

September 05, 2023

To

**The Listing Department
BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400001
Scrip Code: 532771**

**The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Mumbai – 400 051
Trading Symbol: JHS**

Sub: Notice of 13th Annual General Meeting of the Company and Integrated Annual Report for the financial year 2022-23

Dear Sir,

This is to inform you that the 19th Annual General Meeting ('AGM') of the Members of JHS Svendgaard Laboratories Limited is scheduled to be held on **Thursday, 28th September 2023 at 02:00 P.M. (IST)** through two-way Video Conferencing ('VC') facility / Other Audio Visual Means ('OAVM') in compliance with General Circulars dated 8th April 2020, 13th April 2020, 5th May 2020, 28th September 2020, 31st December 2020 and 13th January 2021 issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as 'MCA Circulars') and SEBI Circular dated 12th May 2020 and 15th January 2021 ('SEBI Circulars') permitted the holding of the AGM through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the above and the relevant provisions of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

In pursuance of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), 2015 we are enclosing herewith the following:

1. Notice convening 19th Annual General Meeting of the Company ("Notice")
2. Integrated Annual Report of the Company for the financial year ended March 31, 2023 ("Annual Report")

In accordance with the aforesaid circulars, the Notice and the Annual Report is being sent through electronic mode only to all the members of the Company whose e-mail addresses are registered with the Company / Depositories/Depository Participant(s).



CIN : L74110HP2004LC027558

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India and Regulation 44 of the Listing Regulations, as amended and the MCA Circulars, the Company is providing the facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM and for this purpose, it has appointed NSDL to facilitate voting through electronic means. Accordingly, the facility of casting votes by a Member using remote e-Voting system before the AGM as well as remote e-Voting during the AGM will be provided by NSDL. The remote e-Voting facility would be available during the following period:

Brief details of AGM are as follows-

Date of AGM	28/09/2023
AGM Start Time	02:00 P.M.
Cut-off date for e-voting	21/09/2023
Remote e-Voting Start Date	25/09/2023
Remote e-Voting Start Time	09:00 A.M.
Remote e-Voting End Date	27/09/2023
Remote e-Voting End Time	5:00 P.M.

This is for your information and records.

Thanking you,

Yours faithfully,

For JHS Svendgaard Laboratories Limited

KOMAL JHA
Digitally signed by
KOMAL JHA
Date: 2023.09.06 00:21:20
+05'30'

Komal Jha

Company Secretary & Compliance Officer

NOTICE OF 19th ANNUAL GENERAL MEETING

To

The Members,

NOTICE is hereby given to the members of **JHS SVENDGAARD LABORATORIES LIMITED** that the 19th Annual General Meeting (“AGM”) of the Company will be held through Video Conferencing (“VC”) / Other Audio Visual Means (OAVM) on Thursday, 28th September, 2023 at 02:00 P.M IST, to transact the following business:

ORDINARY BUSINESSES:

1. **Consideration and Adoption of the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2023 together with the reports of the board of directors and auditors’ thereon**

To consider, and if thought fit, to pass the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** the audited standalone and consolidated financial statements of the Company comprising of the balance sheet as at March 31, 2023, the statement of profit and loss, cash flow statement and statement of equity, for the financial year ended on March 31, 2023, together with the notes thereto, report of the board of directors and auditors’ report thereon, as circulated to the members and laid before the meeting, be and are hereby considered and adopted.”

2. **Re-appointment of Mr. Vinay Mittal (DIN: 08232559), as a Director liable to retire by rotation**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vinay Mittal (DIN: 08232559), Non-Executive Director, who retires by rotation at this Annual General Meeting and being eligible for such re-appointment, be and is hereby re-appointed as Non-Executive Director, liable to retire by rotation.”

SPECIAL BUSINESSES:

ITEM NO. 3

Approval for Material Related Party Transactions between the Company and JHS Svendgaard Mechanical and Warehouse Private Limited, Subsidiary Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), including any amendment, modification, variation or re-enactment thereof and upon the recommendation/ approval of Audit Committee/ Board of Directors, the approval of members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘Board’ which term shall be deemed to include the Audit Committee and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) for entering into/ ratifying and/ or carrying out, contract(s) or agreement(s) or arrangement(s) or transaction(s) (whether individual transaction or transactions taken together or series of transactions or otherwise) with JHS Svendgaard Mechanical and Warehouse Private Limited, Subsidiary Company and a related party, as specified in the explanatory statement, whether by way of entering into new contract(s) / agreement(s) / arrangement(s) / transaction(s) or renewal(s) or continuation or extension(s) or modification(s) of earlier contract(s) /agreement(s) / arrangement(s)/ transaction(s) or otherwise on such terms and conditions as the Board may deem fit, for a period of one financial year i.e. from 2023-24, in excess of ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions powers herein conferred to, without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company or to any other person to do all such acts, deeds, matters and things as may be considered necessary or expedient and also to execute such documents, writings etc. as may be necessary to give effect to this resolution.”

ITEM NO. 4:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT Mrs. Upma Chawdhry (DIN: 02333321), who was appointed as an Additional Director of the Company with effect from August 14, 2023, by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee and who holds office as such up to this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (“the Act”)

and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Director of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Rules framed thereunder, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the LODR Regulations”) [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mrs. Upma Chawdhry (DIN: 02333321), who has submitted a declaration to the effect that she meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the LODR Regulations, and who is eligible for appointment, as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years from the original date of appointment i.e. August 14, 2023 upto August 13, 2028 and that she shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board or any duly constituted Committee of the Board, be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution.”

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

Sd/-

**Komal Jha
Company Secretary & Compliance Officer**

Date: August 14, 2023

Place: New Delhi

**Registered Office:
Trilokpur Road kala Amb
Distt Sirmaur Himachal Pradesh-173030
Email- cs@svendgaard.com
Website: www.svendgaard.com
CIN: L74110HP2004PLC027558**

NOTES:-

1. Pursuant to the General Circulars No.14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020, No.20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 2/2022 dated May 5, 2022 and No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') and Securities and Exchange Board of India (SEBI), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 (SEBI Circulars), physical attendance of the Members to the AGM venue is not required and this Annual General Meeting (AGM) is to be held through video conferencing (VC).

In compliance with the applicable provisions of the Companies Act, 2013 (the Act), the Listing Regulations and above referred Circulars, the 19th AGM of the Company is being held through VC/OAVM on Thursday, 28th September 2023.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the aforesaid MCA Circulars through VC mode, the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent by email through its registered email address to llpbcs@gmail.com with a copy marked to evoting@nsdl.co.in.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Information regarding particulars of the Director seeking re-appointment in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is annexed hereto as **Annexure "A"**.
6. The Notice of AGM is being sent to those members/beneficial owners whose name appear in the register of members/list of beneficiaries received from the depositories as on Friday, 25th August, 2023.
7. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participant (DP)/Company's Registrar and Transfer Agent (RTA). Members may note that the Notice of AGM and Annual Report 2022-23 will also be available on the Company's website at www.svendgaard.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of National Securities Depository Limited (NSDL) at <https://www.evoting.nsdl.com>. Also, a member is entitled to receive the hard copy of the same Via. writing us at cs@svendgaard.com.
8. Members are requested to update their KYC in their folio(s), register their email addresses, and bank account details for receipt of dividend etc. or may intimate any changes if required. The process of registering/changing the same is mentioned below:

In case, Physical Holding	Register/update the details in prescribed Form ISR-1 and other relevant forms with Company's Share Transfer Agent i.e. Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055 (Phone No. 011-42541955; Email: rta@alankit.com). The said forms and relevant provisions of SEBI circular (circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, as amended) are available on the Company's website at the link www.svendgaard.com. In the absence of any of the required documents in a folio, on or after October 1, 2023, the folio shall be frozen by the RTA. Intimation letters along with Business Reply Envelopes for furnishing the required details are being sent by the Company.
In case, Demat Holding	Please contact your DP and register email address and bank account details in your demat account, as per the process advised by your DP.

Members, who are holding shares in physical/electronic form and their e-mail addresses are not registered with the Company/their respective Depository Participants, are requested to register their e-mail addresses at the earliest for receiving the investor communications including Annual Report 2022-23 along with AGM Notice, by following the process referred above.

For temporary registration of email for the purpose of receiving of AGM Notice along with annual report for 2022-23, members may write to cs@svendgaard.com.

9. The Members can join the AGM in the VC 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
10. The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

12. Members who wish to claim Dividends, which remain unclaimed, are requested to contact Secretarial Department of the Company/Company's RTA.
13. 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.
14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or staying abroad or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for a long period. The statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified periodically.
15. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and other documents referred to in the Notice will be available electronically for inspection via a secured platform without any fee by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs@svendgaard.com.
16. The Board of directors of the Company has appointed Mr. Mohit Dahiya, Partner of M/s Dahiya & Associates, New Delhi as scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.
17. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall within 2 working days from the conclusion of the AGM shall submit a consolidated Scrutinizer's report of the total votes cast in favor of or against, if any, to the Chairman or any other person authorized by the Chairman, who shall countersign the same and declare the result of the voting forthwith.
18. The results along with Scrutinizer's Report, shall be displayed at the Registered Office and Corporate office of the Company and placed on the Company's website at www.svendgaard.com and the website of NSDL immediately after the result is declared. The results shall be simultaneously communicated to the Stock Exchanges where the securities of the Company are listed. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.
19. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by

a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

The remote e-voting period begins on Monday, 25th September, 2023 at 09:00 A.M. and ends on Wednesday, 27th September, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 21st September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, 21st September, 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/

	either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store   Google Play 
Individual Shareholders holding securities in demat mode with CDSL	- Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. - After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. - If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration - Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices

after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to llpbcs@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five

unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members who need assistance before or during the AGM and e-voting user manual for Members available on the website www.evoting.nsdl.com under the ‘Downloads Section’. You can also contact NSDL on toll free number 1800-1020-990 and 1800 22 44 30 or Ms. Sarita Mote, Assistant Manager, NSDL, at designated e-mail IDs: evoting@nsdl.co.in , who will address the grievances related to electronic voting.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@svendgaard.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@svendgaard.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
5. Members who would like to express their views or ask questions with respect to the agenda items of the meeting will be required to register themselves as speaker by sending e-mail at cs@svendgaard.com from their registered e-mail address, mentioning their name, DP ID & Client ID / folio number and mobile number. Only those Members who have registered themselves as speaker on or before September 20, 2023 will be able to speak at the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time, for smooth conduct of the AGM.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item 3

The members of the Company are hereby apprised that the Securities and Exchange Board of India (‘SEBI’), vide its notification dated November 09, 2021, has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’). As per the new threshold, all related party transactions in excess of Rs. 1000 crores (Rupees One thousand crores) or 10% (ten per cent) of the

annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity shall be deemed to be Material Related Party Transaction and shall require prior approval of members of a listed entity.

Such approval shall be required even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis.

It is also informed to the members that JHS Svendgaard Laboratories Limited is into the business of manufacturing and selling of Oral Care products, namely Toothbrushes, Toothpaste and Mouthwash for leading Oral Care brands in India and in the international market and has been in the business since 1997 and is listed on the National Stock Exchange and Bombay Stock Exchange of India since 2006. The state-of-the-art manufacturing units are located out of Trilokpur Road, Kheri -Kala-Amb, Dist. Sirmaur, Tehsil Nahan, Himachal Pradesh, India. The company has also been awarded with following accolades apart from various others, as below:

- The top exporter award in Toothbrush category from the Plastics Export Promotion Council, Ministry of Commerce and Industry, Government of India, for 5 years in a row starting from 2003-04.
- The second largest exporter of the year award for FY 2017-18 & FY 2018-19 from PLEX Council promoted by the Ministry of Commerce, Government of India.
- The company has been recognized as a Star Export House by Ministry of Commerce, Govt. of India.

On the other hand, JHS Svendgaard Mechanical AND Warehouse Private Limited (a subsidiary company of JHS Svendgaard Laboratories Limited) is a private unlisted company having its registered office at 1/E-23, Mohan Co-operative Industrial Area, Mathura Road New Delhi-110044. The company is majorly engaged in Manufacturing (Machinery & Equipments) business from last 16 years and currently, company operations are active.

For supporting the day to day business activities, both the Companies enters into following transactions so that the synergy benefits can be availed by way of optimal utilization of resources:

- a) Cross selling of products
- b) Sub-contracting
- c) Leasing of Immovable property
- d) Cost sharing Agreements
- e) Loan/corporate guarantee

Since, such transactions is likely to exceed the threshold limit of 10% during the FY 2023-24, therefore the approval of members is being sought as required under Regulation 23 of the Listing Regulations.

The details of such transactions are provided below:

Name of Related Party and Relationship	Transaction Type	Pricing Criteria	Maximum amount of transaction for which approval is sought	Period of transaction	Transaction carried out from 01/04/22 to 31/03/2023	Transaction carried during FY 2021-22
JHS Svendgaard Mechanical and Warehouse Private Limited (Subsidiary Company)	Cross selling of products	As per the prevailing market price or as may be approved by the Audit Committee and Board from time to time	Rs. 10,000 Lakhs	Financial Year i.e. 2023-24	-	-
	Sub-contracting		Rs. 10,000 Lakhs		-	-
	Leasing of Immovable property		Rs. 75 Lakhs		-	-
	Cost sharing Agreements		Rs. 5,000 Lakhs		-	-
	Loan/corporate guarantee		Rs. 20,000 Lakhs		50,000	13,19,52,453

Further, additional details as per SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 in relation to proposed loan transaction, as referred in above table, are provided below:

Details of the source of funds in connection with the proposed transaction	Is there any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments? If yes, please also provide: * nature of indebtedness * cost of funds * Tenure	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT
Internal Accruals	No	NA	NA

Notes:

- 1. Taxes, if any, in relation to the above transactions shall be paid on actual basis*
- 2. Partwise interchange in the limit of related party transactions is allowed subjected to maximum approved limit.*
- 3. All such related party transactions entered by the Company are related to the day to day business operations of the Company and essential for its activities and of the Company.*
- 4. So far as pricing is concerned, all the transactions meets the arm's length criteria.*

Justification for entering into the transactions:

1. JSMWPL is engaged into similar line of the business and therefore in order to have benefit of operational synergies, the Company enters into related party transaction with it in the ordinary course of business and arms-length basis.
2. For supporting the day to day business activities, Subsidiary Companies of the Company enters into various transactions so that the synergy benefits can be availed by way of optimal utilization of resources.
3. Transacting with a subsidiary can result in cost savings, especially if the subsidiary offers goods or services at a competitive price
4. Working with a subsidiary can provide better control over certain risks or ensure compliance with industry-specific regulations.
5. Structuring transactions with subsidiaries can be done to optimize tax benefits or manage transfer pricing effectively.

The Company has a robust and well-defined structured governance process with respect to related party transactions. The Internal Auditor of the Company are responsible for regular monitoring of such related party transactions including the pricing criteria, arms' length relationship etc. with requisite reporting to the Audit Committee, which further reviews the same. In case if valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction, the same will be made available through the registered email address of the shareholders.

It is also pertinent to note that the Audit Committee, on the basis of information provided hereinabove, has recommended the said related party transactions. Further, in case of any material modification in the aforementioned related party transactions, the approval of members of the Company shall be taken in accordance with "Policy on Related Party Transactions" of the Company and the Listing Regulations.

Accordingly, the Board recommends the resolution at Item no. 3 to be passed as an Ordinary Resolution.

Except, Mr. Nikhil Nanda, Managing Director of the Company and his relatives (to the extent of their shareholding in the Company), none of the Director and Key Managerial Personnel and their relatives are deemed to be concerned or interested, financially or otherwise, in the resolution at Item no. 3 of the accompanying notice.

The Members may please note that in terms of the provisions of the Listing Regulations, all the related party(ies) shall abstain from voting in favour of the resolutions under Item No. 3.

Item 4

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, had approved the appointment of Mrs. Upma Chawdhry (DIN: 02333321) as an Additional Director, designated as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from August 14, 2023.

In accordance with the provisions of Section 149 read with Schedule IV to the Act and applicable provisions of the Act, appointment of Mrs. Upma Chawdhry as an Independent Director requires approval of Members of the Company. Further, in terms of Regulation 25(2A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), appointment of Ms. Upma Chawdhry as an Independent Director requires approval of Members of the Company by passing a special resolution. Mrs. Upma Chawdhry is qualified to be appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has also received declaration from Mrs. Upma Chawdhry that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and the Listing Regulations and that she is not debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India (“SEBI”) or any such authority.

The Company has also received notice under Section 160 of the Act from a Member proposing the candidature of Mrs. Upma Chawdhry for the office of a Director of the Company. In the opinion of the Board, Mrs. Upma Chawdhry fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mrs. Upma Chawdhry is independent of the management and possesses appropriate skills, experience, knowledge and capabilities required for the role of Independent Director.

Mrs. Upma Chawdhry is an award-winning civil servant with more than three decades of leadership experience from grassroots implementation to policy formulation at levels of both Government of India (Federal) and the State Government (Provincial). A career officer of the premiere Indian Administrative Service (IAS), she has held diverse and extensive responsibilities. She was on the Board of several public sector undertakings (PSUs).

She meets the following skills and capabilities required for the role as an Independent Director, as have been identified by the Board of Directors of the Company:

- a) Leadership experience of running large enterprise.
- b) Experience in leading well-governed large organizations, with an understanding of organizational systems.
- c) Experience in handling management and regulatory environment strategic planning and risk management.
- d) Understanding of emerging local and global trends and management of accountability and performance.

In view of these, appointment of Mrs. Upma Chawdhry as an Independent Director is in the interest of the Company.

Details of Ms. Upma Chawdhry, pursuant to the provisions of (i) the Listing Regulations; and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India, are provided in the “Annexure” to the Notice. She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof and meeting(s) of Independent Directors or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings, if any, within the limits stipulated under Section 197 of the Act.

Copy of letter of appointment of Mrs. Upma Chawdhry setting out the terms and conditions of appointment is available for inspection by the Members electronically. Members seeking to inspect the same can send an e-mail to cs@svendgaard.com

Save and except Mrs. Upma Chawdhry, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the Members.

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

**Sd/-
Komal Jha
Company Secretary & Compliance Officer**

Date: August 14, 2023

Place: New Delhi

Annexure

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, the following information is furnished about the Directors proposed to be appointed / re-appointed:

Name of Director	Mr. Vinay Mittal	Mrs. Upma Chawdhry
DIN	08232559	02333321
Designation	Non-Executive Independent Director Non	Independent Director
Date of Birth	20 th June 1953	28 th September 1959
Date of first appointment on the Board	27 th May, 2022	14 th August, 2023
Terms and Conditions of appointment / re-appointment	Mr. Vinay Mittal (DIN: 08232559), the Non-Executive Non-Independent Director of the Company is liable to retire by rotation and being eligible,	As detailed in resolution read with explanatory statement thereto

	has offered himself for re-appointment.	
Brief Resume	Mr. Vinay Mittal did Bachelors in English Literature from St. Stephen's College, Delhi University. In 1973, he enrolled into Faculty of Law, Delhi University for two years of Law degree. He then joined Indian Railways Traffic Service in 1975 and where he remained in the service for good 35 years. Mr. Mittal retired as chairman of Railway Board in 2013 and joined Union Public Service Commission as member till 2018.	Mrs. Upma Chawdhry is an award-winning civil servant with more than three decades of leadership experience from grassroots implementation to policy formulation at levels of both Government of India (Federal) and the State Government (Provincial). A career officer of the premiere Indian Administrative Service (IAS), she has held diverse and extensive responsibilities
Expertise in specific Functional Area	Leadership, Management & Governance	leadership experience, grassroots implementation to policy
Qualifications	B.A(English) Bachelor of Law	1. B.A. Honours (English) 2. M.A. (English) 3. M.B.A. (Business Admn.)
Inter se relationship with other Directors and KMPs of the Company	He/She is not related with the Other Director/ KMPs of the Company	
Name of listed entities from which the person has resigned in the past three years	Nil	
Directorships held in other companies (excluding foreign companies)	1. JHS Svendgaard Brands Limited 2. Bharat Cosmetics and Personal Care Limited	Nil

Shareholding in the Company directly or as beneficial holder	Nil	
Details of remuneration last drawn	Nil	Nil
Details of remuneration sought to be paid	He/ She is not entitled for any remuneration apart for receipt of sitting fee for attending the Board/ Committee meetings	
No. of meetings of the Board attended during the year	5	Nil
Listed entities from which the person has resigned in the past three years	Nil	

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

**Sd/-
Komal Jha
Company Secretary & Compliance Officer**

**Date: August 14, 2023
Place: New Delhi**

19th

ANNUAL REPORT

2022 - 23

**JHS SVENDGAARD
LABORATORIES LIMITED**

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JHS Svendgaard Laboratories Limited

- **India's largest integrated manufacturer of oral care products.**
- **Partner to leading Indian and global FMCG brands.**
- **Entering into other FMCG Products**

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

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

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

VISION

- To be among the most preferred contract manufacturer in the Oral Care Category by leveraging on our manufacturing capability enabling us to offer unique products that disrupt category trends.
- To be one stop solution for manufacturing FMCG products in India.
- To inculcate the importance of oral hygiene across the country, with a strong focus on children.

MISSION

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

SHAREHOLDER INFORMATION

BSE Code: 532771

NSE Code: JHS

Face value per share: Rs.10

Book value per share: Rs.15.71

OUR EDGE IN OUR BUSINESS SPACE

STRATEGIC ADVANTAGE

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

CUSTOMER ADVANTAGE

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

FINANCIAL ADVANTAGE

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

OUTLINE FOR 2022-23

PRIVATE LABEL

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

PROPRIETARY BRAND

Adult segment

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

Kids segment

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

EXPORTS

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

CHAIRMAN'S MESSAGE

DEAR ESTEEMED STAKEHOLDERS,

I am pleased to report that despite facing numerous challenges, we remain steadfast in our commitment to not only grow our business, but also to diversify our product offerings. In the last quarter of FY23, we added four new clients in the private label business, while simultaneously maintaining strong relationships with our existing clients.

The global pandemic and uncertain geo-political situations have presented us with significant challenges, but our resilience and ability to adapt quickly to market conditions have enabled us to remain focused on our mission to provide high-quality oral care products to our customers. Our efforts have resulted in revenue of Rs. 96.21 crores for the Financial Year 2022-2023, despite these difficult times. Our revenue collection was higher than the previous year. We remain committed to optimizing our resources and keeping our costs under control, while continuing to meet the evolving needs of our consumers.

We are actively working to increase the export of our products to the international markets of the US and UK, and are rigorously working on making progress in our discussions with leads from these markets. We are confident that our efforts will result in a positive increase in our export numbers. We've got a substantial inquiry from a U.S.-based company which owns a major brand in the U.S. We've developed a couple of formulations for them. And we were waiting results on the stability study. The products have been approved. So, I think that's going to be a good opportunity for us in the export market in the coming month.

We are pleased to announce that we have recently registered our products in the CSD army canteen, which has significantly boosted our business in the overall portfolio. We remain focused on the institutional business and are cautious with regard to our own proprietary brand. Our in-house R&D centre continues to innovate and add new products to our portfolio, and we are excited to announce the upcoming commercialization of talcum powder, which is a new product in a new category. As we started invoicing for the big talcum brand called Nycil from Zydus Cadila.

We've recently added Reliance Retail as one of our customers. So, Reliance is coming big time into personal care and healthcare products, all the FMCG products. So for the oral care, we've started manufacturing for them and we had our first billing with them in March. So that's been one good addition in our overall portfolio. And we feel that's going to be a very sustainable growing business for us.

During the year, we entered into an exclusive tie-up with the Italian Company "Artsana Group" to manufacture kids' oral healthcare products for their brand "Chicco," which is a leading global brand. We are the exclusive manufacturers and suppliers of toothpaste to Chicco in India, and we are planning to manufacture and supply toothbrushes as well.

We are planning to add personal care products in the portfolio and subsequently healthcare. We are looking at both the opportunities of doing it internally through expansion and externally through mergers and acquisitions, so we are in the process of evaluating the same with multiple companies. Additionally, we are exploring opportunities to become their global suppliers in other geographies, which will enable us to expand our footprint in world markets.

Moving forward, we are committed to building on our success and continue to drive growth for our company. To support this, we are prepared to invest in research and development, innovate new products, and explore new markets to expand our global reach. We remain focused on developing new relationships and expanding our client base while also strengthening our bonds with existing customers by offering not only the best services, but also value-added products. Our efforts to diversify our client base and product offerings have been successful, and we will continue to pursue these strategies in the future.

I would like to express my sincere gratitude to our employees, customers, and shareholders for their unwavering support and commitment to our company. Together, we have achieved remarkable success, and I am confident that we will continue to build on this momentum in the years to come.

MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENT

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

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

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

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

ECONOMIC OVERVIEW

Global Industry

The global oral care market size was valued at USD 33.7 billion in 2021 and is expected to expand at a compound annual growth rate (CAGR) of 6.4% from 2022 to 2030. The growing prevalence of dental caries both among adults and children is expected to fuel the market growth. According to the World Health Organization (WHO), over 530 million children population suffer from tooth decay of primary teeth. Major players such as Colgate-Palmolive Company and Procter & Gamble have adopted various initiatives to spread awareness regarding oral hygiene both for children and adults, which is leading to an increase in the demand for oral care products.

Moreover, every year, nearly 15% of the edentulous population opts for dentures, as stated by the American College of Prosthodontists. They also estimated that around 23 million older adults are completely edentulous. Hence, the geriatric population is considered another driver impacting the demand for denture products, thereby supporting the growth of the market.

Technological innovation and easy to use oral care products such as electric toothbrushes, AI equipped toothbrushes, and vibrating toothbrushes is one of the key factors that are driving the growth of the market. Major players have also launched interactive toothbrushes equipped with position detection and motion sensor technologies. These toothbrushes screen the oral cavity and provide real time guidance for brushing and maintaining the oral health. The development of such innovative products enables users to track oral care habits and improve oral health. At-home teeth-whitening products have also advanced considerably in recent years. For instance, in May 2021, GLO Science (US) launched the GLO To Go Teeth Whitening Pen, a fast and effortless teeth whitening pen for home use, enhanced with plant-based antimicrobials.

Oral care market players have been taking advantage of these technological advancements by forming strategic partnerships to drive oral health awareness. These technological advances in oral care devices and

care delivery in dental practice increase consumer engagement and compliance with oral hygiene practices, driving the growth of the market.

Source: <https://www.marketsandmarkets.com/Market-Reports/oral-care-market-80546246.html>

Increased awareness of dental health care is significantly contributing to the growth of the oral care market. Dental or oral health includes teeth, gums, and mouth and aims to keep the mouth healthy and avoid gum disease and tooth decay. Various factors, including sugar consumption, cigarette use, alcohol use, and poor oral hygiene, are the root causes of oral diseases. Oral care helps to maintain hygiene and keep the mouth disease free. According to the 2022 State of America's Oral Health and Wellness Report, a US-based association that provides crucial education and research and supports key policies to prevent dental disease, 92% of adults and 96% of parents say maintaining good dental health is very important for overall health. One in five (20%) persons think that a problem with their oral health directly impacted their general health. Therefore, awareness of dental health care drives the oral care market growth.

Source: https://www.reportlinker.com/p06433299/Oral-Care-Global-Market-Report.html?utm_source=GNW

Indian Industry

India oral care market has shown tremendous growth in the last few years. The market was mainly driven by change in lifestyle of Indian consumers, demand for premium products, rising disposable incomes and awareness regarding hygiene and sanitation. Rise in awareness of oral hygiene has created a huge demand for premium and innovative products in metros and urban cities. Penetration level of oral care products in urban area is high as compare to that of rural area. Low penetration level in rural area poses untapped opportunity for global as well as domestic players to grow the presence of their oral care products in India. As a result, players are now focusing more into rural cities and villages to increase the penetration as well as their product sales. Rural Indian consumers have started shifting to toothpaste & toothbrushes from toothpowder. Premium products like mouthwash have gained popularity among rich and upper middle class consumers.

According to India Oral Care Market Overview, 2016-2028, the oral care market is categorized into five major categories viz. toothpaste, toothbrush, toothpowder, mouthwash and others. Toothpaste dominates the space as it is a primary product for Indians in their daily oral hygiene care and has huge presence in urban as well as rural India. Among all, demand for herbal toothpaste is increasing in the country and currently is a hot favourite trend among consumers as well as companies, who are trying to launch as many herbal variants as possible.

Source: <https://www.researchandmarkets.com/reports/5660334/india-oral-care-market-overview-2022-28>

The development of e-Commerce platforms allows customers to browse and order from a range of oral care product offerings provided by vendors through online portals. It makes the shopping experience of buyers calmer and supports in brand retaining and prominence. Online sale results in higher revenue and increase in market share. Furthermore, rise in penetration of e-Commerce is expected to enable vendors to provide a broad range of products in user segments such as teenagers to adults to reach new potential customers and increase the customer base of these products. The Indian oral care market is majorly driven by selling Ayurvedic or Natural revolution products. Almost all the major companies in India are selling ayurvedic products to attract the consumers.

Among all, demand for herbal toothpaste is increasing in the country and currently is a hot favourite trend among consumers as well as companies, who are trying to launch as many herbal variants as possible. However, growing technological advancements across the country is propelling the demands for electric toothbrush and is anticipated to grow with the highest CAGR, which is more than 24%.

Source: <https://www.marketresearch.com/Bonafide-Research-Marketing-Pvt-Ltd-v4230/India-Oral-Care-Outlook-31628558/>

About JHS Svendgaard Laboratories limited

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

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

Multiple production facilities of the Company are in Kala-Amb, Himachal Pradesh. The Company has over 100 highly qualified managers, engineers, officers and supervisors to manage and maintain the plants effectively. The Company's belief in Human Resource Development ensures the presence of all statutory welfare, recreational and emergency services within the plant.

JHS team is a perfect blend of experienced professionals from technical, commercial and other fields. This combined with the Company's vision ensures in manufacturing of high-quality toothbrushes using the best raw materials and equipment from around the world JHS has grown at a rapid pace to become one of the top Indian exporters and a leading supplier to MNC customers in the Indian market.

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

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

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

FINANCIAL OVERVIEW –

The performance of the Company for the financial year ended March 31st, 2023, is as follows:

Particulars	Manufacturing Business		Other than Manufacturing Business		Retail Business	
	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
Sale to External Customers	81.92	79.91	3.99	4.98	11.39	2.74
Revenue with Other Operating Segment	1.09	1.38	-	-	-	-
Depreciation	5.82	5.89	0.19	0.19	1.44	0.96
Cost of Goods Sold	58.90	56.86	2.48	2.68	5.43	2.23
Income Tax Expenses	(4.58)	4.37	(0.82)	0.03	0.36	0.03
Total Assets	213.42	211.09	58.94	49.65	8.55	7.45
Total Liabilities	213.41	211.09	58.94	49.65	8.55	7.45

Resources and Liquidity

As on March 31, 2023, the net worth stood at Rs. 180.30 crore.

The cash and cash equivalents at the end of March 31, 2023 were Rs. 38.29 crore.

Segment wise Business Performance

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

Revenue share broad segments are stated below:

Name of the product	% of total turnover of the Company
Toothbrushes	36%
Toothpastes	51%
Mouthwash	1%
Retail & Manpower Operations	12%

RISKS AND CONCERNS –

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

The Company faces the following Risks and Concerns:

Credit Risk

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

Interest Rate Risk

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

Competition Risk

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

Input Cost Risk

The profitability and cost effectiveness is relatively less affected due to change in the prices of raw materials, power and other input costs as most of the impact is passed over to the clients. Some of the risks that are

potentially significant in nature and need careful monitoring are Manpower costs, Power costs, capacity utilization etc.

Liability Risk

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

Inventory Risk

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

OPPORTUNITIES

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

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

Changing consumer preferences and growing Industrial base

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

Nowadays, a large number of people are suffering from various oral related diseases such as tooth decay, oral cancer, oral-dental trauma, and others. The increasing condition of such diseases is likely to drive the demand for the oral care products. Additionally, recent government norms regarding the ban on usage of plastic materials for manufacturing oral care products have strongly motivated the market players to develop sustainable oral care products, thereby providing newer opportunities for the market's growth.

Apart from that, people's unhealthy lifestyle and improper eating habits are likely to generate consequences of various oral infection problems, further resulting in high demand for such items. Further, some other major factors such as growing retail infrastructural facilities, increasing number of dental clinics and hospitals, and other commercial distribution channels are set to support the toothbrush market growth.

On the back of rising social media endorsements and growing importance of oral beauty, the demand for teeth whitening products has considerably increased which is anticipated to expand further and thereby impacting the oral care products market positively around the globe. The increasing demand for improving personal care aesthetics and rising availability of new attractive products offered through constant R&D of the major market players is estimated to increase the oral care product's demand significantly.

Different companies are introducing innovative oral care items to provide effective oral hygiene solutions to people. This factor is likely to attract consumers towards purchasing such products, which would drive the market in a positive direction.

Source: <https://www.fortunebusinessinsights.com/toothbrush-market-103880>

Source: <https://www.researchnester.com/reports/oral-care-products-market/1324>

THREATS

- Competition from local and multinational players setting up their inhouse manufacturing units due to higher liquidity
- Execution risk
- Regulatory changes
- Input Cost risk
- Attraction and retention of human capital
- Technological Advancements
- Dominance of various local and unorganized industry players.
- Competitive pricing will likely pose challenges to the major players in growing their oral care business.
- High cost of premium based oral care products would limit consumption among lower income group of people.

Source: <https://www.fortunebusinessinsights.com/toothbrush-market-103880>

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

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

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

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

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

HUMAN RESOURCES

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity, to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. As on March 31, 2023, Company is giving employment to 259 permanent employees. Industrial relations are cordial and satisfactory.

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

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

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

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

OUTLOOK

The overall market is expected to grow with more than 10.5% by the period of 2027. The oral care market is categorized into five major categories viz. toothpaste, toothbrush, toothpowder, mouthwash and others. Toothpaste dominates the space with more than 60% of the market share as it is a primary product for Indians in their daily oral hygiene care and has huge presence in urban as well as rural India. Toothbrushes are the second largest category in the oral care market. They have two product types, one is manual and the other is electric & battery powered. Manual toothbrushes have huge potential in Indian oral care market whereas electric toothbrush is a niche product type with limited number of rich people experimenting with it. However, growing technological advancements across the country is propelling the demands for electric toothbrush and is anticipated to grow with the highest CAGR, which is more than 24%.

Many global players like Colgate Palmolive India, Hindustan Unilever, Gillette India Limited (P&G), GSK Consumer Healthcare and Johnson & Johnson have strong presence in India. Dabur India and Patanjali Ayurved are the only two strong domestic players in the market. Patanjali, a brand that has scaled dizzying heights in a remarkably short span of time and has drawn consumers as well as investor attention. Patanjali has grabbed a considerable market share in the matter of years in toothpastes category. Secondly, the shift towards herbal products in oral care is a clear trend.

As the Company looks ahead to the new financial year, JHS Svendgaard's focus is on further expanding geographical footprint to Southern and Central parts of the country, possibly through M&A. The Company is in the process of evaluating the same with multiple companies. In line with the Company's strategy to diversify into new product offerings, JHS is venturing into new product development including Talcum Powder brand called Nycil from Zydilla, Hair Oil, Soap Bars, Food category (quick snack range) and Personal care products.

JHS also supplies products to the CSD army canteens, which include three toothbrush SKUs and one toothpaste SKU. This has significantly boosted business in the overall portfolio and growth is going to be strong in the future. The Company's steps towards diversification provide certain level of resilience against market fluctuations and allows to capitalize on various market segments.

JHS Svendgaard received a business inquiry from a US-based company which owns a major brand in the US. JHS has developed a couple of formulations for them and is waiting for the results on the stability study as products have been approved. This is going to be a good opportunity for the Company in the export market in the near future.

The Company is well positioned to leverage its strengths and is optimistic for the ongoing fiscal year.

Particulars	FY23	FY22	% of Change	Reason for Change if change 25% or more
Debtors Turnover Ratio	4.65	4.76	(-2%)	-
Inventory Turnover Ratio	4.83	5.00	(-3%)	-
Interest Coverage Ratio	-2.08	1.07	(-294%)	Low ratio on account of decrease in profit
Current Ratio	2.36	4.18	(-43%)	Low ratio on account of increase in creditors
Debt Equity Ratio	Nil	Nil	Nil	-
Operating Profit Margin (%)	(-2.25)	1.74	(-230%)	on account of higher other operating expenses
Net Profit Margin (%)	(-0.18)	(-0.05)	(-259%)	Low ratio on account of decrease in profit
Return on Net Worth	(-18.72)	(-4.32)	(-333%)	during the relevant financial year

Source: <https://www.marketresearch.com/Bonafide-Research-Marketing-Pvt-Ltd-v4230/India-Oral-Care-Outlook-31628558/>

CORPORATE INFORMATION

Board of Directors

Mr. Rajagopal Chakravarthi Venkatesh
Mr. Nikhil Nanda
Mr. Kapil Minocha
Mr. Mukul Pathak
Mrs. Rohina Sanjay Sangtani
Mr. Vinay Mittal

Chairman, Independent Director
Managing Director
Independent Director
Independent Director
Independent Director
Non-executive Director-Non-Independent Director

Senior Management

Mr. Paramvir Singh Pabla
Mr. Ashish Goel
Mrs. Komal Jha
Mr. Deepesh Sharma

Chief Executive Officer
Chief Financial Officer
Company Secretary & Compliance Officer
Joint Chief Financial Officer

Committees of Board

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

Statutory Auditors

M/s Tattvam & Co. Chartered Accountants
FRN: 535309
JD-2C, 2nd Floor Pitampura, Metro Pillar-355
New Delhi-110034
Tel No.: 99380414
Email : mail@tattvamgroup.in

Registrar & Transfer Agent:

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

Bankers

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

Listing Information

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Listing fees as prescribed have been paid to the respective stock exchanges for the financial year ended 31st March, 2024.

Stock Code

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

Registered Office

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

Corporate Office

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

Work

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

BOARD REPORT

To
The Members,

The Board of Directors hereby submits the reports of the business and operations of your Company ("the Company" or "JHS"), along with the audited financial statements (standalone and consolidated), for the financial year ended March 31, 2023.

FINANCIAL REVIEW/RESULTS

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Net sales / Income from Operation	8,191.58	7,990.59	9,620.67	8,625.24
Other Income	1,306.34	814.39	1,439.77	938.99
Interest & Finance Charges	39.98	49.94	104.16	139.36
Depreciation	582.39	589.65	746.47	705.22
Profit /(Loss) before Tax	(1971.91)	192.39	(2184.02)	10.3
Tax Expense:				
Current tax (provision for tax)	-	92.09	12.87	92.09
Deferred tax asset	(457.82)	342.97	(519.36)	345.65
Tax for earlier years	-	1.5	-	1.5
Total Tax Expense	(457.82)	436.55	(506.49)	439.24
Profit /(Loss) after Tax	(1,514.09)	(244.17)	(1,677.53)	(428.94)
Profit /(Loss) to be carried to the Balance Sheet	(1,529.24)	(240.01)	(1,687.44)	(421.09)
Paid up Equity Share Capital (Face Value of INR. 10/- each)	6,490.05	6,490.05	6,490.05	6,490.05
Reserve excluding revaluation reserve	10,991.62	12,486.55	10,753.37	12,100.16
Basic EPS				
(in Rupees not annualized) excluding extra ordinary items	(2.33)	(0.38)	(2.34)	(0.63)
Diluted EPS				
(in Rupees not annualized) excluding extra ordinary items	(2.33)	(0.38)	(2.34)	(0.63)

REVIEW OF OPERATIONS/STATEMENT OF AFFAIRS

The Company generated the revenue from operations during the financial year ended 31st March 2023 amounted to INR 9497.92 Lakhs as compared to INR 8804.98 Lakhs during the previous year ended 31st March 2022. The Company has been successfully managed to scale up the profitability pursuant to revived potential post COVID-19 pandemic.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the applicable provisions of Companies Act, 2013 including the Indian Accounting Standard Ind AS-110 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2022-23. Consolidated turnover of the Company was INR. 9,620.67 Lakhs as on 31st March, 2023 as against INR. 8,625.24 lakhs in the previous year. Net Loss after Tax for the year stood at INR. (1677.53) lakhs against INR. (428.94) Lakhs in the previous year.

ANNUAL RETURN

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

NUMBER OF BOARD MEETINGS

During the year under review, the Board met 5 (Five) times, details and attendance of such Board meetings are provided in Corporate Governance Report Annexed herewith and forming integral part of this report.

DIRECTORS RESPONSIBILITY STATEMENT

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

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. That we have 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 we have 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 we have prepared the annual accounts on a going concern basis.
- v. That we have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.

DECLARATION OF INDEPENDENCE BY DIRECTORS

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

All the Independent Directors of the Company have registered themselves in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ("IICA").

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

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

POLICY ON DIRECTORS' APPOINTMENT AND POLICY ON REMUNERATION

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

PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/ EMPLOYEES

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

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

SECRETARIAL AUDITORS & THEIR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 **M/s Dahiya & Associates**, Practicing Company Secretaries, was appointed as the Secretarial Auditors for the financial year 2022-23 to conduct the secretarial audit of the Company.

The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as 'Annexure-2' and forms an integral part of this report.

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

STATUTORY AUDITORS & THEIR REPORT

Statutory Auditors

During the year under review, **M/s S.N Dhawan & Co, Chartered Accountants** (FRN- 00050N) as Statutory Auditors w.e.f August 09, 2022 creating a casual vacancy consequent to which **M/s Tattvam & Co., Chartered Accountants**, (Firm Regn. No. 535309) was appointed as Statutory Auditors of the Company for term of 5 (five) consecutive years, to hold office from the conclusion of the 18th Annual General Meeting till the conclusion of 22nd Annual General Meeting to be held in year 2025 by the members of the Company at their 18th Annual General Meeting held in 2022 in the accordance with Section 139 of the Companies Act, 2013 and relevant rules thereunder.

M/s. Tattvam & Co, Chartered Accountants, Statutory Auditors have confirmed that:

- their appointment is within the limit prescribed under the Section 141 of the Act;
- they are not disqualified from continuing as Statutory Auditors under the Section 141 of the Act; and
- they hold a valid certificate issued by the peer review board of the Institute of Chartered Accountants of India.

REPORT OF STATUTORY AUDITORS

The reports given by M/s Tattvam & Co., Chartered Accountants, Statutory Auditors on financial statements of the Company for F.Y. 2022-23 form part of the Annual Report, which are self- explanatory. The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDITOR

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

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

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

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 2023 have been disclosed in the standalone financial statements of the Company. Kindly refer the relevant Notes to these statements.

SUBSIDIARIES & ASSOCIATE COMPANIES

As on 31st March, 2023, Company has 2 (two) subsidiaries i.e. JHS Svendgaard Mechanical and Warehouse Private Limited and JHS Svendgaard Retail Ventures Private Limited.

The Company was having an Associate Company i.e JHS Svendgaard Brands Limited.

In this connection, this is to inform that the Hon'ble National Company Law Tribunal, Chandigarh Bench('NCLT'), vide its order dated August 10, 2023 approved the Scheme of amalgamation and arrangement of JHS Svendgaard Retail Ventures Private Limited (Applicant Company No.1/Resulting Company), JHS Svendgaard Brands Limited(Applicant Company No.2/Transferor Company) and JHS Svendgaard Laboratories Limited(Applicant Company No.3/Demerged Company/Transferee Company) and their respective shareholders ("Scheme") under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Rules framed thereunder.

Consequent to which, JHS Svendgaard Brands Limited stands "Amalgmated" with your Company .

Apart from the above, there has been no material change in the nature of the business of the subsidiaries and no company has ceased to be/become Subsidiary/ Associate of the Company.

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

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.

In terms of Section 134(3)(h) of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014, the details of material contracts or arrangements entered into with Related Parties are provided in Form AOC-2 annexed herewith as **Annexure- 4** to this Report.

Also, the Company has disclosed all related party transactions in relevant **Note 40** to the Standalone Financial Statements for the financial year 2022-23.

OPERATIONS AND BUSINESS PERFORMANCE

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

TRANSFER TO RESERVES

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

DIVIDEND

Considering the future plans and business requirements of the Company, your Board is compelled to not recommend any dividend for the last financial 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 – 5** and is attached to this report.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

- Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water.
- Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently unable & livelihood enhancement projects.

- Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups.

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

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

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

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

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

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

The Independent Directors had a separate meeting held on 14.02.2023. 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.

CHANGE IN NATURE OF BUSINESS

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

The Board of Directors ("Board") of JHS Svendgaard Laboratories Limited ("Company") at its meeting held today i.e. August 14, 2023, analyzed and discussed the proposal for consolidation of business of the Company and Vedic Cosmeceuticals Private Limited ("VCPL").

The Company is engaged in manufacturing and selling (Exports) of Toothbrushes, Toothpastes, Mouthwash, Denture Tablets and other allied Oral care Products. On the other hand, VCPL is engaged in developing, manufacturing and selling of skincare products for Baby care, Hair Care, Body Care, Intimate Care, Pet care, Spa Products and Grooming products.

Both the Companies belong to the Fast-Moving Consumer Goods (FMCG) Industry, having similar line of Business and same customer base and the proposed Amalgamation of both the Companies will lead to huge synergy benefits in the form of enhancement of market size, improvement in organizational performance in long run due to expanded market control, upgraded benefit, and hazard expansion.

The Board in-principally agreed to the Amalgamation of the Company and VCPL under the Scheme of Arrangement for Amalgamation to be entered into between the Company and VCPL, their respective promoters/shareholders and creditors.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Key Managerial personnel (KMP) of the Company as per section 2(51) and 203 of the Companies Act, 2013 as on 31st March, 2023 are as follows:

Director/KMP	Designation
Mr. Rajagopal Chakravarthi Venkatesh	Non-Executive Independent Director- Chairman
Mr. Nikhil Nanda	Managing Director
Mr. Mukul Pathak	Non-Executive Independent Director
Mr. Kapil Minocha	Non-Executive Independent Director
Mrs. Rohina Sanjay Sangtani	Non-Executive Women Independent Director
*Mr. Vinay Mittal	Non-Executive Director
Mr. Paramvir Singh Pabla	Chief Executive Officer
Mr. Ashish Goel	Chief Financial Officer
**Mr. Neeraj Kumar	Joint Chief Financial Officer
**Mr. Deepesh Sharma	Joint Chief Financial Officer
***Mr. Avinash Pratap	Company Secretary & Compliance Officer
***Mrs. Komal Jha	Company Secretary & Compliance Officer

**During the financial year 2022-23, Mr. Vinay Mittal has been appointed as an Non-Executive Director w.e.f 27.05.2022.*

***During the financial year 2022-23, Mr. Neeraj Kumar resigned as Joint Chief Financial Officer of the Company w.e.f 15.03.2023 and thereafter Mr. Deepesh Sharma was appointed as Joint Chief Financial Officer of the Company w.e.f 30.05.2023.*

****During the financial year 2022-23, Mr. Avinash Pratap resigned from the post of Company Secretary & Compliance Officer w.e.f.27.05.2022 and thereafter Mrs. Komal Jha was appointed as Company Secretary & Compliance Officer w.e.f. 10.11.2022.*

Mr. Vinay Mittal, Non-Executive Director of the Company, who retires by rotation at the ensuing 19th AGM and being eligible offers himself for re-appointment. The necessary proposal for the same forms part of the Notice of the ensuing AGM.

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.

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

The Company has zero tolerance for sexual harassment at workplace. A policy has been adopted in line with the Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under and an Internal Complaints Committee has also been set up to redress complaints received regarding Sexual Harassment. During the year, no complaints pertaining to sexual harassment were received.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACT THE GOING CONCERNS STATUS AND THE COMPANY'S OPERATIONS IN FUTURE.

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

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. Separate report on Corporate Governance, forms an integral part of this Annual Report. A certificate from M/s Dahiya & Associates, Practicing Company Secretaries, confirming compliance with the conditions of corporate governance is also attached to the Corporate Governance Report.

COMMITTEES OF THE BOARD

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

AUDIT COMMITTEE

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

COMPLIANCE WITH SECRETARIAL STANDARD

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

MATERIAL CHANGES AND COMMITMENTS

Change in Capital Structure

The authorized equity share capital of the Company stood at Rs. 85,00,00,000 (Rupees Eighty Five Crores only) divided into 8,50,00,000 (Eight Crores Fifty Lacs) equity shares of Rs. 10/- each as at 31st March 2023 as increased from Rs.70,00,00,000 (Rupees Seventy Crores Only) consisting of 70,000,000 (Seven Crores) equity shares of face of value of Rs.10/- each pursuant to the Special Resolution of the members passed at 18th AGM of the Company held on 30th September, 2022.

During the year, a preferential issue of up to 1,55,00,000 (One Crore Fifty-Five Lakh) warrants, convertible into equivalent number of equity shares of face value of Rs. 10/- each of the Company, at an issue price of Rs. 26.60/- per warrant aggregating to Rs. 41,23,00,000/- (Rupees Forty one crore and twenty three lakhs Only), was approved by the Board in the Board Meeting held on September 02, 2022, and subsequently by the shareholders in the 18th AGM held on 30th September 2022.

However, the said issue was withdrawn by the Management due to the unwillingness as expressed by the proposed allottees via mail dated January 31, 2023.

Further, the requisite intimation was given to both the stock exchanges viz., NSE and BSE in pursuance of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said intimation is enclosed herewith for perusal of the Board. Accordingly, during the year under review there were no changes in the capital structure of the Company.

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

Save as otherwise disclosed in this report, there are no material changes and commitments affecting the financial position of the company, which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

VIGIL MECHANISM

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

The Company has also provided direct access to the Audit Committee on reporting issues concerning the interests of employees and the Company and no employee was denied access to the Audit Committee. The policy as approved by the Board is uploaded on the Company's website at <https://www.svendgaard.com/policy.html>

GENERAL

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

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
 - Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
 - Neither Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
 - No application was filed by/ on the Company under the Insolvency and Bankruptcy Code, 2016.
- Further, in terms of Regulation 30A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there no such agreements which are required to be disclosed in the Annual Report.

Also, the Company is not falling under the list of top 1000 Companies, for the purpose of determination of applicability of dividend distribution policy and business responsibility & sustainability reporting.

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Date: 14/08/2023
Place: New Delhi

Sd/-
Nikhil Nanda
Managing Director
DIN: 00051501

Sd/-
Vinay Mittal
Director
DIN: 08232559

ANNEXURE-1

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

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

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars
i.	Ratio of the remuneration of each director to the Median Remuneration to the employees of the Company for the financial year	31:1
ii.	The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year	(5.36)
iii.	Percentage increase in median remuneration of employees in the financial year.	3.62
iv	Number of permanent employee on the rolls of the Company.	259
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Nil
It is hereby affirmed that the remuneration is as per the remuneration policy of the Company		

For and on behalf of the Board

Date: 14/08/2023
Place: New Delhi

Sd/-
Nikhil Nanda
Managing Director
DIN: 00051501

Sd/-
Vinay Mittal
Director
DIN: 08232559

Form No. MR-3

Secretarial Audit Report for the financial year ended March 31, 2023

[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]

To,
The Members
JHS SVENDGAARD LABORATORIES LIMITED

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, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2023, generally 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 made available to us and maintained by the Company for the financial year ended on March 31, 2023 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period);
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period);
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

- vi. Other laws applicable specifically to the Company namely:-
 - a) Information Technology Act, 2000 and the rules made thereunder;
 - b) The Indian Copyright Act, 1957;
 - c) The Patents Act, 1970;
 - d) The Trade Marks Act, 1999

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

WE FURTHER REPORT THAT:

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

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

As per the minutes, decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines etc.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc

Thanking you,

For Dahiya & Associates

Sd/-
Mohit Dahiya
Proprietor
Practising Company Secretary
Membership No-F9540
COP No- 23052
UDIN : F009540E000773116

Place : New Delhi
Date : 09/08/2023

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

'ANNEXURE A'

To,
The Members,
JHS SVENDGAARD LABORATORIES LIMITED

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the Compliance of Laws, Rules and Regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. 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.

Thanking you,

For Dahiya & Associates

Sd/-
Mohit Dahiya
Proprietor
Practising Company Secretary
Membership No-F9540
COP No- 23052
UDIN : F009540E000773116

Place : New Delhi
Date : 09/08/2023

ANNEXURE-3

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

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

Sl. No.	Particulars	Details	Details
1.	Name of the subsidiary	JHS Svendgaard Retail Ventures Private Limited	JHS Svendgaard Mechanical and Warehouse (P) Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-	-
4.	Share capital	651.2	1.00
5.	Reserves & surplus	36.16	(38.02)
6.	Total assets	854.66	1,285.51
7.	Total Liabilities	223.78	1,286.70
8.	Investments	114.82	-
9.	Turnover	1,139.22	-
10.	Profit/Loss before taxation	111.07	(0.59)
11.	Provision for taxation	-	-
12.	Profit after taxation	74.96	(0.59)
13.	Proposed Dividend	-	-
14.	% of shareholding	-	-

PART "B": ASSOCIATES AND JOINT VENTURES:

(Rs. in lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary/associate	JHS Svendgaard Brands Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	1569.75
5.	Reserves & surplus	(199.63)
6.	Total Assets	5893.53
7.	Total Liabilities	1074.37
8.	Investments	-
9.	Turnover	398.81
10.	Profit/(LOSS)before taxation	(310.73)
11.	Provision for taxation	-
12.	Profit / Loss after taxation	(229.04)
13.	Proposed Dividend	-
14.	% of shareholding	-

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

Sd/-
Nikhil Nanda
Managing Director
DIN: 00051501

Sd/-
Komal Jha
Company Secretary & Compliance Officer
Membership No- 20356

Sd/-
Vinay Mittal
Director
DIN: 08232559

Sd/-
Ashish Goel
Chief Financial Officer

Date: 14.08.2023
Place: New Delhi

ANNEXURE-4

FORM NO. AOC -2

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

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

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

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

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	JHS Svendgaard Brands Limited, Associate Company
b)	Nature of contracts / arrangements / transaction	1. Cross selling of products 2. Sub- contracting 3. Leasing of immovable property 4. Cost Sharing Agreements Loan/ Corporate Guarantee
c)	Duration of the contracts / arrangements / transaction	Five financial years i.e. from FY 2021-22 to FY 2025-26
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Transactions shall be undertaken as per the prevailing market price or as may be approved by the Audit Committee/Board (as required) from time to time
e)	Date of approval by the Board	March 02, 2022
f)	Amount paid as advances, if any	-

For and on behalf of the Board
JHS Svendgaard Laboratories Limited

Date: 14.08.2023
Place: New Delhi

Sd/-
Nikhil Nanda
Managing Director
DIN: 00051501

Sd/-
Vinay Mittal
Director
DIN: 08232559

ANNEXURE-5

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	2022-2023	2021-2022
1. Electricity			
(A) Purchased			
--- Units	Kwh	37,40,853	65,63,549
--- Total Amount	Rs. In Lacs	254.39	252.03
--- Rate/Unit	Rs.	6.80	3.84
(B) Own Generator			
--- Through Diesel Generator Units	Kwh	89900	85,200
--- Unit per litre of Diesel Oil	Kwh	3.10	3.25
--- Cost/Unit	Rs.	28.29	24.60
--- Through steam turbine/generator		(88/-Ltr)	(80/-Ltr)
2. Other/ Internal generation light/diesel oil/furnace oil			
(A) Quantity			
Total Cost		--	--
Average Rate			
(B) Consumption Per unit of Production			
1) Electricity	Kwh/Per Unit		
Oral Care Products		--	--
2) Through Diesel Generator	Kwh/Per Unit		
Oral Care Products			

2. DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

- i. Efforts made towards Technology Absorption
The company has continued its endeavor to absorb best of the technologies for its products range to meet the requirements of globally competitive markets. The Company undertakes from time to time, various studies for process improvement, quality improvement and economies in production cost. The Company has a R&D team having good experience and well equipped with all the latest technologies and machines that help the Company to compete with the competitors who exist in both Organized and unorganized Sector.
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
 - a) the details of technology imported: NIL
 - b) the year of import: NIL
 - c) whether the technology been fully absorbed: NIL
 - d) if not fully absorbed, areas where absorption has not taken place, and the reasons there of: NIL, and
- iv. the expenditure incurred on Research and Development: NIL

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	2022-23	2021-22
Foreign Exchange and Outgo	29,439,181	76,28,802
Earning in Foreign Exchanges	-	-

For and on behalf of the Board

Date: 14.08.2023
Place: New Delhi

Sd/-
Nikhil Nanda
Managing Director
DIN: 00051501

Sd/-
Vinay Mittal
Director
DIN: 08232559

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Our corporate governance reflects 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 always gain and retain the trust of our stakeholders. At JHS Svendgaard Laboratories Limited (JHS), we feel proud to belong to a Company whose visionary founder laid the foundation stone for good governance long back and made it an integral principle of the business.

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

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

The Company is committed to achieving the best standards of Corporate Governance. The Company has built up a strong foundation for making Corporate Governance a way of life by having an independent Board with experts of eminence, forming a core team of top-level executives, inducting competent professionals across the organization, and putting in place best systems and processes. Going beyond, the Company has endeavored to regulatory and legal compliances and adopt practices of high level of business ethics.

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") is given herein below:

BOARD OF DIRECTORS

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors ('Board'), which in turn governs the Company.

The Board of Directors ("the Board") is responsible for and committed to sound principal of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interest of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

The composition of the Board of your Company is in conformity with Regulation 17 of the Listing Regulations.

As on 31st March 2023, the Company's Board consists of Six directors. The Chairman of your Company is Non-Executive Independent Director, and the number of Non-Executive and Independent Directors is more than one-half of the total number of Directors.

The Board has one executive director and five non-executive directors, out of whom four are Independent Directors including one Women-Independent Director.

The composition of the Board represents an optimum combination of knowledge, experience and skills from diverse fields including manufacturing, finance, economics, law, governance, etc. which are required by the Board to discharge its responsibilities effectively. The Directors take active part in the deliberations at the Board and Committee Meetings by providing valuable guidance and expert advice to the Management on various aspects of business, policy direction, strategy, governance, compliance, etc. and play a critical role on strategic issues and add value in the decision-making process of the Board of Directors.

The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 ("the Act") and the Listing Regulations. All the Independent Directors have provided an annual confirmation that they meet the criteria of Independence as mentioned in Regulation 16(1)(b) of the Listing regulations and section 149(6) of the Act. Based on the confirmations/ disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the Listing Regulations and the Companies Act, 2013 ("the Act") and are Independent of the Management.

CLASSIFICATION OF BOARD:

Directors	Category	% to total number of Directors
• Mr. Nikhil Nanda	Executive Director, Managing Director	16.67%
• Mr. Rajagopal Chakravarthi Venkatesh • Mrs. Rohina Sanjay Sangtani • Mr. Kapil Minocha • Mr. Mukul Pathak	Non-Executive Independent Directors	66.66%
• Mr. Vinay Mittal	Non-Executive Non-Independent Director	16.67
	Total	100

NOTES-

1. Mr. Nikhil Nanda is a Promoter of the company.
2. Mr. Vinay Mittal was appointed as Non-Executive Non-Independent Director of the Company w.e.f. 27th May 2022.

BOARD PROCEDURE

A detailed Agenda, setting out the business to be transacted at the Meeting(s), supported by detailed Notes and Presentation(s) if any, is sent to each Director at least seven days before the date of the Board Meeting(s) and of the Committee Meeting(s) except where Meeting(s) have been convened at a shorter notice to transact urgent business. Video Conferencing facilities are provided to enable Director(s) who are unable to attend the Meeting(s) in person, to participate in the Meeting.

To enable the Board to discharge its responsibilities effectively and take informed decisions, the Chief Financial Officer and Chief Executive Officer apprises the Board at every Meeting of the overall performance of your Company, followed by Presentation(s). A detailed functional Report is also presented at the Board Meeting(s).

The Board also, *inter alia*, periodically reviews strategy and business plans, annual operating and capital expenditure budget(s), investment and exposure limit(s), compliance report(s) of all laws applicable to your Company, as well as steps taken by your Company to rectify instances of non-compliances, performance of operating divisions, review of major legal issues, Minutes of the Committees of the Board and of Board Meetings of your Company's subsidiaries, significant transactions and arrangements entered into by the unlisted subsidiary companies, approval of quarterly / half-yearly / annual results, significant labour problems and their proposed solutions, safety and risk management, transactions pertaining to purchase/disposal of property(ies), sale of investments, major accounting provisions and write offs, corporate restructuring, joint ventures or collaboration agreement(s), material default in financial obligations, if any, fatal or serious accidents, any material effluent or pollution problems, transactions that involve substantial payment towards goodwill, brand equity or intellectual property, any issue that involves possible public or product liability claims of substantial nature, including judgement or order which may have passed strictures on the conduct of your Company, quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement, statutory updates, etc.

The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, performance of its committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders' value. The Board of Directors of your Company closely monitors the performance of the Company and Management, approves the plans, reviews the strategy, and strives to achieve organizational growth. Your Board ensures statutory and ethical conduct and places high importance on the internal financial reporting.

Your Company has a well-established framework for the Meetings of the Board and its Committees which seeks to systematise the decision-making process at the Meetings in an informed and efficient manner.

Regular inputs and feedback from Board Members are taken and considered while preparing the agenda and related documents for the Board and Committee Meetings. The Board also has access to the Members of the Management and to the Company-related information.

Apart from Board Members and the Company Secretary, the Board and Committee Meeting(s) are also attended by the Chief Financial Officer and wherever required by the Heads of various Corporate Functions.

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements, to provide guidance to Directors, to facilitate convening of Meetings and acts as interface between the Management and Regulatory Authorities for Governance related matters of the Company.

NUMBER OF BOARD MEETINGS AND ATTENDANCE OF THE DIRECTORS AT MEETINGS OF THE BOARD:

During the year under review, total 5 (Five) Board Meetings were held on 27th May 2022, 09th August 2022, 02nd September 2022, 10th November 2022, and 14th February 2023.

Name	Designation in Board	27/05/2022	09/08/2022	02/09/2022	10/11/2022	14/02/2023	Held during the year	Attended	Attendance
Mr. Raja Gopal Chakravarthi Venkataish	Chairman	✓	✓	✓	✓	✓	5	5	100
Mr. Mukul Pathak	Independent Non- executive Director	✓	✓	✓	✓	✓	5	5	100
Mr. Kapil Minocha	Independent Non- executive Director	✓	✓	✓	✓	✓	5	5	100
Mrs. Rohina Sanjay Sangtani	Independent Director	✓	✓	✓	✓	✓	5	5	100
Mr. Nikhil Nanda	Managing Director	✓	✓	✓	✓	✓	5	5	100
Mr. Vinay Mittal	Non-executive Director	✓	✓	✓	✓	✓	5	5	100

The Board met at least once in every Calendar Quarter and the gap between two consecutive Meetings did not exceed one hundred and twenty days. These Meetings were well attended by the Directors and the details of the same are provided below:

Attendance of the Directors at the last Annual General Meeting and Meeting of the Equity Shareholders as per the Order of the Hon'ble National Company Law Tribunal, Chandigarh Bench

The 18th Annual General Meeting ("AGM") of your Company was held on 30TH September 2022 through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") facility.

Further, a Court Convened Meeting of the Equity Shareholders of your Company ("CCM") was also convened on Sunday, 13th November 2022 through VC/ OVAM facility as per the directions of the Hon'ble National Company Law Tribunal, Chandigarh Bench vide its Order dated 30th August 2022 and 29th September, 2022. The attendance of the Directors at the said Meetings held during the year, was as under:

Name	Designation	AGM (30/09/2022)	CCM (13/11/2022)
Mr. Raja Gopal Chakravarthi Venkataish	Chairman – Independent- Non- executive Director	✓	✓
Mr. Mukul Pathak	Independent- Non- executive Director	✓	✓
Mr. Kapil Minocha	Independent- Non- executive Director	✓	✓
Mrs. Rohina Sanjay Sangtani	Independent Director-Non- executive Director	✓	✓
Mr. Nikhil Nanda	Managing Director	✓	✓
Mr. Vinay Mittal	Non-executive Director	✓	✓

Pursuant to removal of the restriction of conducting Board Meeting(s)/AGM/CCM through Video Conferencing/Other Audio-Visual Means for selected Agenda Items by the Ministry of Corporate Affairs ('MCA'), most of the Board and Committee Meeting(s) were held through hybrid mode where the Directors were given an option to join the Meeting through Video Conferencing (VC) facility. The VC facility was provided for all Board and Committee Meetings held during the year under review.

DIRECTORS' ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIPS/ COMMITTEE MEMBERSHIPS

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

The name and categories of Directors, DIN, the number of Directorships, Committee positions held by them in the companies and the names of listed entities where he/she is a director along with the category of their Directorships and other details are given hereafter.

The details of the Directors on the Board as on 31st March 2023, 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 ,attendance at last Annual General Meeting and Meeting of the Equity Shareholders(CCM) as per the Order of the Hon'ble National Company Law Tribunal, Chandigarh Bench are shown below:

S. No	Director	DIN	No of Directorships in Listed Companies including your Company*	No. of Committee Membership/ Chairmanship (Audit Committee & Stakeholders Relationship Committee)**	Name of the listed entities where the person is a Director and the category of Directorship
1	Mr. Raja Gopal Chakravarthi Venkataish	00259537	1	1	NIL
2	Mr. Mukul Pathak	00051534	1	2	NIL
3	Mr. Kapil Minocha	02817283	1	0	NIL
4	Mrs. Rohina Sanjay Sangtani	07520124	1	1	NIL
5	Mr. Nikhil Nanda	00051501	1	2	NIL
6	Mr. Vinay Mittal	08232559	1	0	NIL

** Excludes foreign companies.*

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

None of the Directors is a Director (including any alternate directorships) in more than 10 public limited companies (as specified in section 165 of the Act) and Director in more than 7 equity listed entities or acts as an Independent Director in more than 7 equity listed entities or 3 equity listed entities in case he/she serves as a Whole-time Director/ Managing Director in any listed entity (as specified in Regulation 17A of the Listing Regulations). Also, none of the Directors on the Board is a member of more than 10 Committees and Chairperson of more than 5 Committees (as specified in Regulation 26 of the Listing Regulations), across all the Indian public limited companies in which he/ she is a director.

Other than Mr. Nikhil Nanda holds 24,32,0774 equity shares as on 31st March 2023, no other director holds any shares or convertible instruments in the Company. Further, none of the Directors are related to each other.

BOARD CONFIRMATION REGARDING INDEPENDENCE OF THE INDEPENDENT DIRECTORS

The Independent Directors of the Company provided requisite declaration/disclosures under section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, confirming that that they fulfil the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Further, the Board after taking these declaration/ disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise, skills and experience to qualify as Independent Directors of the Company and are Independent of the Management.

INDUCTION AND FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

A newly appointed Independent Director is provided with an appointment letter along with their roles, duties & responsibilities and copies of the Code for Independent Directors and Company's Code of Conduct for Directors, etc., as may be applicable to them.

Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Managing Director and CEO, and other Functional Heads on the Company's manufacturing, marketing and other important aspects. The Company Secretary briefs the Director about their legal & regulatory responsibilities as a director. The program also includes visit to the plant to familiarize them with all facets of manufacturing.

Pursuant to Regulation 25(7) of the Listing Regulations, the Company imparted various familiarization programmes for its Directors including periodic review of Investments of the Company at Strategic Investment Committee Meetings, Regulatory updates, Industry Outlook, Business Strategy at the Board Meetings and changes with respect to the Companies Act, Taxation and other matters, Listing Regulations, Framework for Related Party Transactions, etc. at the Audit Committee Meetings, Economic Environment & Global Scenario, Frontier Risks, Business Entity Risks, etc. at the Risk Management Committee Meetings, Products Launch etc.

The details as required under Regulations 46 of the Listing Regulations are available on the website of your Company at the web link: <https://www.svendgaard.com/familiarizationprogramme.html>.

SKILL OF BOARD OF DIRECTORS

The Board is comprised of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees.

In context of your Company's business, the Board of Directors have identified the following Core skills/ expertise/ competencies for it to function effectively:

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

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

Name of Directors	Areas of Expertise								
	Leadership	Management	Financial expertise	Governance	Strategy Development and Implementation	Knowledge of healthcare sector	Information Technology	Risk Management	Human Resource
Mr. Rajagopal Chakravarthi Venkatesh	Yes	Yes	-	-	Yes	-	Yes	Yes	-
Mr. Nikhil Nanda	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes
Mr. Kapil Minocha	Yes	Yes	Yes	Yes	-	-	Yes	Yes	-
Mr. Mukul Pathak	Yes	Yes	Yes	-	-	Yes	-	-	Yes
Mrs. Rohina Sanjay Sangtani	Yes	Yes	-	-	Yes	-	-	Yes	Yes
Mr. Vinay Mittal	Yes	Yes	-	Yes	Yes	-	-	Yes	Yes

MEETING OF THE INDEPENDENT DIRECTORS

The Independent Directors of your Company often meet before the Board Meeting(s) without the presence of the Chairman, the Managing Director or the Executive Director or other Non-Independent Director(s) or any other Management Personnel.

These Meetings are conducted in an informal and flexible manner to enable the Independent Directors to, *inter alia*, discuss matters pertaining to review of performance of Non-Independent Directors and the Board of Directors as a whole, review the performance of the Chairman of the Company (taking into account the views of other 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 of Directors to effectively and reasonably perform their duties.

RESIGNATION OF INDEPENDENT DIRECTOR(S)

During the year under review, none of the Independent Directors of the Company resigned before the expiry of their respective tenure(s).

COMMITTEES OF THE BOARD

The Board as on 31st March 2023 had four statutory committees to focus effectively on the issues and ensure expedient resolution for diverse matters namely:

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

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

AUDIT COMMITTEE

This Committee comprises of the following Directors viz. Mr. Mukul Pathak (Chairman of the Committee), Mrs. Rohina Sanjay Sangtani, Mr. Rajagopal Chakravarthi Venkatesh and Mr. Nikhil Nanda.

Except Mr. Nikhil Nanda, other three Members of the Committee are Independent Directors and possess strong accounting and financial management knowledge. The Company Secretary is the Secretary to the Committee.

KEY TERMS OF REFERENCE OF THE COMMITTEE:

The terms of reference of this Committee are very wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the Listing Regulations.. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorized to, *inter alia*, review and monitor the Auditor's independence and performance, scope and effectiveness of audit process, oversight of the Company's financial reporting process and the disclosure of its financial information, review with the management the quarterly and annual financial statements and auditor's report before submission to the Board for approval, select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters, to consider and grant prior approval for the related party transactions including material related party transactions in terms of Regulation 23 read with Regulation 2(1)(zc) and Regulation 2(1)(zb) of the Listing Regulations, granting omnibus approvals for related party transactions subject to fulfilment of certain conditions and quarterly reviews thereof, approve transaction(s) of the Company or any Subsidiaries of the Company on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any Subsidiaries of the Company. The Committee is also authorised to scrutinise intercorporate loans and investments, valuation of undertakings or assets of the Company, review the risk assessment and minimization procedures, evaluate internal financial controls and risk management systems, monitor end use of the funds raised through public offers and related matters, review the utilization of loans and/ or advances from/ investment by the Company in the subsidiary companies exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances / investments and review compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively. The terms of reference are also in line with the regulatory requirements mandated in the Act and Listing Regulations.

The Committee is also empowered to, *inter alia*, recommend the remuneration payable to the Statutory Auditors, availing of such other permitted services from the Auditors and to recommend a change in the Auditors, if felt necessary. Further, the Committee is empowered to recommend to the Board, the appointment of Chief Financial Officer, the term of appointment and remuneration of the Cost Auditor, Internal Auditor, etc., review the functioning of the Whistle-blower Policy/ Vigil Mechanism, to consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders. The Committee also reviews Financial Statements and Investments of unlisted subsidiary companies, Management Discussion & Analysis of financial condition and results of operations.

The Committee also reviews the Report on compliance under Code of Conduct for Prevention of Insider Trading adopted by the Company pursuant to PIT Regulations.

The Meetings of the Audit Committee are also attended by the Chairman, the Managing Director and Chief Financial Officer, Joint-Chief Financial Officer the Statutory Auditors, the Internal Auditor, and the Company Secretary.

As required under the Secretarial Standard on General Meetings, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him on his behalf shall attend the General Meeting of the Company.

Mr. Mukul Pathak, Chairman of the Audit Committee, was virtually present at the 18th AGM of the Company held through Video Conferencing facility on 30th September 2022 to address the Shareholders' queries pertaining to financial statements of the Company.

During the year under review a total of 5 (Five) meetings of Audit Committee were held on 27th May 2022, 09th August 2022, 10th November 2022 and 14th February 2023.

CONSTITUTION AND ATTENDANCE RECORD:

Audit Committee								
Name	Designation	27/05/2022 (Hybrid)	09/08/2022 (Hybrid)	10/11/2022 (Hybrid)	14/Feb / 23 (Hybrid)	Held During the year	Attended	% of attendance of a member
		1	2	3	4			
Mr. Mukul Pathak (Non-Executive - Independent Director)	Chairman	✓	✓	✓	✓	4	4	100
Mrs. Rohina Sanjay Sangtani (Non-Executive - Independent Director)	Member	✓	✓	✓	✓	4	4	100
Mr. Nikhil Nanda (Managing Director)	Member	✓	✓	✓	✓	4	4	100
Mr. Rajagopal Chakravarthi Venkatesh (Non-Executive - Independent Director)	Member	x	x	x	✓	1	1	100

*Mr. Rajagopal Chakravarthi Venkatesh was appointed as a member of the Committee w.e.f 14.02.2023.

STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with Regulation 20 of the Listing Regulations and provisions of Section 178 of Act, the Company has a Stakeholders' Relationship Committee. The Company's Stakeholders Relationship Committee functions under the Chairmanship of Mr. Rajagopal Chakravarthi Venkatesh, Independent Director. As on 31st March 2023, the Stakeholders Relationship Committee comprises of 2 (two) Non-Executive Directors and 1 (one) Executive director.

Mrs. Komal Jha, Company Secretary is the Compliance officer of the Company.

During the year under review, the Stakeholder Relationship Committee meeting was held on August 09, 2022. The Company Secretary acts as the Secretary to the Committee.

CONSTITUTION AND ATTENDANCE RECORD:

Stakeholders Relationship Committee					
Name	Designation	09-08-2022	Held during the year	Attended	Attendance
Mr. Raja Gopal Chakravarthi Venkataish (Non-Executive - Independent Director)	Chairperson	✓	1	1	100
Mr. Nikhil Nanda (Managing Director)	Member	✓	1	1	100
Mr. Mukul Pathak (Non- Executive Independent Director)	Member	✓	1	1	100

KEY TERMS OF REFERENCE OF THE COMMITTEE:

The Committee meets, as and when required, to inter alia, deal with matters relating to issue of duplicate share certificates, issue of new share certificates (including for transfer to Investor Education & Protection Fund as per the provisions of the Act and Rules framed thereunder), resolve the grievances of security holders of the Company including complaints related to dematerialization of shares, non-receipt of annual report,

non-receipt of declared dividends, etc., review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards adopted by the Company in respect of services being rendered by the Registrar & Transfer Agent, review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/demand drafts/annual reports/statutory notices by the Shareholders of the Company.

With a view to expedite the process of transmission, necessary authority has been delegated to certain officers of the Company. The Committee is authorised to approve request for transmission of shares and issue of duplicate share certificates.

The role and terms of reference of the Committee cover the areas as contemplated under Regulation 20 read with Part D of Schedule II of the Listing Regulations and Section 178 of the Act, as applicable, besides other terms as referred by the Board of Directors.

As per section 178(7) of the Act and the Secretarial Standard on General Meetings, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company.

The Chairman of the Committee, Mr. Rajagopal Chakravarthi Venkatesh was virtually present at the 18th AGM of the Company held through Video Conferencing facility on 30th September 2022.

DETAILS OF SHAREHOLDERS' / INVESTORS' COMPLAINTS:

During the Financial Year ended 31st March 2023, no complaints were received from shareholders. As of date, there are no pending complaints pertaining to the year under review.

NOMINATION AND REMUNERATION COMMITTEE:

All Committee Members are Independent Directors including the Chairman. The members are Mr. Mukul Pathak, Mr. Rajagopal Chakravarthi Venkatesh and Mrs. Rohina Sanjay Sangtani.

Mr. Ashish Goel, CFO, Mr. Nikhil Nanda, Managing Director and Mrs. Komal Jha, Company Secretary are permanent invitees to the Committee. The Nomination and Remuneration Committee met 3 (Three) times during the year 27th May 2022, 09th August 2022 and 10th November 2022. The Company Secretary acts as the Secretary to the Committee.

Constitution and Attendance Record:

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	27-05-2022	09-08-2022	10-11-2022	Held during the year	Atten- ded	Atten- dance
Mr. Mukul Pathak (Non-Executive - Independent Director)	Chairperson	✓	✓	✓	3	3	100
Mrs. Rohina Sanjay Sangtani (Non-Executive - Independent Director)	Member	✓	✓	✓	3	3	100
Mr. Raja Gopal Chakravarthi Venkataish (Non-Executive - Independent Director)	Member	✓	✓	✓	3	3	100

KEY TERMS OF REFERENCE OF THE COMMITTEE:

The Committee has been vested with the authority to, inter alia, recommend nominations for Board Membership, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record, integrity, establish Director retirement policies and appropriate succession plans and determine overall compensation policies of the Company.

The terms of reference of this Committee are aligned with the Listing Regulations and the Act. The coverage of "Senior Management" of the Company was widened pursuant to an amendment to the Listing Regulations and consequently the "Policy on Appointment of Directors and Senior Management and Succession Planning for Orderly Succession to the Board and the Senior Management" has been amended.

The scope of the Committee inter alia includes review of market practices and deciding on remuneration packages applicable to the Chairman, Managing Director, the Executive Director(s), Presidents and other Members of Senior Management as well as Key Managerial Personnel.

In addition to the above, the Committee's role includes identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every Director's performance.

The Committee has also formulated the criteria for determining qualifications, positive attributes and independence of a Director and recommended to the Board a Policy relating to the appointment/remuneration for the Directors, Key Managerial Personnel and other Employees. This policy has also been posted on the website of the Company and can be accessed in the Governance section at the Web-link: <https://www.svendgaard.com/policy.html>

The Committee has undertaken a structured and comprehensive succession planning program over a period of time and has carried out a rigorous review for an orderly Succession to the Board and the Senior Management.

The Committee carries out a separate exercise to evaluate the performance of Individual Directors. Feedback is sought by way of structured questionnaires covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation is carried out based on the responses received from the Directors. The performance evaluation of Independent Directors was based on various criteria, inter alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, etc. During the year under review, the Committee ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of Board and Committees and Individual Directors.

As per section 178(7) of the Act and Secretarial Standard on General Meetings, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Committee, Mr. Mukul Pathak was virtually present at the 18th AGM of the Company held through Video Conferencing facility on 30th September 2022.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Board of Directors constituted a Corporate Social responsibility (CSR) Committee and formulated the CSR Policy of the Company which is available on the website of the Company <https://www.svendgaard.com/policy.html>

During the year under review Section 135 of the Act and other relevant rules related to Corporate Social Responsibility were not applicable to the Company and no meeting of the CSR Committee was held.

RISK MANAGEMENT COMMITTEE:

The provisions dealing with constitution of Risk Management Committee are not applicable on the Company as it is not falling under the list of top 1000 companies as at the end of the immediately preceding financial year.

PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN

a. Senior Management as on March 31, 2023

Name of Employee	Designation	Date of Appointment
Mr. Paramvir Singh Pabla	Chief Executive Officer	30/05/2014
Mr. Ashish Goel	Chief Financial Officer	14/08/2018
Mr. Deepesh Sharma	Joint Chief Financial Officer	30/05/2023
Mrs. Komal Jha	Company Secretary and Compliance Officer	10/11/2022
Mr. Kashyap Borua	Head- Marketing	21/06/2021

b. Changes in Senior Management during Financial Year ended March 31, 2023

S.No	Name of Employee	Designation	Date of change	Appointed/ Resigned
1.	Mr. Avinash Pratap	Company Secretary & Compliance Officer	May 27, 2022	Resigned
2.	Mrs. Komal Jha	Company Secretary & Compliance Officer	November 10, 2022	Appointed
3.	Mr. Neeraj Kumar	Joint Chief Financial Officer	March 15, 2023	Resigned
4.	Mr. Deepesh Sharma	Joint Chief Financial Officer	May 30, 2023	Appointed

DISCLOSURES

REMUNERATION TO DIRECTORS

A. Remuneration Policy- Your Company has a well-defined Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees. This Policy is available on the website of the Company and can be accessed in the Investors section at the Web-link: <https://www.svendgaard.com/policy.html>

The Nomination and Remuneration Committee ("NRC") while deciding the basis for determining the compensation, both fixed and variable to the Non-Executive Directors, takes into consideration various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Act and Listing Regulations and such other factors as the NRC deems fit.

The elements of remuneration package of Executive Directors include salary, benefits, stock options, provident fund, etc. and is decided based on the individual performance as well as performance of the Company, inflation, prevailing industry trends and benchmarks. The Non-Executive Directors are paid remuneration in the form of sitting fees for attending the meetings of the Board of Directors or any Committee thereof, as approved by the Board of Directors.

REMUNERATION TO NON-EXECUTIVE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2023

Non-Executive Directors are paid sitting fees of Rs. 10,000 each for every Meeting of the Board and Rs. 10,000 each for every Committee subject to a ceiling of Rs 50,000/- per director for all meeting i.e. Board/ Committee scheduled in a day. Additionally, Non-Executive Directors are also reimbursed for expenses incurred in the performance of their official duties, if any. The sitting fees paid to Non-Executive Directors- Independent Directors for attending Board meetings and committee meetings for the year ended 31st March 2023 along with their respective shareholdings in your Company are as under:

Name	Sitting Fees(BM) held during the year ended 31/03/2023	Sitting Fees(Committ ee) held during the year ended. 31/03/2023	Total Sitting fees(P.A)	No. of Ordinary (Equity) Shares held as on 31/03/2023
Mr. Raja Gopal Chakravarthi Venkataish	50,000	40,000	90,000	Nil
Mr. Mukul Pathak	50,000	80,000	130,000	Nil
Mr. Kapil Minocha	50,000	Nil	50,000	Nil
Mrs. Rohina Sanjay Sangtani	50,000	70,000	120,000	Nil
	200,000	190,000	390,000	

Mr. Vinay Mittal being a Non-Executive Director of JHS Svendgaard Laboratories Limited, has waived his right to receive Sitting fees for attending the Meetings of the Board of Directors or any Committee.

REMUNERATION PAID/PAYABLE TO THE WHOLE-TIME DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2023

Remuneration to the Managing Director is fixed by NRC on the basis of the approval of the Board of Directors and Shareholders at a General Meeting. Following is the remuneration paid to the Managing Director during the year ended 31st March, 2023:

Name of Director	Basic Pay	Performance Linked Incentive	Perquisites	Contribution towards Provident Fund	Commission	Total
Nikhil Nanda	60,00,000	-	-	-	-	60,00,000

GENERAL SHAREHOLDER INFORMATION :-

Pursuant to General Circular No. 20/2020 issued by Ministry of Corporate Affairs ('MCA') dated 5th May 2020 read together with MCA General Circular Nos. 14 & 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively read with MCA General Circular No. 10/2022 dated 28th December, 2022, companies whose AGMs are due in the Year 2023 are allowed to conduct their AGM through video conferencing (VC) or other audio-visual means (OAVM) on or before 30th September, 2023. Accordingly, your Company will be conducting the AGM through VC/ OAVM facility. Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice of AGM and this mode will be available throughout the proceedings of the AGM. Members who are entitled to participate in the AGM can view the proceedings of AGM by logging on to the website of NSDL at using their secure login credentials.

During the live AGM, Members may post their queries in the message box provided on the screen or may submit questions in advance on the email ID of the Company investor@svendgaard.com.

In case of any query and/or help, in respect of attending AGM through VC/OAVM, Members may Visit <https://www.evoting.nsdl.com/> (NSDL Website) or investor@svendgaard.com, or

at the email ID evoting@nsdl.co.in

or call NSDL's toll free No.: 1800 1020 990

1800 22 44 30 for any further clarifications.

1. 19th Annual General Meeting

Date : 28th September 2023

Day : Thursday

Time : 02:00 P.M (IST)

Venue : Meeting through VC/OAVM

2. Financial Year of the Company

The financial year covers the period from 1st April to 31st March.

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
2021-22	Held through Video Conferencing	30.09.2022	11:00 A.M	a. To increase the remuneration of Mr. Nikhil Nanda, Managing Director of the Company. b. Increase in Authorized Share Capital and consequent alteration of the capital clause in the Memorandum of Association of the company. c. Preferential Issue of up to 1,55,00,000 fully Convertible Warrants to the persons belonging to promoter & promoter group and non-promoter category.
2020-21	Held through Video Conferencing	28.09.2021	01:00 P.M	None
2019-20	Held through Video Conferencing	08.08.2020	01:00 P.M	a. Addition of New Objects in the objects clause of the Memorandum of Association of the company b. Issuance of fully convertible warrants by way of preferential issue c. To re-appoint Mr. Mukul Pathak (DIN: 00051534), as an Independent Director of the Company d. Re-appointment of Mr. Nikhil Nanda as the Managing Director of the Company

Further, during the financial year 2022-23, following resolutions were passed by members of the Company:

Type of Resolution	Matter	Meeting Type/ Date	Voting Pattern	
			Favor	Against
Ordinary Resolution	To appoint Mr. Vinay Mittal (DIN: 08232559) as a Non- Executive, Non Independent Director	Through Postal Ballot on 26/08/2022	199,543 (94.531%)	11,544 (5.469%)
Special resolution	To approve the Composite Scheme of Arrangement for Demerger and Amalgamation among JHS Svendgaard Retail Ventures Private Limited ('Resulting Company') and JHS Svendgaard Brands Limited ('Transferor Company') JHS Svendgaard Laboratories Limited ('Demerged Company' / 'Transferee Company'/'Company') ("Scheme" / ("Scheme of Arrangement")	Court Convened Meeting held on Sunday, 13th November, 2022 from 10:30 A.M.	33,916,607 (99.998%)	519 (0.002%)

PROCEDURE FOR POSTAL BALLOT: In Compliance with the Regulation 44 of Listing Regulations and Section 108, 110 and other applicable provisions of the Act read with rules made thereunder, the Company had provided electronic Voting facility to all its members to cast their vote electronically. The Company had engaged the services of the National Securities Depository Limited for the purpose of providing e-voting facility.

The Company in compliance with the provisions of General Circular Nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021 and 3/2022 dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021, December 08, 2021 and May 05, 2022 respectively ('MCA Circulars') issued by Ministry of Corporate Affairs, had sent the Postal Ballot Notice in electronic form only on July 27, 2022. The Company had also published in Newspaper on July 28, 2022 declaring the details of dispatch of Postal Ballot Notice dated July 27, 2022 and other requirements as mandated under the applicable rules.

Mr. Mohit Dahiya, Practising Company Secretary was appointed as the Scrutinizer's for such postal ballot and results of the same were declared by Mr. Ashish Goel, Chief Financial Officer of the Company on August 30, 2022. The results of Postal Ballot were put on the website of the Company at www.svendgaard.com and on the website of e- voting agency after the same had been communicated to the Stock Exchanges.

• COMPANY'S WEBSITE:

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

MEANS OF COMMUNICATION:

The Company recognizes the importance of two-way communication with Shareholders and of giving a balanced reporting of results and progress. Full and timely disclosure of information regarding the Company's financial position and performance is an important part of your Company's corporate governance ethos. Your Company follows a robust process of communicating with its stakeholders, security holders and investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchanges, Press Releases, the Annual Reports and uploading relevant information on its website.

FINANCIAL RESULTS:

The unaudited quarterly results are announced within 45 (forty-five) days of the close of each quarter, other than the last quarter. The audited annual results are announced within 60 (sixty) days from the end of the financial year as required under the Listing Regulations. The aforesaid financial results are announced to the Stock Exchanges within the statutory time period of the conclusion of the Board Meeting(s) at which these are considered and approved.

OTHER INFORMATION:-

Your Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part 'A' and Part 'B' of Schedule III of the Listing Regulations including material information having a bearing on the performance/ operations of the Company and other price sensitive information. All information is filed electronically on the online portal of BSE Limited – Corporate Compliance & Listing Centre (BSE Listing Centre) and on the online portals of National Stock Exchange of India Limited – NSE's Electronic Application Processing System (NEAPS). The information to the Stock Exchanges located outside India is filed through electronic means or other permissible means.

ANALYST/INSTITUTIONAL INVESTORS PRESENTATIONS

The Company hosts calls with institutional investors/analysts post quarterly/half-yearly and the audited financial results are announced and on request. Presentations are also made to international and domestic institutional investors and analysts. These presentations and other disclosures which are required to be disseminated are filed electronically with the Stock Exchanges as well as uploaded on the Company's website viz.: <https://www.svendgaard.com> and as per the Archival Policy of the Company, would be hosted on the website for a minimum period of five years from the date of respective disclosures. In addition to the above, the Company also uploads transcripts of post earnings/quarterly calls and Audio-Visual recordings on the website of the Company.

The Annual Report of the Company, the quarterly/half yearly and the audited financial statements and the official news releases of the Company are also disseminated on the Company's website. The quarterly, half-yearly and yearly results are also published in the Business Standard in its national and local dailies editions. These are not sent individually to the Shareholders.

• FINANCIAL CALENDER

Financial year : 1st April 2022 to 31st March 2023

• TENTATIVE CALENDAR FOR FINANCIAL YEAR ENDING 31ST MARCH ,2024

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

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

- DIVIDEND**

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

- BOOK CLOSURE DATE**

Not Applicable.

- LISTING INFORMATION:**

The Company's shares are listed on the BSE Limited and the National Stock Exchange of India Limited. Listing fees as prescribed have been paid to the respective Stock Exchanges for the financial year ended 31st March 2024.

During the year under review, a preferential issue of up to 1,55,00,000 (One Crore Fifty-Five Lakh) warrants, convertible into equivalent number of equity shares of face value of Rs. 10/- each of the Company, at an issue price of Rs. 26.60/- per warrant aggregating to Rs. 41,23,00,000/-/- (Rupees Forty-one crore and twenty-three lakhs Only), was approved by the Board in the Board Meeting held on September 02, 2022, and subsequently by the shareholders in the 18th AGM held on 30th September 2022.

However, the said issue was withdrawn by the Management due to the unwillingness as expressed by the proposed allottees via mail dated January 31, 2023.

Further, the requisite intimation was given to both the stock exchanges viz., NSE and BSE in pursuance of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said intimation is enclosed herewith for perusal of the Board.

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

- STOCK CODE**

BSE 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 2023. 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-22	32.40	20.85	32.45	20.50
2	May-22	28.30	21.30	28.30	22.15
3	Jun-22	27.95	19.50	28.30	19.20
4	Jul-22	23.70	20.60	28.30	20.70
5	Aug-22	24.05	20.80	24.40	21.40
6	Sep-22	28.10	21.85	28.50	21
7	Oct-22	24.20	21.65	23.90	21.50
8	Nov-22	24.90	21.45	24.75	21.60
9	Dec-22	26.80	20.75	26.90	20.60
10	Jan-23	23.45	19.20	23	19.05
11	Feb-23	20.15	16.05	20.25	16
12	Mar-23	17.70	13.90	17.45	13.60

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

Month	JHS Closing Price (BSE) (INR)	BSE Sensex Closing (INR)	JHS Closing Price (NSE) (INR)	NSE Nifty 50 Closing (INR)
Apr-22	20.85	57,060.87	27.95	17,102.55
May-22	21.3	55,566.41	24	16,584.55
Jun-22	19.5	53,018.94	21.50	15,780.25
Jul-22	20.6	57,570.25	21.50	17,158.25
Aug-22	20.8	59,537.07	22.60	17,759.3
Sep-22	21.85	57,426.92	23	17,094.35
Oct-22	21.65	60,746.59	21.85	18,012.2
Nov-22	21.45	63,099.65	23.95	18,758.35
Dec-22	20.75	60,840.74	22.35	18,105.3
Jan-23	19.2	59,549.9	19.75	17,662.15
Feb-23	16.05	58,962.12	16.85	17,303.95
Mar-23	13.9	58,991.52	15.50	17,359.75

• REGISTRARS AND TRANSFER AGENTS

Name and Address	:	Alankit Assignments Limited, Alankit Heights 1E/13, Jhandewalan Extension, New Delhi – 110055
Telephone	:	+91-11-4254 1234
Fax	:	+ 91-11-4254 1201
Email	:	rta@ alankit.com

• SHARE TRANSFER SYSTEM

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

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

• SHAREHOLDING PATTERN AS ON 31ST MARCH 2023

Category	Category of shareholders	No. of Shareholders	No of Shares	% of Holding
(A)	Promoter and Promoter Group	4	2,74,07,988	42.23
(B)	Public	23961	3,74,92,477	57.77
(C)	Non-Promoter- Non-Public	Nil	Nil	Nil
(C1)	Shares underlying DRs	Nil	Nil	Nil
(C2)	Shares held by Employee Trusts	Nil	Nil	Nil
	Grand Total	23965	6,49,00,465	100.00

• DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2023

No. of Shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
1 – 500	2783273	4.29	17828	74.39
501 – 1000	2313077	3.56	2745	11.45
1001 – 2000	2520273	3.88	1606	6.70
2001 – 3000	1420539	2.19	551	2.30
3001 – 4000	1015031	1.56	279	1.16
4001 – 5000	1207002	1.86	254	1.06
5001 – 10000	2812159	4.33	374	1.56
10001 – 99999999999	50829111	78.32	328	1.37
Total	64900465	100.00	23965	100.00

- **DEMATERIALIZATION OF SHARES**

The equity shares of your Company are under compulsory dematerialization mode and on 31st March 2023.

99.97 % of shares of the Company are dematerialized as on 31st March 2023. 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 are no outstanding GDRs/ ADRs/ or any convertible instruments as at the end of the financial year ended on 31st March 2023.

- **CREDIT RATING**

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

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

- The Company has not raised funds through Preferential Allotment/QIP during the year under review.

PLANT LOCATION

Himachal Pradesh

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

- **ADDRESS FOR INVESTOR CORRESPONDENCE**

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

For Correspondence:

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

Registered Office:

JHS Svendgaard Laboratories Limited
Trilokpur Road, Kheri (Kala-Amb), Tehsil - Nahan,
District Sirmour, Himachal Pradesh – 173030
Ph: 7906848423 Fax: 01702-238830

Compliance Officer:

Mrs. Komal Jha, Company Secretary
Phone: 011-26900411; Fax: 011-26900434
e-mail: cs@svendgaard.com

- **RELATED PARTY TRANSACTIONS:**

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

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

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

All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interests. In terms of SEBI Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions and the same is available on the website of the Company and can be accessed via <https://www.svendgaard.com/policy.html>

• DETAILS OF NON-COMPLIANCE:

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

- a) Delay in filing of the voting results under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the meeting of Equity Shareholders held on November 12, 2022 in pursuance of NCLT order dated August 30, 2022 in relation to ongoing Composite Scheme of Demerger and Amalgamation between JHS Svendgaard Laboratories Limited ("Demerged Company"/Transferee Company"), JHS Svendgaard Retail Ventures Private Limited ("Resulting Company") and JHS Svendgaard Brands Limited ("Transferor Company").

Consequently, a penalty was levied by NSE and BSE for INR 11,800/- (inclusive of GST) each, which the Company paid timely as taken note by the Board. Also, Management assures the members for being cautious of the same to avoid future inconvenience.

- b) Delay in furnishing prior intimation of meeting of Board of Directors held on 23rd June, 2020 as per the Provisions of Regulation 29(2)/29(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI LODR"). Company received an e-mail dated 10th July, 2020 from BSE Limited requesting company to pay fine of Rs.10,000/- (Rupees Ten Thousand Only) excluding GST to which we inter-alia replied vide mail dated 11th July 2020 that the aforesaid error was completely human in nature & inadvertent without any malafide intention behind the same. We further, vide our e-mail dated 25th August, 2020 informed that we have paid said fee under Protest and requesting to condone this lapse. Reminder mails were sent to BSE on 04th September, 2020, 17th September, 2020, 21st September, 2020, 23rd September, 2020, 28th September, 2020 and 05th October, 2020 however, no response for same has been received. (A same fee of Rs.10,000/- (Rupees Ten Thousand Only) excluding GST was also paid to National Stock Exchange of India Limited "NSE").
- c) Delay in furnishing prior intimation of meeting of Board of Directors held on 15th September, 2020 as per the Provisions of Regulation 29(2)/29(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI LODR"). Company received an e-mail dated 14th October, 2020 from NSE requesting the company to pay a fine of Rs.10,000/- (Rupees Ten Thousand Only) to which we replied vide our e-mail dated 28th October, 2020 that we have paid the said fee. (A same fee of Rs.10,000/- (Rupees Ten Thousand Only) was also paid to BSE Limited).
- d) Mr. Nikhil Nanda, Managing Director of the Company traded in the equity share of the Company and violated the relevant provisions of Code of Conduct and SEBI (Prohibition of Insider Trading), Regulations 2015 which was duly intimated to the Stock Exchanges and was also placed before the Audit Committee meeting held on 09th February, 2021 and Board Meeting held on 09th February, 2021. Considering the nature of this event, the Audit Committee imposed requisite penalty of Rs.58,500/- i.e., 25% of the transaction value on him and the same was deposited with the SEBI. Mr. Nikhil Nanda was also issued a detailed instruction for adhering the relevant provisions of SEBI (Prohibition of Insider Trading), Regulations, 2015.
- e) During closure of trading window for Quarter ended December 31, 2022 for insiders, Mr. Devendra Ganghwar who was an Insider and designated person purchased the Shares of Company and consequence to violence of PIT Regulation, a penalty of 10,000 was recommended by Audit Committee, The Board took note of same and complied with the requirements of Laws and Regulations.

• DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to Section 177(9) and (10) of the Act and Regulation 22 of the Listing Regulations, the Company has formulated Vigil Mechanism and Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct.

The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases.

None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website at : https://www.svendgaard.com/download/invester/Vigil_Mechansim/VIGIL%20MECHANISM%20POLICY.pdf

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

During the year under review the Company has complied:

a) with the disclosure requirements of Schedule V of the Listing Regulations.

b) 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.

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

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

Compliance with Non-mandatory requirements:

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

(a) Unmodified Audit Opinion

During the year under review, there are no audit qualification in your Company's standalone financial statements. Your Company continues to adopt best practices to ensure regime of financial statements with unmodified audit qualifications.

(b) Reporting of internal auditor

The internal auditor reports directly to the audit committee.

- **SUBSIDIARIES:**

Regulation 16 of the Listing Regulations defines a "material subsidiary" to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. The Company does not have any material subsidiary as defined under the Listing Regulations.

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

Your Company has formulated a Policy for determining 'Material' Subsidiaries as defined in Regulation 16 of the Listing Regulations. This Policy has been posted on the website of the Company and can be accessed in the Governance section at the Web-link <https://www.svendgaard.com/download/invester/Policy/Policy-material-subsiary.pdf>

Disclosure of Accounting Treatment in preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Act and other relevant provisions of the Act.

- **CERTIFICATE OF NON-DISQUALIFICATION**

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

Disclosure in relation to recommendation made by any Committee which was not accepted by the Board:

During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

• **CEO/ CFO CERTIFICATION:**

The declarations signed by the CEO and CFO stating that Board of Directors and Senior Management Personnel have affirmed compliance with the Code of conduct as required by the Listing Regulations, is provided in this Annual Report as **Annexure- B**.

Other disclosures:

- The Company has not undertaken commodity price risk or foreign exchange risk and hedging activities.
- The Company is not having any Stock Option Plan/ Scheme.

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

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

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

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

An Internal Complaints Committee has been constituted to look into grievance/complaints of sexual harassment lodged by employees as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, no complaints were received during the year and no complaint is pending on 31st March 2023.

- Number of complaints filed during the financial year under review : 0
- Number of complaints disposed of during the financial year under review : 0
- Number of complaints pending as on end of the financial year : 0

Shareholding of Key Managerial Personnel of the Company as on 31st March, 2023:

The Shareholding of Key Managerial Personnel ("KMP") of your Company as on 31st March, 2023 is as follows:

S.N.	Name of KMP (alongwith their Designation)	No. of Ordinary (Equity) Shares held as on 31st March, 2023	% of Shareholding
1	Mr. Nikhil Nanda, Managing Director	2,43,20,774	39.1
2	Mr. Paramvir Singh Pabla	125,100	0.002
3	Mr. Ashish Goel- Chief Financial Officer	125,000	0.002
4	Mrs. Komal Jha, Company Secretary	NIL	NIL
5	Mr. Deepesh Sharma Joint-Chief Financial Officer	NIL	NIL

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

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

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

The Company has formulated and adopted the "Insider Trading Policy" which, inter alia, includes the overall "Code of Internal Procedures and Conduct for regulating , monitoring and reporting of trading by Insiders".

The above said Code is in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulations").

The above said Code has been formulated to regulate, monitor and ensure reporting of trading by the Designated Persons and their immediate relatives towards achieving compliance with the Insider Trading Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable. The Code lays down Guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with securities of the Company and caution them of the consequences of violations.

CODE OF CONDUCT

The Company has adopted a Code of Conduct for all its directors and employees. This Code of Conduct has been communicated to all of them. The Code of Conduct has also been put on the Company's website i.e. https://www.svendgaard.com/download/invester/Vigil_Mechansim/CODE%20OF%20CONDUCT%20FOR%20DIRECTORS%20&%20SENIOR%20MANAGEMENT%20PERSONNEL.pdf

The Code has been circulated to all the Board members and Senior Management Personnel and compliance with the same has been affirmed by them for the financial year 2022-23. A declaration signed by the Chairperson and Managing Director of the Company is attached as **Annexure- D**.

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:

In terms of Regulation 39 of the Listing Regulations, the Company reports the Nil equity shares lying in the suspense account.

LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT.

The details of loans and advances in the nature of loans to firms/ companies in which Directors are interested, forms part of notes to the financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report forms part of this Annual Report

DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations.]: NIL

For and on behalf of the Board

Date:14/08/2023
Place: New Delhi

Sd/-
Nikhil Nanda
Managing Director
DIN: 00051501

Sd/-
Vinay Mittal
Director
DIN: 08232559

ANNEXURE- A

CERTIFICATE OF NON-DISQUALIFICATION CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members
JHS SVENDGAARD LABORATORIES LIMITED

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **JHS Svendgaard Laboratories Limited** having CIN **L74110HP2004PLC027558** and having registered office at **Trilokpur Road kala amb Distt Sirmaur Himachal Pradesh** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1	NIKHIL NANDA	00051501	08/10/2004
2	MUKUL PATHAK	00051534	14/07/2015
3	RAJAGOPAL CHAKRAVARTHI VENKATEISH	00259537	23/06/2020
4	KAPIL MINOCHA	02817283	23/06/2020
5	ROHINA SANJAY SANGTANI	07520124	21/11/2017
6	*MR. VINAY MITTAL	08232559	27/05/2022

* Mr. Vinay Mittal (DIN: 08232559) was appointed as Non-Executive Director under category Non-Executive Non Independent Director w.e.f. 27th May 2022 of the Company.

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

Date: 09.08.2023
Place: New Delhi

for Mohit & Associates
Company Secretaries

Sd/-
(CS Mohit Dahiya)
(M. No. F9540)
(C. P. No. 23052)
UDIN: F009540E000772885

CEO CFO CERTIFICATION

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

- A. We have reviewed the financial statements and the Cash Flow Statement of the Company for the Financial Year ended 31.03.2023 and that to the best of our knowledge and belief:
 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We also certify, that based on our knowledge and the information provided to us, there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls for financial reporting and procedures for the Company and that we have evaluated the effectiveness of Company's internal control systems and procedures pertaining to financial reporting.
- D. The Company's other certifying officers and we have indicated, based on our most recent evaluation, wherever applicable, to the Company's Auditors and through them to the Audit Committee of the Company's Board of Directors:
 1. Deficiencies in the design or operation of internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
 2. Significant changes in internal control over financial reporting during the year.
 3. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 4. Any fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: New Delhi
Date : 30.05.2023

Sd/-
Paramvir Singh
CEO

Sd/-
Ashish Goel
CFO

ANNEXURE- C

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

To,
The Members of
JHS Svendgaard Laboratories Limited
B1/E23, Mohan Co-Operative
Industrial Area, Mathura Road
New Delhi-110 044

We have examined the compliance of condition of JHS Svendgaard Laboratories Limited ("the Company") for the year ended on 31st March 2023, as stipulated in chapter IV of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in chapter IV of the Listing Regulations. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Date: 09.08.2023
Place: New Delhi

for Mohit & Associates
Company Secretaries

Sd/-
(CS Mohit Dahiya)
(M. No. F9540)
(C. P. No. 23052)
UDIN: F009540E000772995

ANNEXURE- D

CERTIFICATION BY CHIEF EXECUTIVE OFFICER OF THE COMPANY

I, Paramvir Singh, Chief Executive Officer of the Company, hereby certify that the members of the Board of Directors of the Company and the Management Personnel have affirmed the compliance with the code of conduct adopted by the Company for the financial year ended March 31, 2023, in terms of Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: New Delhi
Date : 30.05.2023

Sd/-
Paramvir Singh
CEO

STANDALONE FINANCIAL REPORT



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Independent Auditor's Report

TO THE MEMBERS OF

JHS SVENDGAARD LABORATORIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of JHS SVENDGAARD LABORATORIES LIMITED (the "Company"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

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

Basis for Opinion

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

Key Audit Matters

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

#	Key Audit Matter	Auditor's Response
1	Revenue recognition Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized when the company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in the case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. Refer Note 2 to the Standalone Financial Statements – Significant accounting policies.	Principal audit procedures Our audit approach was a combination of test of internal controls and substantive procedures including: - Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. - Evaluating the design and implementation of Company's controls in respect of revenue recognition. - Testing the effectiveness of such controls over revenue cut off at year-end. - We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods dispatch notes and shipping documents. - Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. Based on the above procedure performed, the recognition and measurement of revenue from sale of goods are considered to be adequate and reasonable.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process..

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence

obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the order"), issued by the central government of India in terms of sub-section (11) of section 143 of the act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.

a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are

material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 01 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

For TATTVAM & Co.
Chartered Accountants
Firm's Registration No. 015048N

Sd/-
Gaurav Saraf
Partner
Membership No.535309
UDIN: 23535309BGZBAU3429

Place: New Delhi
Date: 30 May 2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JHS SVENDGAARD LABORATORIES LIMITED of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a)

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every 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 program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the

Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)

(a) The management has conducted physical verification of inventory at reasonable intervals during the year, accordingly to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate and no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has made investments in and granted loans to entities during the year:

(a) the aggregate amount during the year and balance outstanding at the balance sheet date with respect to such loans to subsidiaries, details of which are given below:

Particulars	Amount (in Lakhs)
Aggregate amount granted during the year: - Subsidiaries	- 1,049.00
Balance outstanding as at balance sheet date in respect of above cases: - Subsidiaries	- 3,381.28

the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to parties other than subsidiaries, details of which are given below:

Particulars	Amount (in Lakhs)
Aggregate amount granted during the year: - Others	- 135.17
Balance outstanding as at balance sheet date in respect of above cases: - Others	- 278.29

- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) is not applicable.
- The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub- section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the company. Hence, reporting under clause (vi) of the Order is not applicable to the company.
- vii. In respect of statutory dues:
- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise and other material
- statutory dues applicable to it with the appropriate authorities except for slight delays.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- b) There are no statutory dues referred in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to information and explanations given to us, the term loans were applied for the purpose for which loans were taken.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x.

(a) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally). Accordingly, provisions of clause 3 (x)(b) of the Order are not applicable.

xi.

(a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) There are no whistle blower complaints received by company during the year.

xii.

The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii.

In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv.

(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors

and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi.

(a) The company is not required be registered under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(a) of the order is not applicable.

(b) The company has not conducted non- banking financial or housing finance activities during the year. Accordingly, provisions of clause 3(xvi)(b) of the order is not applicable.

(c) The company is not a Core Investment Company ("CIC") as defined in regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the order is not applicable.

(d) Based on the information and explanations provided by the management, the Group does not have any CICs, which are part of the Group. Accordingly, provisions of clause 3(xvi)(d) of the Order are not applicable.

xvii. The company has not incurred any cash losses in the financial year and preceding financial year.

xviii. There has been resignation of the statutory auditors of the company during the year and no issues, objections or concerns were raised by the outgoing auditors.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that

Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- XX. The provisions of section 135 are not applicable to the company.

Accordingly, provisions of clause 3(xx) (a) and (b) of the order is not applicable.

For TATTVAM & Co.
Chartered Accountants
(Firm's Registration No. 015048N)

Sd/-
Gaurav Saraf
(Partner)
Membership No.535309
UDIN: 23535309BGZBAU3429

Place: New Delhi
Date: 30 May 2023

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JHS SVENDGAARD LABORATORIES LIMITED of even date)

Report on the Internal Financial Controls with reference to Standalone Financials Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to standalone financial statements of JHS SVENDGAARD LABORATORIES LIMITED (the "Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control 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 (the "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 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, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established

and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 with reference to standalone financial statements..

Meaning of Internal Financial Controls with reference to standalone financial statements

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

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

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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2023, based on the criteria for internal

financial control with reference to standalone financial statements 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 ICAI.

For TATTVAM & Co.
Chartered Accountants
(Firm's Registration No. 015048N)

Sd/-
Gaurav Saraf
(Partner)
Membership No.535309
UDIN: 23535309BGZBAU3429

Place: New Delhi
Date: 30 May 2023

BALANCE SHEET AS AT 31 MARCH, 2023

(₹ in lakhs)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	6,261.74	5,418.43
(b) Capital work-in-progress	3.2	444.12	1,582.69
(c) Right-of-use assets	3.3	98.46	122.39
(d) Intangible assets	3.4	-	0.09
(e) Financial assets			
i) Investments	4	1,617.59	1,538.63
ii) Loans	5	26.19	-
iii) Other financial assets	6	308.49	420.32
(f) Deferred tax assets (net)	7	671.27	269.44
(g) Non-current tax assets (net)	8	85.40	55.80
(h) Other non-current assets	9	1,209.78	3,228.95
Total non-current assets		10,723.03	12,636.75
2 Current assets			
(a) Inventories	10	1,085.73	914.91
(b) Financial assets			
i) Trade receivables	11	1,817.81	1,618.58
ii) Cash and cash equivalents	12	3,264.70	430.76
iii) Bank balances other than (ii) above	13	139.69	117.16
iv) Loans	14	3,659.60	3,822.99
v) Other financial assets	15	371.58	543.19
(c) Other current assets	16	278.99	1,024.56
Total current assets		10,618.08	8,472.16
Total assets		21,341.11	21,108.91
EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	17	6,490.05	6,490.05
(b) Other equity	18	10,991.62	12,486.55
Total equity		17,481.67	18,976.60
2 LIABILITIES			
A Non-current liabilities			
(a) Financial liabilities			
i) Borrowings	19(i)	23.04	36.56
ii) Lease Liabilities	19(ii)	117.76	141.88
(b) Provisions	20	135.10	149.48
(c) Other non-current liabilities	21	130.44	143.99
Total non-current liabilities		406.34	471.91
B Current liabilities			
(a) Financial liabilities			
i) Borrowings	19(i)	13.13	18.11
ii) Trade payables			
- total outstanding dues of micro and small enterprises	22	178.82	196.04
- total outstanding dues of creditors other than micro and small enterprises	22	1,863.79	1,113.74
iii) Lease Liabilities	19(ii)	23.64	19.91
iv) Other financial liabilities	23	253.48	187.70
(b) Other current liabilities	24	1,108.17	103.57
(c) Provisions	20	12.07	21.33
Total current liabilities		3,453.10	1,660.40
Total liabilities		3,859.44	2,132.31
Total equity and liabilities		21,341.11	21,108.91

Basis of Preparation

Summary of significant accounting policies

The accompanying notes are an integral part of these financial statements

1

2

As per our report of even dated attached

For TATTVAM & CO
Chartered Accountants
Firm Registration No.:015048N

Sd/-
Guarav Saraf
Partner
Membership No.: 535309
UDIN : 23535309BGZBAU3429

Place : New Delhi
Date : 30 May, 2023

Sd/-
Nikhil Nanda
Managing Director
DIN : 00051501

Sd/-
Ashish Goel
Chief Financial Officer

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

Sd/-
Mukul Pathak
Director
DIN : 00051534

Sd/-
Paramvir Singh Pabla
Chief Executive Officer

Sd/-
Komal Jha
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2023

(₹ in lakhs)

Particulars	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
INCOME			
Revenue from operations	25	8,191.58	7,990.59
Other income	26	1,306.34	814.39
Total income		9,497.92	8,804.98
EXPENSES			
Cost of materials consumed	27A	5,603.91	5,368.24
Purchases of stock-in-trade	28B	3.10	63.97
Changes in inventories of finished goods, work in progress and stock-in-trade	28	282.78	253.45
Employee benefits expense	29	918.27	993.28
Finance costs	30	39.98	49.94
Depreciation and amortisation expenses	31	582.39	589.65
Other expenses	32	2,176.35	1,294.05
Total expenses		9,606.76	8,612.59
Profit/ (Loss) before exceptional items and tax		(108.84)	192.39
Exceptional items	33	(1,863.07)	-
Profit/(Loss) before tax		(1,971.91)	192.39
Tax expense	34		
a) Current tax			92.09
b) Tax for previous years			1.50
c) Deferred tax charge/(credit)		(457.82)	342.97
Profit/ (Loss) for the year from continuing operations		(1,514.09)	(244.17)
Profit/(Loss) for the year		(1,514.09)	(244.17)
Other comprehensive income			
-Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		(20.48)	5.76
Less: Income tax expense relating to Items that will not be reclassified to profit or loss	34	5.32	(1.60)
Total other comprehensive income for the year, net of tax		(15.15)	4.16
Total comprehensive income for the year		(1,529.24)	(240.01)
Earnings per equity share			
a) Basic (Face value of ₹ 10 each)	45	(2.33)	(0.38)
b) Diluted (Face value of ₹ 10 each)	45	(2.33)	(0.38)

The accompanying notes are an integral part of these financial statements
As per our report of even dated attached

For TATTVAM & CO
Chartered Accountants
Firm Registration No.:015048N

Sd/-
Guarav Saraf
Partner
Membership No.: 535309
UDIN : 23535309BGZBAU3429

Place : New Delhi
Date : 30 May, 2023

Place : New Delhi
Date : 30 May, 2023

Sd/-
Nikhil Nanda
Managing Director
DIN : 00051501

Sd/-
Ashish Goel
Chief Financial Officer

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

Sd/-
Mukul Pathak
Director
DIN : 00051534

Sd/-
Paramvir Singh Pabla
Chief Executive Officer

Sd/-
Komal Jha
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2023

A. Equity Share Capital

(₹ in lakhs)

Balance as at 01 April, 2022	Changes in equity share capital during the year	Balance as at 31 March, 2023
6,490.05		6,490.05

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

B. Other Equity

(₹ in lakhs)

	Reserve and Surplus				Other Comprehensive income	Money Received against Share warrants	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of net defined benefit plans		
Balance as at 01 April, 2022	241.95	9,623.05	6.68	2,596.78	18.09	-	12,486.55
Profit/(Loss) for the year	-	-	-	(1,514.09)	-	-	(1,514.09)
Other comprehensive income	-	-	-	-	(15.15)	-	(15.15)
Total comprehensive income for the year	-	-	-	(1,514.09)	(15.15)	-	(1,529.24)
Transaction with owners in capacity as owners							
Adjustment pertaining to a loan given to shareholder	-	-	-	34.33	-	-	34.33
Share warrants converted into shares	-	-	-	-	-	-	-
Premium on warrant converted into shares	-	-	-	-	-	-	-
Balance as at 31 March, 2023	241.95	9,623.05	6.68	1,117.02	2.94	-	10,991.64

(₹ in lakhs)

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

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

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached

For TATTVAM & CO

Chartered Accountants

Firm Registration No.: 015048N

For and on behalf of Board of Directors

JHS Svendgaard Laboratories Limited

Sd/-

Guarav Saraf

Partner

Membership No.: 535309

Sd/-

Nikhil Nanda

Managing Director

DIN : 00051501

Sd/-

Mukul Pathak

Director

DIN : 00051534

Sd/-

Ashish Goel

Chief Financial Officer

Sd/-

Paramvir Singh Pabla

Chief Executive Officer

Sd/-

Komal Jha

Company Secretary

Place : New Delhi

Date : 30 May, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2023

(₹ in lakhs)

Particulars	Year Ended 31 March, 2023	Year Ended 31 March, 2022
A. Cash Flow from Operating Activities		
Profit before tax	(1,971.91)	192.39
Adjustments for:		
Provision written back for inventory (net)	-	(37.08)
Depreciation and amortization	582.39	589.65
(Profit)/Loss on disposal of property, plant and equipment (net)	(3.89)	-
Interest income	(309.12)	(247.64)
Government grant amortization	(15.44)	(63.85)
Provision no longer required written back	(26.89)	(12.04)
Balances and advances written off	1,606.79	25.69
Provision for doubtful advances	256.27	-
Balances and Advances written back	-	(346.68)
Turnover & quantity discounts from vendor	-	(32.78)
Profit on sale of investment	(4.16)	(0.62)
Interest and financial charges	39.98	49.94
Exchange loss/(gain) (net)	(89.98)	(65.29)
Fair value adjustments	-	7.63
Operating profit before working capital changes and other adjustments	64.03	59.33
Working capital changes and other adjustments :		
(Increase)/decrease in inventories	(151.70)	(80.77)
(Increase)/decrease in trade receivables	(109.24)	4,132.80
(Increase)/decrease in current loans	-	(3,548.17)
(Increase)/decrease in other current assets	(259.39)	(60.22)
(Increase)/decrease in other non current financial assets	82.28	(404.60)
(Increase)/decrease in other current financial assets	430.48	(180.91)
(Increase)/decrease in non current loans	-	12.65
(Increase)/decrease in other non-current assets	156.10	(837.32)
Increase/ (decrease) in other current financial liabilities	65.78	(169.99)
Increase/ (decrease) in trade payables	759.72	(214.86)
Increase/ (decrease) in lease liabilities	-	(18.04)
Increase/ (decrease) in other non current financial liabilities	-	143.99
Increase/ (decrease) in short term provisions	(9.26)	7.51
Increase/ (decrease) in long term provisions	(14.38)	20.63
Increase/ (decrease) in other non current liabilities	1.89	-
Increase/ (decrease) in other current liabilities	1,004.60	41.20
Cash generated/(used) from operations	2,020.92	(1,096.78)
Taxes paid	-	(30.78)
Net cash generated/(used) from operating activities	2,020.92	(1,127.55)
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment	2.32	(261.37)
Capital advances recovered back	799.42	-
Purchase of mutual funds	(74.80)	-
Loan money received back	137.21	-
Interest income received	50.25	247.64
Change in other bank balance and cash not available for immediate use	-	(82.10)
Net Cash generated/(used) in investing activities	914.41	(95.81)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2023

(CONTD.)

Particulars	Year Ended 31 March, 2023	Year Ended 31 March, 2022
C. Cash Flow from Financing Activities		
Proceeds from/ (repayment of) long term borrowings	(13.52)	3.27
Proceeds from/ (repayment of) short term borrowings	(4.98)	18.11
Repayment of lease liabilities	(44.85)	(44.85)
Proceed from share capital and securities premium	-	100.00
Proceed from of share warrant	-	(25.00)
Interest and financial charges	(15.51)	(49.94)
Net increase from financing activities	(78.86)	1.59
Net increase/(decrease) in cash and cash equivalents	2,856.47	(1,221.77)
Opening balance of cash and cash equivalents	547.92	1,652.53
Closing balance of cash and cash equivalents	3,404.39	430.76
Components of cash and cash equivalents as at end of the year		
Cash on hand	39.53	23.49
Balances with banks		
- on current account	3,225.17	405.07
- in term deposits with original maturity of 3 months or less	139.69	2.20
Cash and cash equivalents (Refer note 12)	3,404.39	430.76

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

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

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached

For TATTVAM & CO

Chartered Accountants

Firm Registration No.: 015048N

For and on behalf of Board of Directors

JHS Svendgaard Laboratories Limited

Sd/-

Guarav Saraf

Partner

Membership No.: 535309

UDIN : 23535309BGZBAU3429

Sd/-

Nikhil Nanda

Managing Director

DIN : 00051501

Sd/-

Mukul Pathak

Director

DIN : 00051534

Place : New Delhi

Date : 30 May, 2023

Sd/-

Ashish Goel

Chief Financial Officer

Sd/-

Paramvir Singh Pabla

Chief Executive Officer

Sd/-

Komal Jha

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

Background

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

1 Basis of preparation

a) Compliance with Indian Accounting Standard

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

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

These financial statements were approved by the Board of Directors on 30 May 2023.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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 receivables 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 as amended issued by the Ministry of Corporate Affairs.

e) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

Sale of goods

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

Variable consideration

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

Contract balances

Trade receivables

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

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

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

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

Cost to obtain a contract

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

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

Financing components

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

Rendering of services

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

b) Other revenue streams

Interest income

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

Dividend income

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

Export incentives

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

Government grants

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

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

c) Income taxes

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

Current tax

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

Deferred tax

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

Deferred tax liabilities are always provided for in full.

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

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

Minimum Alternative Tax (MAT)

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

d) Leases

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

NOTES TO THE FINANCIAL STATEMENTS

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As a lessee

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

As a lessor

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

e) Impairment of non-financial assets

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

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

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed if there has been a change in

NOTES TO THE FINANCIAL STATEMENTS

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the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized. An impairment loss recognized for goodwill is not reversed in subsequent periods.

f) Cash and cash equivalents

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

g) Inventories

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

h) Investments in subsidiaries

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

i) Financial assets other than investment in subsidiaries

(i) Classification

The 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

(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 Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

(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.

Trade and other payables

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

Borrowings

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

Derecognition

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

Offsetting financial instruments

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

k) Property plant and equipment

Freehold land is carried at historical cost. Other property, plant and equipment are stated at historical cost of acquisition net of recoverable taxes(whenever 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.

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

l) Intangible assets

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

m) Capital work in progress/ Intangible under development

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

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

n) Depreciation and amortization

Depreciation on Property plant and equipment has been provided on straight line method in accordance with the provisions of Part C of Schedule II of the Companies Act 2013. The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, except for moulds and dies, are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Based on internal assessment and technical evaluation, the management has assessed useful lives of moulds and dies as five years, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

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

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

Description	Useful lives (upto)
Vehicle	8 years
Computer	3 years
Furniture & Fixture	10 years
Computer Software	5 years
Office Equipment	5 years
Leasehold Improvements	8 years
Electronic Equipment	8 years
Mould & Dies	5 years
Plant & Machinery	15 years
Computer network	6 years
Factory Building	30 years
Office Building	30 years
Lab Equipment	10 years

o) Borrowing costs

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

p) Provisions, Contingent liabilities and Contingent assets

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

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

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

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

q) Employee Benefits :

(i) Short-term obligations

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

The liabilities are presented as current employee benefit obligations in the Balance Sheet.

(ii) Post employment obligations

Defined benefit plans

Gratuity obligations

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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.

iii) Other long-term employee benefit obligations

Leave encashment

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

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

r) Earnings per share

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

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

s) Segment reporting

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

t) Measurement of fair values

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

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

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

u) Assets held for Sale

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

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

v) Exceptional items

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

w) Applicable standards/notifications issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2023.

2.2 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

IND AS 1 – Presentation of Financial Statements

This amendment requires the companies to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and the impact of the amendment is significant in the standalone financial statements.

IND AS 12 – Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

3.1 Property, plant and equipment

Particulars	Gross Block (at cost)			Accumulated depreciation & amortization			Net Block	
	As at 01 April 2022	Additions	Disposals/ adjustments	As at 31 March 2023	As at 01 April 2022	Depreciation & amortization for the year	As at 31 March 2023	As at March 31 2022
Property, plant and equipment								
Freehold land	563.29	57.83	-	621.12	-	-	621.12	563.29
Factory building	1,901.08	284.21	-	2,185.29	426.74	74.64	1,683.91	1,474.35
Office building	143.01	-	-	143.01	36.26	5.42	101.33	106.75
Plant & machinery	4,462.80	952.79	3.09	5,412.50	1,808.01	352.97	3,254.46	2,654.79
Mould & dies	407.10	107.93	28.44	486.59	269.31	41.66	176.87	137.79
Electronic equipment	191.49	18.27	-	209.76	163.63	1.30	44.83	27.87
Lab equipment	5.63	-	-	5.63	4.88	0.03	0.72	0.76
Leasehold improvements	160.55	-	-	160.55	67.24	18.12	75.19	93.31
Furniture & fixture	109.92	2.92	1.14	111.70	81.06	4.20	27.55	28.86
Office equipment	43.36	2.75	1.15	44.96	27.87	3.86	14.32	15.48
Vehicle	483.99	-	-	483.99	170.72	55.41	257.85	313.27
Computer	6.38	2.41	-	8.79	4.50	0.75	3.54	1.88
Computer network	0.27	-	-	0.27	0.23	-	0.04	0.04
Total	8,478.87	1,429.11	33.82	9,874.16	3,060.43	558.37	6,261.74	5,418.43
Previous year	8,216.87	262.00	-	8,478.87	2,495.55	564.88	5,418.43	5,721.32

3.2 Capital work-in-progress *

Particulars	As at 01 April 2022		Additions		Capitalised		As at 31 March 2023	
Land & building		229.27		15.17		244.28		0.16
Computer		0.13		-		0.13		-
Furniture & fixtures		2.71		19.29		21.03		0.97
Mould		8.10		1.06		9.16		-
Plant & machinery		1,310.93		68.71		936.66		442.99
Vehicles		-		-		-		-
Pre-operative expenses		31.54		26.98		58.52		0.00
Total		1,582.69		131.21		1,269.78		444.12
Previous year		885.09		881.06		183.47		1,582.69

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

*Capital work in progress ageing

Ageing for capital work in progress as at March 31, 2023

Particulars	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	17.94	426.18	-	-	444.12
Projects temporarily suspended	-	-	-	-	-

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

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

3.3 Right of Use Assets

(₹ in lakhs)

Particulars	Amount
Balance as at April 1, 2022	122.39
Additions	-
Deletions/Adjustment	-
Depreciation	(23.92)
Balance as at March 31, 2023	98.46

3.4 Intangible assets

(₹ in lakhs)

Particulars	Gross Block (at cost)			Accumulated depreciation & amortization			Net Block	
	As at 01 April, 2022	Additions	Disposals/ adjustments	As at 31 March, 2023	As at 01 April, 2022	Depreciation & amortization for the year	As at 31 March, 2023	As at March 31, 2022
Computer software	9.20	-	9.20	-	9.10	0.09	(0.00)	0.09
Total	9.20	-	9.20	-	9.10	0.09	(0.00)	0.09
Previous year	9.20	-	-	9.20	8.93	0.17	9.10	0.27

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

4 Financial Asset - Non Current Investments

Particulars	Face value	As at 31 March, 2023			As at 31 March, 2022		
		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							
A Investments in subsidiaries in equity instruments (Un-quoted)							
(i) JHS Svendgaard Brands Limited	Rs.10	42.68%	6,700,000	770.00	42.68%	6,700,000	770.00
(ii) JHS Svendgaard Mechanical and Warehouse Private Limited	Rs.10	99.99%	9,999	1.00	99.99%	9,999	1.00
(iii) JHS Svendgaard Retail Ventures Private Limited	Rs.10	99.82%	6,500,000	650.00	99.82%	6,500,000	650.00
B Investments in Joint Ventures							
(i) HWJHS Labs Private Limited	Rs.10			0.20			
Total				1,421.20			1,421.00
C Investments carried at fair value through profit & loss							
Mutual Fund units (Quoted)	1,093.97		17000	185.96		11000	117.63
Other investments				10.43			
Total				196.39			117.63
D Aggregate amount of investments (A+B+C)				1,617.59			1,538.63
Aggregate amount of unquoted investment at cost				1,421.20			1,421.00
Aggregate amount of quoted investment at cost				170.00			110.00
Aggregate market value of quoted investment				196.39			117.63

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

5 Financial Asset - Non - current loans

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good		
Security deposit to related parties	26.19	-
	26.19	-

6 Other non- current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deposits with banks having maturity period of more than twelve months*	15.32	20.76
Advance to employee	276.43	385.01
Security deposit with related party	16.73	14.55
Interest accrued on non current fixed deposits	Nil	-
	308.49	420.32

* includes pledged & margin money deposited with various government authorities amounting to Rs. 22.51 lakhs (31 March, 2022: Rs. 19.76 lakhs).

7 Deferred tax assets (net)

(a) The balance comprises temporary differences attributable to:

(₹ in lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Deferred tax liability on account of:		
Property, plant and equipment	(429.41)	(406.70)
Lease Liabilities	(36.76)	(46.28)
Sub Total	(466.17)	(452.98)
Deferred tax asset on account of:		
Provision for bonus	4.18	1.86
Provision for obsolete stock	2.69	2.88
Provision for gratuity	32.22	35.63
Provision for doubtful advance	209.50	225.77
Provision for leave encashment	6.05	11.89
Right-of-use assets	25.60	35.92
Expenses for merger	1.17	1.25
Other temporary differences	7.67	3.27
Tax losses carried forward	512.70	-
Government grant	37.83	44.78
MAT credit entitlement	297.85	359.17
Sub Total	1,137.45	722.42
Net deferred tax (liability)/asset	671.27	269.44

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

(b) Movement in deferred tax balances:

(₹ in lakhs)

	Property, Plant and Equipment	Financial assets at FVTPL	Provision for employment benefit	Tax losses carried forward	Right of use asset and lease liability	Others	Total
At 31 March, 2021	(374.63)	-	41.23	8.84	(8.95)	944.51	611.00
Charged/(Credited):							
- directly in equity	-	-	-	-	-	-	-
- to profit or loss	(32.07)	-	9.75	(8.84)	(1.40)	(307.39)	(339.96)
- to other comprehensive income	-	-	(1.60)	-	-	-	(1.60)
At 31 March, 2022	(406.70)	-	49.38	-	(10.35)	637.12	269.44
Charged/(Credited):							
- directly in equity	-	-	-	-	-	-	-
- to profit or loss	(22.71)	-	(12.26)	512.70	(0.81)	(80.41)	396.51
- to other comprehensive income	-	-	5.32	-	-	-	5.32
At 31 March, 2023	(429.41)	-	42.45	512.70	(11.16)	556.71	671.27

8 Non current tax assets (net)

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance income tax and Tax deducted at source	85.40	75.40
Less: Provision for taxation	Nil	(19.60)
	85.40	55.80

9 Other non current assets

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital advance*		
Unsecured (considered good)	1,092.49	2,502.12
Unsecured (considered doubtful)	-	728.83
Less: Provision for doubtful capital advances	-	(728.83)
Security deposit	-	551.90
Prepaid expenses	26.51	5.71
Ind AS Adjustment on deferred staff advance	81.81	160.24
Deferred rent expense	8.97	8.98
	1,209.78	3,228.95

* Capital advance includes advance given to related party (Refer Note No. 40)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

10 Inventories

(Valued at lower of cost or net realisable value)

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Raw materials	381.71	356.28
Packing material	404.61	282.48
Work-in-progress	116.71	117.69
Finished goods	124.67	82.24
Stores and spares	58.83	86.57
Less: Provision for obsolescence & diminution in value*	(0.80)	(10.35)
	1,085.73	914.91
*Provision for obsolescence & diminution in value		
Opening balance	10.35	47.44
Addition during the year	-	-
Used during the year	-	-
Reversed during the year	(9.55)	(37.09)
Closing balance	0.80	10.35

11 Trade receivables

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

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	1,817.81	1,618.58
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	-	-
Less: Allowance for Expected Credit Loss	-	-
	1,817.81	1,618.58

Ageing for trade receivables –current outstanding as at 31 March 2023:

(₹ in lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Payment					Total
			Less than 6 months	6 months – 1 year	1 – 2 years	2 – 3 years	More than 3 years	
Trade receivables								
Undisputed trade receivables –considered good	-	-	1,004.71	569.82	97.92	145.35	-	1,817.81
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables –considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

Ageing for trade receivables –current outstanding as at 31 March 2022: (₹ in lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables								
Undisputed trade receivables –considered good	15.22	308.31	485.65	303.33	504.96	1.12	-	1,618.58
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables –considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-

12 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Cash on hand	39.53	23.49
Balance with bank		
- current account	3,225.17	405.07
- deposits with banks with original maturity of less than 3 months	-	2.20
	3,264.70	430.76

13 Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deposits with banks with original maturity of more than 3 months but maturity less than 12 months*	139.69	117.16
	139.69	117.16

* includes pledged & margin money deposits with various government authorities amounting to ₹ 90.88 lakhs as on 31 March, 2023 (31 March, 2022: ₹ 88.30)

14 Current loans

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good		
loans to corporates	-	1,218.56
loans to related party	3,659.60	2,461.31
loan to shareholder	-	143.12
	3,659.60	3,822.99

* Loan is receivable within a period of 12 months at interest rate in the range of 7.5% p.a. to 8% p.a.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

15 Other current financial assets

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Interest receivables*	242.06	67.10
Other receivables	8.50	374.09
Advance to employees	121.01	102.00
	371.58	543.19

* Interest receivable includes interest on employee advances and interest on loan to subsidiaries amounting to Rs. 237.32 Lakhs (31st March, 2022- Rs. 61.52 Lakhs)

16 Other current assets

(Unsecured, considered good, unless otherwise specified)

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred expenses	1.64	2.24
Prepaid expenses	2.72	23.99
Balances with statutory/government authorities	80.58	166.24
Advance to suppliers	193.73	708.91
Less: Provision for doubtful advance	-	(82.73)
Export incentive receivables	0.31	205.91
	278.99	1,024.56

(₹ in lakhs)

17 Equity share capital

	As at 31 March, 2023	As at 31 March, 2022
a) Authorised		
65,000,000 Equity shares of ₹10/- each (31 March, 2022: 65,000,000 Equity shares of ₹ 10/- each)	6,500.00	6,500.00
b) Issued, subscribed & fully paid up		
64,900,465 Equity shares of ₹10/- each; (31 March, 2022: 64,900,465 Equity shares of ₹ 10/- each)	6,490.05	6,490.05
Total	6,490.05	6,490.05

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

(₹ in lakhs)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
At the beginning of the year	64,900,465	6,490.05	64,400,465	6,440.05
Add : Shares issued during the year *	-	-	500,000	50.00
At the end of the year	64,900,465	6,490.05	64,900,465	6,490.05

Pursuant to approval of shareholders by way of special resolution in accordance with section 42 & 62 of the Companies Act, 2013 and Rules made thereunder and as per SEBI (ICDR) Regulations, 2018 the Company approved preferential allotment of 40,00,000 fully convertible warrants of Rs. 10 each at an issue price of Rs. 20 per warrant. Out of this 35,00,000 equity shares were listed with stock exchange in 9th March 2021 and balance 5,00,000 equity shares allotted on 8th February 2022. This 5,00,000 equity shares were listed with NSE and BSE on 9 May 2022 and 12 May 2022 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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, 2023 and 31 March, 2022, no dividend has been declared by the Company.

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

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

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

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

	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Nikhil Nanda	24,310,774	37.47%	24,310,774	37.47%
Sushma Nanda	3,065,983	4.72%	3,065,983	4.72%

g) Details of promoters shareholding

Shares held by promoter at the end of the year	As at March 31, 2023		As at March 31, 2022		% Change during the year
Promoter Name	Number of shares	% of total shares	Number of shares	% of total shares	
Mr. Nikhil Nanda	24,320,774	37.47%	24,320,774	37.47%	Nil
Late Mr. Harish Chander Nanda*	19,731	0.03%	19,731	0.03%	Nil
Mr. Diljit Singh Grewal	1,500	Nil	1,500	Nil	Nil
Mrs. Shushma Nanda	3,065,983	4.72%	3,065,983	4.72%	Nil

Shares held by promoter at the end of the year	As at March 31, 2022		As at March 31, 2021		% Change during the year
Promoter Name	Number of shares	% of total shares	Number of shares	% of total shares	
Mr. Nikhil Nanda	24,320,774	37.47%	23,810,774	36.97%	0.50%
Late Mr. Harish Chander Nanda*	19,731	0.03%	19,731	0.03%	Nil
Mr. Diljit Singh Grewal	1,500	Nil	1,500	Nil	Nil
Mrs. Shushma Nanda	3,065,983	4.72%	3,065,983	4.76%	-0.04%

* Transmission of shares is under process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

18 Other Equity

A Summary of Other Equity Balance (₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital reserves	241.95	241.95
Securities premium	9,623.05	9,623.05
General reserves	6.68	6.68
Retained earnings	1,117.03	2,596.79
Money received against share warrants (refer note no. 18 e)	-	-
Other comprehensive income	2.92	18.08
Total	10,991.62	12,486.55

a) Capital reserves

	As at 31 March, 2023	As at 31 March, 2022
Opening balance	241.95	241.95
Addition/Deletion during the year	-	-
Closing balance (A)	241.95	241.95

b) Securities premium

	As at 31 March, 2023	As at 31 March, 2022
Opening balance	9,623.05	9,573.05
Add : Premium on warrant converted into shares	-	-
Add : Premium on conversion of share warrants	-	50.00
Less : Other changes - Share issue expenses	-	-
Closing balance (B)	9,623.05	9,623.05

c) General reserves

	As at 31 March, 2023	As at 31 March, 2022
Opening balance	6.68	6.68
Addition during the year	-	-
Closing balance (C)	6.68	6.68

d) Retained earnings

	As at 31 March, 2023	As at 31 March, 2022
Opening balance	2,596.79	2,847.16
Add: Profit/ (Loss) for the year transferred from the Statement of Profit and Loss	(1,514.09)	(244.17)
Less: Adjustment pertaining to a loan given to shareholder	34.33	(6.20)
Closing balance (D)	1,117.03	2,596.79

e) Money received against share warrants

	As at 31 March, 2023	As at 31 March, 2022
Opening balance	-	25.00
Add: Money received against share warrants	-	-
Less: Share warrants money utilised for conversion into equity shares	-	25.00
Closing balance (E)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

f) Other comprehensive income

	As at 31 March, 2023	As at 31 March, 2022
Opening balance	18.08	13.92
Add: Remeasurement of net defined benefit plans	(15.15)	4.16
Closing balance (F)	2.92	18.08
Total other equity (a+b+c+d+e+f)	10,991.63	12,486.55

B Nature and purpose of reserve

a) Capital reserve

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

b) Security premium

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

c) General reserve

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

d) Retained earnings

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

e) Other comprehensive income

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

19 Financial liabilities

(i) Borrowings

(₹ in lakhs)

	Non current		Current maturities	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Secured				
Vehicle loans*				
- from banks	23.04	36.56	13.13	16.30
- from others	-	-	-	1.81
	23.04	36.56	13.13	18.11

* 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 7% p.a. to 10% p.a.

(ii) Lease liabilities

(₹ in lakhs)

	Non current		Current maturities	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Lease liability on office building	117.76	141.88	23.64	19.91
	117.76	141.88	23.64	19.91

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

20 Provisions

(₹ in lakhs)

	Non Current		Current	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Provision for employee benefits - Gratuity	113.37	115.98	10.55	12.09
Provision for employee benefits - Leave encashment	21.73	33.50	1.52	9.24
	135.10	149.48	12.07	21.33

21 Other non current liabilities

(₹ in lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Deferred government grant- non current part(refer note 37)	130.44	143.99
	130.44	143.99

22 Trade payables

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Due to micro & small enterprises (Refer note 48)	178.82	196.04
Due to others	1,863.79	1,113.74
	2,042.61	1,309.78

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

(₹ in lakhs)

	As at 31 March, 2023	As at 31 March, 2022
Particulars		
Total outstanding dues of micro and small enterprises (as per the intimation received from vendors)		
a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	178.82	196.04
Interest		7.76
b) Interest paid by the Company in terms of Section 16 of the Micro, Small and -Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
c) Interest due and payable for the period of delay in making payment (which - have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
d) Interest accrued and remaining unpaid		2.62
e) Interest remaining due and payable even in the succeeding years, until - such date when the interest dues as above are actually paid to the small enterprises.	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

f) Trade payable ageing schedule

Outstanding for following periods from due date of payment as at 31 March 2023

(₹ in lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payables						
MSME*	-	178.82	-	-	-	178.82
Others	806.57	931.70	34.63	90.89	-	1,863.79
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

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

(₹ in lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payables						
MSME*	-	188.19	7.85	-	-	196.04
Others	347.86	672.77	45.92	38.58	8.61	1,113.74
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

23 Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Interest accrued but not due on borrowings	0.20	0.29
Payable to employees	154.05	72.40
Payable towards purchase of property, plant and equipment	56.97	51.83
Expenses Payable	42.26	63.18
	253.48	187.70

24 Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Statutory dues	18.28	20.90
Advance received from customers	1,074.82	65.71
Government grant (refer note 37)	15.07	16.96
	1,108.17	103.57

25 Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue from contracts with customers*		
Sale of manufactured goods-Oral Care products	8,107.04	7,850.16
Sale of packing material/raw material/traded Goods	11.33	64.33
Other operating revenue		
Scrap sales	73.21	76.10
Revenue from Operations	8,191.58	7,990.59

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

* It represents disaggregated revenue information in accordance with IND AS 115.

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

Particulars	(₹ in lakhs)	
	Year ended 31 March, 2023	Year ended 31 March, 2022
Advances from customers (refer note no. 24)	1,074.82	65.71

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

26 Other income

	(₹ in lakhs)	
	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest income on fixed deposits	8.34	4.73
Interest income from financial assets at amortised cost	300.78	242.91
Export incentives	0.82	-
Provision no longer required written back	26.89	49.12
Rental income	0.78	0.78
Government grant (refer note 37)	15.44	63.85
Foreign exchange gain (net)	89.98	65.29
Profit on sale of investments	4.16	0.62
Sale of media rights	250.00	150.00
Miscellaneous income	602.45	68.90
Profit on sale of fixed assets	3.89	-
Net gain on financial asset measured at FVTPL	2.80	7.63
Miscellaneous balance written back	-	160.56
	1,306.34	814.39

27 Cost of materials consumed

Particulars	(₹ in lakhs)	
	Year ended 31 March, 2023	Year ended 31 March, 2022
A Cost of raw materials consumed		
Stock at the beginning of the year	356.28	406.36
Add: Purchases raw material	3,288.84	3,164.17
Less: Stock at the end of the year	(381.71)	(356.28)
	3,263.41	3,214.25
Cost of packing materials consumed		
Stock at the beginning of the year	282.48	235.40
Add: Purchases packaging	2,462.62	2,201.07
Less: Stock at the end of the year	(404.61)	(282.48)
	2,340.50	2,153.99
	5,603.91	5,368.24

B Purchases of stock in trade

Particulars	(₹ in lakhs)	
	Year ended 31 March, 2023	Year ended 31 March, 2022
Purchases of stock in trade	3.10	63.97
	3.10	63.97

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Finished goods		
At the beginning of the year	82.24	125.82
Less: At the end of the year	(124.67)	(82.24)
	(42.43)	43.58
Work-in-progress		
At the beginning of the year	117.69	81.07
Add: Purchases	324.23	246.49
Less: At the end of the year	(116.71)	(117.69)
	325.21	209.87
	282.78	253.45

29 Employee benefits expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Salaries, wages, bonus and other allowances	877.09	887.15
Contribution to provident and other funds	53.76	55.92
Workmen and staff welfare expenses	16.21	14.46
Gratuity	(2.84)	29.28
Leave encashment	(25.96)	6.47
	918.27	993.28

30 Finance costs

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest expense *	8.69	12.50
Interest on lease liability	24.46	26.81
Interest on delay in deposit of Statutory dues	2.21	0.41
Bank charges	4.62	10.22
	39.98	49.94

*Interest expenses includes MSME interest in 31 March,2023 Rs. 2.70 lakhs (31 March,2022:-Rs.7.76 lakhs)

31 Depreciation and amortization expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Depreciation on property, plant & equipment	558.37	564.88
Depreciation on right of use asset	23.92	24.60
Amortisation of intangible assets	0.09	0.17
	582.39	589.65

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

32 Other expenses

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Consumption of stores and spares	52.29	3.08
Power and fuel	288.38	281.32
Advertisement expenses	116.09	8.01
Job work charges	659.77	479.00
Business promotion expenses	24.59	6.07
Brokerage & commission	-	6.05
Repairs		
Plant and machinery	109.77	92.25
Building	131.98	16.76
Others	26.43	31.06
Freight and cartage outward	36.49	19.61
Insurance charges	56.45	53.60
Legal and professional fees	375.21	77.36
Rates and taxes	52.07	25.47
Telephone and postage	5.66	5.60
Printing and stationery	8.15	7.89
Travelling and conveyance expenses	89.76	73.53
Directors' sitting fees	3.00	2.60
Research & development charges	6.53	6.54
Auditor's remuneration (Refer note 47)	9.07	20.57
Office maintenance	30.49	28.14
Amortization of deferred rent expense	7.56	2.24
Miscellaneous expenses	86.51	47.12
Donation expense	0.12	0.16
	2,176.35	1,294.05

33 Exceptional Items

(₹ in lakhs)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Provision for doubtful advance	1,606.79	
Balances written off	256.27	
	1,863.07	-

34 Income taxes

(a) Income tax expenses

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Profit and loss section		
i. Current tax		
Current tax on profits for the year	-	92.09
Adjustments for current tax of previous years	-	1.50
	-	93.59
ii. Deferred tax charge/(credit)		
Origination and reversal of temporary differences	(457.82)	342.97
	(457.82)	342.97
Income tax expense reported in the Statement of Profit and Loss (i+ii)	(457.82)	436.55
Other Comprehensive Income (OCI) Section		
Tax relating to items that will not be reclassified to Statement of Profit & Loss	5.32	(1.60)
Income tax charged to OCI	5.32	(1.60)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

	Year ended 31 March 2023	Year ended 31 March 2022
Profit from continuing operations (A)	(1,971.91)	192.39
Income tax rate applicable (B)	26.00%	27.82%
Computed tax expense (A*B)	(512.70)	53.52
Tax effect of the amounts that are not deductible (taxable) while calculating taxable income :		
Effect of Non- deductible expenses	-	18.10
Income not taxable under income tax	(2.48)	(10.32)
Effect of changes in tax rate due to MAT	-	(24.52)
Tax expense for previous year	-	1.50
Deferred tax on unabsorbed losses, previously not recognised	-	11.89
Tax impact of IND AS adjustment	22.94	8.32
Deferred tax reversal on provision written back	(466.51)	355.03
Others	(58.30)	23.03
Income tax expense/(reversal)	(1,017.06)	436.56

35 Contingent liability

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

Matters under litigation:

Claims against the Company by vendors & customers amounting to ₹ 45.39 lakhs (Previous Year ₹ 393.74 lakhs). The management of the Company believes that the ultimate outcome of these proceedings will not have a material/adverse effect on the Company's financial condition and results of operations.

II. Others:

Bank guarantee issued by bank amounting to ₹ 151.16 lakhs (Previous Year ₹ 96.35 lakhs).

36 Capital commitments

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	18.39	2.74
Investment in Sixth Sense Ventures Advisors LLP	30.00	90.00
Total	48.39	92.74

37 Government grant

During the financial year ended 31 March, 2022, the Company had received a capital subsidy of Rs. 225 lakhs under the Industrial development scheme ,2017 notified vide no. 2(2)2018-SPS of the Government of India. The subsidy received is being apportioned to Statement of Profit & Loss over the useful life of the eligible assets . During the year the Company has recognised ₹ 15.44 lakhs (previous year ₹ 63.84 lakhs) as government grant based on useful life of the assets.

38 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".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

Information about geographical areas are as under

(₹ in lakhs)

	Revenue from external customers	
	Year ended 31 March 2023	Year ended 31 March 2022
India	8,119.73	7,990.59
UAE	65.67	-
Bangladesh	6.02	-
USA	0.16	-
Total	8,191.58	7,990.59

Information about major customers

Revenue of ₹6489.20 lakhs, (Previous year ₹ 6161.41 lakhs) arising from three customers in India contribute more than 10% of the Company's revenue individually. No other customer contribute 10% or more than 10% to the Company's revenue for the current year ended 31 March, 2023. The Company does not hold any non current assets outside India.

39 Employee benefit obligations

The Company has classified various employee benefits as under:

a. Defined contribution plans

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

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

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contribution to Provident Fund	44.23	45.40
Contribution to Employee State Insurance Scheme	9.53	10.51
Total	53.76	55.91

b. Defined benefit plans

- i.) Gratuity

c. Other long-term employee benefits

- ii.) Leave encashment

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

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

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

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

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

Principal Actuarial Assumptions at the Balance Sheet date

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate (per annum)	7.45%	6.95%
Rate of increase in compensation levels	7.00%	7.00%
Retirement age	58 Years	
Mortality table	100% of IALM (2012-14)	
Average withdrawal rate	7%	7%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

The discount rate has been assumed at 7.45% p.a. (Previous year 6.95% p.a.) based upon the market yields available on Government bonds at the accounting date for remaining life of employees. The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market on long term basis.

I) Changes in the present value of obligation

(₹ in lakhs)

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present value of obligation as at the beginning of the year	42.74	128.07	38.11	104.56
Acquisition adjustment	-	-	-	-
Interest cost	2.97	8.90	2.46	6.73
Past service cost	-	-	-	-
Current service cost	7.33	19.54	10.41	22.54
Contribution by plan participants	-	-	-	-
Curtailment cost/(credit)	-	-	-	-
Settlement cost/(credit)	-	-	-	-
Benefit paid	-	(7.79)	(1.85)	-
Actuarial (gains)/loss	(29.78)	(24.80)	(6.39)	(5.76)
Present value of obligation as at the end of the year	23.25	123.92	42.74	128.07
Current	1.52	10.55	9.24	12.09
Non current	21.73	113.37	33.50	115.98
Total	23.25	123.92	42.74	128.07

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

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	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	23.25	123.92	42.74	128.07
Unfunded net liability recognised in the balance sheet	23.25	123.92	42.74	128.07

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

(₹ in lakhs)

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Current service cost	7.33	19.54	10.41	22.54
Past service cost	-	-	-	-
Acquisition adjustment	-	-	-	-
Interest cost	2.97	8.90	2.46	6.73
Expected return on plan assets	-	-	-	-
Curtailment cost/(credit)	-	-	-	-
Settlement cost/(credit)	-	-	-	-
Benefit paid	-	-	-	-
Remeasurement	(29.78)	-	(6.40)	-
Net actuarial (gains)/loss	-	-	-	-
Employees contribution	-	-	-	-
Total expenses recognised in the Statement of Profit & Loss account	(19.48)	28.44	6.47	29.28

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

Other Comprehensive Income (OCI)	Gratuity (Unfunded) (₹ in lakhs)	
Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	24.80	5.76
Actuarial gain / (loss) for the year on asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	24.80	5.76

IV) Expected Employer Contribution	(₹ in lakhs)			
Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Expected employer contribution for the next year	-	-	-	-

V) Maturity Profile of Defined Benefit Obligation	Year ended 31 March 2023		Year ended 31 March 2022	
Year	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
0 to 1 Year	1.52	10.55	9.23	12.09
1 to 2 Year	1.61	8.09	6.96	9.05
2 to 3 Year	1.47	8.33	6.13	9.67
3 to 4 Year	1.81	8.41	5.46	10.82
4 to 5 Year	1.48	7.38	5.17	11.56
5 Year onwards	15.36	81.17	30.38	222.55

VI) Sensivity Analysis of the Defined Benefit Obligation:-	(₹ in lakhs)	
Particulars	Leave Encashment	Gratuity (Unfunded)
	Year ended 31 March 2023	
Impact of change in discount rate		
Present value of obligation at the end of the year	23.25	123.92
a) Impact due to increase of 0.5%	(1.01)	(4.88)
b) Impact due to decrease of 0.5%	1.08	5.23
	Year ended 31 March 2022	
Impact of change in salary rate		
Present value of obligation at the end of the year	23.25	123.92
a) Impact due to increase of 0.5%	1.08	5.22
b) Impact due to decrease of 0.5%	(1.02)	(4.92)

Description of Risk Exposures :

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

40 Related party disclosures as per IND AS 24

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

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

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

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Managing Director	2022-23
Mr. Rajagopal Chakravarthi Venkatesh	Non -Executive Independent Director	2022-23
Mr. Mukul Pathak	Non - Executive Independent Director	2022-23
Mrs. Rohina Sanjay Sangtani	Non - Executive Independent Director	2022-23
Mr. Vinay Mittal	Non - Executive Independent Director	w.e.f. 27.05.2022
Mr. Kapil Minocha	Non - Executive Independent Director	2022-23
Mr. Paramvir Singh Pabla	Chief Executive Officer	2022-23
Mr. Ashish Goel	Chief Financial Officer	2022-23
Mr. Neeraj Kumar	Chief Financial Officer	Upto 15.03.2023
Mr. Avinash Pratap	Company Secretary	Upto 26.05.2022
Mrs. Komal Jha	Company Secretary	w.e.f. 10.11.2022

(c) Key Management Personnel Compensation

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Short- term employee benefits	149.69	158.60
Post- employment benefits	28.71	23.67
Long- term employee benefits	4.43	5.06
Director's Sitting fees	3.00	2.60
Total Compensation	185.83	189.93

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

(d) Transactions with related parties

The following transactions occurred with related parties:

(₹ in lakhs)

S.No.	Statement of Profit and Loss heads	Year ended 31 March 2023	Year ended 31 March 2022
1.	Income:		
	Sale of Product		
	- JHS Svendgaard Brands Limited	106.73	151.47
	Rental Income		
	- JHS Svendgaard Brands Limited	0.78	0.78
	Interest income		
	- JHS Svendgaard Brands Limited	209.89	33.41
	- Nikhil Nanda	48.81	135.00
2.	Expenditure:		
	i) Purchase of Product		
	- JHS Svendgaard Brands Limited	2.46	13.36
	ii) Interest expenses on lease liability as per IND AS 116		
	- Nikhil Nanda	24.46	26.81
	iii) Depreciation expenses on Right of use assets as per as per IND AS 116		
	- Nikhil Nanda	23.92	24.60
	iv) Amortization of deferred rent expense		
	- Nikhil Nanda	7.56	2.24
	v) Electricity and Water expenses		
	- Nikhil Nanda	13.68	17.28
	vi) Corporate social responsibility expenses *		
	- Harish Chander Nanda Educational and Charitable Society	-	-

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

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

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
i.		
	Loans and advances given (including security deposits)	
	- JHS Svendgaard Mechanical and Warehouse Private Limited	- 1,319.52 0.45
	- JHS Svendgaard Brands Limited (Capital advance)	725.00 725.00
	- JHS Svendgaard Brands Limited (loan given)	1,048.50 4,727.44
ii.	Payment Received	
	- Apogee Manufacturing Private Limited	- 0.23
	- JHS Svendgaard Mechanical and Warehouse Private Limited	1,319.52 -
	- JHS Svendgaard Brands Limited (loan given)	153.50 2,271.16
iii.	Investments made	
	- HWJHS Labs Private Limited	0.20 -

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

(f) Balance Sheet heads (Closing balances)

(₹ in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
	Credit balances		
i.	Other liabilities		
	- Nikhil Nanda	-	(16.00)
ii.	Trade Payable		
	- JHS Svendgaard Brands Limited	2.46	-
	Debit Balances		
iii.	Loans and advances		
	- JHS Svendgaard Mechanical and Warehouse Private Limited	-	1,319.52
	- JHS Svendgaard Brands Limited	3,381.28	2,461.27
	- Nikhil Nanda (At amortised cost)	16.73	14.55
	- JHS Svendgaard Brands Limited	725.00	725.00
	- Nikhil Nanda (staff housing advance)	459.72	601.99
iv.	Trade receivables		
	- Apogee Manufacturing Private Limited	33.55	33.55
	- JHS Svendgaard Brands Limited	56.43	-

(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, 2023 the company has provided for impairment of receivables owed by the related party ₹ Nil (31 March, 2022: ₹ Nil). This assessment undertaken each financial year through examining the financial position of related party and market in which related party operates.

41 Fair valuation measurements

S. No.	Particulars	Level of Hierarchy	Year ended 31 March 2023				Year ended 31 March 2022			
			FVTPL	FVTOCI	Amortized cost	Total carrying value	FVTPL	FVTOCI	Amortized Cost	Total carrying value
	Financial assets									
1	Investments									
	Investment in equity instrument		-	-	1,421.20	1,421.20	-	-	1,421.00	1,421.00
	Investment in MLD	1	2.80	-	193.59	196.39	7.63	-	110.00	117.63
2	Loans									
	Security deposit	3	-	-	26.19	26.19	-	-	-	-
	Others	3	-	-	3,659.60	3,659.60	-	-	3,822.99	3,822.99
3	Trade receivables	3	-	-	1,817.81	1,817.81	-	-	1,618.58	1,618.58
4	Other financial assets	3	-	-	680.06	680.06	-	-	963.52	963.52
5	Cash & cash equivalents	3	-	-	3,264.70	3,264.70	-	-	430.76	430.76
6	Bank balances other than cash & cash equivalents	3	-	-	139.69	139.69	-	-	117.16	117.16
	Total financial assets		2.80	-	11,202.84	11,205.64	7.63	-	8,484.01	8,491.64
	Financial liability									
1	Borrowings including current maturities	3	-	-	36.17	36.17	-	-	54.67	54.67
2	Trade & other payables	3	-	-	2,042.61	2,042.61	-	-	1,309.78	1,309.78
3	Lease liabilities	3	-	-	141.40	141.40	-	-	161.79	161.79
4	Other financial liabilities	3	-	-	253.48	253.48	-	-	187.70	187.70
	Total financial liabilities		-	-	2,473.66	2,473.66	-	-	1,713.94	1,713.94

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Investment in equity shares	1,421.20	1,421.00

43 Financial risk management

Risk management objectives and policies

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

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

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

1 Market risk

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

(a) Foreign currency risk

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

The following table presents non-derivative instruments which are exposed to currency risk and are unhedged as at 31 March 2023 and 31 March 2022 :

(₹ in lakhs)				
Particulars		Foreign currency	As at 31 March 2023	As at 31 March 2022
Trade Payable		USD	56.98	60.09
Trade Receivable		USD	498.40	538.10

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

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

Currencies	Year ended 31 March 2023	Year ended 31 March 2022
INR/USD	-8%	-3%

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 trade payables and trade receivables and the movement of exchange rates of respective functional currencies' against INR, assuming 'all other things being constant'.

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

(₹ in lakhs)

Year ended 31 March, 2023	Movement	Profit and loss	
		Strengthening	Weakening
USD Sensitivity	-8%	(36.46)	36.46

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

(b) Price risk

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

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

(₹ in lakhs)

Year ended 31 March, 2023	Movement	Profit and loss	
		Strengthening	Weakening
Price risk sensitivity	2%	4.28	(4.28)

Year ended 31 March, 2022	Movement	Profit and loss	
		Strengthening	Weakening
Price risk sensitivity*	1%	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

(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 2023	As at 31 March 2022
Fixed-rate borrowings including current maturities		
- Vehicle loan (secured)	36.17	54.67
Total borrowings (gross of transaction cost)	36.17	54.67

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 ₹ 813.09 lakhs (31 March 2022 ₹ 809.40 lakhs).

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

Significant estimates and judgments

Impairment of financial assets

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

3 Liquidity risk

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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 31 March, 2023				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	13.13	23.04	-	-	36.17
Trade payables	2,042.61	-	-	-	2,042.61
Lease liabilities	23.64	72.91	44.85	-	141.40
Other financial liabilities	253.48	-	-	-	253.48
Total	2,332.85	95.96	44.85	-	2,473.66

	As at 31 March, 2022				
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	18.11	36.56	-	-	54.67
Trade payables	1,309.78	-	-	-	1,309.78
Lease liabilities	19.91	97.33	44.55	-	161.79
Other financial liabilities	187.70	-	-	-	187.70
Total	1,535.49	133.90	44.55	-	1,713.94

44 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, 2023 and 31 March, 2022.

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Equity share capital	6,490.05	6,490.05
Free reserve*	1,126.63	2,603.47

* Comprises of retained earning and general reserves.

B Dividends

The Company has not proposed any dividend for the year ended 31 March, 2023 (31 March, 2022: ₹ Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

45 Earnings per equity share

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Earnings per equity share has been computed as under:		
Earnings attributable to equity shareholders	(1,514.09)	(244.17)
Nominal value of equity share (₹)	10	10
No of shares as at end of the year	64,900,465	64,900,465
No. of weighted average equity shares	64,900,465	64,470,328
Basic Earning per share (₹)	(2.33)	(0.38)
Number of equity shares for Dilutive earning per share	64,900,465	64,470,328
Dilutive earning per share (₹)	(2.33)	(0.38)

46 Leases

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

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Balance as at April 1, 2022	122.39	146.98
Add : Additions	-	-
Less : Deletions/Adjustment on account of waiver in lease rent	-	-
Less : Depreciation	(23.92)	(24.60)
Balance as at March 31, 2023	98.46	122.39

The depreciation expense on ROU assets is included under the head depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities is as follows :

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current lease liabilities	23.64	19.91
Non-current lease liabilities	117.76	141.88

The movement in lease liabilities is as follows :

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	161.79	179.83
Add : Lease assets during the period	-	-
Add : Interest expense during the period	24.46	26.81
Less: Cash outflows	(44.85)	(44.85)
Less: Deletions/Adjustment on account of waiver in lease rent	-	-
Closing lease liability at the end of the period	141.40	161.79

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

47 Auditor's Remunerations

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Statutory audit	4.00	12.00
Tax audit fees	1.25	3.50
Other matters		
- Limited reviews	3.00	3.75
- Out of pocket expenses	-	0.57
- Certification fees	0.82	0.75
	9.07	20.57

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

A sum of ₹ 178.82 lakhs is payable to Micro and Small Enterprises as at 31 March, 2023 (31 March, 2022: ₹ 196.04 lakhs). The above amount is on account of trade payables only. Out of the total amount outstanding to Micro and Small Enterprises a sum of ₹ 78.76 lakhs (31 March, 2022: ₹ 196.04 lakhs) is outstanding for more than 45 days as at 31 March, 2023. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

49 Information on details of loans, guarantees and investments under section 186(4) of the Companies Act 2013 :-

i. Particulars of loan given

(₹ in lakhs)

Sr. No.	Particulars	Purpose	Year ended 31 March, 2023	Year ended 31 March, 2022
1	JHS Svendgaard Mechanical and Warehouse Private Limited	Purchase of land	-	1,319.52
2	Amit Saxena	Business purpose	278.29	143.12
3	JHS Svendgaard Brands Limited	Intercompany financing	3,381.28	2,461.28
4	JMS Buildtech Private Limited*	Intercompany financing	-	1,218.56

*reclassified to capital advances

ii. Particulars of investment made

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
1	JHS Svendgaard Brands Limited	770.00	770.00
2	JHS Svendgaard Mechanical and Warehouse Private Limited	1.00	1.00
3	JHS Svendgaard Retail Venture Private Limited	650.00	650.00
4	HWJHS Labs Private Limited	0.20	-
5	Sixth Sense India Opportunities III Class A1	185.96	117.63
6	Liquid Funds	10.43	-

iii. There are no guarantees issued by the company to any parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

50 Information pursuant to Regulation 34(3) & 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

	(₹ in lakhs)	
	Year ended 31 March 2023	Year ended 31 March 2022
Closing balance excluding provision	-	1,319.52
Maximum balance during the year	1,320.02	1,319.52

Amit Saxena

	(₹ in lakhs)	
	Year ended 31 March 2023	Year ended 31 March 2022
Closing balance excluding provision	278.29	143.12
Maximum balance during the year	278.29	143.12

	(₹ in lakhs)	
	Year ended 31 March 2023	Year ended 31 March 2022
Closing balance excluding provision	3,381.28	2,461.28
Maximum balance during the year	3,381.28	2,461.28

	(₹ in lakhs)	
	Year ended 31 March 2023	Year ended 31 March 2022
Closing balance excluding provision	-	1,218.56
Maximum balance during the year	1,218.56	1,218.56

- 51 In accordance with the requirements of Section 135 of the Companies Act, 2013, during the financial year ending March 31, 2023, the Company has no obligation to spent in pursuance of its Corporate Social Responsibility policy.
- 52 The Company in its board meeting held on 09th October, 2020 has approved the Composite Scheme of Arrangement for Amalgamation and Demerger between among JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company), JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) ('Composite Scheme') under Section 230-232 of the Companies Act, 2013. Thereafter, on 8th December, 2021, both the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited had granted their no-objection to the composite scheme. The next date of hearing of the petition shall be on 14 June 2023 for the consideration of the approval of the scheme.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

53 Additional Regulatory Information

Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance
Current ratio (in times)	Total current assets	Total current liabilities	3.07	5.10	-40%
Debt-Equity ratio (in times)	Debt consist of borrowings & lease liabilities	Total equity	0.01	Nil	NA
Debt Services Coverage ratio (in times)	Earning for debt service= Net profit after taxes+ Non - Cash operating expenses+interest+other non-cash adjustments	Debt service = interest & lease payments + principal repayments	13.83	4.01	245%
Return on equity ratio (in %)	Profit for the year after tax less preference dividend	Average trade equity	-8%	-1.28%	548%
Inventory Turnover ratio (in times)	Cost of goods sold	Average inventory	5.89	6.37	-8%
Trade Receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	4.77	2.13	123%
Trade Payables turnover ratio (in times)	Credit purchase during the period	Average trade payables	4.75	4.91	-3%
Net Capital turnover ratio (in times)	Revenue from operations	Average working capital (total current assets less total current liabilities)	1.17	1.07	10%
Net profit ratio (in %)	Net profit after tax	Revenue from operations	-18.48%	-3.06%	505%
Return on Capital employed (in %)	Profit before tax & finance cost	Capital employed (total assets - current liab.)	-10.80%	1.25%	-967%
Return on investment (in %)	Income generated from investment funds	Average invested funds in treasury investments	5.65%	4.32%	31%

Explanation for change in ratio by more than 25%

Current Ratio : Lower ratio on account of increase in cash & bank balances on account of increase in trade payables

Debt Service Coverage Ratio : Higher ratio on account of increase in cash profits during current year

Return on Equity Ratio : Lower ratio on account of decrease in profit during current year

Trade Receivable Turnover Ratio : Higher ratio on account of increase in debtor collection

Net Profit Ratio : Lower ratio on account of decrease in profit during current year

Return on Capital Employed : Lower ratio on account of decrease in profit during current year

Return on Investment : Higher ratio on account of increase in interest earned during the year

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

54 Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory Period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or,
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Company has not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (vii) The company has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (viii) during the year company does not have any transactions with companies struck off .

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

For TATTVAM & CO
Chartered Accountants
Firm Registration No.:015048N

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

Sd/-
Guarav Saraf
Partner
Membership No.: 535309
UDIN : 23535309BGZBAU3429

Sd/-
Nikhil Nanda
Managing Director
DIN : 00051501

Sd/-
Mukul Pathak
Director
DIN : 00051534

Place : New Delhi
Date : 30 May, 2023

Sd/-
Ashish Goel
Chief Financial Officer

Sd/-
Paramvir Singh Pabla
Chief Executive Officer

Sd/-
Komal Jha
Company Secretary

CONSOLIDATED FINANCIAL REPORT



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INDEPENDENT AUDITOR'S REPORT

To the members of
JHS Svendgaard Laboratories Limited

Report on the audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of JHS SVENDGAARD LABORATORIES LIMITED (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at 31 March 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes

in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

#	Key Audit Matter	Auditor's Response
1	Revenue Recognition Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized when the company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in the case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. Refer Note 2 to the Standalone Financial Statements – Significant accounting policies.	Principal Audit Procedures Our audit approach was a combination of test of internal controls and substantive procedures including: - Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. - Evaluating the design and implementation of Company's controls in respect of revenue recognition. - Testing the effectiveness of such controls over revenue cut off at year-end. - We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods dispatch notes and shipping documents. - Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. Based on the above procedure performed, the recognition and measurement of revenue from sale of goods are considered to be adequate and reasonable.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards 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 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 financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our

opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 8,058.46 Lakhs as at 31 March 2023, total revenue of ₹ 566.53 lakhs and net cash inflow amounting to ₹ 466.03 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the group's share of net profit of ₹ 149.49 Lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

- 1) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.
- 2) As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on 31 March 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its subsidiary companies

incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note 36) to the consolidated financial statements.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
 - iv)

- (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, outside the Group, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other

persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- (v) The holding company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.

For **TATTVAM & Co.**
Chartered Accountants
Firm Registration No: 015048N

Sd/-
Gaurav Saraf
Partner
Membership No: 535309
UDIN: 23535309BGZBAV2501

Place: New Delhi
Date: 30 May 2023

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) 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 consolidated financial statements as of and for the year ended 31 March, 2023)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of JHS Svendgaard Laboratories Limited (hereinafter referred to as the "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (the "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 its business, including adherence to the respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Company and its subsidiary companies, which are companies incorporated in India, 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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31 March 2023, based on the criteria for internal financial control

with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under section 143(3)(i) of the act on the adequacy and operating effectiveness of the internal financial controls insofar as it relates to three subsidiaries, which are comprises incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For TATTVAM & Co.
Chartered Accountants
Firm Registration No: 015048N

Sd/-
Gaurav Saraf
Partner
Membership No: 535309
UDIN: 23535309BGZBAV2501

Place: New Delhi
Date: 30 May 2023

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2023

(₹ in lakhs)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	6,291.11	5,467.97
(b) Capital work-in-progress	3.2	856.83	1,995.89
(c) Right-of-use assets	3.3	217.80	271.06
(d) Goodwill	3.4	110.69	110.69
(e) Other intangible assets	3.4	0.72	2.21
(f) Financial assets			
i) Investments	4	296.76	117.63
ii) Loans	5	26.19	-
iii) Other financial assets	6	314.67	425.76
(g) Deferred tax assets (net)	7	1,168.22	711.04
(h) Non-current tax assets (net)	8	85.40	55.80
(i) Other non-current assets	9	5,257.49	5,146.03
Total non-current assets		14,625.88	14,304.09
2 Current assets			
(a) Inventories	10	1,363.11	1,210.24
(b) Financial assets			
i) Investments	11	114.82	243.98
ii) Trade receivables	12	2,067.45	1,811.62
iii) Cash and cash equivalents	13	3,828.78	528.81
iv) Bank balances other than(ii)above	14	140.23	117.42
v) Loans	15	456.22	1,522.79
vi) Other financial assets	16	183.81	544.26
(c) Other current assets	17	812.27	1,913.83
(d) Current tax assets (net)		26.12	2.15
Total current assets		8,992.81	7,895.10
Total assets		23,618.68	22,199.18
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	18	6,490.05	6,490.05
(b) Other equity	19	10,753.37	12,100.16
Equity attributable to the shareholders of the holding company		17,243.42	18,590.21
(c) Non-controlling Interest		786.52	914.38
Total equity		18,029.94	19,504.56
2 LIABILITIES			
A Non-current liabilities			
(a) Financial liabilities			
i) Borrowings	20(i)	23.93	48.20
ii) Lease liabilities	20(ii)	182.99	457.58
iii) Other financial liabilities	20(iii)	15.83	
(b) Provisions	21	136.75	153.92
(c) Other non-current liabilities	22	1,423.74	143.99
Total non-current liabilities		1,783.23	803.70
B Current liabilities			
(a) Financial liabilities			
i) Borrowings	20(i)	13.95	20.35
ii) Trade payables			
- total outstanding dues of micro and small enterprises	23	179.86	196.04
- total outstanding dues of creditors other than micro and small enterprises	23	1,947.98	1,187.76
iii) Lease liabilities	20(ii)	125.97	92.04
iv) Other financial liabilities	24	282.04	240.44
(b) Other current liabilities	25	1,243.60	132.80
(c) Provisions	21	12.11	21.48
Total current liabilities		3,805.51	1,890.91
Total liabilities		5,588.74	2,694.62
Total equity and liabilities		23,618.68	22,199.18

Basis of Preparation
Summary of significant accounting policies

1
2

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached

For TATTVAM & Co.
Chartered Accountants
Firm Registration No.:015048N

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

Sd/-
Gaurav Saraf
Partner
Membership No.: 535309
UDIN: 23535309BGZBAV2501

Sd/-
Nikhil Nanda
Managing Director
DIN : 00051501

Sd/-
Mukul Pathak
Director
DIN : 00051534

Sd/-
Ashish Goel
Chief Financial Officer

Sd/-
Paramvir Singh Pabla
Chief Executive Officer

Place : New Delhi
Date : 30 May 2023

Sd/-
Komal Jha
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH, 2023

(₹in lakhs)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
INCOME			
Revenue from operations	26	9,620.67	8,625.24
Other income	27	1,439.77	938.99
Total income		11,060.44	9,564.23
EXPENSES			
Cost of materials consumed	28A	5,603.91	5,368.24
Purchases of stock-in-trade	28B	708.74	419.84
Changes in inventories of finished goods, work in progress and stock-in-trade	29	274.10	262.17
Employee benefits expense	30	1,524.55	1,144.56
Finance costs	31	104.16	139.36
Depreciation and amortisation expenses	32	746.47	705.22
Other expenses	33	2,419.48	1,514.54
Total expenses		11,381.40	9,553.93
Profit/ (Loss) before exceptional items and tax		(320.96)	10.30
Exceptional items	34	(1,863.07)	-
Profit/(Loss) before tax		(2,184.02)	10.30
Tax expense	35		
a) Current tax		12.87	92.09
b) Tax for previous years			1.50
c) Deferred tax charge/(credit)		(519.36)	345.65
Profit/ (Loss) for the year from continuing operations		(1,677.53)	(428.94)
Profit/(Loss) for the year		(1,677.53)	(428.94)
Other comprehensive income			
<u>-Items that will not be reclassified subsequently to profit or loss</u>			
Re-measurement gains/ (losses) on defined benefit plans		(13.38)	10.75
Less: Income tax expense relating to Items that will not be reclassified to profit or loss	35	3.47	(2.90)
Total other comprehensive income for the year, net of tax		(9.91)	7.85
Total comprehensive income for the year		(1,687.44)	(421.09)
Net profit attributable to:			
Owners of The Group		(1,546.38)	(405.20)
Non-controlling interest		(131.15)	(23.74)
Other Comprehensive Income attributable to:			
Owners of The Group		(12.92)	5.73
Non-controlling interest		3.01	2.12
Total Comprehensive Income attributable to:			
Owners of The Group		(1,559.30)	(399.46)
Non-controlling interest		(128.14)	(21.63)
Earnings per equity share			
a) Basic (Face value of ₹10 each)		(2.34)	(0.63)
b) Diluted (Face value of ₹10 each)		(2.34)	(0.63)

The accompanying notes are an integral part of these financial statements

As per our report of even dated attached

For TATTVAM & Co.
Chartered Accountants
Firm Registration No.:015048N

Sd/-
Gaurav Saraf
Partner
Membership No.: 535309
UDIN: 23535309BGZBAV2501

Place : New Delhi
Date : 30 May 2023

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

Sd/-
Nikhil Nanda
Managing Director
DIN : 00051501

Sd/-
Ashish Goel
Chief Financial Officer

Sd/-
Mukul Pathak
Director
DIN : 00051534

Sd/-
Paramvir Singh Pabla
Chief Executive Officer

Sd/-
Komal Jha
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2023

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
A. Cash Flow from Operating Activities		
Profit before tax	(2,184.02)	10.30
Adjustments for:		
Provision written back for inventory (net)	-	(37.08)
Depreciation and amortization	746.47	705.22
(Profit)/Loss on disposal of property, plant and equipment (net)	(3.89)	-
Interest income	66.23	(253.29)
Government grant amortization	(15.44)	(63.85)
Provision no longer required written back	(26.89)	(12.04)
Balances and advances written off	1,606.79	17.04
Re - measurement gains	(2.04)	(3.02)
Security deposit for advance rental as per Ind AS 109	-	(7.44)
Amortisation expense of security deposit	-	4.33
Provision for doubtful advances	256.27	-
Balances and advances written back	-	(346.68)
Discount Received	-	(32.78)
Profit on sale of investment	(4.28)	(0.62)
Interest and financial charges	104.16	101.09
Exchange loss/(gain) (net)	(89.99)	(65.29)
Fair value adjustments	-	7.63
Net gain on financial asset mandatorily measured at FVTPL	-	3.86
Others	0.60	0.79
Operating profit before working capital changes and other adjustments	453.96	28.17
Working capital changes and other adjustments :		
(Increase)/decrease in inventories	(121.90)	(72.07)
(Increase)/decrease in trade receivables	(165.84)	4,067.38
(Increase)/decrease in current loans	(19.19)	(1,095.60)
(Increase)/decrease in other current assets	(147.29)	(82.50)
Investment in bank deposits (having original maturity of more than 3 months)	-	(404.60)
(Increase)/decrease in other non current financial assets	82.12	(5.00)
(Increase)/decrease in other current financial assets	619.31	(175.94)
(Increase)/decrease in non current loans	-	121.88
(Increase)/decrease in other non-current assets	289.34	(1,568.79)
Increase/ (decrease) in other current financial liabilities	260.90	(166.49)
Increase/ (decrease) in trade payables	770.94	(338.75)
Increase/ (decrease) in lease liabilities	-	(18.04)
Increase/ (decrease) in other non current financial liabilities	(245.71)	(1,175.53)
Increase/ (decrease) in non current financial liabilities	1.89	30.59
Increase/ (decrease) in short term provisions	(9.37)	7.08
Increase/ (decrease) in Short term borrowing	(9.71)	2.27
Increase/ (decrease) in long term provisions	(10.07)	26.05
Increase/ (decrease) in other non current liabilities	(26.22)	(19.80)
Increase/ (decrease) in other current liabilities	166.49	(43.14)
Cash generated/(used) from operations	1,889.62	(882.82)
Taxes paid	-	(30.78)
Net cash generated/(used) from operating activities	1,889.62	(913.61)
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment	(69.15)	(673.87)
Capital advances recovered back	799.42	-
Right-of-use	(41.11)	33.54
Net Proceeds from Investment	-	(2.17)
Proceeds from debentures	0.12	-
Purchase of mutual funds	(74.80)	-
Proceeds from Mutual funds	30.91	(38.00)
Loan money received back	137.21	-
Interest income received	(159.61)	248.03
Change in other bank balance and cash not available for immediate use	-	(37.20)
Net Cash generated/(used) in investing activities	623.00	(469.66)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD...)

FOR THE YEAR ENDED 31 MARCH, 2023

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
C. Cash Flow from Financing Activities		
Proceeds from/ (repayment of) long term borrowings	898.09	1.24
Proceeds from/ (repayment of) short term borrowings	(6.69)	28.01
Repayment of lease liabilities	(1.82)	(70.37)
Proceed from share capital and securities premium	-	-
Proceed from of share warrant	-	(24.98)
Interest and financial charges	(79.70)	(101.06)
Net increase from financing activities	809.88	(167.16)
Net increase/(decrease) in cash and cash equivalents	3,322.50	(1,550.42)
Opening balance of cash and cash equivalents	645.97	2,079.24
Closing balance of cash and cash equivalents	3,968.47	528.81
Components of cash and cash equivalents as at end of the year		
Cash on hand	67.26	32.34
Balances with banks		
- on current account	3,761.52	494.27
- in term deposits with original maturity of 3 months or less	139.69	2.20
Cash and cash equivalents (Refer note 12)	3,968.47	528.81

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

As per our report of even dated attached

For TATTVAM & Co.
Chartered Accountants
Firm Registration No.:015048N

Sd/-
Gaurav Saraf
Partner
Membership No.: 535309
UDIN: 23535309BGZBAV2501

Place : New Delhi
Date : 30 May 2023

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

Sd/-
Nikhil Nanda
Managing Director
DIN : 00051501

Sd/-
Ashish Goel
Chief Financial Officer

Sd/-
Mukul Pathak
Director
DIN : 00051534

Sd/-
Paramvir Singh Pabla
Chief Executive Officer

Sd/-
Komal Jha
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

A Equity Share Capital

(₹ in lakhs)

Balance as at 01 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
6,490.05		6,490.05
Balance as at 01 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
6,440.05	50.00	6,490.05

B Other Equity

(₹ in lakhs)

	Reserve and Surplus				Other Comprehensive income	Money Received against Share warrants	Non-Controlling Interest	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of net defined benefit plans			
Balance as at 01 April 2022	241.95	10,416.08	6.68	1,411.66	23.79	-	914.38	13,014.54
Profit/(Loss) for the year	-	-	-	(1,542.47)	-	-	-	(1,542.47)
Other comprehensive income	-	-	-	-	(9.91)	-	-	(9.91)
Total comprehensive income for the year	-	-	-	(1,542.47)	(9.91)	-	-	(1,552.38)
Transaction with owners in capacity as owners								
Adjustment pertaining to a loan given to shareholder	-	-	-	34.33	-	-	-	34.33
Adjustments of Lease Equilisation Reserve	-	-	-	171.28	-	-	-	171.28
Other consolidation adjustment		(793.03)		793.03			(127.86)	(127.86)
Balance as at 31 March 2023	241.95	9,623.05	6.68	867.83	13.88	-	786.52	11,539.90

	Reserve and Surplus				Other Comprehensive income	Money Received against Share warrants	Non-Controlling Interest	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Remeasurement of net defined benefit plans			
Balance as at 01 April 2021	241.95	10,366.08	6.68	1,770.16	19.63	25.00	926.53	13,356.03
Profit for the year	-	-	-	(398.51)	-	-	-	(398.51)
Other comprehensive income	-	-	-	-	4.16	-	-	4.16
Total comprehensive income for the year	-	-	-	(398.51)	4.16	-	-	(394.35)
Transaction with owners in capacity as owners								
Adjustment pertaining to a loan given to shareholder	-	-	-	(6.20)	-	-	-	(6.20)
Adjustments of Lease Equilisation Reserve	-	-	-	46.21	-	-	-	46.21
Share warrants converted into shares	-	-	-	-	-	(25.00)	-	(25.00)
Premium on warrant converted into shares	-	50.00	-	-	-	-	-	50.00
Other consolidation adjustment	-	-	-	-	-	-	(12.15)	(12.15)
Balance as at 31 March 2022	241.95	10,416.08	6.68	1,411.66	23.79	-	914.38	13,014.54

Refer note no. 19 for nature and purpose of reserves.

The accompanying notes are an integral part of these financial statements
As per our report of even dated attached

For TATTVAM & Co.
Chartered Accountants
Firm Registration No.:015048N

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

Sd/-
Gaurav Saraf
Partner
Membership No.: 535309

Sd/-
Nikhil Nanda
Managing Director
DIN : 00051501

Sd/-
Mukul Pathak
Director
DIN : 00051534

Sd/-
Ashish Goel
Chief Financial Officer

Sd/-
Paramvir Singh Pabla
Chief Executive Officer

Place : New Delhi
Date : 30 May 2023

Sd/-
Komal Jha
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

Background

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

The Holding Group has three Subsidiary Companies namely, JHS Svendgaard Brands Limited (By virtue of control), JHS Svendgaard Mechanical and Warehouse Private Limited and JHS Svendgaard Retail Ventures Private Limited.

JHS Svendgaard Brands Limited is into trading of various oral care and beauty products. Currently there are no major operations in JHS Svendgaard Warehouse and Mechanical Limited. JHS Svendgaard Retail Ventures Private Limited operates in retail industry through its own modern stores at different airports.

The consolidated financial statements comprise financial statements of JHS Svendgaard Laboratories Limited and its Subsidiaries (collectively referred to as "Group") for the year ended March 31, 2023.

1 Basis of preparation

a) Compliance with Indian Accounting Standard

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

For all the period upto and including the financial statements for the year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the section 133 Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP').

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

These financial statements were approved by the Board of Directors on 30 May 2023.

b) (i) Principles of Consolidation

The consolidated financial statements comprises the financial statement of the Group, and the entities controlled by the Group including its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee
- (ii) Rights arising from other contractual arrangements
- (iii) The Group's voting rights and potential voting rights

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

- (iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Group.

(ii) Consolidation procedure

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (iii) Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interest in the results and the equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet.

The Group treats transactions with noncontrolling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of noncontrolling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

c) Basis of measurement

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

d) Critical estimates and judgments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

The areas involving critical estimates and judgments are:

i. Useful life of property, plant and equipment

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

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

ii. Recoverable amount of property, plant and equipment

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

iii. Estimation of defined benefit obligation

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

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

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

v. Impairment of trade receivables

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

vi. Fair value measurement

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

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

e) Others

Financial Statements has been prepared on a going concern basis in accordance with the applicable accounting standards prescribed in the Companies (Indian Accounting Standards) Rules, 2015 issued by the Central Government.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

f) Current versus non-current classification

The Group presents assets and liabilities in the Financial Statement based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

g) Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

2 Summary of significant accounting policies

a) Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

b) Revenue recognition

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

Sale of goods

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

Variable consideration

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

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

Contract balances

Trade receivables

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

Cost to obtain a contract

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

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

Financing components

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

Rendering of services

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

c) Other revenue streams

Interest income

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

Dividend income

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

Export incentives

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

Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

d) 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.

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 their tax base using the tax laws that have been enacted or substantively enacted by the reporting date. However deferred tax is not provided on the initial recognition of assets and liabilities unless the related transaction is business combination or affects tax or accounting profit. Tax losses available to be carried forward and other income tax credit available to the entity are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to utilize against future taxable income.

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

Deferred tax assets and liabilities are offset where the entity has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Minimum Alternative Tax (MAT)

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

e) Leases

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

As a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

As a lessor

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

f) Impairment of non-financial assets

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

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

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

g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

h) Inventories

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

i) Investments and Other Financial Assets

(i) Classification

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

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

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

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

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

(ii) Initial measurement

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

(iii) Subsequent measurement

Debt instruments

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

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

Equity instruments

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

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

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

Investments in subsidiaries

Investments are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

(iv) Impairment of financial assets

For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) for the period is recognised as expense/income in the Statement of Profit and Loss.

(v) De recognition of financial assets

A financial asset is derecognized only when:

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

j) Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities at amortized cost

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

Trade and other payables

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

Borrowings

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

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

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

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

Derecognition

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

k) Offsetting financial instruments

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

l) Property plant and equipment

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

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

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

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

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

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

m) Intangible assets

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.

Cost of Internally generated asset comprises of all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make assets ready for its intended use.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

n) Capital work in progress/ Intangible under development

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

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

o) Depreciation and amortization

Depreciation on property plant and equipment has been provided on straight line method in accordance with the provisions of Part C of Schedule II of the Companies Act 2013. The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, except for moulds and dies, are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Based on internal assessment and technical evaluation, the management has assessed useful lives of moulds and dies as five years, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

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

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

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

All assets costing Rs. 5,000 or below are depreciated/ amortized by a one-time depreciation/ amortization charge in the year of purchase.

Description	Useful lives (upto)
Vehicle	8 years
Computer	3 years
Furniture & Fixture	10 years
Computer Software	5 years
Office Equipment	5 years
Leasehold Improvements	8 years
Electronic Equipment	8 years
Mould & Dies	5 years
Plant & Machinery	15 years
Computer network	6 years
Factory Building	30 years
Office Building	30 years
Lab Equipment	10 years

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

q) Provisions, Contingent liabilities and Contingent assets

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

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

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

r) Employee Benefits :

(i) Short-term obligations

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

(ii) Post employment obligations

Defined benefit plans

Gratuity obligations

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

Defined contribution plans

Provident Fund

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

Employee state insurance

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

iii) Other long-term employee benefit obligations

Leave encashment

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

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

Share-Based Payments

The Group recognises the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received with a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions, the group measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the group cannot estimate reliably the fair value of the goods or services received, the group measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

If the equity instruments granted vest immediately, on grant date the group recognises the services received in full, with a corresponding increase in equity.

s) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

t) Earnings per share

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

u) Segment reporting

In line with the provisions of Ind AS 108 Operating Segments, and on the basis of the review of operations by the Chief Operating Decision Maker (CODM), the operations of the Group fall under Manufacturing of Oral Care products, other than manufacturing business and retail operations.

v) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

w) Assets held for Sale

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

Non-current assets or disposal groups comprising of assets and liabilities classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

x) Exceptional items

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

y) Applicable standards/notifications issued but not yet effective

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

2.2. Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

IND AS 1 – Presentation of Financial Statements

This amendment requires the companies to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and the impact of the amendment is significant in the standalone financial statements.

Ind AS 12 – Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

3.1 Property, plant and equipment

Particulars	Gross Block (at cost)		Accumulated depreciation & amortization		Net Block	
	As at 01 April 2022	Disposals/ adjustments	As at 01 April 2022	Disposals/ adjustments	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment						
Freehold land	563.29	57.83	-	-	621.12	563.29
Factory building	1,901.07	284.21	426.74	74.64	1,683.90	1,474.33
Office building	143.01	-	36.26	5.42	101.33	106.75
Plant & machinery	4,468.69	952.79	1,810.21	353.51	3,257.01	2,658.48
Mould & dies	417.77	107.93	274.71	43.68	180.12	143.06
Electronic equipment	192.19	18.27	163.94	1.41	45.11	28.25
Lab equipment	5.63	-	4.87	0.03	0.73	0.76
Leasehold Improvements	157.33	-	67.23	18.12	85.35	90.10
Furniture & fixture	222.50	7.64	158.59	24.40	181.88	63.91
Office equipment	44.14	2.75	28.35	3.94	31.19	15.79
Vehicle	497.92	-	176.33	57.07	233.40	321.59
Computer	9.98	2.90	8.37	0.91	9.28	1.61
Computer network	0.27	-	0.23	-	0.23	0.04
Total	8,623.79	1,434.32	3,155.83	583.14	6,291.12	5,467.97
Previous year	8,360.30	263.48	2,560.95	595.11	3,155.83	5,799.37

3.2 Capital work-in-progress *

Particulars	As at 01 April 2022		Additions		Capitalised	
	As at 01 April 2022	Disposals/ adjustments	As at 01 April 2022	Disposals/ adjustments	As at 31 March 2023	As at 31 March 2022
Land & building	229.26	15.17	244.28	0.13	0.15	-
Computer	0.13	-	0.13	-	-	-
Furniture & fixtures	833.37	19.29	21.52	831.14	831.14	831.14
Mould	8.16	1.06	9.16	0.06	21.45	21.45
Plant & machinery	889.40	68.71	936.66	-	-	-
Vehicles	-	-	-	-	-	-
Pre-operative expenses	35.57	26.98	58.52	4.03	4.03	4.03
Total	1,995.89	131.21	1,270.27	856.83	856.83	856.83
Previous year	891.63	1,288.81	184.55	1,995.89	1,995.89	1,995.89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

*Capital work in progress ageing

Ageing for capital work in progress as at 31 March 2023

Particulars	Amount in capital work in progress for a period of				Total
	Less than 1year	1-2 years	2-3 years	More than 3 years	
Projects in progress	17.94	833.93	4.96	-	856.83
Projects temporarily suspended	-	-	-	-	-

Ageing for capital work in progress as at 31 March 2022

Particulars	Amount in capital work in progress for a period of				Total
	Less than 1year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,288.81	427.37	62.43	217.29	1,995.89
Projects temporarily suspended	-	-	-	-	-

3.3 Right of Use Assets

(₹ in lakhs)

Particulars	Amount
Balance as at 01 April 2022	271.06
Additions	108.56
Deletions/Adjustment	-
Depreciation	(161.83)
Balance as at 31 March 2023	217.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

3.4 Intangible assets

(₹ in lakhs)

Particulars	Gross Block (at cost)			Accumulated depreciation & amortization			Net Block	
	As at 01 April 2022	Additions	Disposals/ adjustments	As at 31 March 2023	As at 01 April 2022	Depreciation & amortization for the year	Disposals/ adjustments	As at 31 March 2023
								As at 31 March 2022
Goodwill	110.69	-	-	110.69	-	-	-	110.69
Total	110.69	-	-	110.69	-	-	-	110.69
Previous year	110.69	-	-	110.69	-	-	-	110.69
Other Intangible assets								
Computer software	9.77	-	9.20	0.57	9.48	0.16	9.20	0.12
Trademark	7.25	-	-	7.25	5.37	1.32	-	0.56
Non Compete Fees	1.25	-	-	1.25	1.21	-	-	0.04
Total Other Intangible assets	18.27	-	9.20	9.07	16.06	1.48	9.20	0.72
Previous year	18.27	-	-	18.27	14.28	1.78	-	2.21
								3.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

4 Financial Asset - Non Current Investments

Particulars			As at 31 March 2023	As at 31 March 2022
A	Investments in Joint Ventures			
	(i) HWJHS Labs Private Limited		0.20	-
	Total		0.20	-
B	Investments carried at fair value through profit & loss	Fair value		
	Mutual Fund units (Quoted)	1093.97	185.96	117.63
	Other investments		10.43	
	ARG Outlier Media Private Limited			
	274 Compulsorily Convertible Participatory Preference shares of Rs.10/- each having issue price of Rs.36,601.92		100.17	
	Total		296.56	117.63
C	Aggregate amount of investments (A+B)		296.76	117.63
	Aggregate amount of unquoted investment at cost			-
	Aggregate amount of quoted investment at cost		270.17	110.00
	Aggregate market value of quoted investment		286.13	117.63

5 Financial Asset - Non - current loans

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Security deposit to related parties	26.19	-
	26.19	-

6 Other non- current financial assets

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Deposits with banks having maturity period of more than twelve months*	15.32	20.76
Advance to employee	276.43	385.01
Security deposit with related party	21.72	19.54
Interest accrued on non current fixed deposits	0.00	0.45
Security deposit to others	1.20	
	314.67	425.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

* includes pledged & margin money deposited with various government authorities amounting to Rs. 22.51 lakhs (31 March 2022: Rs. 19.76 lakhs).

7 Deferred tax assets (net)

(a) The balance comprises temporary differences attributable to: (₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Deferred tax liability on account of:		
Property, plant and equipment	(426.89)	(419.98)
Financial assets at FVTPL	(0.75)	(19.75)
Lease Liabilities	(9.45)	(46.28)
Right-of-use assets	-	(21.28)
Sub Total	(437.09)	(507.29)
Deferred tax asset on account of:		
Provision for bonus	4.18	1.86
Provision for doubtful debts	0.79	0.78
Provision for obsolete stock	2.69	2.88
Provision for gratuity	32.66	40.12
Provision for doubtful advance	209.50	225.77
Property, Plant & Equipment	-	7.10
Provision for leave encashment	6.05	11.89
Right-of-use assets	14.93	41.87
Security Deposit	(7.14)	1.63
Expenses for merger	1.17	1.25
Lease Liabilities	-	77.52
Other temporary differences	9.92	3.27
Tax losses carried forward	994.88	398.44
Government grant	37.83	44.78
MAT credit entitlement	297.85	359.17
Sub Total	1,605.30	1,218.33
Net deferred tax (liability)/asset	1,168.22	711.04

(b) Movement in deferred tax balances:

(₹ in lakhs)

	Provision for employment benefit	Property, Plant and Equipment	Tax losses carried forward	Others	Total
At 31 March 2021	41.47	(376.62)	405.57	982.99	1,053.40
Charged/(Credited):					
-directly in equity	-	-	-	-	-
- to profit or loss	9.51	(37.12)	(7.13)	(310.54)	(345.27)
- to other comprehensive income	2.90	-	-	-	2.90
At 31 March 2022	53.88	(413.74)	398.44	672.45	711.04
Charged/(Credited):					
-directly in equity	-	-	-	-	-
- to profit or loss	(10.99)	(14.01)	596.44	(114.26)	457.18
- to other comprehensive income	-	-	-	-	-
At 31 March 2023	42.90	-	994.88	558.19	1,168.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

8 Non current tax assets (net)

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance income tax and Tax deducted at source	85.40	75.40
Less: Provision for taxation	-	(19.60)
	85.40	55.80

9 Other non current assets

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital advance*		
Unsecured (considered good)	5,004.33	4,281.07
Unsecured (considered doubtful)	-	728.83
Less: Provision for doubtful capital advances	-	(728.83)
Security deposit	133.49	671.98
Prepaid expenses	26.51	5.71
Fixed Deposit More Than 12 Months	-	0.27
Deferred payroll cost	81.81	160.24
Deferred rent expense	11.35	26.77
	5,257.49	5,146.03

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

10 Inventories

(Valued at lower of cost or net realisable value)

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	381.71	356.28
Packing material	476.85	282.49
Work-in-progress	171.85	251.65
Finished goods	270.77	240.20
Stores and spares	62.73	89.97
Less: Provision for obsolescence & diminution in value*	(0.80)	(10.35)
	1,363.11	1,210.24

*Provision for obsolescence & diminution in value

Opening balance	10.35	47.44
Addition during the year	-	-
Used during the year	-	-
Reversed during the year	(9.55)	(37.09)
Closing balance	0.80	10.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

11 Current Investments

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Investments carried at fair value through Profit & Loss		
Investments in Mutual funds (Quoted)		
-Aditya Birla Sunlife Mutual Fund	64.97	95.43
As at 31 March 2023 - 22006.808 Units (As at 31 March 2022: 22006.808 Units)		
-Other fixed deposits	49.85	48.26
-ARG Outlier Media Private Limited	-	100.29
(274 Compulsorily Convertible Participatory Preference shares of Rs 10/-each having issue price of Rs.36,601.92)		
	114.82	243.98
Aggregate amount of quoted investments and Market value thereof	114.82	243.98

12 Trade receivables

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

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	2,067.45	1,811.62
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: Allowance for Expected Credit Loss	-	-
	2,067.45	1,811.62

Ageing for trade receivables - current outstanding as at 31 March 2023:

(₹ in lakhs)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of Payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables								
Undisputed trade receivables - considered good	-	-	1,167.10	569.82	120.64	209.88	-	2,067.45
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

(₹ in lakhs)

Particulars	Un-billed	Not Due	Outstanding for following periods from due date of Payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables								
Undisputed trade receivables – considered good	15.22	308.31	472.37	371.36	643.24	1.12	-	1,811.62
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-

13 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	67.26	42.55
Balance with bank		-
- current account	3,761.52	484.06
- deposits with banks with original maturity of less than 3 months	-	2.20
	3,828.78	528.81

14 Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Deposits with banks with original maturity of more than 3 months but maturity less than 12 months*	140.23	117.42
	140.23	117.42

* includes pledged & margin money deposits with various government authorities amounting to ₹ 90.88 lakhs as on 31 March 2023 (31 March 2022: ₹ 88.30)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

15 Current loans

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
loans to corporates	30.40	1,248.96
loans to related party	278.32	2.40
loan to shareholder	-	143.12
Loan to others	146.16	127.89
Loan to employees	1.34	0.42
	456.22	1,522.79

* Loan is receivable within a period of 12 months at interest rate in the range of 7.5% p.a. to 8% p.a.

16 Other current financial assets

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Interest receivables*	54.10	67.96
Other receivables	8.70	374.30
Advance to employees	121.01	102.01
	183.81	544.26

* Interest receivable includes interest on employee advances and interest on loan to subsidiaries amounting to Rs. 237.32 Lakhs(31 March 2022- Rs. 61.52 Lakhs)

17 Other current assets

(Unsecured, considered good, unless otherwise specified)

Particulars	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Deferred expenses	1.64	3.03
Prepaid expenses	11.69	41.14
Balances with statutory/government authorities	108.73	197.18
Imprest to employees	0.59	0.05
Advance to suppliers	208.43	1,307.54
Less: Provision for doubtful advance	-	(82.73)
Export incentive receivables	0.31	205.91
Other receivables	480.88	241.71
	812.27	1,913.83

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

(₹ in lakhs)

18 Equity share capital

	As at 31 March 2023	As at 31 March 2022
a) Authorised		
65,000,000 Equity shares of ₹10/- each (31 March 2022: 65,000,000 Equity shares of ₹ 10/- each)	6,500.00	6,500.00
b) Issued, subscribed & fully paid up		
64,900,465 Equity shares of ₹ 10/- each; (31 March 2022: 64,900,465 Equity shares of ₹ 10/- each)	6,490.05	6,490.05
Total	6,490.05	6,490.05

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

(₹ in lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
At the beginning of the year	64,900,465	6,490.05	64,400,465	6,440.05
Add : Shares issued during the year *	-	-	500,000	50.00
At the end of the year	64,900,465	6,490.05	64,900,465	6,490.05

Pursuant to approval of shareholders by way of special resolution in accordance with section 42 & 62 of the Companies Act, 2013 and Rules made thereunder and as per SEBI (ICDR) Regulations, 2018 the Company approved preferential allotment of 40,00,000 fully convertible warrants of Rs. 10 each at an issue price of Rs. 20 per warrant. Out of this 35,00,000 equity shares were listed with stock exchange in 9th March 2021 and balance 5,00,000 equity shares allotted on 8th February 2022. This 5,00,000 equity shares were listed with NSE and BSE on 9 May 2022 and 12 May 2022 respectively.

d) Terms / rights attached to equity shares

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

The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case where interim dividend is distributed. During the year ended 31 March, 2023 and 31 March, 2022, no dividend has been declared by the Group.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Nikhil Nanda	24,310,774	37.47%	24,310,774	37.47%
Sushma Nanda	3,065,983	4.72%	3,065,983	4.72%

g) Details of promoters shareholding

Shares held by promoter at the end of the year	As at 31 March 2023		As at 31 March 2022		% Change during the year
Promoter Name	Number of shares	% of total shares	Number of shares	% of total shares	
Mr. Nikhil Nanda	24,320,774	37.47%	24,320,774	37.47%	Nil
Late Mr. Harish Chander Nanda*	19,731	0.03%	19,731	0.03%	Nil
Mr. Diljit Singh Grewal	1,500	Nil	1,500	Nil	Nil
Mrs. Shushma Nanda	3,065,983	4.72%	3,065,983	4.72%	Nil

Shares held by promoter at the end of the year	As at 31 March 2022		As at 31 March 2021		% Change during the year
Promoter Name	Number of shares	% of total shares	Number of shares	% of total shares	
Mr. Nikhil Nanda	24,320,774	37.47%	23,810,774	36.97%	0.50%
Late Mr. Harish Chander Nanda*	19,731	0.03%	19,731	0.03%	Nil
Mr. Diljit Singh Grewal	1,500	Nil	1,500	Nil	Nil
Mrs. Shushma Nanda	3,065,983	4.72%	3,065,983	4.76%	-0.04%

* Transmission of shares is under process.

19 Other Equity

A Summary of Other Equity Balance

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital reserves	241.95	241.95
Securities premium	9,623.05	10,416.08
General reserves	6.68	6.68
Retained earnings	867.83	1,411.66
Money received against share warrants (refer note no. 19 e)	-	-
Other comprehensive income	13.88	23.79
Total	10,753.37	12,100.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

a) Capital reserves

	As at 31 March 2023	As at 31 March 2022
Opening balance	241.95	241.95
Addition/Deletion during the year	-	-
Closing balance (A)	241.95	241.95

b) Securities premium

	As at 31 March 2023	As at 31 March 2022
Opening balance	10,416.08	10,366.08
Add : Premium on warrant converted into shares	-	-
Add : Premium on conversion of share warrants	-	50.00
Less : Other changes - Share issue expenses	-	-
Less: Other consolidation adjustment	(793.03)	
Closing balance (B)	9,623.05	10,416.08

c) General reserves

	As at 31 March 2023	As at 31 March 2022
Opening balance	6.68	6.68
Addition during the year	-	-
Closing balance (C)	6.68	6.68

d) Retained earnings

	As at 31 March 2023	As at 31 March 2022
Opening balance	1,411.66	1,770.16
Add: Profit/ (Loss)for the year transferred from the Statement of Profit and Loss	(1,542.47)	(398.51)
Less: Adjustment pertaining to a loan given to shareholder	34.33	(6.20)
Add: Other consolidation adjustment	793.03	
Add: Adjustments of Lease Equilisation Reserve	171.28	46.21
Closing balance (D)	867.83	1,411.66

e) Money received against share warrants

	As at 31 March 2023	As at 31 March 2022
Opening balance	-	25.00
Add: Money received against share warrants	-	
Less: Share warrants money utilised for conversion into equity shares	-	25.00
Closing balance (E)	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

f) Other comprehensive income

	As at 31 March 2023	As at 31 March 2022
Opening balance	23.79	19.63
Add: Remeasurement of net defined benefit plans	(9.91)	4.16
Closing balance (F)	13.88	23.79
Total other equity (A+B+C+D+E+F)	10,753.38	12,100.16

B Nature and purpose of reserve

a) Capital reserve

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

b) Security premium

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

c) General reserve

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

d) Retained earnings

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

e) Other comprehensive income

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

20 Financial liabilities

(i) Borrowings

(₹ in lakhs)

	Non current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Secured				
Vehicle loans*				
- from banks	23.93	38.20	13.95	18.54
- from others	-	-	-	1.81
	23.93	38.20	13.95	20.35
Amount disclosed under the head Other current financial liabilities				
Net Amount (A)	23.93	38.20	13.95	20.35
Unsecured				
Unsecured Loan from other		10.00		
	-	10.00	-	-
Amount disclosed under the head Other current financial liabilities				
Net Amount (B)	-	10.00	-	-
Total (A+B)	23.93	48.20	13.95	20.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

* 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 7% p.a. to 10% p.a.

(ii) Lease liabilities

(₹ in lakhs)

	Non current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Lease liability on office building	182.99	457.58	125.97	92.04
	182.99	457.58	125.97	92.04

(iii) Other non-current financial liabilities

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Other financial liabilities	15.83	
	15.83	-

21 Provisions

(₹ in lakhs)

	Non Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits - Gratuity	115.02	120.08	10.58	12.18
Provision for employee benefits - Leave encashment	21.73	33.84	1.52	9.30
	136.75	153.92	12.11	21.48

22 Other non current liabilities

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Deferred government grant- non current part(refer note 38)	130.44	143.99
Loan and capital advances	1,293.30	-
	1,423.74	143.99

23 Trade payables

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Due to micro & small enterprises (Refer note 47)	179.86	196.04
Due to others	1,947.98	1,187.76
	2,127.84	1,383.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro and small enterprises (as per the intimation received from vendors)		
a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	179.86	196.04
Interest	-	7.76
b) Interest paid by the Company in terms of Section 16 of the Micro, Small and -Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
c) Interest due and payable for the period of delay in making payment (which - have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
d) Interest accrued and remaining unpaid		2.62
e) Interest remaining due and payable even in the succeeding years, until - such date when the interest dues as above are actually paid to the small enterprises.	-	-

f) Trade payable ageing schedule

Outstanding for following periods from due date of payment as at 31 March 2023

(₹ in lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payables						
MSME*	-	179.86	-	-	-	179.86
Others	806.57	964.64	84.96	91.83	-	1,947.98
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

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

(₹ in lakhs)

Particular	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payables						
MSME*	-	196.04	-	-	-	196.04
Others	347.86	701.43	91.29	38.58	8.61	1,187.76
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

24 Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings	0.20	1.19
Unpaid dividends*	-	-
Payable to employees	174.68	89.44
Payable towards purchase of property, plant and equipment	56.97	51.83
Expenses Payable	50.18	97.98
	282.04	240.44

*there are no amounts due for payments to the Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 as at 31 March 2023 (31 March 2022 - Nil).

25 Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues	68.49	27.12
Advance received from customers	1,074.82	88.72
Government grant (refer note 38)	15.07	16.96
Payable to employees	50.16	-
Other Current Liability	35.07	-
	1,243.60	132.80

26 Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from contracts with customers*		
Sale of manufactured goods-Oral Care products	9,536.13	8,484.81
Sale of packing material/raw material/traded Goods	11.33	64.33
Other operating revenue		
Scrap sales	73.21	76.10
Revenue from Operations	9,620.67	8,625.24

* It represents disaggregated revenue information in accordance with IND AS 115.

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

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Advances from customers (refer note no. 24)	1,074.82	863.10

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

27 Other income

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income on fixed deposits	11.92	4.83
Interest income from financial assets at amortised cost	90.60	215.09
Export incentives	0.82	-
Provision no longer required written back	29.49	54.04
Rental income	-	-
Government grant (refer note 38)	15.44	63.85
Foreign exchange gain (net)	89.99	65.29
Profit on sale of investments	5.27	1.22
Sale of media rights	250.00	150.00
Miscellaneous income	640.47	95.85
Profit on sale of fixed assets	(14.15)	-
Net gain on financial asset measured at FVTPL	2.80	14.03
Shipping charges recovered	316.99	105.86
Miscellaneous balance written back	0.13	168.93
	1,439.77	938.99

28 Cost of materials consumed

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
A Cost of raw materials consumed		
Stock at the beginning of the year	356.28	406.36
Add: Purchases raw material	3,288.84	3,164.17
Less: Stock at the end of the year	(381.71)	(356.28)
	3,263.42	3,214.25
Cost of packing materials consumed		
Stock at the beginning of the year	282.49	313.78
Add: Purchases packaging	2,462.62	2,122.69
Less: Stock at the end of the year	(404.61)	(282.49)
	2,340.50	2,153.98
	5,603.91	5,368.24

B Purchases of stock in trade

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Purchases of stock in trade	708.74	419.84
	708.74	419.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Finished goods		
At the beginning of the year	240.20	282.80
Less: At the end of the year	(271.68)	(240.20)
	(31.48)	42.61
Work-in-progress		
At the beginning of the year	251.65	130.84
Add: Purchases	324.23	340.37
Less: At the end of the year	(247.99)	(251.65)
	327.89	219.56
	274.10	262.17

30 Employee benefits expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages, bonus and other allowances	1,472.32	1,027.09
Contribution to provident and other funds	58.72	64.97
Workmen and staff welfare expenses	17.34	15.07
Gratuity	1.35	30.89
Leave encashment	(25.96)	6.47
Staff training & stipends	0.79	0.07
	1,524.55	1,144.56

31 Finance costs

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense	9.67	61.47
Interest on lease liability	84.18	65.08
Interest on delay in deposit of Statutory dues	2.21	0.41
Bank charges	8.10	12.40
	104.16	139.36

32 Depreciation and amortization expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant & equipment	583.24	608.22
Depreciation on right of use asset	161.83	24.60
Amortisation of intangible assets	1.39	72.40
	746.47	705.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

33 Other expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores and spares	52.29	3.08
Power and Fuel	297.74	290.60
Rent	1.79	0.20
Advertisement expenses	116.64	8.26
Job work charges	659.77	479.00
Business promotion expenses	62.01	16.12
Brokerage & Commission	-	55.41
Sampling Expense	0.63	0.66
Repairs		
Plant and Machinery	109.77	92.25
Building	131.98	16.76
Others	37.18	47.90
Marketing fund	6.94	2.55
Revenue shares	35.75	38.44
Airport service charges	33.00	22.92
Minimum guarantee	178.87	21.03
Freight and cartage outward	50.10	42.92
Insurance charges	57.31	54.63
Legal and professional fees	382.15	85.75
Rates and taxes	63.03	36.62
Additional Goods Tax	0.05	-
Telephone and postage	6.28	6.14
Printing and stationery	9.16	8.66
Travelling and conveyance expenses	96.61	82.94
Provision for doubtful receivables	3.01	-
Vehicle running & maintainance	2.11	-
Freight & cartage inwards	2.81	-
Commission on sale	46.66	-
Provision written off	2.39	-
Directors' sitting fees	3.00	2.60
Auditor's remuneration (Refer note 46)	11.74	22.81
Office maintenance	30.49	28.14
Research & Development charges	6.53	6.54
Miscellaneous expenses	87.10	17.20
Amortization of deferred rent expense	(185.66)	3.03
Consumable expenses	0.65	6.70
License fees	15.77	14.51
Donation expense	3.82	0.16
	2,419.48	1,514.54

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

34 Exceptional Items

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Provision for doubtful advance	1,606.79	-
Balances written off	256.27	-
	1,863.07	-

35 Income taxes

(a) Income tax expenses

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Profit and loss section		
i. Current tax		
Current tax on profits for the year	-	92.09
Adjustments for current tax of previous years	-	1.50
	-	93.59
ii. Deferred tax charge/(credit)		
Origination and reversal of temporary differences	(519.36)	345.65
	(519.36)	345.65
Income tax expense reported in the Statement of Profit and Loss (i+ii)	(519.36)	439.24
Other Comprehensive Income (OCI) Section		
Tax relating to items that will not be reclassified to Statement of Profit & Loss	3.47	(2.90)
Income tax charged to OCI	3.47	(2.90)

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

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Profit from continuing operations (A)	(2,184.02)	192.39
Income tax rate applicable (B)	26.00%	27.82%
Computed tax expense (A*B)	(567.85)	53.52
Tax effect of the amounts that are not deductible (taxable) while calculating taxable income :		
Effect of Non- deductible expenses	-	18.10
Income not taxable under income tax	(2.48)	(10.32)
Effect of changes in tax rate due to MAT	-	(24.52)
Tax expense for previous year	-	1.50
Deferred tax on unabsorbed losses, previously not recognised	-	11.89
Tax impact of IND AS adjustment	22.94	8.32
Deffered tax reversal on provision written back	(466.51)	355.03
Others	(52.17)	25.71
Income tax expense/(reversal)	(1,066.08)	439.24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

36 Contingent liability

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

1. Matters under litigation:

Claims against the Group by vendors & customers amounting to ₹ 45.39 lakhs (Previous Year ₹ 393.74 lakhs). The management of the Company believes that the ultimate outcome of these proceedings will not have a material/adverse effect on the Company's financial condition and results of operations.

2. As at 31st March 2023, claims against the company not acknowledged as debts in respect of TDS Demand Outstanding on the TRACES portal amounting to ₹ 5.17 lakhs (Previous Year ₹ 4.09 lakhs).

II. Others:

Bank guarantee issued by bank amounting to ₹ 151.16 lakhs (Previous Year ₹ 96.35 lakhs).

37 Capital commitments

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	18.39	2.74
Investment in Sixth Sense Ventures Advisors LLP	30.00	90.00
Total	48.39	92.74

38 Government grant

During the financial year ended 31 March, 2022, the Company had received a capital subsidy of Rs. 225 lakhs under the Industrial development scheme ,2017 notified vide no. 2(2)2018-SPS of the Government of India. The subsidy received is being apportioned to Statement of Profit & Loss over the useful life of the eligible assets. During the year the Company has recognised ₹ 15.44 lakhs (previous year ₹ 63.84 lakhs) as government grant based on useful life of the assets.

39 Segment reporting

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

(₹ in lakhs)

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
1	Segment Revenue		
	(a) Manufacturing business	8,191.58	7,990.59
	(b) Other than manufacturing	398.81	498.20
	(c) Retail business	1,139.22	274.55
	Total	9,729.62	8,763.34
	Less: Inter segment revenue	(108.95)	(138.11)
	Net sale/income from operation	9,620.67	8,625.23
2	Segment Results		
	(a) Manufacturing business	(1,514.09)	(244.16)
	(b) Other than manufacturing	(229.63)	(41.55)
	(c) Retail business	74.96	(134.67)
	Less: Inter segment result	(8.77)	(8.56)
	Total	(1,677.53)	(428.94)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
3	Segment Assets		
	(a) Manufacturing business	21,341.11	21,108.91
	(b) Other than manufacturing	7,179.04	6,247.06
	(c) Retail business	854.65	745.12
	Less: Inter segment assets	(5,756.13)	(5,901.91)
	Total	23,618.68	22,199.18
4	Segment Liabilities		
	(a) Manufacturing business	3,859.44	2,132.32
	(b) Other than manufacturing	5,847.13	4,690.65
	(c) Retail business	239.61	375.09
	Less: Inter segment liabilities	(4,357.44)	(4,503.44)
	Total	5,588.74	2,694.62

Information about major customers

Revenue of ₹ 6489.20 lakhs, (Previous year ₹ 6161.41 lakhs) arising from three customers in India contribute more than 10% of the Group's revenue individually. No other customer contribute 10% or more than 10% to the Group's revenue for the current year ended 31 March, 2023. The Group does not hold any non current assets outside India.

40 Employee benefit obligations

The Group has classified various employee benefits as under:

a. Defined contribution plans

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

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contribution to Provident Fund	48.34	50.35
Contribution to Employee State Insurance Scheme	10.38	11.59
Total	58.72	61.94

b. Defined benefit plans

- i.) Gratuity

c. Other long-term employee benefits

- ii.) Leave encashment

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

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

Principal Actuarial Assumptions at the Balance Sheet date

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate (per annum)	7.45%	6.95%
Rate of increase in compensation levels	7.00%	7.00%
Retirement age	58 Years	
Mortality table	100% of IALM (2012-14)	
Average withdrawal rate	7%	7%

The discount rate has been assumed at 7.45% p.a. (Previous year 6.95% p.a.) based upon the market yields available on Government bonds at the accounting date for remaining life of employees. The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market on long term basis.

I) Changes in the present value of obligation

(₹ in lakhs)

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Present value of obligation as at the beginning of the year	43.15	132.27	39.07	111.59
Acquisition adjustment	-	-	-	-
Interest cost	2.97	9.41	2.46	7.18
Past service cost	-	-	-	-
Current service cost	7.33	20.34	10.41	24.24
Contribution by plan participants	-	-	-	-
Curtailment cost/(credit)	-	-	-	-
Settlement cost/(credit)	-	-	-	-
Benefit paid	-	(7.79)	(1.85)	-
Change in financial assumption	(0.40)	3.21	(0.55)	(0.16)
Experience variance	-	(7.03)	-	(4.82)
Actuarial (gains)/loss	(29.78)	(24.80)	(6.39)	(5.76)
Present value of obligation as at the end of the year	23.25	125.61	43.15	132.27
Current	1.52	10.58	9.30	12.18
Non current	21.73	115.02	33.83	120.08
Total	23.25	125.61	43.13	132.26

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FOR THE YEAR ENDED 31 MARCH, 2023

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

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	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	23.25	125.61	43.15	132.27
Unfunded net liability recognised in the balance sheet	23.25	125.61	43.15	132.27

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

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Current service cost	7.33	20.34	10.41	24.24
Past service cost	-	-	-	-
Acquisition adjustment	-	-	-	-
Interest cost	2.97	9.41	2.46	7.18
Expected return on plan assets	-	-	-	-
Curtailment cost/(credit)	-	-	-	-
Settlement cost/(credit)	-	-	-	-
Benefit paid	-	-	-	-
Remeasurement	(30.18)	-	(6.94)	-
Net actuarial (gains)/loss	-	-	-	-
Employees contribution	-	-	-	-
Total expenses recognised in the Statement of Profit & Loss account	(19.88)	29.75	5.93	31.43

Other Comprehensive Income (OCI) Gratuity (Unfunded) (₹ in lakhs)

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
Net cumulative unrecognized actuarial gain/(loss) opening	-	-	-	-
Actuarial gain / (loss) for the year on PBO	24.80		5.76	
Actuarial gain / (loss) for the year on asset	-		-	
Unrecognized actuarial gain/(loss) at the end of the year	24.80		5.76	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

IV) Expected Employer Contribution				(₹ in lakhs)
Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
Expected employer contribution for the next year	-	-	-	-

V) Maturity Profile of Defined Benefit Obligation (₹ in lakhs)				
Year	Year ended 31 March 2023		Year ended 31 March 2022	
	Leave Encashment	Gratuity (Unfunded)	Leave Encashment	Gratuity (Unfunded)
0 to 1 Year	1.52	10.55	9.23	12.09
1 to 2 Year	1.61	8.09	6.96	9.05
2 to 3 Year	1.47	8.33	6.13	9.67
3 to 4 Year	1.81	8.41	5.46	10.82
4 to 5 Year	1.48	7.38	5.17	11.56
5 Year onwards	15.36	81.17	30.38	222.55

VI) Sensivity Analysis of the Defined Benefit Obligation:- (₹ in lakhs)		
Particulars	Leave Encashment	Gratuity (Unfunded)
Year ended 31 March 2023		
Impact of change in discount rate		
Present value of obligation at the end of the year	23.25	125.61
a) Impact due to increase of 0.5%	(1.01)	(4.95)
b) Impact due to decrease of 0.5%	1.08	5.30
Year ended 31 March 2022		
Impact of change in salary rate		
Present value of obligation at the end of the year	23.25	125.61
a) Impact due to increase of 0.5%	1.08	5.30
b) Impact due to decrease of 0.5%	(1.02)	(4.99)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

ii) Interest Risk (discount rate risk) – A decrease in the bond interest rate (discount rate) will increase the plan liability.

iii) Mortality Risk – The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2012-14) ultimate table. A change in mortality rate will have a bearing on the plan's liability.

iv) Salary Risk – The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

41 Related party disclosures as per IND AS 24

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

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

(b) Key Managerial Personnels (KMP) of the JHS Svendgaard Laboratories Limited

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Managing Director	2022-23
Mr. Rajagopal Chakravarthi Venkatesh	Non -Executive Independent Director	2022-23
Mr. Mukul Pathak	Non - Executive Independent Director	2022-23
Mrs. Rohina Sanjay Sangtani	Non - Executive Independent Director	2022-23
Mr. Vinay Mittal	Non - Executive Independent Director	w.e.f. 27.05.2022
Mr. Kapil Minocha	Non - Executive Independent Director	2022-23
Mr. Paramvir Singh Pabla	Chief Executive Officer	2022-23
Mr. Ashish Goel	Chief Financial Officer	2022-23
Mr. Neeraj Kumar	Chief Financial Officer	Upto 15.03.2023
Mr. Avinash Pratap	Company Secretary	Upto 26.05.2022
Mrs. Komal Jha	Company Secretary	w.e.f. 10.11.2022

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(c) Key Managerial Personnels (KMP) of JHS Svendgaard Brands Limited

Name of Key Managerial Personnel	Category	Period
Mr. Nikhil Nanda	Director	2022-23
Mrs. Sushma Nanda	Director	2022-23
Mr. Safir Anand	Director	2022-23
Mr. Vinay Mittal	Independent Director	2022-23
Mr. Chhabhi Lal Prasad	Director	2022-23
Ms. Shalini Deshwal	Company Secretary	w.e.f. 07-02-2022
Ms. Ayushi Jain	Company Secretary	w.e.f. 03-11-2022
Mr. Ashutosh Srivastava	Chief Executive Officer	w.e.f 06.08.2021

(d) Key Managerial Personnels (KMP) of JHS Retail Ventrures Private Limited

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

(e) Key Managerial Personnels (KMP) of JHS Mechanical and warehousing Private Limited

Name of Key Managerial Personnel	Category
Mr. Nikhil Nanda	Director
Mr. Chhabhi Lal Prasad	Director

(f) Key Management Personnel Compensation

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Short- term employee benefits	152.11	169.69
Post- employment benefits	28.71	23.67
Long- term employee benefits	4.43	5.06
Director's Sitting fees	3.00	2.60
Total Compensation	188.25	201.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(g) Transactions with related parties

The following transactions occurred with related parties:

(₹ in lakhs)

S.No.	Statement of Profit and Loss heads	Year ended 31 March 2023	Year ended 31 March 2022
1.	Income:		
	Interest income		
	- Nikhil Nanda	48.81	135.00
2.	Expenditure:		
	i) Interest expenses on lease liability as per IND AS 116		
	- Nikhil Nanda	37.92	41.33
	ii) Depreciation expenses on Right of use assets as per as per IND AS 116		
	- Nikhil Nanda	37.28	37.93
	iii) Amortization of deferred rent expense		
	- Nikhil Nanda	8.35	4.46
	iv) Electricity and Water expenses		
	- Nikhil Nanda	15.70	17.28
	v) Rent Expenses		
	- Magna Waves Private Limited	0.60	0.60
	vi) Professional fees for trademark registration		
	- Anand & Anand Legal Services LLP	0.41	0.53
	vii) Corporate social responsibility expenses *		
	- Harish Chander Nanda Educational and Charitable Society	-	-

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

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

(₹ in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
i.	Payment Received		
	- Apogee Manufacturing Private Limited	-	0.23
ii.	Investments made		
	- HWJHS Labs Private Limited	0.20	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

(i) Balance Sheet heads (Closing balances)

(₹ in lakhs)

		Year ended 31 March 2023	Year ended 31 March 2022
	Credit balances		
i.	Other liabilities		
	- Nikhil Nanda	2.24	(16.00)
ii.	Trade Payable		
	- Anand & Anand Legal Services LLP	0.91	0.51
	- Magna Waves Private Limited	0.17	
	Debit Balances		
iii.	Loans and advances		
	- Nikhil Nanda (At amortised cost)	21.72	19.54
	- Nikhil Nanda (staff housing advance)	459.72	601.99
iv.	Trade receivables		
	- Apogee Manufacturing Private Limited	33.55	33.55

(j) Terms and Conditions

Outstanding balances at the year end are unsecured, interest free and recoverable/repayable on demand. There has been no guarantee provided or received for any related party receivable and payable, other than disclosed. For the year end 31 March, 2023 the Group has provided for impairment of receivables owed by the related party ₹ Nil (31 March, 2022: ₹ Nil). This assessment undertaken each financial year through examining the financial position of related party and market in which related party operates.

42 Fair valuation measurements

S. No	Particulars	Level of Hierarchy	Year ended 31 March 2023			Total carrying value	Year ended 31 March 2022			Total carrying value
			FVTPL	FVTOCI	Amortized cost		FVTPL	FVTOCI	Amortized Cost	
1	Financial assets									
	Investments									
	Investment in Mutual Funds	1	64.97	-	-	64.97	95.40	-	-	
	Investment in MLD	1	2.80	-	193.59	196.39	7.63	-	110.00	117.63
	Investment in Preference shares	1	-	-	100.17	100.17	100.29	-	-	100.29
2	Loans									
	Security deposit	3	-	-	26.19	26.19	-	-	5.44	5.44
	Others	3	-	-	456.22	456.22	-	-	3,823.41	3,823.41
3	Trade receivables	3	-	-	2,067.45	2,067.45	-	-	1,811.62	1,811.62
4	Other financial assets	3	-	-	498.47	498.47	-	-	1,122.66	1,122.66
5	Cash & cash equivalents	3	-	-	3,828.78	3,828.78	-	-	528.80	528.80
6	Bank balances other than cash & cash equivalents	3	-	-	140.23	140.23	-	-	117.42	117.42
	Total financial assets		67.77	-	7,311.10	7,378.87	203.32	-	7,519.36	7,627.28
	Financial liability									
1	Borrowings including current maturities	3	-	-	37.88	37.88	-	-	68.55	68.55
2	Trade & other payables	3	-	-	2,127.84	2,127.84	-	-	1,383.80	1,383.80
3	Lease liabilities	3	-	-	308.96	308.96	-	-	549.62	549.62
4	Other financial liabilities	3	-	-	282.04	282.04	-	-	240.33	240.33
	Total financial liabilities		-	-	2,756.71	2,756.71	-	-	2,242.30	2,242.30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

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

43 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.

The Group's risk management is coordinated by its board of directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to, are described below:

1 Market risk

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

(a) Foreign currency risk

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

The following table presents non-derivative instruments which are exposed to currency risk and are unhedged as at 31 March 2023 and 31 March 2022 :

(₹ in lakhs)			
Particulars	Foreign currency	As at 31 March 2023	As at 31 March 2022
Trade Payable	USD	56.98	60.09
Trade Receivable	USD	498.40	538.10

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

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

Currencies	Year ended 31 March 2023	Year ended 31 March 2022
INR/USD	-8%	-3%

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

Sensitivity analysis for entities with foreign currency balances in INR

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

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

(₹ in lakhs)

Year ended 31 March, 2023	Movement	Profit and loss	
		Strengthening	Weakening
USD Sensitivity	-8%	(36.46)	36.46
Year ended 31 March, 2022	Movement	Profit and loss	
		Strengthening	Weakening
USD Sensitivity	-3%	(15.58)	15.58

(b) Price risk

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

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

(₹ in lakhs)

Year ended 31 March, 2023	Movement	Profit and loss	
		Strengthening	Weakening
Price risk sensitivity	2%	4.28	(4.28)
Year ended 31 March, 2022	Movement	Profit and loss	
		Strengthening	Weakening
Price risk sensitivity*	1%	-	-

* During the year Company has redeemed all its investments in mutual fund and market linked debentures

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

(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 2023	As at 31 March 2022
Fixed-rate borrowings including current maturities		
- Vehicle loan (secured)	37.88	58.55
- Loan from Corporate (Unsecured)	-	10.00
Total borrowings (gross of transaction cost)	37.88	68.55

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 ₹ 900.35 lakhs (31 March, 2022 ₹ 809.40 lakhs).

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

Significant estimates and judgments

Impairment of financial assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

3 Liquidity risk

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

The Group 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 31 March, 2023					
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	13.95	23.93	-	-	37.88
Trade payables	2,127.84	-	-	-	2,127.84
Lease liabilities	125.97	91.70	91.29	-	308.96
Other financial liabilities	282.04	-	-	-	282.04
Total	2,549.79	115.63	91.29	-	2,756.71

As at 31 March, 2022					
	Upto 1 year	1 to 3 years	3 to 5 year	Above 5 years	Total
Borrowings including current maturities	20.35	48.20	-	-	68.55
Trade payables	1,383.80	-	-	-	1,383.80
Lease liabilities	92.04	366.60	90.99	-	549.62
Other financial liabilities	240.04	-	-	-	240.04
Total	1,736.21	414.81	90.99	-	2,242.01

44 Capital management

A Risk management

For the purposes of Company capital management, Capital includes equity attributable to the equity holders of the Group and all other equity reserves. The primary objective of the Group capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March, 2023 and 31 March, 2022.

Particulars	As at 31 March 2023	As at 31 March 2022
Equity share capital	6,490.05	6,490.05
Free reserve*	888.38	2,603.47

* Comprises of retained earning and general reserves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

B Dividends

The Group has not proposed any dividend for the year ended 31 March, 2023 (31 March, 2022: ₹ Nil).

45 Leases

The movement in lease liabilities is as follows :

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	549.62	617.5
Add : Lease assets during the period	-	-
Add : Interest expense during the period	84.18	79.59
Less: Cash outflows	(309.01)	(66.45)
Less: Deletions/Adjustment on account of waiver in lease rent	(15.83)	(81.02)
Closing lease liability at the end of the period	308.96	549.62

46 Auditor's Remunerations

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
Statutory audit	5.60	12.00
Tax audit fees	1.50	3.50
Other matters		
- Limited reviews	3.75	3.75
- Out of pocket expenses	0.06	0.57
- Certification fees	0.82	0.75
	11.74	20.57

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

A sum of ₹ 179.86 lakhs is payable to Micro and Small Enterprises as at 31 March, 2023 (31 March, 2022: ₹ 196.04 lakhs). The above amount is on account of trade payables only. Out of the total amount outstanding to Micro and Small Enterprises a sum of ₹ 78.76 lakhs (31 March, 2022: ₹ 196.04 lakhs) is outstanding for more than 45 days as at 31 March, 2023. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

Particulars of loan given

(₹ in lakhs)

Sr. No.	Particulars	Purpose	Year ended 31 March 2023	Year ended 31 March 2022
1	JHS Svendgaard Mechanical and Warehouse Private Limited	Purchase of land	-	1,319.52
2	Amit Saxena	Business purpose	278.29	143.12
3	JHS Svendgaard Brands Limited	Intercompany financing	3,381.28	2,461.28
4	JMS Buildtech Private Limited*	Intercompany financing	-	1,218.56

*reclassified to capital advances

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

- 49 In accordance with the requirements of Section 135 of the Companies Act, 2013, during the financial year ending March 31, 2023, the Group has no obligation to spent in pursuance of its Corporate Social Responsibility policy.
- 50 The Group in its board meeting held on 09th October, 2020 has approved the Composite Scheme of Arrangement for Amalgamation and Demerger between among JHS Svendgaard Laboratories Limited (Demerged Company/ Transferee Company), JHS Svendgaard Retail Ventures Private Limited (Resulting Company) and JHS Svendgaard Brands Limited (Transferor Company) ('Composite Scheme') under Section 230-232 of the Companies Act, 2013. Thereafter, on 8th December, 2021, both the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited had granted their no-objection to the composite scheme. The next date of hearing of the petition shall be on 14 June 2023 for the consideration of the approval of the scheme.

51 Additional Information

Name of the entity in Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated (profit) or loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated Total other comprehensive income	Amount
Parent Company								
JHS Svendgaard Laboratories Limited	100.77%	18,168.19	90.26%	(1,514.09)	152.90%	(15.15)	90.63%	(1,529.24)
Subsidiary Company								
JHS Svendgaard Brands Limited (Formerly known as JHS Svendgaard Dental Care Limited)	-0.52%	(94.04)	14.18%	(237.82)	-52.90%	5.24	13.78%	(232.58)
JHS Svendgaard Retail Ventures Private Limited	-0.03%	(5.01)	-4.47%	74.96	Nil	-	-4.44%	74.96
JHS Svendgaard Warehouse and Mechanical Private Limited	-0.22%	(39.20)	0.04%	(0.59)	Nil	-	0.03%	(0.59)
Total	100%	18,029.94	100%	(1,677.53)	100.00%	(9.91)	100%	(1,687.44)

51A The subsidiary companies considered in the consolidated financial statements are:

Name of entity	Ownership interest held by the group		Ownership interest held by non-controlling interests	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	%	%	%	%
(i) JHS Svendgaard Brands Limited (Formerly Known as JHS Svendgaard Dental Care Limited)	42.68	42.68	57.32	57.32
(ii) JHS Mechanical and Warehousing Private Limited	99.99	99.99	0.01	0.01
(iii) JHS Svendgaard Retail Ventures Private Limited	99.82	99.82	0.18	0.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

52 Additional Regulatory Information

Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance
Current ratio (in times)	Total current assets	Total current liabilities	2.36	4.18	-43%
Debt-Equity ratio (in times)	Debt consist of borrowings & lease liabilities	Total equity	0.02	0.03	-39%
Debt Services Coverage ratio (in times)	Earning for debt service= Net profit after taxes+ Non - Cash operating expenses+ interest+other non-cash adjustments	Debt service = interest & lease payments + principal repayments	2.93	2.11	38%
Return on equity ratio (in %)	Profit for the year after tax less preference dividend	Average trade equity	-8.94%	-2.25%	298%
Inventory Turnover ratio (in times)	Cost of goods sold	Average inventory	5.12	5.10	Nil
Trade Receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	4.96	2.25	121%
Trade Payables turnover ratio (in times)	1093.97	Average trade payables	5.13	4.97	3%
Net Capital turnover ratio (in times)	Revenue from operations	Average working capital (total current assets less total current liabilities)	1.72	1.09	57%
Net profit ratio (in %)	Net profit after tax	Revenue from operations	-17.44%	-4.88%	257%
Return on Capital employed (in %)	Profit before tax & finance cost	Capital employed (total assets - current liab.)	-10.50%	0.74%	-1524%
Return on investment (in %)	Income generated from investment funds	Average invested funds in treasury investments	5.65%	4.32%	31%

Explanation for change in ratio by more then 25%

Current Ratio : Lower ratio on account of increase in trade payables & advances received from customers

Debt-Equity Ratio :

Debt-Equity Ratio : Lower ration on account of repayment of debt during the year

Return on Equity Ratio : Lower ratio on account of increase in loss during current year

Trade Receivable Turnover Ratio : Higher ratio on account of increase in debtor collection

Net Capital turnover Ratio : Higher ration on account of increased sales during the year and lower current ratio

Net Profit Ratio : Lower ratio on account of decrease in profit during current year

Return on Capital Employed : Lower ratio on account of increase in loss during current year

Return on Investment : Higher ratio on account of increase in interest earned during the year

53 Other statutory information

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory Period.
- The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2023

- (iv) The Group has not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or,
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Group has not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (vii) The Group has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (viii) during the year Group does not have any transactions with companies struck off .

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

For TATTVAM & Co.
Chartered Accountants
Firm Registration No.:015048N

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

Gaurav Saraf
Partner
Membership No.: 535309

Nikhil Nanda
Managing Director
DIN : 00051501

Mukul Pathak
Director
DIN : 00051534

Ashish Goel
Chief Financial Officer

Paramvir Singh Pabla
Chief Executive Officer

Place : New Delhi
Date : 30 May 2023

Komal Jha
Company Secretary

DEAR Members,

Invitation to attend the 19th Annual General Meeting on Thursday, 28th September, 2023 at 02:00 P.M. (IST)

Members are invited to attend the **19th Annual General Meeting** of the Company to be held **Thursday, 28th September, 2023 at 02:00 P.M. (IST)** through Video Conferencing/Other Audio Video Means (VC/OAVM). The notice convening the Annual General Meeting (AGM) is attached herewith. To enable ease of participation of the Members, the key details, and timelines with respect to AGM are provided below for your reference:

S.N.	Particulars	Details
1	Link for live webcast of the AGM	
2	Link for remote e-voting	
3	Helpline number for VC participation	
4	Cut-off date for e-voting	
5	Time period for remote e-voting	
6	Book Closure dates	
7	Link for members to temporarily update email address	
8	Last date for publishing results of the e-voting	
9	Registrar and Share Transfer Agent contact details	

NOTICE OF 19TH ANNUAL GENERAL MEETING

To

The Members,

NOTICE is hereby given to the members of JHS SVENDGAARD LABORATORIES LIMITED that the 19th Annual General Meeting ("AGM") of the Company will be held through Video Conferencing ("VC")/ Other Audio Visual Means (OAVM) on Thursday, 28th September, 2023 at 02:00 P.M IST, to transact the following business:

ORDINARY BUSINESSES:

1. Consideration and Adoption of the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2023 together with the reports of the board of directors and auditors' thereon

To consider, and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the audited standalone and consolidated financial statements of the Company comprising of the balance sheet as at March 31, 2023, the statement of profit and loss, cash flow statement and statement of equity, for the financial year ended on March 31, 2023, together with the notes thereto, report of the board of directors and auditors' report thereon, as circulated to the members and laid before the meeting, be and are hereby considered and adopted."

2. Re-appointment of Mr. Vinay Mittal (DIN: 08232559), as a Director liable to retire by rotation

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vinay Mittal (DIN: 08232559), Non-Executive Director, who retires by rotation at this Annual General Meeting and being eligible for such re-appointment, be and is hereby re-appointed as Non-Executive Director, liable to retire by rotation."

SPECIAL BUSINESSES:

ITEM NO. 3

Approval for Material Related Party Transactions between the Company and JHS Svendgaard Mechanical and Warehouse Private Limited, Subsidiary Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), including any amendment, modification, variation or re-enactment thereof and upon the recommendation/ approval of Audit Committee/ Board of Directors, the approval of members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) for entering into/ ratifying and/ or carrying out, contract(s) or agreement(s) or arrangement(s) or transaction(s) (whether individual transaction or transactions taken together or series of transactions or otherwise) with JHS Svendgaard Mechanical and Warehouse Private Limited, Subsidiary Company and a related party, as specified in the explanatory statement, whether by way of entering into new contract(s) / agreement(s) / arrangement(s) / transaction(s) or renewal(s) or continuation or extension(s) or modification(s) of earlier contract(s) / agreement(s) / arrangement(s)/ transaction(s) or otherwise on such terms and conditions as the Board may deem fit, for a period of one financial year i.e. from 2023-24, in excess of ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions powers herein conferred to, without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company or to any other person to do all such acts, deeds, matters and things as may be considered necessary or expedient and also to execute such documents, writings etc. as may be necessary to give effect to this resolution."

ITEM NO. 4:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT Mrs. Upma Chawdhry (DIN: 02333321), who was appointed as an Additional Director of the Company with effect from August 14, 2023, by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee and who holds office as such up to this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ("the Act") and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Director of the Company."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mrs. Upma Chawdhry (DIN: 02333321), who has submitted a declaration to the effect that she meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the LODR Regulations, and who is eligible for appointment, as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years from the original date of appointment i.e. August 14, 2023 upto August 13, 2028 and that she shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board or any duly constituted Committee of the Board, be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution."

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

Sd/-
Komal Jha
Company Secretary &
Compliance Officer

Date: August 14, 2023
Place: New Delhi

Registered Office:
Trilokpur Road kala Amb
Distt Sirmaur Himachal Pradesh-173030
Email- cs@svendgaard.com
Website: www.svendgaard.com
CIN: L74110HP2004PLC027558

NOTES:-

1. Pursuant to the General Circulars No.14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020, No.20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 2/2022 dated May 5, 2022 and No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') and Securities and Exchange Board of India (SEBI), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 (SEBI Circulars), physical attendance of the Members to the AGM venue is not required and this Annual General Meeting (AGM) is to be held through video conferencing (VC).

In compliance with the applicable provisions of the Companies Act, 2013 (the Act), the Listing Regulations and above referred Circulars, the 19th AGM of the Company is being held through VC/OAVM on Thursday, 28th September 2023.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the aforesaid MCA Circulars through VC mode, the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent by email through its registered email address to llpbcs@gmail.com with a copy marked to evoting@nsdl.co.in.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Information regarding particulars of the Director seeking re-appointment in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is annexed hereto as **Annexure "A"**.
6. The Notice of AGM is being sent to those members/beneficial owners whose name appear in the register of members/list of beneficiaries received from the depositories as on Friday, 25th August, 2023.
7. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participant (DP)/Company's Registrar and Transfer Agent (RTA). Members may note that the Notice of AGM and Annual Report 2022-23 will also be available on the Company's website at www.svendgaard.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of National Securities Depository Limited (NSDL) at <https://www.evoting.nsdl.com>. Also, a member is entitled to receive the hard copy of the same Via. writing us at cs@svendgaard.com.
8. Members are requested to update their KYC in their folio(s), register their email addresses, and bank account details for receipt of dividend etc. or may intimate any changes if required. The process of registering/changing the same is mentioned below:

In case, Physical Holding	Register/update the details in prescribed Form ISR-1 and other relevant forms with Company's Share Transfer Agent i.e. Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055 (Phone No. 011-42541955; Email: rta@alankit.com). The said forms and relevant provisions of SEBI circular (circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, as amended) are available on the Company's website at the link www.svendgaard.com . In the absence of any of the required documents in a folio, on or after October 1, 2023, the folio shall be frozen by the RTA. Intimation letters along with Business Reply Envelopes for furnishing the required details are being sent by the Company.
In case, Demat Holding	Please contact your DP and register email address and bank account details in your demat account, as per the process advised by your DP.

Members, who are holding shares in physical/electronic form and their e-mail addresses are not registered with the Company/their respective Depository Participants, are requested to register their e-mail addresses at the earliest for receiving the investor communications including Annual Report 2022-23 along with AGM Notice, by following the process referred above.

For temporary registration of email for the purpose of receiving of AGM Notice along with annual report for 2022-23, members may write to cs@svendgaard.com.

9. The Members can join the AGM in the VC 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
10. The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
12. Members who wish to claim Dividends, which remain unclaimed, are requested to contact Secretarial Department of the Company/Company's RTA.
13. 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.
14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or staying abroad or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for a long period. The statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified periodically.
15. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and other documents referred to in the Notice will be available electronically for inspection via a secured platform without any fee by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs@svendgaard.com.
16. The Board of directors of the Company has appointed Mr. Mohit Dahiya, Partner of M/s Dahiya & Associates, New Delhi as scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.
17. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall within 2 working days from the conclusion of the AGM shall submit a consolidated Scrutinizer's report of the total votes cast in favor of or against, if any, to the Chairman or any other person authorized by the Chairman, who shall countersign the same and declare the result of the voting forthwith.
18. The results along with Scrutinizer's Report, shall be displayed at the Registered Office and Corporate office of the Company and placed on the Company's website at www.svendgaard.com and the website of NSDL immediately after the result is declared. The results shall be simultaneously communicated to the Stock Exchanges where the securities of the Company are listed. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.
19. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

The remote e-voting period begins on Monday, 25th September, 2023 at 09:00 A.M. and ends on Wednesday, 27th September, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 21st September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, 21st September, 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

	NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders holding securities in demat mode with CDSL	- Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. - After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. - If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration - Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - 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'.
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- 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.
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- 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.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to llpbcs@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members who need assistance before or during the AGM and e-voting user manual for Members available on the website www.evoting.nsdl.com under the 'Downloads Section'. You can also contact NSDL on toll free number 1800-1020-990 and 1800 22 44 30 or Ms. Sarita Mote, Assistant Manager, NSDL, at designated e-mail IDs: evoting@nsdl.co.in, who will address the grievances related to electronic voting.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@svendgaard.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@svendgaard.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
5. Members who would like to express their views or ask questions with respect to the agenda items of the meeting will be required to register themselves as speaker by sending e-mail at cs@svendgaard.com from their registered e-mail address, mentioning their name, DP ID & Client ID / folio number and mobile number. Only those Members who have registered themselves as speaker on or before September 20, 2023 will be able to speak at the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time, for smooth conduct of the AGM.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM 3

The members of the Company are hereby apprised that the Securities and Exchange Board of India ('SEBI'), vide its notification dated November 09, 2021, has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). As per the new threshold, all related party transactions in excess of Rs. 1000 crores (Rupees One thousand crores) or 10% (ten per cent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity shall be deemed to be Material Related Party Transaction and shall require prior approval of members a listed entity.

Such approval shall be required even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis.

It is also informed to the members that JHS Svendgaard Laboratories Limited is into the business of manufacturing and selling of Oral Care products, namely Toothbrushes, Toothpaste and Mouthwash for leading Oral Care brands in India and in the international market and has been in the business since 1997 and is listed on the National Stock Exchange and Bombay Stock Exchange of India since 2006. The state-of-the-

art manufacturing units are located out of Trilokpur Road, Kheri -Kala-Amb, Dist. Sirmaur, Tehsil Nahan, Himachal Pradesh, India. The company has also been awarded with following accolades apart from various others, as below:

- The top exporter award in Toothbrush category from the Plastics Export Promotion Council, Ministry of Commerce and Industry, Government of India, for 5 years in a row starting from 2003-04.
- The second largest exporter of the year award for FY 2017-18 & FY 2018-19 from PLEX Council promoted by the Ministry of Commerce, Government of India.
- The company has been recognized as a Star Export House by Ministry of Commerce, Govt. of India.

On the other hand, JHS Svendgaard Mechanical AND Warehouse Private Limited (a subsidiary company of JHS Svendgaard Laboratories Limited) is a private unlisted company having its registered office at 1/E-23, Mohan Co-operative Industrial Area, Mathura Road New Delhi-110044. The company is majorly engaged in Manufacturing (Machinery & Equipments) business from last 16 years and currently, company operations are active.

For supporting the day to day business activities, both the Companies enters into following transactions so that the synergy benefits can be availed by way of optimal utilization of resources:

- a) Cross selling of products
- b) Sub-contracting
- c) Leasing of Immovable property
- d) Cost sharing Agreements
- e) Loan/corporate guarantee

Since, such transactions is likely to exceed the threshold limit of 10% during the FY 2023-24, therefore the approval of members is being sought as required under Regulation 23 of the Listing Regulations.

The details of such transactions are provided below:

Name of Related Party and Relation ship	Transaction Type	Pricing Criteria	Maximum amount of transaction for which approval is sought	Period of transaction	Transaction carried out from 01/04/22 to 31/03/2023	Transaction carried during FY 2021-22
JHS Svendgaard Mechanical and Warehouse Private Limited (Subsidiary Company)	Cross selling of products	As per the prevailing market price or as may be approved by the Audit Committee and Board from time to time	Rs. 10,000 Lakhs	Financial Year i.e. 2023-24	-	-
	Sub-contracting		Rs. 10,000 Lakhs		-	-
	Leasing of Immovable property		Rs. 75 Lakhs		-	-
	Cost sharing Agreements		Rs. 5,000 Lakhs		-	-
	Loan/corporate guarantee		Rs. 20,000 Lakhs		50,000	13,19,52,453

Further, additional details as per SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 in relation to proposed loan transaction, as referred in above table, are provided below:

Details of the source of funds in connection with the proposed transaction	Is there any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments? If yes, please also provide: * nature of indebtedness * cost of funds * Tenure	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT
Internal Accruals	No	NA	NA

Notes:

1. Taxes, if any, in relation to the above transactions shall be paid on actual basis
2. Partwise interchange in the limit of related party transactions is allowed subjected to maximum approved limit.
3. All such related party transactions entered by the Company are related to the day to day business operations of the Company and essential for its activities and of the Company.
4. So far as pricing is concerned, all the transactions meets the arm's length criteria.

Justification for entering into the transactions:

1. JSMWPL is engaged into similar line of the business and therefore in order to have benefit of operational synergies, the Company enters into related party transaction with it in the ordinary course of business and arms-length basis.
2. For supporting the day to day business activities, Subsidiary Companies of the Company enters into various transactions so that the synergy benefits can be availed by way of optimal utilization of resources.
3. Transacting with a subsidiary can result in cost savings, especially if the subsidiary offers goods or services at a competitive price
4. Working with a subsidiary can provide better control over certain risks or ensure compliance with industry-specific regulations.
5. Structuring transactions with subsidiaries can be done to optimize tax benefits or manage transfer pricing effectively.

The Company has a robust and well-defined structured governance process with respect to related party transactions. The Internal Auditor of the Company are responsible for regular monitoring of such related party transactions including the pricing criteria, arms' length relationship etc. with requisite reporting to the Audit Committee, which further reviews the same. In case if valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction, the same will be made available through the registered email address of the shareholders.

It is also pertinent to note that the Audit Committee, on the basis of information provided hereinabove, has recommended the said related party transactions. Further, in case of any material modification in the aforementioned related party transactions, the approval of members of the Company shall be taken in accordance with "Policy on Related Party Transactions" of the Company and the Listing Regulations.

Accordingly, the Board recommends the resolution at Item no. 3 to be passed as an Ordinary Resolution.

Except, Mr. Nikhil Nanda, Managing Director of the Company and his relatives (to the extent of their shareholding in the Company), none of the Director and Key Managerial Personnel and their relatives are deemed to be concerned or interested, financially or otherwise, in the resolution at Item no. 3 of the accompanying notice.

The Members may please note that in terms of the provisions of the Listing Regulations, all the related party(ies) shall abstain from voting in favour of the resolutions under Item No. 3.

ITEM 4

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, had approved the appointment of Mrs. Upma Chawdhry (DIN: 02333321) as an Additional Director, designated as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from August 14, 2023.

In accordance with the provisions of Section 149 read with Schedule IV to the Act and applicable provisions of the Act, appointment of Mrs. Upma Chawdhry as an Independent Director requires approval of Members of the Company. Further, in terms of Regulation 25(2A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), appointment of Ms. Upma Chawdhry as an Independent Director requires approval of Members of the Company by passing a special resolution. Mrs. Upma Chawdhry is qualified to be appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has also received declaration from Mrs. Upma Chawdhry that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and the Listing Regulations and that she is not debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India ("SEBI") or any such authority.

The Company has also received notice under Section 160 of the Act from a Member proposing the candidature of Mrs. Upma Chawdhry for the office of a Director of the Company. In the opinion of the Board, Mrs. Upma Chawdhry fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mrs. Upma Chawdhry is independent of the management and possesses appropriate skills, experience, knowledge and capabilities required for the role of Independent Director.

Mrs. Upma Chawdhry is an award-winning civil servant with more than three decades of leadership experience from grassroots implementation to policy formulation at levels of both Government of India (Federal) and the State Government (Provincial). A career officer of the premiere Indian Administrative Service (IAS), she has held diverse and extensive responsibilities. She was on the Board of several public sector undertakings (PSUs).

She meets the following skills and capabilities required for the role as an Independent Director, as have been identified by the Board of Directors of the Company:

- a) Leadership experience of running large enterprise.
- b) Experience in leading well-governed large organizations, with an understanding of organizational systems.
- c) Experience in handling management and regulatory environment strategic planning and risk management.
- d) Understanding of emerging local and global trends and management of accountability and performance.

In view of these, appointment of Mrs. Upma Chawdhry as an Independent Director is in the interest of the Company.

Details of Ms. Upma Chawdhry, pursuant to the provisions of (i) the Listing Regulations; and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, are provided in the "Annexure" to the Notice. She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof and meeting(s) of Independent Directors or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings, if any, within the limits stipulated under Section 197 of the Act.

Copy of letter of appointment of Mrs. Upma Chawdhry setting out the terms and conditions of appointment is available for inspection by the Members electronically. Members seeking to inspect the same can send an e-mail to cs@svendgaard.com

Save and except Mrs. Upma Chawdhry, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the Members.

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

**Sd/-
Komal Jha
Company Secretary &
Compliance Officer**

**Date: August 14, 2023
Place: New Delhi**

ANNEXURE A

PURSUANT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, THE FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED:

Name of Director	Mr. Vinay Mittal	Mrs. Upma Chawdhry
DIN	08232559	02333321
Designation	Non-Executive Non Independent Director	Independent Director
Date of Birth	20 th June 1953	28 th September 1959
Date of first appointment on the Board	27 th May, 2022	14 th August, 2023
Terms and Conditions of appointment / re-appointment	Mr. Vinay Mittal (DIN: 08232559), the Non-Executive Non-Independent Director of the Company is liable to retire by rotation and being eligible, has offered himself for re-appointment.	As detailed in resolution read with explanatory statement thereto
Brief Resume	Mr. Vinay Mittal did Bachelors in English Literature from St. Stephen's College, Delhi University. In 1973, he enrolled into Faculty of Law, Delhi University for two years of Law degree. He then joined Indian Railways Traffic Service in 1975 and where he remained in the service for good 35 years. Mr. Mittal retired as chairman of Railway Board in 2013 and joined Union Public Service Commission as member till 2018.	Mrs. Upma Chawdhry is an award-winning civil servant with more than three decades of leadership experience from grassroots implementation to policy formulation at levels of both Government of India (Federal) and the State Government (Provincial). A career officer of the premiere Indian Administrative Service (IAS), she has held diverse and extensive responsibilities
Expertise in specific Functional Area	Leadership, Management & Governance	leadership experience, grassroots implementation to policy
Qualifications	B.A(English) Bachelor of Law	1. B.A. Honours (English) 2. M.A. (English) 3. M.B.A. (Business Admn.)
Inter se relationship with other Directors and KMPs of the Company	He/She is not related with the Other Director/ KMPs of the Company	
Name of listed entities from which the person has resigned in the past three years	NIL	
Directorships held in other companies (excluding foreign companies)	1. JHS Svendgaard Brands Limited 2. Bharat Cosmetics and Personal Care Limited	NIL
Shareholding in the Company directly or as beneficial holder	NIL	
Details of remuneration last drawn	NIL	NIL
Details of remuneration sought to be paid	He/ She is not entitled for any remuneration apart for receipt of sitting fee for attending the Board/ Committee meetings	
No. of meetings of the Board attended during the year	5	NIL
Listed entities from which the person has resigned in the past three years	NIL	

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

Sd/-
Komal Jha
Company Secretary & Compliance Officer

Date: August 14, 2023
Place: New Delhi



JHS SVENDGAARD LABORATORIES LIMITED

Registered Office:

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

Corporate Office:

B-1/E-23, Mohan Co-operative Industrial Area,
Mathura Road, New Delhi- 110 044

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