
		4,250.23	4.91	4,255.14
Total Assets		**15,530.08**	**(4.95)**	**15,525.13**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		4,412.05	-	4,412.05
(b) Other equity	13,8	9,024.97	0.65	9,025.63
		13,437.02	**0.65**	**13,437.67**
		-	**(0.57)**	**(0.57)**
LIABILITIES		**13,437.02**	**0.08**	**13,437.10**
Non-Current Liabilities				
(a) Financial liabilities				
i) Borrowings		64.65	-	64.65
(b) Provisions		48.13	-	48.13
(c) Other non current liabilities		**9.00**	**-**	**9.00**
		121.78	**-**	**121.78**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings		9.81	-	9.81
(ii) Trade payables		1,397.12	-	1,397.12
(iii) Other financial liabilities		459.08	(5.03)	454.06
(b) Other current liabilities	3, 4	99.95	-	99.95
(c) Provisions		5.31	-	5.31
		1,971.27	**(5.03)**	**1,966.25**
Total Equity and Liabilities		**15,530.08**	**(4.95)**	**15,525.13**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

(iii) Reconciliation of total comprehensive income for the year ended 31 March, 2017

(₹ in lakhs)

Particulars	Notes	Previous GAAP*	Ind AS Adjustments	Ind AS
Income				
I Revenue from operations	9	10,547.85	(42.07)	10,505.78
II Other Income	5, 7, 11, 12	195.76	(152.75)	43.01
III Total Income (I +II)		**10,743.61**	**(194.82)**	**10,549.39**
IV Expenses				
Cost of materials consumed	11, 12	6,218.10	(105.96)	6,112.14
Purchase of stock-in-trade		33.30	-	33.30
Changes in inventories of finished goods, work in progress and stock-in-trade	11	601.61	(50.12)	551.48
Emloyee benefit expense	10	860.56	5.41	865.97
Finance cost	3,4	49.59	12.21	61.80
Depreciation and amortisation expense	4	636.34	(0.22)	636.12
Other expense	5,8, 9	1,826.99	(53.28)	1,773.71
Total expenses		**10,227.09**	**(191.97)**	**10,033.92**
V Profit/ (loss) before exceptional items and tax (III-IV)		**516.52**	**(2.85)**	**515.47**
VI Exceptional items		(0.59)	-	(0.59)
VII Profit/ (loss) before tax (V-VI)		**515.93**	**(2.85)**	**514.28**
VIII Tax expense				
a) Current tax		5.28	-	5.28
b) Deferred tax		(1,684.87)	(0.32)	(1,685.19)
IX Profit/ (loss) for the period from continuing operations		2,195.52	(2.53)	2,194.20
X Profit/ (loss) from discontinued operations		-	-	-
XI Tax expense of discontinued operations		-	-	-
XII Profit/ (loss) from discontinuing operations (after tax) (X-XI)		-	-	-
XIII Profit/ (loss) for the period (IX+XII)		2,195.52	(2.53)	2,194.20
XIV Other comprehensive income				
- Items that will not be reclassified to profit or loss				
Re-measurement gains/(losses) on defined benefit plans	10	-	5.41	5.41
Income tax relating to items that will not be reclassified to profit or loss		-	(1.67)	(1.67)
XV Total comprehensive income for the period (XIII+XIV)		2,195.52	1.21	2,197.93
(Profit/ loss + other comprehensive income)				
Net profit attributable to:				
- Owners of the Company		-	2,193.68	2,193.68
- Non-controlling interest		-	(0.08)	(0.08)
Other Comprehensive Income attributable to:				
- Owners of the Company		-	3.74	3.74
- Non-controlling interest		-	-	-
Total Comprehensive Income attributable to:				
- Owners of the Company		-	2,197.42	2,197.42
- Non-controlling interest	14	-	-	-
Other Comprehensive Income: Items that will not be re-classified to Profit or Loss Remeasurement gains (loses) on defined benefit plans Income tax relating to items that will not be re-classified to Profit or Loss				

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

iv. Reconciliation of total equity as at 31 March, 2017 and 01 April, 2016 (₹ in lakhs)

Particulars	Notes	Year ended 31 March, 2018	Year ended 31 March, 2017
Total equity(shareholder's fund) as per previous GAAP		**13,437.02**	**10,058.60**
Adjustments			
Amortisation of deferred payment liabilities	3,13	10.14	10.14
Impact of fair valuation of investments in mutual funds	7	3.30	-
Impact of security deposit	5	(0.03)	-
Impact of financial liability	3,4	(11.99)	-
Tax on above adjustments	6	(1.35)	-
Total Adjustments		**0.08**	**10.14**
		13,437.10	**10,068.74**
Non-controlling interest	14	0.57	0.49
		13,437.07	**10,068.63**

v. Reconciliation of total comprehensive income for the year ended 31 March, 2017 (₹ in lakhs)

Particulars	Year ended 31 March, 2017
Profit after tax as reported under IGAAP	2,196.11
Adjustments on Account of :	
Measurement of Financial liabilities at Amortised Cost	(12.21)
Measurement of Financial Asset at Fair Value	3.30
Share issue expenses adjusted with reserve	11.27
Actuarial (Gain) / Loss on Defined benefit plan transferred to OCI	(5.41)
Reversal of Depreciation pertaining to Ind AS adjustment	0.23
Deferred Tax asset charge	0.32
Amortisation of Deferred rent and Security deposit	(0.03)
Profit after tax as reported under Ind AS	2,193.59
Other Comprehensive Income	5.41
Income tax relating to items that will not be reclassified to profit or loss	(1.67)
Total Comprehensive Income as reported under Ind AS	2,197.32

vi. Impact of Ind AS adoption on cash flows for the year ended 31 March, 2017 (₹ in lakhs)

Particulars	Notes	Previous GAAP	Adjustments Adjustments	Ind AS
Net cash flow from Operating activities		(633.35)	(240.29)	(393.06)
Net cash flow from Investing activities		**(133.05)**	**202.69**	**(335.74)**
Net cash flow from Financing activities		1,064.86	53.51	1,011.35
Net increase/ (decrease) in cash and cash equivalents	14	298.46	15.91	282.55
Cash and cash equivalents as at 1st April 2016		288.18	19.25	268.93
Cash and cash equivalents as at 31st March 2017		586.63	35.15	551.48

Notes to reconciliation on first time adoption

Note 1. The Group has elected to take the exemption of para D7AA, Appendix C of Ind-AS 101 for all items of Property, Plant and Equipment, and Intangible Assets as at the date of transition to Ind AS. Hence, as at the date of transition to Ind AS there is no change in the carrying values under previous GAAP .

Note 2 Under pevious GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled previous GAAP profit to total comprehensive income as per Ind AS.

Note 3 Under previous GAAP, non-current liabilities are recognised on undiscounted basis. Ind AS requires such liabilities to be recognised initially at fair value and then to be carried at amortised cost. The discounted value of the liabilty is increased over the period of term by recognising the notional interest expense under 'finance cost'.

(₹ in lakhs)

Effect to Balance Sheet	31 March, 2017	01 April, 2016
Increase/(decrease) in other current financial liabilites	(2.64)	(7.50)
Increase/(decrease) in other Non current financial liabilites	-	(2.64)
Increase/(decrease) in retained earning	10.14	10.14

Effect to Statement of Profit and Loss	31 March, 2017
Increase in notional interest income/(expense)	(7.50)

Note 4 Under previous GAAP, the Group recognises settlement liabilty on undiscounted basis. Under Ind AS, financial liabilty is to be recognised at fair value and carried at amortised cost. D1Accordingly the difference between settlement amount and its fair value is adjusted through the asset recognised and subsequently, Notional Interest charged to Statement of Profit & Loss as finance cost over the term. The impact on depreciation is also considered.

(₹ in lakhs)

Effect to Balance Sheet	31 March, 2017	01 April, 2016
Increase/(decrease) in Property, Plant and Equipment	(7)	-
Increase/(decrease) in other current financial liabilites	(2)	-

Effect to Statement of Profit and Loss	
Increase in notional interest income/(expense)	(5)
Increase/ (decrease) in depreciation	(0)

Note 5 : Under previous GAAP, the interest free security deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has to be amortised over respective lease term as rent expense under 'other expenses'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income under 'other income'.

(₹ in lakhs)

Effect to Balance Sheet	31 March, 2017	01 April, 2016
Increase/(decrease) in Non-current financial assets- Loans	(14.50)	-
Increase/(decrease) in other Non-current assets	12.86	-
Increase/ (decrease) in other current assets	1.61	-

Effect to Statement of Profit and Loss	
Increase in notional interest income/(expense)	0.03
Increase in notional rent income/(expense)	(0.06)

Note 6 The changes in the deferred tax assets are on account of adjustments made on transition to Ind AS.

(₹ in lakhs)

Effect to Balance Sheet	31 March, 2017	01 April, 2016
Increase/(decrease) in Deffered Tax Asset	(1.35)	-

Note 7 Investment in mutual funds have been fair valued in accordance with Ind AS 109.Under previous GAAP these investments were carried at cost net of diminution in their value as at the Balance Sheet date. Accordingly,fair value changes are recognised in the statement of profit and loss for the year ended on 31 March, 2017.

(₹ in lakhs)

Effect to Balance Sheet	31 March, 2017	01 April, 2016
Increase/(decrease) in current investments	3.30	-
Effect to Statement of Profit and Loss		
Increase in other income/(other expense)	3.30	-

Note 8 Under previous GAAP, the Company has recognised share issue expenses in profit and loss. Ind AS requires the transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

(₹ in lakhs)

Effect to Statement of Profit and Loss	
Decrease in other expenses	11.27

Note 9 Under the previous GAAP the net effect of periodical cost reconciliation with customer were grouped under other expenses/income, however, under Ind AS 18 "Revenue, these expenses are netted off against sale of goods.

(₹ in lakhs)

Effect to Statement of Profit and Loss	31 March, 2017
Decrease in revenue from operation	42.07
Decrease in other expenses	42.07

Note 10 : Both under previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS 19, Actuarial gains and losses pertaining to defined benefit obligations and re-measurement pertaining to return on plan assets are recognised in Other Comprehensive Income and are not reclassified to profit or loss. Thus the employee benefit cost is reduced by ₹ 5.41 Lakh and Remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

Note 11 : Under previous GAAP, written down of inventories to net relisable value as well as the reversal of such write down disclosed as expense or income respectively. Ind AS 2 "Inventories", the amount of any reversal of any write-down of inventories, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which reversal occurs.

(₹ in lakhs)

Effect to Statement of Profit and Loss	31 March, 2017
Decrease in other income	140.84
Decrease in change in inventories of finished goods, stock in trade and work in progress	50.12
Decrease in cost of raw material consumed	90.72

Under previous GAAP, discount received from supplier is disclosed as Other Income. Ind AS requires that all rebates and discounts, including prompt settlement discount, should be deducted from the cost of inventories.

(₹ in lakhs)

Effect to Statement of Profit and Loss	31 March, 2017
Decrease in other income	15.25
Decrease in cost of raw material consumed	15.25

Note 13: The Group had taken a loan from Banks which had been waived off during the year 2015. The Company had shown the effect of waiver of loan in Capital Reserve. Under Ind AS, the same as has been reclassified under Retained earnings as an adjustment entry amounting to ₹ 3082.89 lakh.

Note 14 : Group has attributed the profit or loss and each component of other comprehensive income to the owners of the Company and to the non- controlling interest. This has been attributed even if this results in the non- controlling interest having a deficit balance. Consequently, the Group has recognised non- controlling interest amounting to ₹0.49 lakh as at April 1, 2016 and ₹0.57 lakh as at March 31, 2017.

Note 15 : The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

FORM AOC1

Persuant to first provisio to sub-section (3) of 129 read with rule 5 of companies (Accounts) Rules, 2014

Statement Containing salient feature of the Financial Statement of Subsdiaries
PART "A" : Subsidiaries

(₹ in Lakhs)

Name Of Subsidiary	JHS SVENDGAARD BRANDS LIMITED	JHS SVENDGAARD MECHNANICAL AND WAREHOUSE PRIVATE LIMITED
	Indian Subsidiary	Indian Subsidiary
Reporting Currency	INR	INR
Share Capital	4,099,050.00	100,000.00
Reserve and Surplus	(24,833,228.00)	(3,635,898.00)
Total Assets	33,041,062.00	128,262,356.00
Total Liabilities	53,775,240.00	131,798,253.00
Investments	-	-
Turnover	84,526,131.00	-
Profit Before Taxation	(26,211,275.00)	(51,400.00)
Provision For Taxation	(6,649,011.00)	-
Profit After Taxation	(19,562,264.00)	(51,400.00)
Proposed Dividend	-	-
% of Shareholding	95.12%	99.99%

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

Nikhil Nanda
Managing Director
DIN : 00051501

Vanamali Polavaram
Chairman
DIN : 01292305

Sanjeev Kumar Singh
Company Secretary

Ajay Kumar Bansal
Chief Financial Officer

NOTICE

To
The Members,

NOTICE is hereby given that the Fourteenth (14th) Annual General Meeting of the Members of **JHS SVENDGAARD LABORATORIES LIMITED** will be held on Tuesday, 11th September, 2018 at 01:.00 P.M. at the Registered Office of the Company at Trilokpur Road, Kheri (Kala-Amb),Tehsil-Nahan, District: Sirmaur, Himachal Pradesh - 173030 to transact the following business:-

ORDINARY BUSINESS:

1. To consider and adopt the Audited IND AS Financial Statements of the Company (including the consolidated financial statements) of the company for the financial year ended on 31st March, 2018 together with the reports of Directors' & Auditors' thereon .

2. To appoint a Director in place of Mr. Vanamali Polavaram (DIN: 01292305) who retires by rotation and being eligible offers himself for re-appointment.

3. To ratify the appointment of M/s S. N. Dhawan & Co. LLP (F.R.N.: 000050N/N500045) as the statutory auditors of the Company and to fix their remuneration by passing the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139,142 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and other applicable Provisions of the Act and Rules, if any, framed thereunder, as amended from time to time, pursuant to the recommendation of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 01st September, 2015, the appointment of M/s S. N. Dhawan & Co. LLP, Chartered Accountants (Firm Registration No. 000050N/N500045), as the statutory auditors of the company to hold the office till the conclusion of the next Annual General Meeting be and is hereby ratified and that the board of directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2019 as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed between the auditors and the Board of Directors."

SPECIAL BUSINESS:

4. Appointment of Mrs. Rohina Sanjay Sangtani (DIN: 07520124), as an Independent Director of the Company.

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

   "RESOLVED THAT consent of the members of the Company be and is hereby accorded pursuant to the provisions of Section 149, 150, 152 read with Schedule IV along with Companies (Appointment & Qualification of Directors) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mrs. Rohina Sanjay Sangtani (DIN: 07520124), be and is hereby appointed as an Independent Woman Director of the Company for a period of five (05) years from the date of this meeting not liable to be retired by rotation."

By order of the Board
For JHS Svendgaard Laboratories Limited

Sd/-
Sanjeev K Singh
(Company Secretary)
FCS: 6295

Place: New Delhi
Date: 14th August, 2018

NOTES:-

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the special businesses to be transacted at the Annual General Meeting is annexed hereto.

2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself/herself and the proxy need not be a member of the Company. A blank form of proxy is enclosed herewith and, if intended to be used, it should be returned duly completed at the registered office of the company not less than forty eight hours before the scheduled time of the commencement of AGM.

3. PURSUANT TO THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013, A PERSON CAN ACT AS PROXY ON BEHALF OF NOT MORE THAN FIFTY MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT SHARE CAPITAL OF THE COMPANY. MEMBERS HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY, WHO SHALL NOT ACT AS A PROXY FOR ANY OTHER MEMBER. THE INSTRUMENT APPOINTING A PROXY AS PER THE FORMAT IN THE ANNUAL REPORT SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF COMPANIES, SOCIETIES, PARTNERSHIP FIRM, ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE, ISSUED BY THE MEMBER OF ORGANIZATION.

4. EVERY MEMBER ENTITLED TO VOTE AT THE MEETING, OR ON ANY RESOLUTION TO BE MOVED THEREAT, SHALL BE ENTITLED DURING THE PERIOD BEGINNING 24 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING AND ENDING WITH THE CONCLUSION OF THE MEETING, TO INSPECT THE PROXIES LODGED, AT ANY TIME DURING THE BUSINESS HOURS OF THE COMPANY, PROVIDED THAT NOT LESS THAN THREE DAYS NOTICE IN WRITING OF THE INTENTION SO TO INSPECT IS GIVEN TO THE COMPANY.

5. Members/Proxies/Authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.

6. Register of directors and KMPs and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under section 189 of the act, will be available for inspection by the members at the AGM.

7. The Register of Members and Share Transfer Register of the Company shall remain closed from Wednesday, 05th September , 2018 to Tuesday, 11th September , 2018 (both days inclusive).

8. A. Members holding shares in physical form are requested to notify/send the following to the Registrar & Transfer Agent (RTA) of the Company Alankit Assignments Ltd., having its Office at Alankit Heights, 1E/13 Jhandewalan Extension, New Delhi - 110055, India:

   i) their email id, in case the same have not been sent earlier, for the purpose of receiving the communication electronically,
   ii) any change in their address/e-mail id/ECS mandate/ bank details,
   iii) share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account.

9. The Annual Report 2017-18 along with Notice of the AGM, ,the Attendance slip and Proxy form is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice is being sent by the permitted mode.

10. Members may also note that the Annual Report 2017-18 along with Notice of the AGM, ,the Attendance slip and Proxy form will be available on the Company's website, www.svendgaard.com. The Annual Report 2017-18 will also be available at the Company's registered office for inspection during normal business hours on working days. Members may write to us at cs@svendgaard.com if they have any queries or require communication in physical form in addition to electronic communication.

11. Shareholders/Proxies are requested to produce at the Registration Counter(s) the attendance slip sent along with the Annual Report 2017-18, duly completed and signed, for admission to the meeting hall.

12. However, in case of non-receipt of attendance slip, members may download the same from Company`s website www.svendgaard.com or write to the Company at its Registered Office for issuing the duplicate attendance slip.

13. In case you have any query relating to the enclosed Annual Accounts you are requested to send the same to the Company Secretary at the Registered Office of the Company at least 10 days before the date of AGM so as to enable the Management to keep the information ready for replying at the meeting.

14. All dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, are required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, till date the Company has transferred to IEPF the unclaimed and unpaid amount pertaining to dividends declared up to the financial year 2010-11.. Members who have not yet encashed their dividend warrants for the financial year 2010-11 onwards are requested to make their claims to the Company immediately. Members may please note that no claim shall lie against the Company in respect of dividend which remain unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account and no payment shall be made in respect of such claims.

    Also, in terms of Section 124(6) of the Act, read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more are required to be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Accordingly, equity shares which were/ are due to be so transferred, shall be transferred by the Company to the Demat Account of IEPFA. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to the Demat Account of IEPFA and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholder from IEPFA by following the procedure prescribed under the aforesaid rules. 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.

15. As a measure of economy, copies of Annual Report will not be distributed at the venue of the AGM. Members are, therefore, requested to bring their own copies of the Annual Report to the meeting.

16. In case of joint holders attending the meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.

17. As required under Listing Regulations and Secretarial Standards-2 on General Meetings, details in respect of Directors seeking re-appointment/continuation of appointment at the AGM, is separately annexed hereto as `Annexure 1`. Directors seeking re-appointment/ continuation of appointment have furnished requisite declarations under Section 164(2) and other applicable provisions of the Act, including rules framed thereunder.

18. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit to the RTA of the Company the prescribed Form SH.13 for nomination and Form SH.14 for cancellation/ variation, as the case may be. Members holding shares in demat mode may contact their respective Depository Participant for availing this facility.

19. We urge members to support our commitment to environmental protection by choosing to receive their shareholding communication through e-mail. You can do this by updating your email addresses with your depository participants.

20. The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.

21. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN detail to depository participant(s). Members holding shares in physical form are required to submit their PAN details to Registrar and Share Transfer Agents.

22. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment/re-appointment at the AGM, forms part of the Notice.

23. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.

24. Voting through electronic means

    I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 08th September, 2018 (09:00 am) and ends on 10th September, 2018 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 04th September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

Step 1: Log –in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Caste your vote electronically on NSDL e-voting system.

Detail on Step 1 is mentioned below:

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 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password 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. Your password details 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 enter the 'initial password' and the system will force you to change your password.

a) 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'.

c) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

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.

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.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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 Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 04th September, 2018.

VII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 04th September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or cs@svendgaard.com/ rta@alankit.com.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

VIII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

X. Mr. Mohit Dahiya (Membership No.-F9540, COP: 11722) of M/s. Mohit & Associates, Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XI. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.svendgaard.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.svendgaard.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.

Annexure 1

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. Vanamali Polavaram	Mrs. Rohina Sanjay Sangtani
Date of Birth	24th September, 1946	29th September, 1965
Brief Resume	Mr. P. Vanamali, aged 66 years, being the Non -Executive Director of the Company, is retired from reputed Indian Administrative Services. He is post graduated in English and Political Science (M.A.), and Business Administration (MBA). He served on the senior most position with the State Government of West Bengal and Government of India in various positions. He has been elevated as Resident Commissioner of the Government of West Bengal. He is having over 30 years administrative experience to his credit.	Mrs. Rohina Sanjay Sangtani, aged about 52 years, has been associated as a consultant for Lazard India Pvt. Ltd. and has an experience of around 4 years in the field of HR consultancy. She is graduated in Psychology. She remained associated with Sanskaar Ventures Pvt. Ltd. as Director from the year 2016 and currently holding the position of director with Virtual Yoga online portal for yoga in US and Canada. She is sole proprietor of Global Synergy, Mumbai based company, engaged onto providing designer outfits on order.
Date of Appointment	02nd February, 2007	21st November, 2017
Qualifications	IAS,MA (English),MA (Political Science), MBA	B.A. (Psychology)
Expertise in specific Functional Area	General Administration and Public Relations	Sales & Marketing
Directorship held in other public Companies	1.GTFS Multi Services Limited 2.ABIRA Securities Limited 3.ABIRA Commotrade Limited	1. Sanskaar Ventures Private Limited
Membership/chairmanship of other public companies	Nil	Nil
Shareholding in the Company	Nil	Nil
Relationship with other Directors and KMPs of the Company	Nil	Nil

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Pursuant to the provision of Section 149, 152, 160 of the Companies Act, 2013 read with 2013 Schedule IV and Rule 3 and Rule 13 of the Companies (Appointment and Qualification of Directors) Rules 2014, Mrs. Rohina Sanjay Sangtani was inducted to the Board as additional Director of the Company to the vacancy caused on account of the resignation of Mr. Manisha Lath Gupta, on 21st November 2017. Her office of Directorship will cease upon the conclusion of the ensuing Annual General Meeting of the Company. Mrs. Sangtani has shown her willingness to continue with the office of Independent Women Director of the Company and provided her consent to the company in this respect proposing his candidature for the office of said directorship along with the deposit of rupees one lakh (Rs.100,000/-). The appointment of Mrs. Rohina Sanjay Sangtani shall not be subject to retirement by rotation and be for a term of five (5) consecutive years with effect from 11th September, 2018 to 10th September, 2023.

Further, the Company has received a declaration from Mrs. Rohina Sanjay Sangtani that she meets the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has further confirmed that she is not disqualified from being appointed as Director under section 164 of the said Act. The Board of Directors are of the opinion that Mrs. Rohina Sanjay Sangtani is a person of integrity and possess relevant expertise and experience and is eligible and fulfills the conditions specified by the Companies Act, 2013 for the position of an Independent Women Director. The Board considers that her association as Director will be beneficial to and in the interest of the Company.

A copy of respective draft letters of appointment of Mrs. Rohina Sanjay Sangtani as Independent Director setting out the terms and conditions are available for inspection at the Registered Office of the Company during business working hours.

The Board of directors recommends the special resolutions for your approval. The said independent director is not related to any of the directors or key managerial personnel (including relatives of directors or key managerial personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors and key managerial personnel of the Company (including relatives of directors or key managerial personnel) other than the respective Independent Director herself, is concerned or interested, financially or otherwise, in these resolutions

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

Date : 14th August, 2018
Place: New Delhi

Sd/-
Sanjeev K Singh
Company Secretary
FCS: 6295

JHS SVENDGAARD LABORATORIES LIMITED

CIN: L24230HP2004PLC027558
Regd. Office : Trilokpur Road, Kheri (Kala-Amb),Tehsil-Nahan,Distt. Sirmour, Himachal Pradesh–173030
Tel: +91-1702-302100, Fax: +91-1702-238831
Website : www.svendgaard.com, E-Mail : enquiry@svendgaard.com,cs@svendgaard.com

PROXY FORM

Name of the Member(s)		Email Id	
Address		Folio No./*Client Id: *DP Id:	

I / We, being the holder(s) of .... shares of JHS Svendgaard Laboratories Limited, hereby appoint:

1) .... of .... having
mail id .... or failing him

2) .... of .... having
mail id .... or failing him

3) .... of .... having
mail id .... or failing him

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14th Annual General Meeting of the Company to be held on Tuesday, September 11, 2018 at Trilokpur Road, Kheri (Kala-Amb),Tehsil-Nahan,Distt. Sirmour, Himachal Pradesh, at 01:00 P.M.and at any adjournment thereof in respect of such resolutions as are indicated below:

**I wish my above proxy to vote in the manner as indicated in the box below

Resolution No.	**Resolutions**	**Optional**	
Ordinary Business		**For**	**Against**
1	To consider and adopt the Audited IND AS Financial Statements of the Company (including the consolidated financial statements) of the company for the financial year ended on 31st March, 2018 together with the reports of Directors' & Auditors' thereon.		
2	To appoint a Director in place of Mr. Vanamali Polavaram (DIN: 01292305) who retires by rotation and being eligible offers himself for re-appointment.		
3	To ratify the appointment of M/s S. N. Dhawan & Co. LLP (F R N: 000050N/ N500045) as the statutory auditors of the Company and to fix their remuneration.		
Special Business			
4	To appoint Mrs. Rohina Sanjay Sangtani (DIN: 07520124), as an Independent Director of the Company.		

*Applicable for investors holding shares in electronic form.

Signed this .... day of ...., 2018

Affix Revenue stamp here

Signature of the member   Signature of the Proxy Holder(s)

NOTE:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. **This is only optional. Please put a 'X' in the appropriate column against the Resolution indicated in the Box If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

JHS SVENDGAARD LABORATORIES LIMITED

CIN: L24230HP2004PLC027558
Regd. Office : Trilokpur Road, Kheri (Kala-Amb),Tehsil-Nahan,Distt. Sirmour, Himachal Pradesh–173030
Tel: +91-1702-302100, Fax: +91-1702-238831
Website : www.svendgaard.com, E-Mail : enquiry@svendgaard.com,cs@svendgaard.com

ATTENDANCE SLIP

(PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

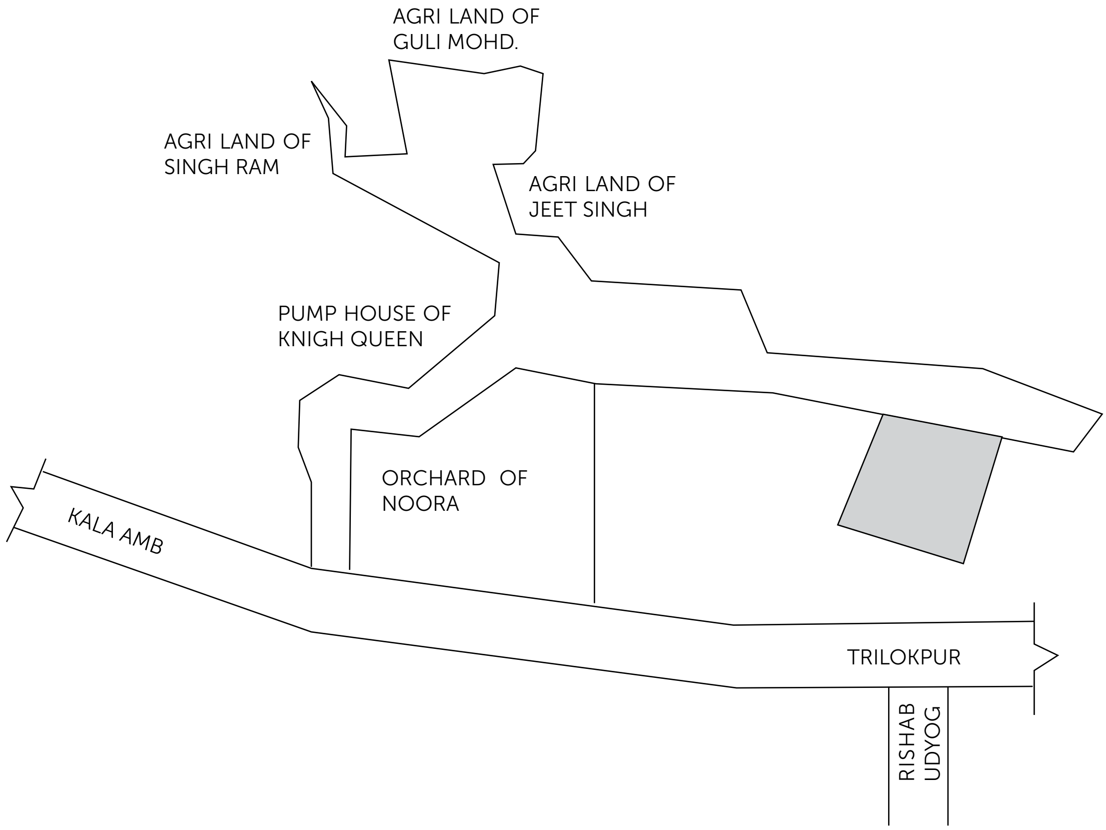
Name of the attending Member (In Block Letters)	
Member's Folio Number/Client ID & DP ID	
No. of shares held	
Name of Proxy (in Block Letters) to be filled in if the Proxy attends instead of the Member)	

I hereby record my presence at the 14TH Annual General Meeting of the Company at Trilokpur Road, Kheri (Kala-Amb),Tehsil-Nahan, Distt. Sirmour, Himachal Pradesh on Tuesday, September 11, 2018 at 01:00 P.M. and any adjournment thereof.

*To be signed at the time of handing over the slip

*Member's/Proxy's Signature

ROUTE MAP



AGRI LAND OF
GULI MOHD.
AGRI LAND OF
SINGH RAM
AGRI LAND OF
JEET SINGH
PUMP HOUSE OF
KNIGH QUEEN
ORCHARD OF
NOORA
KALA AMB
TRILOKPUR
RISHAB
UDYOG

CAUTIONARY STATEMENTS

In this Annual Report, we have disclosed forward-looking information to enable investors to fully appreciate our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set our anticipated results based on management plans and assumptions. We have tried, where possible, to identify such statements by using words such as 'anticipate', 'expect', 'project', 'intend', 'plan', 'believe', and words of similar substance in connection with any discussion of future performance.

We cannot, of course, guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. Achievement of results is subject to risks, uncertainties, and potentially inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

Registered office:
Trilokpur Road,
Kheri (Kala-Amb),
Tehsil-Nahan,
District- Sirmour,
Himachal Pradesh -173030

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